GUIDELINES FOR CONTRACTORS’ AND SUBCONTRACTORS’ CONTRIBUTION TO THE EACOP PROJECT

LOCAL CONTENT PLAN, TANZANIA
# TABLE OF CONTENTS

1. Introduction............................................................................................................. 4

2. Local Content Regulatory Framework................................................................. 5

3. Definitions.............................................................................................................. 6-7

4. Local Content For The EACOP Project................................................................. 8
   4.1. Vision.................................................................................................................. 8
   4.2. Objectives.......................................................................................................... 9
   4.3. Local Content Strategies.................................................................................. 10
       4.3.1. Overview.................................................................................................... 10-11
       4.3.2. Guidelines for strategies implementation................................................. 12-14

5. EACOP Contractors’ Contribution To Local Content Delivery......................... 15
   5.1. Employment, Training and Succession Plans of Tanzanian Citizens............. 15
       5.1.1. Key principles........................................................................................... 15-17
       5.1.2. Key performance indicators..................................................................... 18
   5.2. Provision of local Goods and Services............................................................ 18
       5.2.1. Key principles........................................................................................... 18-20
       5.2.2. Key performance indicators..................................................................... 20
   5.3. Technology Transfer......................................................................................... 20
       5.3.1. Transferring skills & technology through partnering & subcontracting..... 21-22
       5.3.2. EACOP capacity building & technology transfer initiatives............... 23-25
       5.3.3. Key performance indicators..................................................................... 26
1. Introduction

The Petroleum (Local Content) Regulations, 2017 The Petroleum Act (CAP. 392) define Local Content as:

The quantum of composite value added to, or created in, the economy of Tanzania through deliberate utilization of Tanzanian human and material resources and services in the petroleum operations in order to stimulate the development of capabilities indigenous of Tanzania and to encourage local investment and participation.

Local Content therefore relates to sustainable value addition to Tanzania.

In line with this definition, the East African Crude Oil Pipeline (EACOP) project aims at maximizing Local Content through:

- the employment and training of Tanzanians;
- the provision of goods and services by Local companies and Tanzanian citizens;
- the transfer of knowledge and technology to Local companies and Tanzanian citizens;
- the provision of support to Local companies and Tanzanian citizens;
- the investment and the promotion of cooperation in education, training, research and enterprise development;

Aiming at enhancing the performance/capacity of Local companies and Tanzanian citizens in petroleum activities so as to encourage local investment and participation without compromising International quality standards on Health Safety and Environment (HSE). The following sections provide an overview of the EACOP project Local Content strategy and objectives as well as the key processes for Local Content delivery by EACOP and by its Contractors and Subcontractors.
2. Local Content Regulatory Framework

The EACOP project will be implemented in Uganda and Tanzania. The Republic of Uganda and the United Republic of Tanzania signed an Inter-Governmental Agreement on 26th May 2017 to establish the EACOP project under a harmonized framework across their two countries. This framework is under negotiation in host governments for the EACOP project in each country and as such the final regulatory framework for the EACOP project, which will regulate various matters including local content, will be established once the host government agreements are concluded. The EACOP project and its participants will be regulated by the final regulatory framework set by the Inter-Governmental Agreements and the host government agreements.

EACOP Contractors shall be aware of the Local Content requirements established by law in Tanzania; including, but not limited to:

- The Petroleum (Local Content) Regulations, 2017 The Petroleum Act (CAP. 392)

✔️ EACOP Contractors shall incorporate and implement Local Content as an important element of petroleum activities in Tanzania.
Definitions

Categories of staff:

**Management staff**
Supervisory, professional, senior management staff with a diploma/degree, qualified and possessing the relevant number of years of experience.

**Technical staff**
Skilled and semi-skilled staff certified under a technical training scheme and with verified competency including petroleum, chemical, electrical and instrumentation, process engineers and technicians, geoscientists, chemists, personnel trained and qualified in Health, Safety and Environment (HSE) and Technical Standards, petroleum economists, cost engineers, etc.

