



IDENTIFICATION OF COMMERCIAL OPPORTUNITIES FOR DANISH SOLUTIONS WITHIN THE PORTUGUESE URBAN WATER CYCLE

MARKET STRUCTURE

In the Portuguese market the responsibility for the provision of the water and wastewater services is, in general, divided as it follows:

- The municipalities are responsible for the provision of the retail services¹ (via the municipal systems);
- The central government is responsible for operating and managing the bulk water and wastewater services² (via the multimunicipal regional systems).

There are however a few exceptions to this division. This is e.g. the case for Lisbon, where a state owned company is in charge of the water service (EPAL). Additionally, in some municipalities, the responsibility for both the bulk and the retail services is municipal.

There are 14 companies providing bulk water and wastewater services, out of which 11 are publicly owned enterprises (and 10 are owned by the AdP Group³). The private groups AGS and Aquapor own the three private companies delivering bulk services.

In the retail services, there is wider dispersion of operators, comprehending e.g. the municipalities themselves (191), concessions granted to private companies (30), delegations in municipal and intermunicipal companies (27), etc.

When delivering water and wastewater services, the central government and the municipalities may choose between three different management models: direct management, delegation (in house delegation, delegating the service in e.g. public companies) and concession (i.e. with the participation of private operators).

Overall, the water sector is a sector with great prevalence of public companies/providers, where the private sector provides services to only 20% of the population. The public shareholding company AdP serves 90% of the Portuguese municipalities (approx. 8 M inhabitants).

Relevant Players

AdP - Aguas de Portugal, SGPS, S.A.

AdP is the largest urban water services group in Portugal. AdP is a public share holding company that, through its subsidiaries, manages the urban water cycle by operating several water supply and wastewater treatment systems, bulk and retail.

AdP has 15 subsidiaries, 12 of which manage water supply and wastewater treatment services (mostly bulk services). The share of AdP in the retail services is however increasing via emerging public-public partnerships between AdP and the municipalities served by the public holding.

¹ Retail services comprehend the provision of water to the end-user and the collection of wastewater.

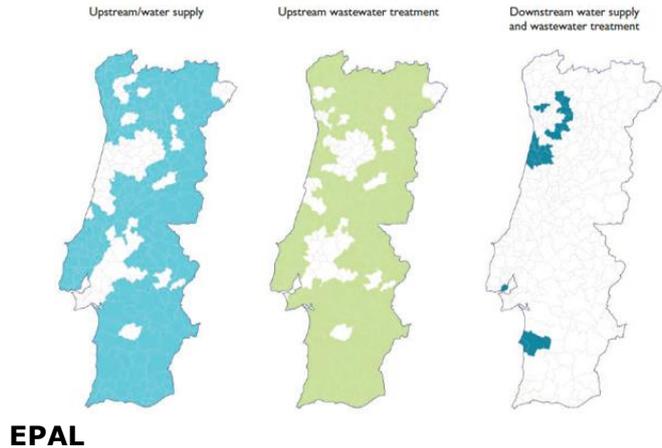
² Bulk services comprehend the water abstraction and treatment, the transport of water to the retail systems, and the treatment and disposal of wastewater.

³ These 10 companies are multimunicipal water and wastewater companies, i.e. partnerships between AdP and the municipalities.

Corporate Structure



Geographical regions served by AdP



EPAL is 100% AdP-owned. EPAL comprises two distinct activities: supply of bulk water to several municipalities (17 clients, in the region of Lisbon) and the provision of retail services to the municipality of Lisbon (350,000 client households).

EPAL mission includes managing and operating the water and wastewater systems in Lisbon and managing the multimunicipal system of Lisbon and Vale do Tejo. EPAL is also responsible for the construction acquisition, maintenance and renovation of the water and wastewater infrastructures and for the control of the water and wastewater quality parameters.

Private companies delivering water and wastewater services

AGS Group (belonging to the Japanese Marubeni Group)

AQUAPOR (100% Portuguese owned)

INDAQUA Group (Miya Group)

FCC/Aqualia Group

Be Water, SA (Beijing Water)

Ministry of Environment and Energy Transition

The Ministry of Environment and Energy Transition is responsible for formulating, executing and evaluating the public policies in the area of environment and water, land planning, cities, urban mobility, climate, nature conservation, and energy. The Ministry of Environment and Energy Transition is also responsible for the management of the Environment Fund, a financing instrument that can be used to leverage the investments in environment and water cycle.

Portuguese Environment Agency

The Portuguese Environment Agency (APA) is the regulatory body for the environment sector. APA is also the Portuguese Water Authority, with the responsibility of developing and implementing the river basin management plans, and for issuing licenses for water abstraction and for wastewater rejection.

APA proposes, develops and monitors the public policies for the environment and for sustainable development.

Urban Water and Wastes Services Regulator ERSAR

ERSAR is the water supply, wastewater and urban solid wastes regulatory agency in Portugal.

The mission of ERSAR is to regulate and supervise the drinking water supply, urban wastewater management and urban waste management services providers. ERASR is also responsible for coordinating and supervising the rules applicable to drinking water quality.