Multi-year Expert Meeting
on Transport, Trade Logistics and
Trade Facilitation
9th Session

Sustainable and resilient transport and trade facilitation in times of pandemic and beyond: key challenges and opportunities

12–14 July 2022

Angola's programme on the National Network of Logistics Platform of Angola (RNPL) and PPPs

Presentation by

Mr. Catarino Pereira
CEO, Regulatory Agency for Cargo Certification and Logistics of Angola

ARCCLA

AGÊNCIA REGULADORA DE CERTIFICAÇÃO DE CARGA E LOGÍSTICA DE ANGOLA

The National Network of Logistics Platform of Angola (RNPL) and PPPs

9th Session Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation

July 2022

GOVERNO DE ANGOLA

mintrans.gov.ao
Ministério dos Transportes

ARCCLA

AGÊNCIA REGULADORA DE CERTIFICAÇÃO DE CARGA E LOGÍSTICA DE ANGOLA

July 2022

The National Network of Logistics Platform of Angola (RNPL) and PPPs

9th Session Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation

GOVERNO DE ANGOLA

mintrans.gov.ao
Ministério dos Transportes

Agenda

01 ARCCLA – an institutional overview

02 PPP and the DBOT concession model

03 Freight improvement initiatives

ARCCLA

AGÊNCIA REGULADORA DE CERTIFICAÇÃO DE CARGA E LOGÍSTICA DE ANGOLA

ARCCLA – an institutional overview

01

Established in 2020 by the Angolan Executive, the Regulatory Agency for Cargo Certification and Logistics of Angola results from the merger of two Agencies

Dissolved Governmental Entities

Conselho Nacional de Carregadores (CNC)

Gabinete do Corredor do Lobito (GCL)

ARCCLA
Regulatory Agency for Cargo Certification and Logistics of Angola

Formal Nature

Regulatory

> Contemplates the inclusion of the core activity of the new entity – regulation – and the associated supervision and inspection of logistics related activities

Agency

> Name transition from Institute to Agency, to ensure a more comprehensive formal nature

Functional Nature

Cargo Certification

> The Agency inherits the cargo certification activities from CNC

Logistics

> Entails the extension of the Agency's assignments, related to the Logistic Platforms, cargo/ goods and other Supply Chain activities (e.g. freight forwarders)

Geographic Scope

Angola

> Nationwide mandate and commitment

ARCCLA was established in a effort to develop the logistics sector in Angola – including air, sea, rail and road transportation – thus being mandated to pursue four main statutory tasks related to Cargo and Logistics operations

AIR

SEA

The Agency's objective is to **stimulate the distribution and access to goods across the country**, by facilitating the **creation of an optimized logistics network**, which will encourage the national production and diversification of the economy

RAIL

ROAD

ARCCLA: STATUTORY TASKS

1. Cargo Logistics

- Regulation
- Supervision
- Inspection

Cargo consolidation, storage and freight forward activities

Cargo Tracking Note by Sea, Road, Rail and Air

Manage the National Network of Logistic Platforms

Logistics Platforms Concessions

2. Public Policies Support and Institutional Representation

3. Logistics Agents Support Services

4. Statistics and Communication

ARCCLA

AGÊNCIA REGULADORA DE CERTIFICAÇÃO DE CARGA E LOGÍSTICA DE ANGOLA

The DBOT concession model for PPP

02

The investments to be made in the transport and logistics sectors are aligned with the UN Sustainable Development Goals Since 2021 ARCCLA has partnered with UNCTAD for capacity-building initiatives on PPPs and sustainability

SUSTAINABLE INVESTMENT AND DEVELOPMENT

ARCCLA's pivotal role in implementing SDG initiatives

ARCCLA, as a regulatory agency for the logistics sector, plays a decisive role in the implementation of structuring initiatives in this sector, which is vital to achieving the SDGs.

Angola joined the United Nations initiative and committed to the **Sustainable Development Goals** (SDGs). The investments to be made in the transport and logistics sectors, of public or private initiative, should contribute to the fulfilment of these objectives (SDGs), namely in issues related to:

✓ Economic improvements

- Infrastructure as a catalyst for growth
- Increasing customer service, inducing development
- Efficient supply chain as a locomotive for ancillary business services

