

International Call for Expression of Interest for any economic operator wishing to provide an international short sea shipping service between the Guiana Shield and the Caribbean



Deadline for submission of applications:

31/12/2019 at 6 pm (Paris)

This document specifies the objectives and content of the Call for Expression of Interest (CEI). A summary presentation of the project for a new inter-regional short sea shipping service is attached. Additional elements can be consulted under the conditions specified in article 2.7 of this document.

1 OBJECT OF THE CEI: TO IMPLEMENT A NEW INTER-REGIONAL SHORT SEA SHIPPING SERVICE TO DEVELOP TRADE IN THE AREA

1.1 CONTEXT: AN OPPORTUNITY CONFIRMED BY AN IN-DEPTH STUDY

Trade between neighboring countries on the Guiana Shield (Pará and Amapá States in Brazil, French Guiana, Suriname and Guyana), as well as with the French West Indies (Martinique and Guadeloupe), is currently low compared to the trade between these territories and their historic partners across the Atlantic. There are several reasons for this situation, including a current shipping supply that is unsuitable for this non-containerized interregional trade.

The GPM-Guyane (Port Authority in French Guiana) and its partners, with the aim of developing these commercial exchanges, have launched an economic, technical and legal feasibility study of a Short Sea Shipping (SSS) solution for this area. This study, conducted in 2017 and co-financed by the Interreg Amazon Cooperation Program (PCIA), allowed:

- **The identification of a potential market of about 100,000 T per year** consisting of small lots of various goods (frozen, fresh or processed agrifood, building materials, consumer goods), transported in pallets, big bag, conventional, or bulk;
- The **definition of an adapted maritime transport service**: 20-day loop of a 110-m multipurpose rigged ship, calling at all the territories of the perimeter, bringing a complementary offer to the existing maritime services;
- The **validation of the economic feasibility**: viability of the service with a filling rate higher than 50% while offering attractive prices compared to the market;
- The **validation of the legal feasibility**: to carry out the planned loop, obligation of a European flag operator (to ensure the maritime transport of goods between the ports located in the territories of the European Union) or within the framework of an international consortium of which one member would be European (current regulation of European cabotage)¹.

In addition, a study conducted in 2018 by the IDB confirmed and reinforced the state of play²:

- Container is not adapted to small volumes of local actors;
- A lack of loops that call at the ports of the region in the south-north direction;
- Strong regulatory and customs constraints;
- The intra-regional Eastern Caribbean market is low (9.4% of total trade in the study area);
- Intra-regional maritime freight rates between the Caribbean islands are dissuasive
- The alternative supply of transport provided by the “schooners” is not sustainable (reliability,

¹ In the loop initially considered, no transport of Brazilian goods between 2 Brazilian ports is planned, but maritime transport of goods is to be expected between the ports located on the territories of the European Union (for instance, goods loaded at the port of Guadeloupe and unloaded on the port of French Guiana). The cabotage regulations within this area are binding and require, inter alia, that the vessel fly the flag of a Member State of the European Union, or that the operator is an international consortium of which one member is European. Moreover, if the candidate considers cabotage activities between Brazilian ports (ie a Brazilian goods transport between 2 Brazilian ports), the applicable regulation would be that of Brazilian cabotage, which is also strict in this respect. The candidate will therefore have to consider this binding legal aspect when applying, by identifying the applicable regulations according to the proposed loop and the flow of goods.

² <https://publications.iadb.org/en/short-sea-shipping-network-and-finance-model-caribbean>

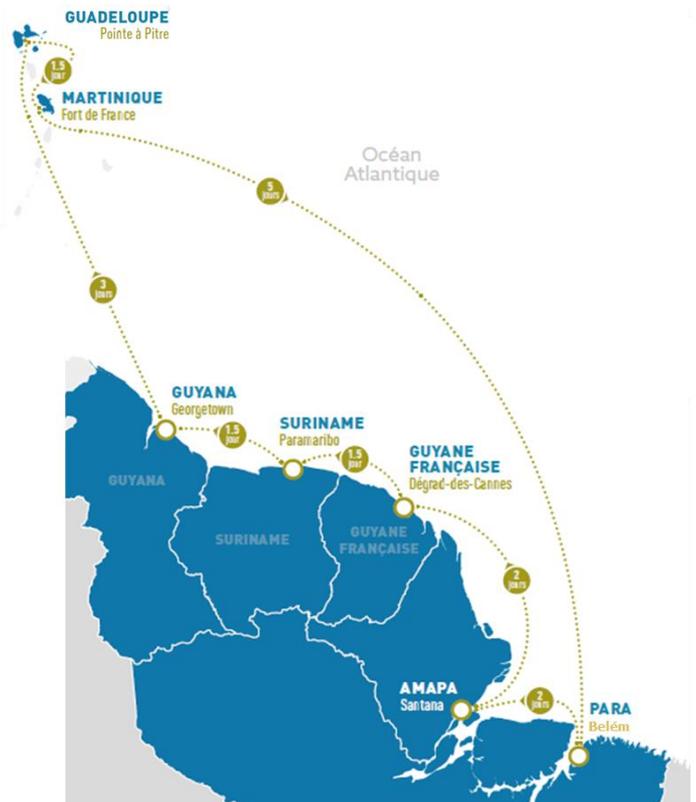
safety, regulation) and should disappear eventually.

