

IJGlobal Awards 2021 – MENA Deal Winners

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The infrastructure and energy community from around the Middle East and North Africa congregated last night for IJGlobal Awards 2021 to recognise deals closed across the MENA region over the last calendar year.

IJGlobal pulled together a record-breaking audience for the awards – no mean feat given the continuing pandemic – to celebrate successes from around the region in the greenfield and refinancing space.

There was a huge response to the IJGlobal call for submissions to the 2021 awards and this is reflected in an impressive line-up of winners across a good spread of categories (as can be seen below).

An all-encompassing group of industry professionals gathered yesterday evening at The Mandarin Oriental Hotel in Dubai to hear the results of the Company awards – which are judged by the MENA judging panel – and that deal awards which are judged by the IJGlobal editorial team.

IJGlobal is always keen to draw reference to the independent nature of our judging process for the Company awards, and the panel of local industry experts [can be accessed here...](#)

We believe that IJGlobal Awards are the single most peer review trophies to be presented in the infrastructure and energy space and winning one of our accolades carries more weight as a result.

Congratulations to all the winners and the shortlisted organisations for having delivered such an impressive array of awards across the MENA region.

IJGlobal MENA Deal Winners

IJGlobal Export Finance Winner

Al Warsan 2 Waste-to-Energy, Dubai

Market firsts are always a shoo-in for awards, as are projects that are described as “the world’s biggest”. However, when it comes to judging IJGlobal Awards... market firsts come way ahead in priority than scale alone. Al Warsan 2 is the



first energy-from-waste (EfW) project to be built in Dubai and – at the time – the world’s largest, processing 1.9 million tonnes of municipal waste from the region annually. It is located in the municipality of Warsan and costs \$1.2 billion to build. It was originally awarded by Dubai Municipality to a consortium of BESIX Group and Hitachi Zosen Inova, to build and operate the EfW project for 30 years in January 2018. The sponsors brought Itochu on board as a third partner in the project SPV later in 2018. The 3 sponsors raised debt of \$927 million for the project. BESIX and Hitachi manage the O&M contract for the lifespan of the contract while Dubai Electricity & Water Authority will be the offtaker to the 194MW of power output. The Warsan project is a breakthrough project for the Government of Dubai in terms of PPP procurement as it is the first major PPP project procured outside of the IPP sector. This successful financing should open the door to a plethora of new PPP projects and initiatives in emirate.

However, this award – quite apart from excelling on so many levels – is granted based on the export finance element. The project financing includes debt coverage from Nippon Export and Investment Insurance for most of the commercial tranche. In addition to this, half of the debt was provided by lead arranger Japan Bank for International Cooperation (JBIC) – its first ever WtE project.

IJGlobal Power Deal of the Year

Tanjib Co-Generation Power Plant, Saudi Arabia

This was an impressive deal that was won by a Marubeni-led consortium to deliver a seawater desalination plant with a net capacity of around 940MW of electricity generation, steam output of 1,084 tons per hour, and a desalinated water output of 19,470 cubic meters per day. Projects like this are key for the continued evolution of the Saudi Arabian market and this one showcases how the kingdom can attract international competition as Marubeni won out over teams that included Engie (France), ACWA Power (KSA) and GIC (Kuwait), and KEPCO (Korea) and Al Jumaih (KSA). This transaction stands out on numerous levels, having closed with around \$850 million of long-term project finance debt and being a key piece of infrastructure for Saudi Aramco to operate a new strategic gas plant and oil facility. This project contributes to the reduction of CO2 by way of utilising the heat from the plant to generate the steam, which means overall energy efficiency is improved and the usage of natural gas is minimised. The project proved unusually challenging and complex in that although the initial tender was successful, the actual tender award was delayed due to low oil prices at the time which led to deferment of Tanajib Gas Plant. When the project was reactivated, it needed to be restructured and the economics further negotiated to accommodate for delay costs, new implementation schedule, technical adjustments, the impact of Covid pandemic, tax law changes, and changes in the environmental approval process. In particular, the EPC related elements of the transaction were significantly impacted due to changes in the construction scope and timeline as well as the impact of Covid on costs. The project also had to accommodate material recent changes in KSA taxation including the introduction of RETT and changes in VAT as well as Customs Duties. These changes in the tax regime resulted in uncertainties which were mitigated via a combination of substantial contingent funding – around \$225 million – and crafted risk allocation for tax recovery events.

IJGlobal Oil & Gas Deal of the Year

Aramco Oil Pipelines Company, Saudi Arabia

A landmark and highly-complex transaction this deal was one of the world’s largest energy infrastructure transactions to have made it over the line in 2021. It sets a new benchmark for infrastructure transactions both regionally and internationally. The EIG-led co-investment process in Aramco Oil Pipelines attracted a global group of leading institutional investors from China, the Kingdom of Saudi Arabia, Korea, the United Arab Emirates and the US including – among others – Mubadala Investment Company, an Abu Dhabi Sovereign Investor, Silk Road Fund, Hassana and Samsung Asset Management. The newly-formed entity, Aramco Oil Pipelines Company, will lease usage rights of Aramco’s stabilised crude oil pipeline network over 25-year period. The transaction reflects the ongoing progress in Aramco’s portfolio

optimisation programme, which aims to unlock value and maximize shareholder returns. The significant injection of foreign capital from this transaction reinforces Aramco's leading position in the international energy arena and Saudi Arabia's appeal to prominent institutional investors globally.