**Other staff**
Technically uncertified/inexperienced or unskilled staff.

**Local Community Content**
The part of the Local Content that applies to the local communities in the vicinity of work’s site(s) of execution.

**Local Content**
The quantum of composite value added to, or created in, the economy of Tanzania through deliberate utilization of Tanzanian human and material resources and services in the petroleum operations in order to stimulate the development of capabilities indigenous of Tanzania and to encourage local investment and participation.

**Project Affected Persons (PAPs)**
Any individual who, as a result of the land acquisition required for the Project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, pasture or undeveloped/unused land), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
**Local company**
A company or subsidiary company incorporated under the Companies Act, which is one hundred percent owned by a Tanzanian citizen or a company that is in a joint-venture partnership with a Tanzanian citizen or citizens whose participating share is not less than fifteen (15%) percent.

**Technology transfer**
Shall mean all activities and mechanisms aimed at optimizing knowledge and skills transfer to the Government, Tanzanian citizens and Local Companies, including, but not limited to:

- encouraging and facilitating the formation of joint ventures and partnerships;
- the development of technology licensing agreements between Local Companies, Tanzanian citizens and foreign Contractors and service or supplier companies;
- the establishment in Tanzania of management and technical capabilities such as, but not limited to:
  - local supplier development programs aimed at building capacity at national and community level;
  - internships and attachment of Tanzanian citizens in petroleum activities;
  - support to the Industry Enhancement Center including health, safety, environment and quality standards;
  - support of existing institutions in Tanzania by providing knowledge and technology;
  - mentorships;
  - scholarships;
  - the establishment or upgrading of any necessary facilities for technical, vocational or commercial work and technology transfer;
  - support to local education institutions;
  - research and development in Tanzania.

**Research and Development (R&D) or Research and Technological Development (RTD)**
The systematic and investigative activities a business conducts to improve existing products and procedures or to lead to the development of new products and procedures.
4. Local Content For the EACOP Project

4.1. Vision

The EACOP project is committed to promoting economic development and national industrialisation. Implementing an industrial development plan is a long-term undertaking; it requires training people, capital investment and maintaining a steady level of activity so that the created production base survives and thrives.

In order to reach such goals with a project development and construction phase which is relatively short-lived (about four years on average) and involves massive but temporary deployments of human resources and equipment, the EACOP project takes an integrated approach to Local Content development. This means that the local content approach will span the field’s life, from development through to operation.

This approach aims to capitalize on the development phase to build the capacity of the Local Companies and Tanzanian citizens who will work on the upcoming operations needs and that will drive the growth of the Tanzanian Oil & Gas industry and general economy further down the road and in line with the objectives of Tanzania for long term industrial development.
## 4.2. Objectives

**EACOP LOCAL CONTENT STRATEGY SEeks to achieve the following objectives:**

<table>
<thead>
<tr>
<th>1. Promote the establishment of an Oil &amp; Gas industry in Tanzania, by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Developing local industrial capacities (structure &amp; piping works etc &amp; infrastructures (logistics facilities, construction yards, workshops etc.)</td>
</tr>
<tr>
<td>- Promoting the creation of joint-ventures and partnerships between national and international companies to foster technology transfer and capacity building in the Oil and Gas.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Develop the competences of Tanzanian citizens within and outside the Oil &amp; Gas sector, by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Optimizing the recruitment and training of Tanzanians within the project (by the EACOP project, its Contractors, their Subcontractors, etc.) to promote a national Oil &amp; Gas competence both at National and Local Community levels;</td>
</tr>
<tr>
<td>- Developing competences to promote Tanzanian citizens at management &amp; supervisory positions such as having succession plans;</td>
</tr>
<tr>
<td>- To strengthen Tanzanian education and training institutions through “Training the Trainers” programme;</td>
</tr>
<tr>
<td>- Providing support to selected universities and technical institutes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Build capacities among local SMEs to support economic growth within and outside the Oil &amp; Gas sector, by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Promoting the Industrial Enhancement Center;</td>
</tr>
<tr>
<td>- Implementing targeted action plans to foster development of selected activities/sectors;</td>
</tr>
<tr>
<td>- Establishing dedicated Local Community Content development objectives.</td>
</tr>
</tbody>
</table>
4.3. Local Content strategies