1.2 THE PROJECT: A NEW MULTIPURPOSE SHORT-SEA SHIPPING SERVICE OPEN TO SMALL QUANTITIES OF MERCHANDISE

Note: A detailed document relating to the opportunity and feasibility study of the service is available under the conditions specified in article 2.7.

The partners wish to facilitate the implementation of an inter-regional short sea shipping service for the development of economic exchanges between the territories, **with the following characteristics:**

- An offer of maritime transport complementary to the existing offer;
- A multipurpose service: pallets, bulk, conventional, big bags;
- An offer accessible to all importers and exporters without distinction of size ("from 1 pallet");
- Attractive prices below market prices;
- A 20-day loop carried out by a rigged vessel able to call at all ports of the loop (that is to say with a maximum draft of 6.5m).



Among the various scenarios studied in 2017, the following loop was chosen because it had a priori the most important market potential:

- Port of Belém, State of Pará, Brazil;
- Port of Santana, State of Amapá, Brazil;
- Port of Dégrad des Cannes, French Guiana, European Union;
- Port of Paramaribo, Suriname ;
- Port of Georgetown, Guyana ;
- Port of Pointe-à-Pitre, Guadeloupe, European Union;
- Port of Fort-de-France, Martinique, European Union.

This scenario is only a suggestion of the partners. Interested candidates remain free to propose a different loop, provided they give economic justification and offer a service with the following characteristics:

- Multipurpose service with a rigged vessel;
- Accessible to all types of actors and small lots of goods (from 1 pallet);
- Interregional loop linking at least North Brazil to the Guiana Shield;
- Commercial attractiveness of the service with prices below current prices on the market.

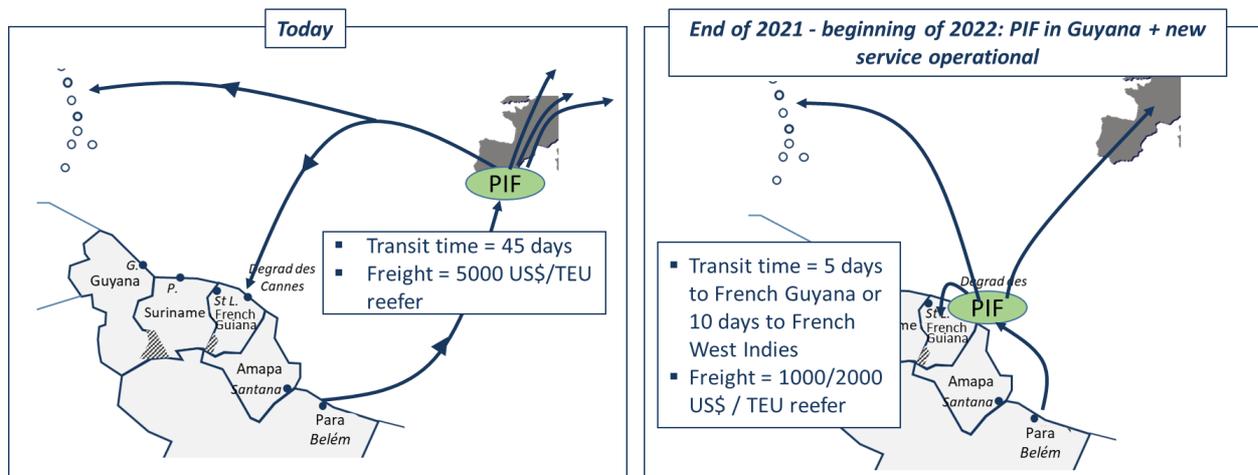
1.3 THE BORDER INSPECTION POST (BIP) IN FRENCH GUIANA: A LEVER FOR THE DEVELOPMENT OF AGRI-FOOD TRADE

Note: A detailed document relating to the BIP can be consulted under the conditions specified in article 2.7.