IJGlobal Hybrid Energy Deal of the Year

Jazan IGCC Power Plant Acquisition, Saudi Arabia

Sponsored by Air Products and Chemicals (AP), International Company for Water and Power Projects (ACWA), together with Saudi Aramco as sponsors on the \$12 billion project – \$7.3 billion debt, \$4.8 billion equity – will see Jazan Integrated Gasification and Power Company (JIGPC) acquire mechanically complete assets from Saudi Aramco. JIGPC will own and operate the acquired assets to process vacuum bottom oil (VBO) produced by an adjacent Saudi Aramco refinery and gasify it to create syngas fuel. Syngas will then be fired in JIGPC's power generation facilities to generate 3,800MW of power. Power will be consumed internally by JIGPC, by the adjacent refinery, and 2,400MW will be purchased by Saudi Aramco for onward use by the Saudi electricity grid. Additionally, JIGPC will produce hydrogen, steam and utilities which will be utilized in the adjacent refinery.

This transaction represents an unparalleled partnership among global leading entities, with Saudi Aramco as the world's largest integrated O&G company providing unrivalled experience across the energy value chain, AP as a world-leading industrial gases company in operation for over 75 years with operations in 50 countries providing deep gasification knowledge, and ACWA as a leading developer of power generation and desalinated water production plants with more than 30GW of power and 3 million m³ /day of desalinated water assets providing unmatched power expertise.

IJGlobal Petrochemicals Deal of the Year

Sadara Chemical Project Restructure, Saudi Arabia

This transaction saw Saudi Aramco restructure the existing commercial agreements with its JV partner – The Dow Chemical Company – for the \$20 billion Sadara Chemical Project... the world's largest chemical complex ever built in a single phase. Saudi Aramco, through its 70%-owned affiliate Saudi Basic Industries Corporation (SABIC), acquired equal rights to market Sadara's products alongside Dow on an accelerated timeline when compared to the original JV arrangements in return for further preferential feedstock terms.

Given the sheer size of Sadara, and its extensive product slate, this transaction is a massive boost to Saudi Aramco's chemical portfolio and in line with its overall downstream strategy. Sadara is also the first project for which Saudi Aramco is using the SABIC channel to market and lift products. In conjunction with the restructure of existing commercial agreements, it involved the restructure of Sadara's debt. Saudi Aramco and Dow have agreed to guarantee up to an aggregate of \$3.7 billion of senior debt principal in proportion to their ownership interests in Sadara. The terms of the restructure include a principal repayment grace period until 2026 and an extension of the final maturity date from 2029 to 2038, in connection with all the facilities.

IJGlobal Social Infrastructure Deal of the Year

Schools Wave 1, Saudi Arabia

The Saudi Schools Wave 1 project wins the social infra deal of the year, recognising an innovative deal in the kingdom that will have true legacy. It involves the design, build, finance, maintain and transfer of 60 schools in Jeddah and Mecca and was tendered by the Tatweer Building Company (TBC) in 2019. Over the course of 2020, the consortium of Ajyad

Knowledge Company for Education & Training and Al Bawani Company worked on the development and financing, alongside the Ministry of Education of KSA to hit financial close in February.

This is the first social infra PPP in Saudi Arabia and one of the first education PPP projects in the Middle East. Schools Wave 1 includes a bespoke risk allocation and is a key pathfinder project for the National Center for Privatization & PPP's programme of projects in the kingdom as well as other regional procurers in the space. At 60 public schools, it is one of the largest single PPP procurements in the education sector globally and will accommodate more than 50,000 students of various educational levels: elementary, intermediate and secondary. They will be operational within 3 years. The project contributes to the implementation of education sector development strategies which is one of the pillars of achieving the Kingdom's 2030 vision.

IJGlobal Transport Deal of the Year

Sixth October Dry Port, Egypt

The Sixth of October Dry Port Project (DP6) is the first PPP in this sector and will finance the first inland dry port in Egypt, providing support to the existing port infrastructure and logistics market while also contributing to the realisation of logistics efficiency gains. Many seaports are increasingly suffering from congestion, insufficient hinterland connections and lack of space for expansion. It therefore becomes increasingly important to guarantee a smooth flow of cargo through the ports and decongest the seaport areas and realise logistics efficiency gains. DP6 will function as an extended gateway for the deep-sea ports in the northern and eastern regions of Egypt, guaranteeing a smooth flow of cargo through the ports by decongesting the seaport areas and supporting the overall economic growth of the country.

DP6 will serve as the final destination for cargo and will provide efficient customs inspections and clearance procedures; reduce congestion in the seaports; create economies of scale by using intermodal rail services to/from the seaports; and improve the overall reliability and cost-efficiency of the logistics processes of the dry port's future clients. Additionally, the project is expected to transfer part of container traffic from road to rail, boosting social, environmental and economic benefits such as reduced road congestion, accidents and environmental emissions. In particular, the project will lead to significant GHG savings and air pollutants reductions.