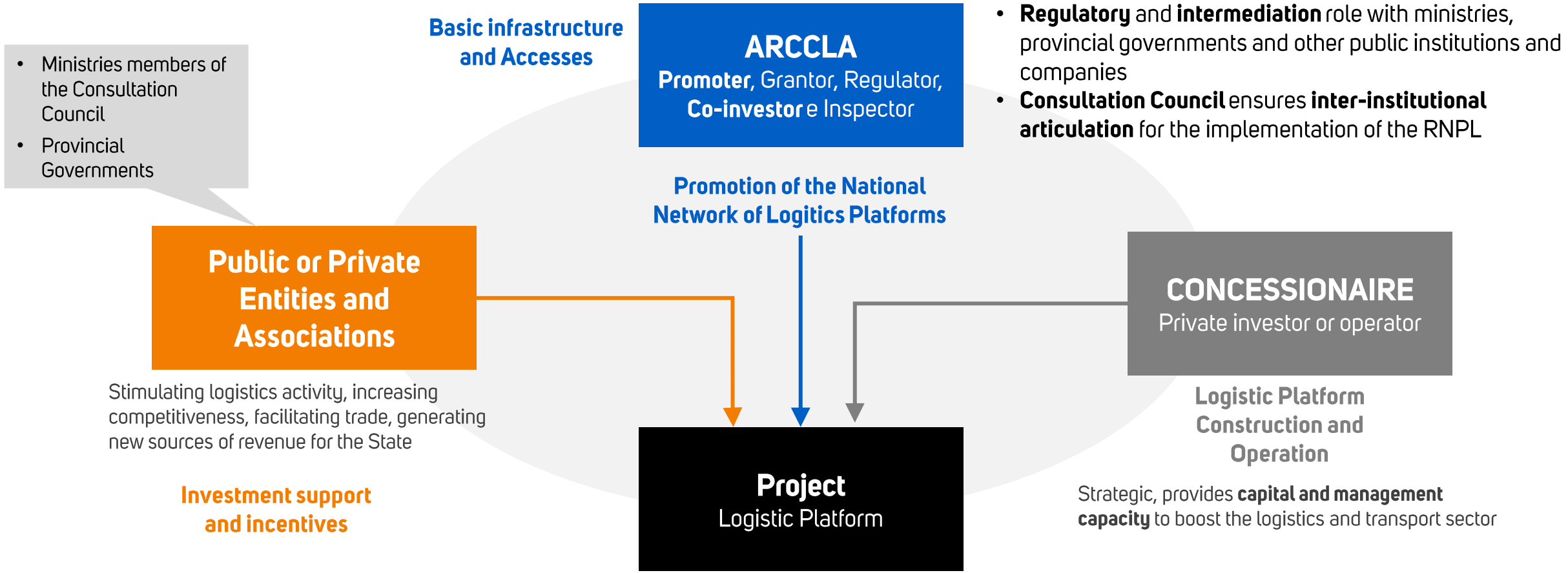
✓ Regional Development

- Regional competitiveness and integration into a global trade network through partners' global presence
- Promotion of economic activity along the corridors and at the international gateway at the end of the corridors

✓ Territorial and social cohesion, employment & training

- Employment and training for the Community

The implementation model is based on a Public-Private Partnership (PPP) under which ARCCLA assumes the promoter role and provides capital to reduce the financial risk of the project and guaranteeing the investment.



- **Regulatory** and **intermediation** role with ministries, provincial governments and other public institutions and companies
- **Consultation Council** ensures **inter-institutional articulation** for the implementation of the RNPL

The DBOT Model considers the launch of a public tender in accordance with the legislation in force, and it is up to the private operator to present a proposal for a specific layout and a detailed base case.

DBOT Concession Model
Design Build Operate and Transfer

Design

> Specific Layout for the Logistic Platform (LP) defined by the dealership

Build

> The concessionaire must ensure the construction in the PL
> ARCCLA can undertake investments at an early stage

Operate

> Concessionaire operational management
> Possibility of the concessionaire to make sub concessions and subcontracting

Transfer

> Platform transferred to the State after the end of the concession period
> (**30 years** + 30 maximum extension)

1 ARCCLA
Defines the global layout and the minimum requirements

2 Concessionaire
Defines the specific layout

The design of the Logistic Platforms must be customized, so that it fits and adapts to the needs of the region and its consumers.

The **coastal platforms** must allow the focus on sea activities, providing adequate cold facilities for the products to be preserved.
Given the case of being located in relevant port areas, they must also specify the dimensioning of the container, tank park and railway branch.

Platforms in border areas will have to adapt to the most significant transactions (e.g.: minerals, timber corridor) but not neglecting general trade between countries, providing support warehouses for the commercialization of food and non-food goods.

The **interconnection platforms** between the various zones should focus on regional activities, agriculture and industry. These should also focus on the connection with the activities that may cross them, serving as a facilitator for capillary distribution.

ARCCLA ensures the existence of key context factors (e.g., energy, multimodal access) in each LP, providing private investors with the necessary conditions and infrastructures to promote the development of the platforms

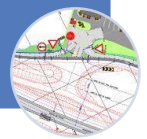
LOGISTICS INFRA-STRUCTURES
- **Container Park**
- Fuel Terminal
- **Room Temperature Warehouses**
- **Cold Warehouses**

TRANSPORT INFRASTRUCTU-RES
- Light Car Park
- Heavy Car Park

SECURITY
- **Property Protection and Security Services**
- **Safety - Fire Fighting**

PUBLIC SERVICES
- **Customs**
- SME
- Tax Police
- Municipal Administration Services
- MINCO Services

INFRASTRUCTU-RES
- *road access*
- *Energy supply*
- *Water supply*
- *Telecommunications*
- *Sanitation*
- *Garbage - Solid Waste*