4.3.1. Overview

In order to support the development of Local Companies and skilling of Tanzanian citizens in targeted strategic sectors and to achieve EACOP’s Local Content objectives, five specific Local Content development strategies have been defined: Such strategies may consist in strengthening or developing existing Local Companies:

1. **Strengthening strategy** – for goods and services provided by Local Companies at the required capacity/capability;

2. **Development strategy** – for goods and services provided by Local Companies lacking the required capacity/capability;

Another set of strategies for local content development consist in attracting international companies into Tanzania. This will be used for the provision of goods and services for which the technical (standards) and/the quantity gaps are most important in order to enable faster creation of in-country capacity, through:

3. **Joint Venture strategy** - between international companies and Local Companies or Tanzanian citizens as a means to foster technology transfer for goods and services that are not available in Tanzania according to the standards required by the EACOP project;

4. **Foreign Direct Investment (FDI) strategy** - through the creation/establishment of a local branch for goods and services that are not available in Tanzania according to the standards required by the EACOP project;

Finally, where no locally registered companies exist in Tanzania and for goods and services for which demand will not be sufficient to enable the creation of in-country capacity, Local Content shall be optimized through the contribution or support to EACOP Local Content initiatives:

5. **International with Local Content support strategy** – for highly technical goods or services with unique requirements which are provided by a limited number of global companies.
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Finally, where no locally registered companies exist in Tanzania and for goods and services for which demand will not be sufficient to enable the creation of in-country capacity, Local Content shall be optimized through the contribution or support to EACOP Local Content initiatives:

5. **International with Local Content support strategy** – for highly technical goods or services with unique requirements which are provided by a limited number of global companies.
4.3.2. Guidelines for strategies implementation

Strengthening Strategy

Implementation
For existing local companies providing the required goods and services able to comply with the requirements of the contract and to HSE, quality, price, quantity, suitability and delivery conditions.

Bidding Principles To Be Applied
• Ensure the bidding list to include only (in the case of reserved contracts) or a vast majority of Local Companies or Tanzanian citizens.
• Unbundling of contracts, adapting contract durations, payment terms, etc. to make them accessible for Tanzanian players (National & Local Community Content development).
• Local content to be one of the criteria for tender evaluation (at least 10% of overall evaluation).

Support Initiatives By Company & Main Contractors
• Bank/financial support where required and whenever possible.
• Disseminate information on upcoming tenders through Industry Enhancement Center (IEC), website, regular tender workshops etc.

Development Strategy

Implementation
For goods and services provided by Local Companies without the required capacity/capability.

For goods and services required:
• for the construction phase of the EACOP project;
• for the operation phase of the EACOP project;
• for the further development of the national economy (within and outside the O&G industry).

Bidding Principles To Be Applied
• Bidding list to include only (in the case of reserved contracts) or a vast majority of Local Companies or Tanzanian citizens;
• Unbundling of contracts, adapting contract durations, payment terms, etc. to make them accessible for Tanzanian players (National & Local Community Content development);
• Local content to be one of the criteria for tender evaluation (at least 10% of overall evaluation).
Support Initiatives By Company & Main Contractors

- Supplier development: specific action plans to be put in place for activities targeted for priority development;
- Bank/financial support where required and whenever possible;
- Disseminate information on upcoming tenders: Industry Enhancement Center (IEC) website, regular tender workshops etc.