European regulations require, before entering the Union, the phytosanitary or veterinary control of **products of animal or vegetable origin intended for animal or human consumption**. Currently, due to the lack of a maritime control structure in French Guiana, these products must be checked in a European Union Authorized Border Inspection Post (PIF) located in Europe (at the ports of Le Havre, France or Bilbao, Spain) involving a long, expensive and polluting transatlantic sea return. By the end of 2021-beginning of 2022, the port of French Guiana will be equipped with a structure allowing the controls to be carried out directly on-site. It will allow to significantly improve the economic, environmental and logistical efficiency of the transport of this type of goods, from countries of the area (Brazil, Suriname, Guyana, ...) towards French Guiana, while offering the possibility to re-export these products to the other French West Indies territories (Martinique and Guadeloupe).

This equipment has been granted European approval in 2018 and has secured financing. It will be operational late 2021-early 2022 at the port of Dégrad des Cannes and will be a real accelerator for the development of agri-food trade in this area, such as meat and fresh or frozen fish and other processed food products from Brazil or Suriname to French Guiana.

For example, a 20-foot reefer container containing agri-food products from Brazil to French Guiana travels for 45 days before arriving, with a shipping cost of about US \$ 5,000. In 2021-2022 with the implementation of the BIP and the new service, this same container can be transported directly to French Guiana in 5 days for about 1000 to 2000 US \$.



1.4 PARTNERS FACILITATORS OF THE SERVICE

In the event of a possible collaboration with the economic operator who will operate the service, and depending on the proposed project, **GPM-Guyane (Port Authority in French Guiana) and its partners may work together to support the implementation or exploitation of the service** (for example: promotion of the future service in their respective markets, removal of regulatory constraints, etc.).

At this stage, discussions have been initiated by GPM-Guyane with the ports of the loop for the identification of benefits that could help the operator. As mentioned in paragraph 1.3, GPM-Guyane has already launched the construction of an approved BIP (Border Inspection Post) which will be a major accelerator of agri-food trade between the territories.

Presentation of project partners and their roles

	<p>The Grand Port Maritime of Guyane is a Public Industrial and Commercial Institution. It is in charge of managing the port of Dégrad des Cannes located in Rémire-Montjoly and the port of Pariacabo in Kourou.</p> <p>GPM-Guyane is a key player on the local economic scene. It sets up a real strategy for the development of port and maritime activities within its Amazonian interregional environment of the Guiana Shield and the Caribbean.</p>
	<p>The Economic Development Company of Pará (Brazil) deploys public policies of industrialization and economic development of the State of Pará and supports the productive, economic and social infrastructure investments, contributing to the sustainable growth, true governmental actor of the attractiveness of the Paráenses territories and the competitiveness of economic sectors.</p>
	<p>The Economic Development Agency of the State of Amapá (Brazil) is a government agency whose mission is to support and develop the economic sectors, to mount and support national and international investments in the State of Amapá.</p>

2 CEI FRAMEWORK AND PROGRESS

2.1 OBJECTIVES OF THE CEI

This Call for Expressions of Interest has several objectives:

- Ensure wide publicity of the future shipping line to promote its commercial success;
- Identify international economic operators interested in such a new maritime line project;
- To be able to understand their vision of the project: alternatives considered to the proposed loop (in terms of ports of call or ship), perception of the market potential;
- To understand their expectations and the conditions to be met for the successful implementation of the service.

2.2 LEGAL FRAMEWORK OF THE CEI

This International Call for Expressions of Interest (ICEI) **does not constitute a public call for competition within the meaning of government procurement.**

The main objective of this ICEI is to initiate the discussion between the partners of the project and economic operators, professionals of the sector, for the implementation of an international short-sea shipping service between the Guiana Shield and the Caribbean.

At this stage of the procedure, any application or exchange between port authorities and economic operators **will not be considered as legally binding the project stakeholders.**

This first exchange should enable the public authorities **to better understand the expectations of economic operators** to ensure the implementation of this service and to fully ensure their role as facilitator in accordance with article 1.4. It should be noted that the partners of the project **do not intend to financially support the operator in charge of this service.**

2.3 PROFILE OF EXPECTED CANDIDATES

The candidate must be a **shipping company or a transport company (alone or a consortium)** interested in setting up and operating an inter-regional maritime freight service from the Guiana Shield to the Caribbean.