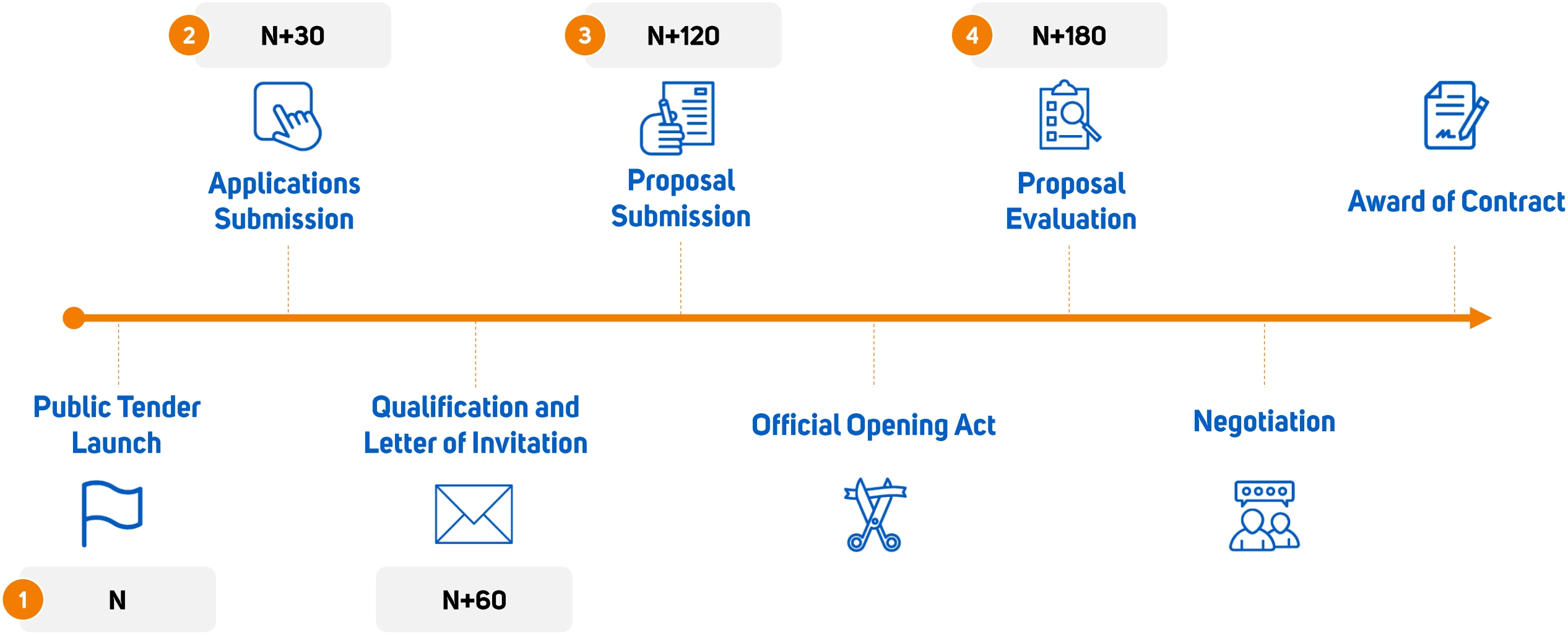
LOGISTIC SERVICES
- **Cargo Handling**
- **Cargo Traceability Information Systems**
- **transport operators**

COMPLEMEN-TARY SERVICES
- Gas Station
- Service Station - Official Facilities
- Restaurant / Cafeteria
- Accommodation / Pension
- Commerce / Convenience store

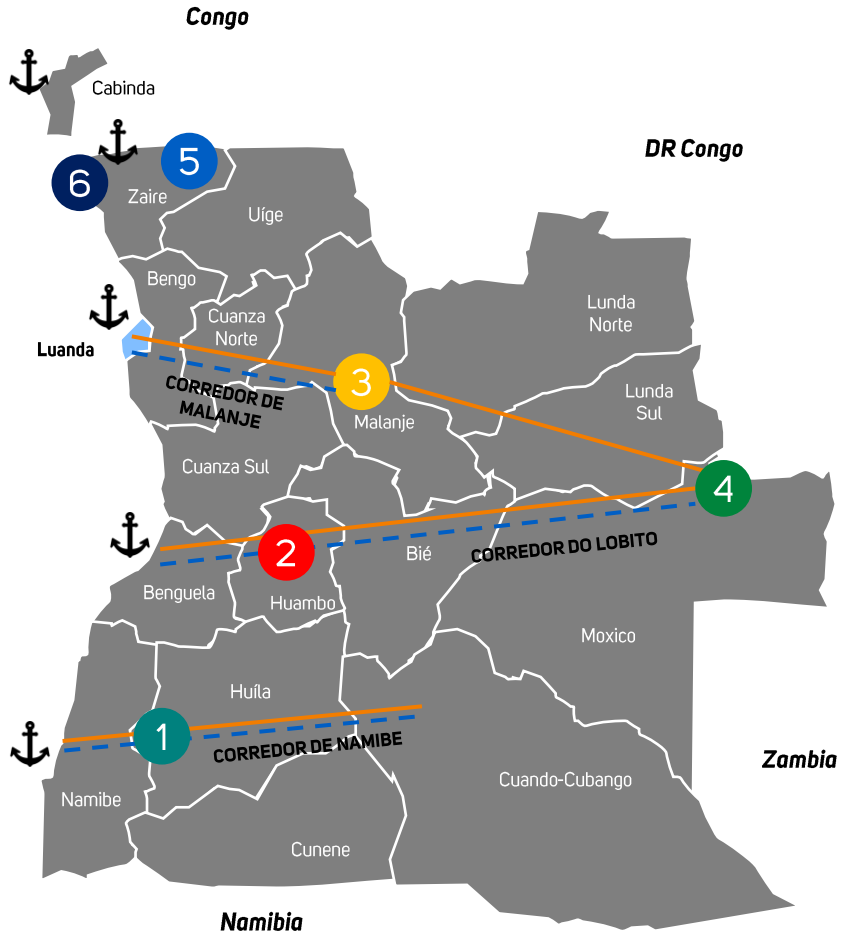
GOVERNMENT

- Telecommunications
- Water and sanitation
- Energy
- Multimodal accesses

The tender timeline was designed to conclude the procurement process in 6 months, yet we are observing delays from participants given the lack of experience in the DBOT model – grantor support required to address clarifications