Joint Venture Strategy

Implementation

- For goods and services that are not available in Tanzania according to the national and international standards as required by the EACOP project;
- For goods and services needed for both EACOP construction & operation phases (integration and sustainability);
- Where a Local company with the following profile can be identified to become a joint-venture partner:
  > Technical and financial competence/capacity and is able to deliver the required goods and services in a timely manner;
  > Demonstrates capacity to transfer knowledge and technology to Tanzanian citizens;
  > Has experience in providing the required goods/services;
  > Takes an active participation in the joint-venture (JV)

Bidding Principles To Be Applied

- Formation of a JV to be included as a specific Local Content objective in selected Tenders;
- Local content is one of the criteria for tender evaluation (at least 10% of overall evaluation)

FDI Strategy

FDI, or Foreign Direct Investment by companies incorporating in Tanzania.

Implementation

- For the provision of goods and services required by EACOP construction and that are not available in Tanzania;
- For goods and services also required by EACOP operation phase or economic diversification (sustainability objective);
- Where a Local Company with the following profile could not be identified:
  > Technical and financial competence/capacity and able to deliver the required goods and services in a timely manner;
Demonstrate capacity to transfer knowledge and technology to Tanzanian citizens;
Has experience in providing the required goods/services;
Take an active participation in the JV.

**Bidding Principles To Be Applied**

- Submission of a business plan presenting the development of activities in Tanzania;
- Bidding requirements to focus on employment and training of Tanzanian citizens in the created branch on the provision of local goods and services & on proposals for technology transfer;
- Monitor implementation of recruitment, training and succession plan;
- Local Content plan to include recruitment and training of Tanzanian citizens, supporting Local Companies or Tanzanian citizens as Subcontractors (capacity building and skill development plan for selected Subcontractors);
- Local content is one of the criteria for tender evaluation (at least 10% of overall evaluation).

**International with LC Support Strategy**

**Implementation**

- For highly technical goods or services with unique requirements which are provided by a limited number of global companies;
- High entry barriers (capital expenditure, technology etc.) and low benefits associated to local content development (low labor content, insufficient demand to enable large scale etc).

**Bidding Principles To Be Applied**

- Bidding process to include international Contractors for goods and services in this category;
- Local content is one of the criteria for tender evaluation (10% of overall evaluation).
- Bidding international companies are required to contribute to EACOP Local Content plan with actions such as training, technology transfer or capacity building initiatives.
5. EACOP Contractors’ Contributions To Local Content Delivery

EACOP Local Content delivery focuses on three aspects:
• Employment & Training of Tanzanian citizens;
• Use of Local Goods and Services;
• Technology Transfer.

LOCAL CONTENT PLAN

Contractor’s Local Content plan shall address distinctively the three above listed elements and provide detailed targets, plans, organisation, procedures and planning for the promotion of Local Content during the execution of the CONTRACT.

5.1. Employment, Training and Succession Plans of Tanzanian Citizens

5.1.1. Key principles

In line with the national requirements related to the recruitment, the training and the succession of Tanzanian citizens, EACOP Contractors shall take into consideration the following targets with regards to employment and training of National citizens:
<table>
<thead>
<tr>
<th>MINIMUM % OF TANZANIAN CITIZENS</th>
<th>Year 0</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management staff</td>
<td>15%</td>
<td>30%</td>
</tr>
<tr>
<td>Supervisory staff</td>
<td>25%</td>
<td>40%</td>
</tr>
<tr>
<td>Technical staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical core staff</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>Professional Support Staff</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Other staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>70%</td>
<td>90%</td>
</tr>
<tr>
<td>Unskilled</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Where:

**Management staff**
Shall mean supervisory, professional, senior management staff with a diploma/degree qualified and/possessing the relevant number of years of experience.

