

WHO ENGINEERED

THE TRANSFER OF POWER IN IRAQ?



The As Samawah Power Plant in Iraq was a complex project involving multiple stakeholders across multi-national boundaries and incorporated significant concurrent structuring, financial and engineering challenges.

The requirement was to give specialist financial and structuring advice to the Ministry of Electricity as well as design and then deliver a fully operational power plant.

CASE STUDY: TURN-KEY POWER PLANT AS SAMAWAH IRAQ

PROJECT OVERVIEW

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BUSINESS CHALLENGE

- Uncertain legal framework
- Corruption and Security
- Poor nature of fuel and existing Iraqi infrastructure
- Absence of engineering data
- Weather and extreme summer temperatures
- Transport and logistics
- Provision of gas supply
- Domestic ministerial and international agencies interference
- Ministry of Electricity Baghdad-centric bureaucracy
- Lack of residual expertise and local specialist training

DELIVERABLES

- Manage International Open Tender and Competitive RFP Process
- Turn-key contractual project from inception to commercialisation
- Negotiate price subject to survey and formal tender
- Negotiate Contract documentation
- Negotiate agreed lines of responsibility
- Implement a Binding Build Operate and Transfer Contract
- Use of irrevocable letters of credit
- Negotiate Agreed Schedule of Works
- Negotiate timetable and milestones
- Detail event-driven Payment Schedule

THE AS SAMAWAH POWER PLANT IN IRAQ WAS A COMPLEX PROJECT INVOLVING MULTIPLE STAKEHOLDERS ACROSS MULTI-NATIONAL BOUNDARIES AND INCORPORATED SIGNIFICANT CONCURRENT STRUCTURING, FINANCIAL AND ENGINEERING CHALLENGES. THE REQUIREMENT WAS TO GIVE SPECIALIST FINANCIAL AND STRUCTURING ADVICE TO THE MINISTRY OF ELECTRICITY AS WELL AS DESIGN AND THEN DELIVER A FULLY OPERATIONAL POWER PLANT.



SOLUTIONS

OUR TEAM'S ROLE IN ADVISORY AND PROJECT FINANCE SERVICES

- Specialist financial and structuring advice to the Ministry of Electricity
- Operated through the complex political framework (domestic administration, international coalition partners and international agencies)
- Feasibility studies for interconnect agreements with neighbouring states
- Feasibility studies for plant types, fuel types, grid balance and appropriate asset allocation
- Project modelling and cash flow sensitivity analysis
- Analysis of optimal participation options (BoT, Management Contract, Leasing etc)

OUR TEAM'S ROLE IN CONSULTING SERVICES

- Deployment of a full-time experienced in-country team
- Project Management in Engineering
- Appointment and management of Specialist sub-contractors throughout the transaction
- Delivered end-to-end project oversight and management
- Integrated project design with local partners
- Complete turn-key contract management

THE RESULT

- Project Design
- Negotiated optimal structure and financing
- Delivered a complete financial solution from inception to completion
- Integrated all commercial and financial outputs
- Delivered realistic and actionable financial recommendations, contract documentation, scope of works and timetables for transaction. This was done in parallel with advisory support of national stakeholders

PROJECT DELIVERY

- Only new build project to come to commercialisation in Southern Iraq in 2005/2006
- Managed a transparent RFP and Tender Process for Contractors
- Extensive Negotiations with Ministry of Electricity
- Significant explorative engineering
- On-site design engineering and complete design of a facility
- Equipment Acquisition using worldwide network of procurement agents
- Structured management, training and supervision of local personnel

DELIVERED REALISTIC AND ACTIONABLE FINANCIAL RECOMMENDATIONS, CONTRACT DOCUMENTATION, SCOPE OF WORKS AND TIMETABLES FOR TRANSACTION. THIS WAS DONE IN PARALLEL WITH ADVISORY SUPPORT OF NATIONAL STAKEHOLDERS



ORYX PROJECTS LIMITED

DUBAI

OFFICE 508, THE FAIRMONT, SHEIK ZAYED ROAD,
DUBAI UAE