The first stage of the National Network of Logistics Platforms entails the construction and promotion of 6 logistics platforms, scattered across strategic locations in Angola



1 Logistics Platform of **Arimba, Huila**

2 Logistics Platform of **Caála, Huambo**

3 Logistics Platform of **Lombe, Malanje**

4 Logistics Platform of **Luau, Moxico**

Proposal phase date – June 2022

5 Logistics Platform of **Luvo, Zaire**

Applications phase date – May 2022

6 Logistics Platform of **Soyo, Zaire**

Launch date – November 2021

Road — Rail — Port

Priority Logistics Platforms (initial tenders)

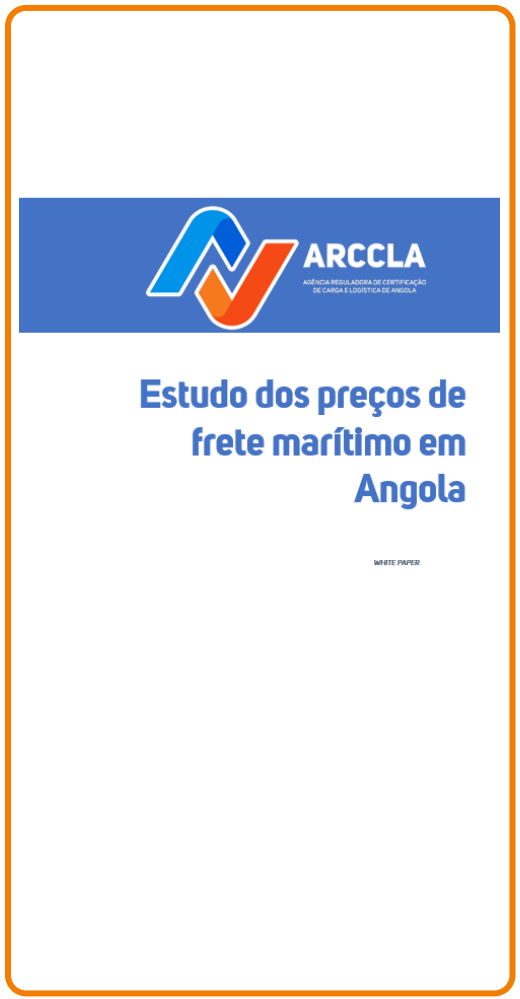
ARCCLA

AGÊNCIA REGULADORA DE CERTIFICAÇÃO DE CARGA E LOGÍSTICA DE ANGOLA

Freight rate improvement initiatives

03

ARCCLA conducted an empirical study which reports on the causes of the historically high freight rate in Angola...



Causes of the historically high maritime freight rate in Angola

Shipping market concentration
From 60's to date the need for scale in the shipping industry has induced concentration of firms (through M&A and alliances) resulting in a demand-led market which can favorably determine prices and service conditions.

Scarcity of maritime routes to and from the Guinea Gulf
The Guinea Gulf is not a pass-by geography of any major route and has low trade volumes. Besides deterring competition in this market, the shipping companies serve it through a smaller fleet., not allowing the savings of scale to ripple-down on the freight rates.

Import and export fleet imbalance
The Angolan exports require almost exclusively tankers, while the imports required almost exclusively bulkers and container ships. This generates free ship space, which requires the freight rates to increase for balancing the fleet yield.

Low efficiency of port activities
Angola's port activities generally lack the required efficiency to perform timely turnarounds, even when compared to other African countries. This deters competition and implies later adjustments to the fees charged due to port congestion.

... The report provides 3 recommendations for improving the freight situation in Angola. All African countries should coordinate to implement common measures for improving the maritime freight rates...

The recommendations provided for improving freight rates in Angola...

Recommendation	Initiatives
Create the Freight Observatory	• Create the Angolan Freight Index; • Promote the creation of the freight observatory; • Promote institutional relationships for sharing information and good practices.
Improve efficiency in port activities	• Carry out a diagnostic study of port constraints; • Collaborate in the implementation of initiatives to improve port efficiency.
Optimize inbound and outbound processes	• Promote the consolidation of orders for more favorable conditions in freight contracting; • Reduce the impact of bureaucracy on export lead-times

... Are also applicable in other African Nations.

Potential for coordinating measures between African Nations

Most of the issues faced in Angola are also faced in most African countries.
This sets the scene for a potential cooperation for addressing common challenges.

Some suggestions for cooperation:

1. Create the African Maritime Freight Index;
2. Create the African Maritime Freight Observatory;
3. Create and manage an African fleet.