**Technical staff**
Shall mean skilled and semi-skilled staff certified under a technical training scheme.

**Other staff**
Shall mean technically uncertified/inexperienced or unskilled staff.

Without disregarding the above regulatory targets for employment and training of National citizens, the EACOP project, its Contractors and their Subcontractors shall achieve the following targets with regards to employment and training of citizens from the Local Community (“Community Content”)

> Technical and Management Staff categories: priority should be given to the Nationals.
> Other staff category should not be recruited outside of the Local Community unless the pool from the Local Community has been exhausted.
The following are considered as contributions to priority Local Content objectives and key to EACOP achievements:

- Local Community employment and training;
- Meeting or exceeding the regulatory targets for employment and training of Tanzanian personnel for Management, Technical and Other staff,
- Training of Tanzanian citizens in the sectors targeted for priority development or Oil & Gas disciplines.

**LOCAL CONTENT PLAN**

EACOP Contractors’ Local Content Plan shall provide a detailed plan for recruitment and training of Tanzanian citizens taking into consideration the promotion of participation of specific groups including women, persons with disabilities and persons from specific geographical areas (Community Content) and in accordance with applicable law.

**It should include an outline of the-**

- hiring and training needs with a breakdown of the skills required;
- the activity specific training requirements;
- A time frame for employment opportunities for Tanzanian citizens;
- The initial proposed organisation chart, specifying positions which shall be occupied by Tanzanian citizens from commencement date and the breakdown of Tanzanian citizens by categories of personnel including management staff, technical staff and other staff;
- A training plan which shall cover the following:
  - Description of the training modules (theoretical, practical (workshop), on the job training, etc.) with overall planning.

**In relation to Community Content, the Local Content Plan shall provide:**

- A procedure for recruitment and training within the local communities;
- Hiring and training needs with a breakdown of the skills required for jobs to be provided within the local communities;
- Contractor’s remuneration strategy and definition of a fair remuneration for workers within the local communities.
5.1.2. Key performance indicators

Contractor’s Local Content Plan should contribute to the following key performance indicators:

<table>
<thead>
<tr>
<th>Employment of Nationals</th>
<th>Training of Nationals</th>
<th>Succession of Expatriates</th>
</tr>
</thead>
<tbody>
<tr>
<td>All man-hours performed by national personnel in-country or out of the country</td>
<td>All man-hours of training performed for national personnel in-country or out of the country</td>
<td>National staff-- Management staff (value and percentage of total staff)</td>
</tr>
<tr>
<td>All costs incurred in the employment of national personnel in-country or out of the country</td>
<td>All costs incurred in the training of national personnel in-country or out of the country</td>
<td>National staff-- Technical staff (value and percentage of total staff)</td>
</tr>
<tr>
<td>Detailed by categories of personnel (management/technical/other staff) and by disciplines</td>
<td>Detailed by categories of personnel (management/technical/other staff) and by disciplines</td>
<td>National staff – Other staff (value and percentage of total staff)</td>
</tr>
</tbody>
</table>

5.2. Provision of local Goods and Services

5.2.1. Key principles

EACOP Contractors shall as much as applicable base the selection for the provision of local goods and services on a competitive tendering. EACOP Contractors shall ensure that the bidding process includes Local Content as one of the requirements for qualification.
Whenever possible, Contractor shall provide contract conditions (scope of work, duration, payment terms, etc.) that allow the participation of Local Companies and Tanzanian citizens.

EACOP Contractors shall ensure that during bid evaluation, the Local Content forms are part of the bid evaluation criteria and in all circumstances, is allocated at least ten percent of the total evaluation score, which shall be rated wholly or substantially on-

a. Employment and training of Tanzanian citizens  
b. Utilization of local goods and services  
c. Proposals for technology transfer

EACOP Contractors shall give preference to Local Content as long as it complies with the requirements of the contract and to HSE, quality, price, quantity, suitability and delivery conditions.

At financial evaluation stage, whenever bids are close to each other by no more than five percent, the bid containing the highest level of Local Content shall be selected over the others.

Before subcontracting any goods and services the contractors and subcontractors must give priority to companies registered in the Tanzanian Local Suppliers and Service Providers (LSSP) in the Petroleum Subsector Database. It is contractors and subcontractors responsibility to ensure the goods and services cannot be locally procured before considering contracting with a non-local company.
In their Local Content Plan, EACOP Contractors shall provide a detailed plan on—

a) the required quality, health, safety and environment standards for goods and services to be procured;

b) the procurement of goods obtainable in Tanzania;

c) the services to be provided by Local Companies and Tanzanian citizens.