2.4 CONTENT OF THE APPLICATION FILE TO BE PROVIDED BY CANDIDATES

2.4.1 Introductory note

Through a first document of 5 pages maximum (excluding any appendices), the candidate will have to provide and attest the following elements:

- The **identity of the company**: name, postal address, legal form (certificate of registration or equivalent);
- Company's **compliance** with all the legal obligations (including fiscal and social) in force in the country where it is registered, based on any official document (administration, public institutions or recognized as such)
- Respect for **the international regulation** of maritime transport and European and Brazilian cabotage in force in the territories of the loop as envisaged³ ;
- **Financial capacity**, whatever the justification, to ensure the service. No minimum amount for turnover is required. However, the candidate must produce, if possible, the tax reports for the last three fiscal years of its activity (balance sheet and income statement, to be included in the appendices) and preferably relating to an activity that may be associated with this CEI and a declaration on the honor of not being the subject of a legal redress, safeguard procedure or similar;
- **References / experience** in international short or long distance maritime transport, if possible involving the Caribbean area, or related transport and logistics services.

2.4.2 Project description note

Candidates are also asked to produce a note of **no more than 5 pages** (excluding any appendices) containing the following elements:

- Clarify the candidate's vision for this new shipping service and its perception of the market;
- Describe the planned loop: ports of call, type of ship, types of goods targeted, frequency, the duration of experimentation and the ramp-up plan of the service;
- Describe the planned resources: human resources and nautical means (including the vessel envisaged to carry out the service) and related organization;
- Outline the business and commercial strategy to ensure a high filling rate of the vessel;
- Detail the blocking points or difficulties identified by the candidate at this stage to ensure the service and its expectations from the port authorities and project partners.

³ The applicable regulations are determined by the origins and destinations of the goods that the ship will transport: if the operator plans to transport Brazilian goods between 2 Brazilian ports, the Brazilian cabotage regulations will apply. If the operator plans to transport European goods between 2 ports of an EU territory, the European cabotage regulations will be apply.

2.5 CONDITIONS FOR DELIVERING THE APPLICATION FILE

THE FULL APPLICATION FILE CONTAINING INFORMATION REQUIRED IN ARTICLE 2.4 SHALL BE DELIVERED NO LATER THAN 3 MONTHS FROM THE PUBLICATION OF THE CEI (BEFORE 31 / 12 / 2019) IN PDF FORMAT AND BY EMAIL TO THE FOLLOWING ADDRESS: AMII@SEE-UP.FR

THE APPLICATION FILE WILL BE WRITTEN IN ENGLISH (MANDATORY). TRANSLATIONS IN FRENCH AND PORTUGUESE APPRECIATED.

THE PROJECT COORDINATOR (COMPANY SEE'UP) MAY CONTACT CANDIDATES DIRECTLY SO THAT THEY COMPLETE THEIR APPLICATION FILE.

2.6 NEXT STEPS

The partners reserve the right not to proceed with this CEI or to initiate discussions directly with certain candidates.

In a next step, the partners also reserve the right to proceed with the implementation of a selection procedure. In this case, the details of this procedure will be communicated to the candidates in the third month following the submission of the applications.

No compensation will be due to the candidates especially for those who would not be selected for the discussion process.

Note: the partners expect the implementation of the project in 2020.

2.7 PUBLICATION OF THE CEI

This Call for Expressions of Interest is also published on the following platforms:

- Official Journal of the European Union
- GPM GUYANE
- Diario Oficial do Estado do Par 
- Diario Oficial do Estado do Amap 
- Companhia Docas do Par 
- Companhia Docas do Santana
- CODEC
- Invest Para
- Agence AMAPA

The documentation relating to this project is available on request at: amii@see-up.fr and includes:

- Full study of the economic, technical and legal feasibility of international short sea shipping service from the Guiana Shield to the Caribbean (See'Up and EY Soci t  d'Avocats, 2017)
- Presentation of the Border Inspection Post at D grad Des Cannes (French Guiana)

ICEI for the implementation of an international short sea shipping service between the Guiana Shield and the Caribbean

The partner public authorities reserve the right in this case to ask the candidates for a confidentiality agreement for the transmission of the documents.

Certain documents will be made available to candidates at the time of publication of this CEI in the conditions described in this article. Applicants can use the contact listed in Article 2.8 (below) for more information about the project 15 days before the deadline for submission of applications. The partner public authorities also reserve the right in this case to ask the candidates for a confidentiality agreement for the transmission of the documents.

2.8 CONTACT FOR MORE INFORMATION OR QUESTIONS:

Project coordinator: See'Up, represented by Valère Escudié
E-mail address: amii@see-up.fr