ARCCLA

AGÊNCIA REGULADORA DE CERTIFICAÇÃO DE CARGA E LOGÍSTICA DE ANGOLA

Thank You

Contactos

Praça 17 de Setembro; Largo 4 de Fevereiro,
Palácio de Vidro, Edf. MINCO – 5º Andar
C.Postal: 2223, Luanda
+244 923 047 979

geral@arccla.gov.ao
www.arccla.gov.ao

1. Arimba/ Huíla Logistics Platform – Proposed Layout (Tender Base Case)

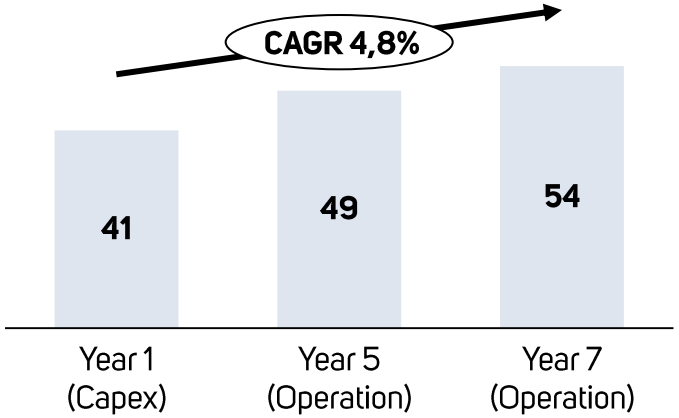
MASTER PLAN OVERVIEW – IMPLEMENTATION STAGE[1]

Logistics Infrastructures – Base Case

		#
Room Temperature Warehouses		2
Temperature Controlled Warehouses		2
Container Yard		1

Concession: 2 year (capex) + 30 years (operation)

Estimated Demand – Base Case (k/ Ton)



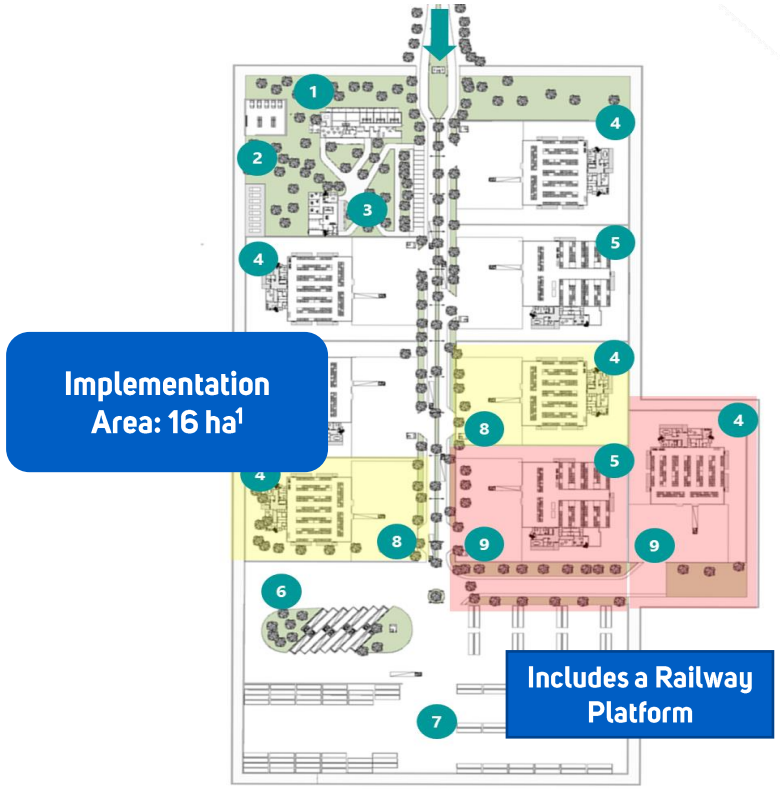
Key Sectors and Products: agriculture (e.g. vegetables and fruit), livestock, industry (e.g. food and beverages) and commerce (e.g. retailers)

Estimated Investment – Concessionaire

$ 26,5 M

Capex required to build and operate the Platform (e.g. buildings and equipment)

PROPOSED LAYOUT



Areas in yellow and red are not included in the implementation stage (future expansions)

Note: [1]Does not include future expansions

2. Caála/ Huambo Logistics Platform – Proposed Layout (Tender Base Case)

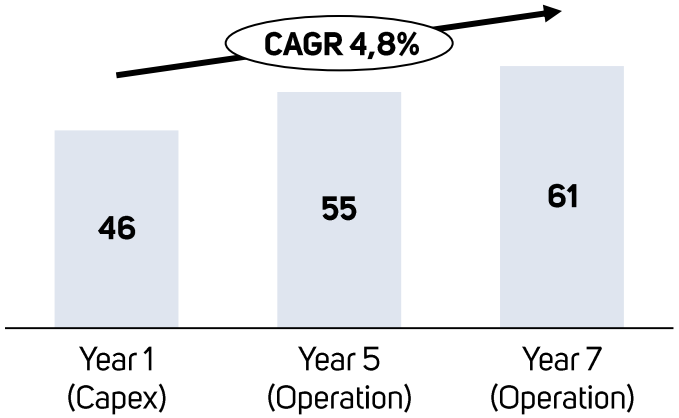
MASTER PLAN OVERVIEW – IMPLEMENTATION STAGE[1]

Logistics Infrastructures – Base Case

		#
Room Temperature Warehouses		4
Temperature Controlled Warehouses		4
Container Yard		1

Concession: 2 year (capex) + 30 years (operation)