EACOP Contractors shall state proposals for—

a) the establishment of joint venture, partnership or subcontracting agreements with Local Companies and Tanzanian citizens;

b) the design and implementation of capacity building programs aimed at transferring skills, know-how and technology to the selected Local Companies and Tanzanian citizens during the execution of the Contract.

EACOP Contractors are encouraged to promote supplier development and capacity building with a special focus on activities selected for priority development.

5.2.2. Key performance indicators

Contractor’s Local Content Plan should contribute to the following key performance indicators:

5.3. Technology Transfer

In order to promote sustainable economic development and national industrialization, capacity building & Technology Transfer are the cornerstones of the EACOP Local Content strategy. Technology Transfer includes all activities and mechanisms aimed at optimizing knowledge and skills transfer to the Government, Local Companies and Tanzanian citizens, including, but not limited to the following:
• encouraging and facilitating the formation of joint ventures and partnerships;
• the development of technology licensing agreements between Local Companies, Tanzanian citizens and foreign Contractors and service or supplier companies;
• The establishment of management and technical capabilities in Tanzania such as:
  > local supplier development programmes aimed at building capacity at national and community level;
  > support to the Industry Enhancement Center;
  > support of existing institutions in Tanzania by providing knowledge and technology;
  > internships and attachment of Tanzanian citizens in petroleum activities, mentorships, scholarships;
• the establishment or upgrading of any necessary facilities for technical, vocational or commercial work and technology transfer;
• the support to local education institutions;
• research and development in Tanzania.

5.3.1. Transferring skills & technology through partnering & subcontracting

The EACOP project views the establishment of joint-venture, partnerships or subcontracting agreements with Local Companies and Tanzanian citizens, when associated with the design and implementation of capacity building programs aimed at transferring skills, know-how and technology to the selected Local Companies and Tanzanian citizens as a key contributor to long lasting value creation for the Tanzanian industry.

EACOP Contractors’ contribution to the capacity building of Local Companies through business arrangements fostering skill and technology transfer is considered a priority Local Content initiative for the EACOP project. Therefore, EACOP Contractors are encouraged to promote such initiatives, with a specific focus on activities selected for priority development.
LOCAL CONTENT PLAN

For each proposed establishment of a joint venture, partnership or subcontracting agreement with a Local Company and a Tanzanian citizen, Contractor to specify:

- the type of business agreement to be put in place with the selected Local Company or Tanzanian citizen and its duration;
- the name and precise description of the selected Local Company or Tanzanian citizen;
- the detailed scope of work to be carried out by the selected Local Company or Tanzanian citizen (including man-hours and the percentage of man-hours in relation to contract scope of work);
- the details of the capacity building program to be put in place by Contractor for the selected Local Company or Tanzanian citizen including, but not limited to-
  - Vision and objectives of the capacity building program;
  - Evaluation of needs of the capacity building program.
- Current knowledge and skills (management, engineering; fabrication, procurement, Quality Assurance and Quality Control, HSE etc.)
- Details of knowledge and skills to be developed during contract execution;
- Process for capacity building (such as but not limited to: coaching, technical training, on the job training, Quality Assurance and Quality Control, HSE support, etc.
  - Action plan for the implementation of the capacity building program (incl. detailed planning);
  - Description of roles and responsibilities for the capacity building program;
  - Monitoring of capacity building program;
  - KPIs of the capacity building program to be submitted to EACOP project;
  - The anticipated expenditure to be made directly by Contractor in implementing this capacity building program.
5.3.2. EACOP capacity building & technology transfer initiatives

A number of initiatives are being implemented by the EACOP project and its Contractors in order to support the capacity building and technology transfer to Local Companies and Tanzanian citizens. They can be mapped as follows:

### Industry Enhancement Centre

The need to establish an Industry Enhancement Center (IEC) for the purpose of developing the local suppliers capacity in the country was identified through an Industrial Baseline Survey.