Furthermore, this investment is Sixth of October City's trigger investment that formally initiates the city's participation in the EBRD Green Cities Programme and allows for the start of the Green Cities Action Plan (GCAP) – supporting the city to develop a GCAP that will identify its priority environmental challenges, identify strategic objectives, and propose priority actions and green investments it can pursue. The GCAP will also include assessment to help the city address gender challenges.

The government has ambitions to develop multiple future dry ports and the success of this project will promote much-needed private sector participation.

IJGlobal Water Deal of the Year

Jubail 3B Desalination, Saudi Arabia

Few projects can exemplify Saudi Water Partnership Company's (SWPC) water sector revolution better than the splitting of Jubail IWPP into 2, the second of which – Jubail 3B – has been brought to financial close by an Engie-led team in October 2021. The sponsors signed off on a \$550 million soft mini-perm, starting at 125bp over Libor – but the debt pricing rose during the financing process as oil prices fell in 2020, causing a liquidity crisis in the kingdom. Jubail 3B will include a 60MW capacity solar power plant to reduce its reliance on the national grid. Meanwhile, the 570,000 cubic metres per day (m3pd) reverse osmosis desalination plant will serve Riyadh and Qassim with potable water. In addition, it will include one-day storage facilities and 380kV Electrical Special Facilities with around 59km of overhead transmission

lines (OHL).

IJGlobal Renewables Deal of the Year

Sudair Solar PV, Saudi Arabia

The greenfield development and financing of the 1,500MW solar PV plant stands out for numerous reasons, not least that it is the first of the Kingdom of Saudi Arabia's ambitious renewable energy programme, of which 70% of the capacity is mandated to be developed by the Public Investment Fund (PIF). PIF selected ACWA Power as its strategic partner for the programme, with it taking lead as the managing and technical member of the consortium. The consortium sponsors consist of ACWA Power, Badeel (a PIF-owned entity for power and water investments) and Saudi Aramco (through its subsidiary Saudi Aramco Power Company). The project is being developed on a BOO basis with a bespoke implementation schedule where 1,500MW of capacity will be brought online in phases with the first phase expected to achieve commercial operations in Q4 2022, and final COD targeted for Q4 2024. The PPA has a tenor of 25 years post COD and the project achieved financial close in July.

Sudair IPP will be the largest renewable energy project in KSA to date and one of the largest single-site PV projects in the world. The PPA with the offtaker – Saudi Power Procurement Company (SPPC) – was signed with the tariff being among the lowest for solar PV globally. Using bi-facial modules with tracking technology, the plant is set to deliver efficient performance and be capable of powering 185,000 homes, while offsetting nearly 2.9 million tons of emissions per year.

IJGlobal Telecoms Deal of the Year

Yahsat Satellite Refinance, UAE

The \$700.5 million hybrid financing for the refinancing of Yahsat's existing project finance debt and the financing of the construction by Airbus Defence and Space of Thuraya-4 NGS satellite wins the MENA telecoms deal of the year. Al Yah Satellite Communications Company (Yahsat) is a public company listed on Abu Dhabi Securities Exchange and subsidiary of Mubadala Investment Company, offering multi-mission satellite services in more than 150 countries across Europe, the Middle East, Africa, South America, Asia and Australasia. Yahsat appointed Natixis to act as export credit agency (ECA) structuring bank, MLA, ECA agent, global agent and security agent for the hybrid financing to buy out existing PF debt and financing the construction contract of the Thuraya-4 NGS satellite. Thuraya-4 is being constructed by Airbus Defence and Space and is intended in 2024 to replace Thuraya 2, an existing dual use satellite which is reaching its end-of-life. The construction contract will be funded via a long-term ECA-covered facility and equity. The \$300.5 million facility is covered at 95% by Bpifrance Assurance Export, and associated to a reinsurance scheme from the UK Export Finance (UKEF) and Euler Hermes. The financing team had to accommodate Yahsat's strict timeline for refinancing ahead of the planned IPO which needed a bespoke structured solution to accommodate ECA requirements and challenging timeline. The transaction was closed within 3 months.

IJGlobal Refinance Deal of the Year

Riyadh PP11 Refinance, Saudi Arabia

The project debt on the 1.73GW PP11 combined cycle gas-fired IPP plant was refinanced in a \$1.2 billion deal to match the tenor to the March 2033-end date of the PPA. The sponsors originally brought PP11 to financial close in 2010 on the back of \$1.55 billion of debt. Saudi Electricity Company (SEC) and Engie are the main sponsors of the asset, and previously signed off on a \$1.14 billion refi in March 2016. However, this last deal only slightly lengthened the tenor and only parts of the debt were brought down to 150bp over Libor. This new refi is understood to have reduced all debt

pricing to 150bp and under. The tenor of the debt now matches the PPA which runs to March 2033. PP11 was commissioned in 2013 in Dhuruma, about 80km west of the Saudi capital city of Riyadh.

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