Estimated Demand – Base Case (k/ Ton)



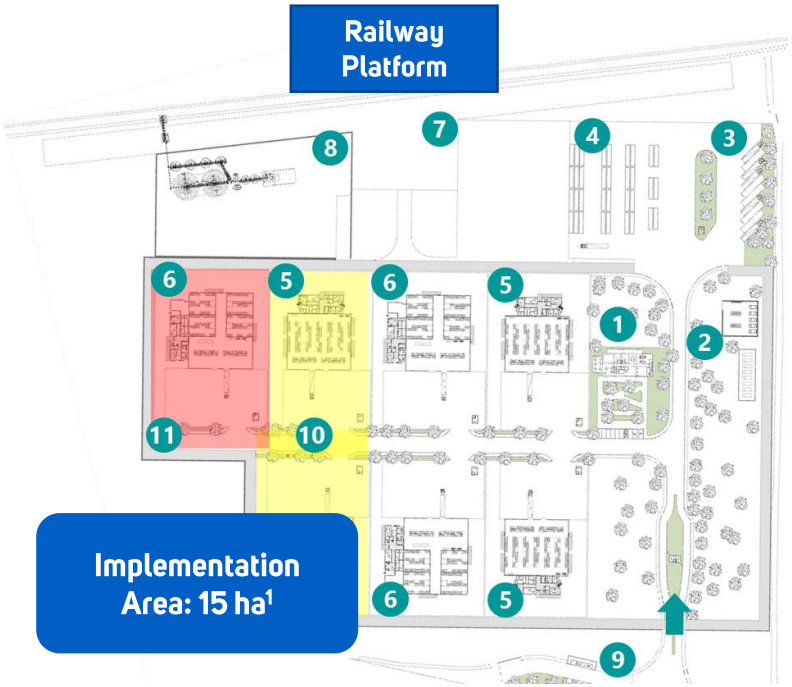
Key Sectors and Products: agriculture (e.g. vegetables, fruit and cereals)

Estimated Investment – Concessionaire

$ 28,7 M

Capex required to build and operate the Platform (e.g. buildings and equipment)

PROPOSED LAYOUT



Areas in yellow and red are not included in the implementation stage (future expansions)

Note: [1]Does not include future expansions

3. Lombe/ Malanje Logistics Platform – Proposed Layout (Tender Base Case)

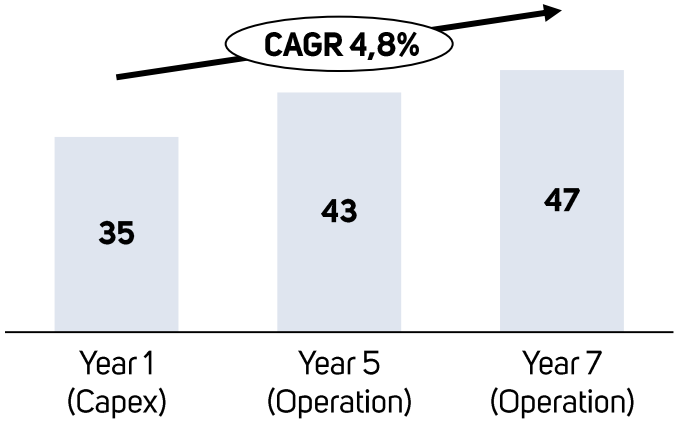
MASTER PLAN OVERVIEW – IMPLEMENTATION STAGE[1]

Logistics Infrastructures – Base Case

		#
Room Temperature Warehouses		2
Temperature Controlled Warehouses		1
Container Yard		1

Concession: 2 year (capex) + 30 years (operation)

Estimated Demand – Base Case (k/ Ton)



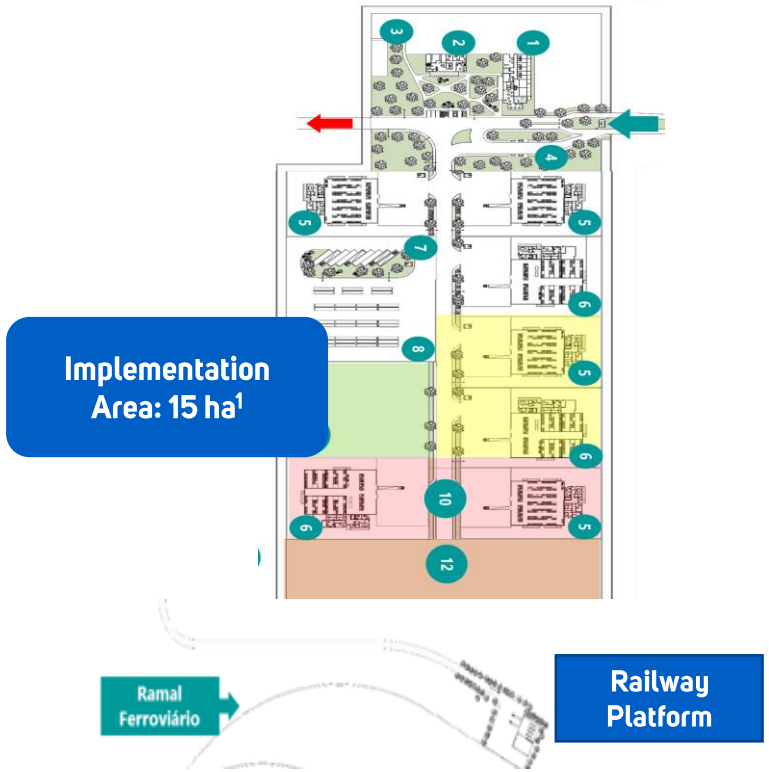
Key Sectors and Products: agriculture (e.g. vegetables and fruit), industry (e.g. machines) and commerce (e.g. goods for regional industry)