**The IEC will perform the following:**

- Provide enterprise development, training and capacity building services for Local Companies.
- Provide visibility over demand of opportunities in the petroleum subsector to Tanzanian enterprises.

The development of the first phase of the Industry Enhancement Center is underway with the development of the web portal for potential supplier and companies to interact with.

The IEC will be a support tool for Tanzanian Small and Medium-sized Enterprises.
(SMEs) by integrating supplier development training programmes and initiatives. Training programmes may include, but not limited to, the following:

- Health, Safety and Environment (HSE)
- Quality Management Systems
- Offers and contracts
- Supply Chain Management
- Human Resources
- Marketing management
- Business plans

Contractor’s contribution to the Industry Enhancement Centre through the provision of training sessions targeting Tanzanian SMEs is considered a priority Local Content initiative for the achievement of EACOP Local Content objectives.

**EACOP “Train The Trainers”**

The objective of the EACOP “Train the Trainer” (TTT) program is to strengthen the practical and industrial dimension of technical education and training in Tanzania and to bring them closer to the international market standards. In order to do so, EACOP is mobilizing engineers and technicians from EACOP main Contractors to operate skills and competences transfer for the benefit of Tanzanian teachers/professors from a selection of schools, universities and vocational training centers.

The type of training sessions that will be performed will include disciplines such as Project management (planning, monitoring etc.), Construction engineering, HSE & Quality; Specific proprietary technologies, i.e. compressors, ICSS, Use of Oil & Gas industry software (for instance geological interpretation, etc.)

Contractor’s contribution to the EACOP “Train the Trainers” programme through the provision of training sessions targeting Tanzanian schools, universities or vocational training centres (as advised by EACOP project is considered a priority Local Content initiative for the achievement of EACOP Local Content objectives.)
In the Technology Transfer section of their Local Content Plan, EACOP Contractors shall provide a plan setting out details and initiatives aimed at promoting the effective transfer of technology, technical know-how and skills relating to petroleum activities from the Contractor to the Government of Tanzania, Local Companies and Tanzanian citizens, including, but not limited to:

- the development of technology licensing agreements between Local Companies, Tanzanian citizens and foreign Contractors;
- the establishment in Tanzania of management and technical capabilities such as, but not limited to:
  - local supplier development programs aimed at building capacity at national and community level;
  - internships and attachment of Tanzanian citizens in petroleum activities;
  - support to the industry enhancement center including health, safety environment and quality standards;
  - support of existing institutions in Tanzania by providing knowledge and technology;
  - mentorships;
  - scholarships
- the establishment or upgrading of any necessary facilities for technical, vocational or commercial work and technology transfer;
- support to local education institutions;
- research and development in Tanzania.
Contractor’s Local Content Plan should contribute to the following key performance indicators:

- Value created as expressed in the terms proposed by EACOP Contractor and validated by EACOP project.
- All costs incurred in activities and mechanisms aimed at optimizing knowledge and skills transfer to the Government, Local Companies and Tanzanian citizens;
- All costs incurred in performance/capacity enhancement of the Government, Local Companies and Tanzanian citizens;
- All costs incurred in establishing and upgrading any facility in Tanzania;
- for technical, vocational or commercial work and technology transfer.

Including but not limited to:

- All costs incurred in designing and implementing capacity building programs;
- All costs incurred in support to local enterprise development;
- All costs incurred in support to technical and vocational training institutions;
- All costs incurred in support to local education institutions;
- All costs incurred in support to research and development in Tanzania.

Note: EACOP project reserves the right to exclude from Local Content proposed/performed by Contractor the value of any investment that is not deemed of a nature to transfer technology or enhance the performance/capacity of the Government, Local Companies and Tanzanian citizens.