Estimated Investment – Concessionaire

$ 21,3 M

Capex required to build and operate the Platform (e.g. buildings and equipment)

PROPOSED LAYOUT



Areas in yellow and red are not included in the implementation stage (future expansions)

Note: [1]Does not include future expansions

4. Luau/ Moxico Logistics Platform – Proposed Layout (Tender Base Case)

MASTER PLAN OVERVIEW – IMPLEMENTATION STAGE[1]

Logistics Infrastructures – Base Case

#1 Warehouse (Room Temperature)

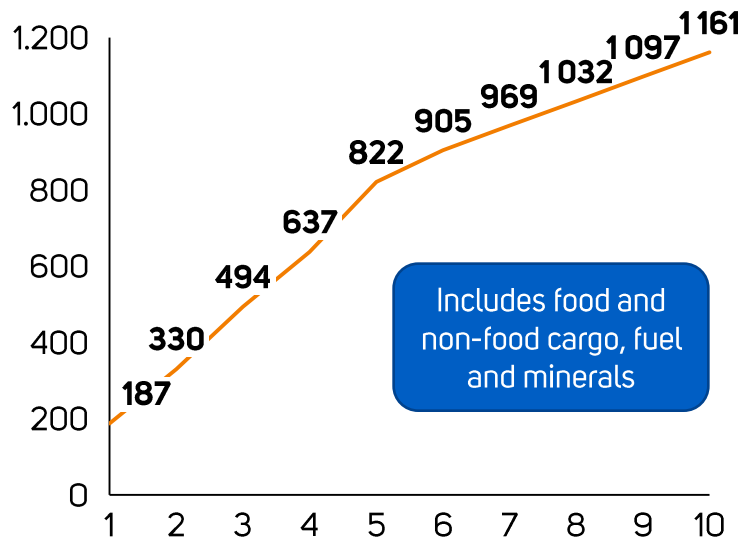
#1 Container Yard

#1 Fuel Terminal (with railway branch)

#1 Mineral Terminal (with/ railroad branch)

Concession: 2 year (capex) + 30 years (operation)

Demand Base Case: Year 1 - 10 (000' ton)

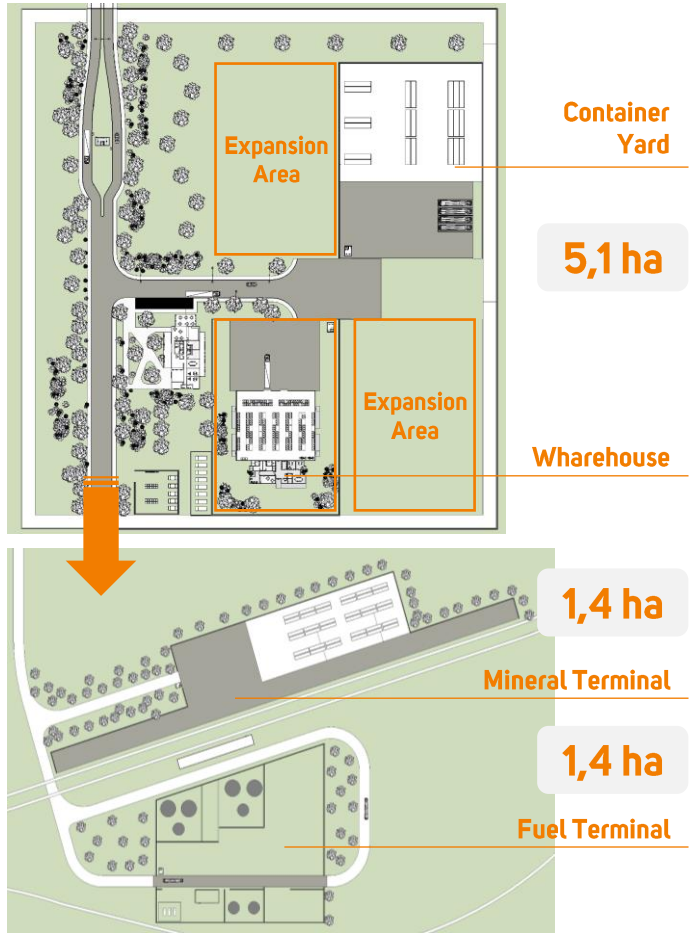


Estimated Investment – Concessionaire

$ 21,4 M

Capex required to build and operate the Platform (e.g. buildings and equipment)

PROPOSED LAYOUT



Note: [1]Does not include future expansions

5. Luvo/ Zaire Logistics Platform – Proposed Layout (Tender Base Case)

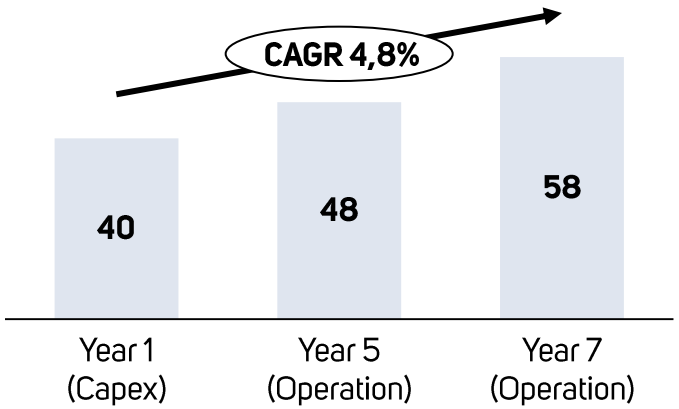
MASTER PLAN OVERVIEW – IMPLEMENTATION STAGE[1]

Logistics Infrastructures – Base Case

		#
Room Temperature Warehouses		4
Temperature Controlled Warehouses		2
Container Yard		1

Concession: 2 year (capex) + 30 years (operation)

Estimated Demand – Base Case (k/ Ton)



Corresponds to 25% of the trade flows in the cross-border region of Luvo-DRC

Estimated Investment – Concessionaire

$ 36,6 M

Capex required to build and operate the Platform (e.g. buildings and equipment)

PROPOSED LAYOUT

Implementation Area: 12 ha[1]

Note: [1]Does not include future expansions

6. Soyo/ Zaire Logistics Platform – Proposed Layout (Tender Base Case)

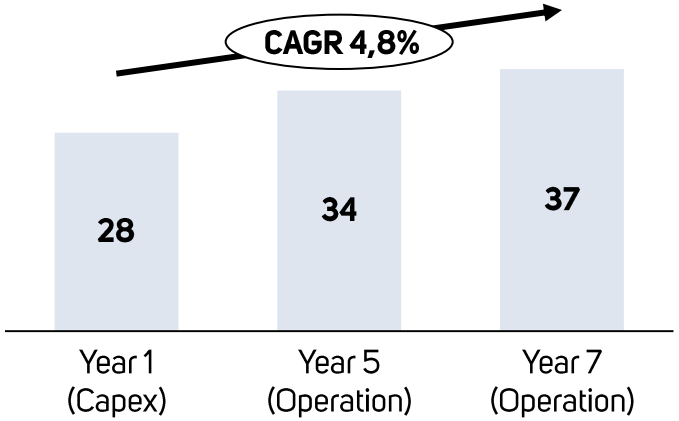
MASTER PLAN OVERVIEW – IMPLEMENTATION STAGE[1]

Logistics Infrastructures – Base Case

		#
Room Temperature Warehouses		5
Temperature Controlled Warehouses		1
Container Yard		1

Concession: 2 year (capex) + 30 years (operation)

Estimated Demand – Base Case (k/ Ton)



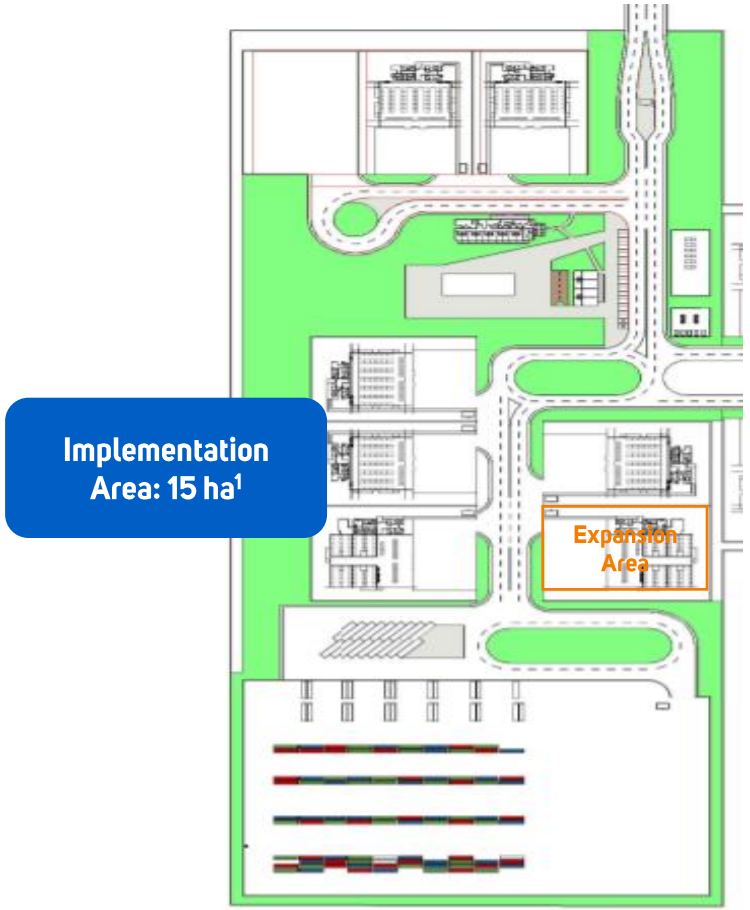
Corresponds to 25% of the trade flows in the cross-border region of Luvo-DRC

Estimated Investment – Concessionaire

$ 23,7 M

Capex required to build and operate the Platform (e.g. buildings and equipment)

PROPOSED LAYOUT



Note: [1]Does not include future expansions