Cooperative Agreement in support of the “Smart Development Initiative”

MONTHLY REPORT – MAY 2006

Prepared for:
Energy Division—Energy Sector Governance Program
Office of Infrastructure & Engineering
Bureau for Economic Growth, Agriculture and Trade
U.S. Agency for International Development

Prepared by:
Center for Energy Economics
Bureau of Economic Geology
University of Texas, Austin

June 1, 2006
The following are the activities conducted in the month of May. They fall under Task 1 (Continuation of Work in Ghana), Task 2 (Replication / Expansion of the Ghana model to the rest of West Africa) and Task 4 (work on redesigning the New Era program schedule partly to better incorporate Smart Development concepts).

- The RCEER subcontract has been signed. (Task 1)
- RCEER started work on deliverables: 1- natural gas primer is being edited in preparation for publishing; 2- flyer is being edited in preparation for publication; 3- different agencies are being approached for assistance with the implementation of the surveys. (Task 1)
- CEE developed and presented a presentation on Smart Development concepts to its New Era delegates. In addition, Prof. David Spence from UT’S McCombs School of Business presented on community issues associated with energy project siting, and Mr. David Small, Director, Policy and Performance Ministry of Energy and Energy Industries at Trinidad & Tobago, presented on local content policies in his country (see attachments). CEE continued work on the first draft of a white paper on Smart Development in parallel with these presentations and will use this knowledge to develop a draft smart development tool kit. (Task 4)
- CEE and NARUC finalized individual scopes of work for the USAID/WA and developed an MOU to govern their collaboration throughout next year of activities in West Africa, primarily Nigeria and Ghana. (Task 2)
- Mr. Essandoh-Yeddu and Dr. Gülen continued to work on a paper about the economics of the Tema LDC. (Task 1)
- Mr. Essandoh-Yeddu, Mr. Sulemanu Koney from the Ghana Chamber of Mines, Mr. Francis Gbeddy from EC and Mr. Kwaku Boateng from the Ministry of Energy attended the New Era program between May 8 and May 19. Mr. Boateng is responsible for natural gas policy development at the Ministry and Mr. Gbeddy is part of an EC team working on natural gas industry regulations and standards. Mr. Koney is interested in learning about the natural gas industry from the perspective of large users. In addition to our Ghanaian colleagues, four delegates from Nigeria (three from NNPC and one from UNIPORT) and one ministry official from Côte d’Ivoire attended the New Era program, creating a regional forum for West African gas and power issues. (Task 1 and Task 2)
- CEE finalized travel arrangements for Ghana. Dr. Foss and Dr. Gülen will be in Ghana during the week of June 12 to meet with RCEER Advisory Board as well as other stakeholders in the sector and to assist with the deliverables. (Task 1)

**Next steps**

- In June, RCEER will:
  - publish its information flyer
  - publish Natural Gas Primer in book form
  - start implementing the public surveys on natural gas
ATTACHMENTS

1- CEE presentation on Smart Development concepts for the New Era delegates
2- Presentation by Prof. David Spence on siting issues
3- Local content policy of Trinidad & Tobago presented by Mr. David Small
Smart Development

Overview

• What is Smart Development?
  – A strategy for improving the risk/reward relationships inherent in doing business
  – Consistently optimize benefits of energy project investment for all stakeholders
  – Focus on actions that can expand capacity building to strengthen institutional development and public support
Source of Smart Development Risk: Diffuse Benefits, Concentrated Costs

**Costs Pathway**
Costs are perceived to be concentrated at the local site and for local host community

**Benefits Pathway**
- Benefits of the project are spread across a larger area
- Local host community may not perceive sufficient benefits to support project

Result:
Perception of imbalance; "environmental justice" issue

---

Traditional Project Management View of Development Risk

**Traditional commercial frameworks boundary**

Tend to focus on commercial issues, things that can be "handled", avoid "soft" issues (community, environment) that are reserved for EIS

**Project Investment**

Risk mitigation, management pathways

**Country/political risk**

Project investment "FEED" and market risk
**“Smart Development” Project Management View of Development Risk**

- **Project Investment**
  - Risk mitigation, management pathways
- **Local, host community risk**
- **Country/political risk**
- **Project investment “FEED” and market risk**

Incorporate host community issues sooner rather than later

---

**Re-balance with Better Benefit-Cost Accounting**

- Benefits check list……
- Costs check list……
  - Opportunities to convert costs to benefits for host communities
  - Opportunities to move diffuse benefits closer to host communities

**Results:**
- $\sum$ net benefits > expectations
- Project support > opposition
LNG Case Study: Waterway Security Assessment, Economic Development

Convert security and emergency capacity costs to benefits for marine shipping and boating

- Link LNG to electric power
- Link LNG to compatible industry applications

Statement of Needs

- Sustained economic growth
- Commercial frameworks for energy, environment
- Flexible, independent, transparent, accountable institutions
- Improved living standards, education
- Affordable, reliable, clean energy
Global Energy Development

- Apply SD principles to mitigate local “soft” risk.
  - Planning at the community level is crucial
    - Community relations
    - Managing expectations
    - Media interactions
    - Stakeholder management
    - Community Development
    - Work force development
    - What comes after the project? Boom or bust?

Energy Value Chain and Example SD Issues

<table>
<thead>
<tr>
<th>Production</th>
<th>Transport</th>
<th>Distribution</th>
<th>Conversion</th>
<th>End Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access for private investment</td>
<td>Access for private investment</td>
<td>Environmental impacts</td>
<td>Environmental impacts</td>
<td>Environmental impacts</td>
</tr>
<tr>
<td>Rights of way and lands ownership</td>
<td>Transparency</td>
<td>Transparency</td>
<td>Transparency</td>
<td>Transparency</td>
</tr>
<tr>
<td>Environmental impacts</td>
<td>Allocation of economic rents and revenue management</td>
<td>Allocation of economic rents and revenue management</td>
<td>Allocation of economic rents and revenue management</td>
<td>Allocation of economic rents and revenue management</td>
</tr>
<tr>
<td>Transparency</td>
<td>Consumer interface</td>
<td>Consumer interface</td>
<td>Consumer interface</td>
<td>Consumer interface</td>
</tr>
<tr>
<td>Allocation of economic rents and revenue management</td>
<td>Access to service, reliability, quality of service</td>
<td>Access to service, reliability, quality of service</td>
<td>Access to service, reliability, quality of service</td>
<td>Access to service, reliability, quality of service</td>
</tr>
<tr>
<td>Local content</td>
<td>Subsidy and system loss issues and pricing for core customers</td>
<td>Subsidy and system loss issues and pricing for core customers</td>
<td>Subsidy and system loss issues and pricing for core customers</td>
<td>Subsidy and system loss issues and pricing for core customers</td>
</tr>
</tbody>
</table>
Smart Development Principles
Based on Case Study Reviews

• Incorporate specific risks into commercial frameworks/institutional capacity building
• Host community represents a risk factor that can be managed
  – Importance of “reality checking” for both investor, host government on what can/should be achieved
• It is easier to make the profitable social, than to make the social profitable
  – Economic benefits for all stakeholders are key
  – Maximize number of winners, minimize number of losers

Smart Development Principles Based on Case Study Reviews

• Collaboration can be a powerful tool with the right leadership
  – Transform competing agendas into complementary agendas
  – Don’t reinvent the wheel—make it more efficient
  – Identify agendas of all parties
  – Match agendas with appropriate resources
  – Find the right solution to the right problems
  – Promote cultural awareness on all sides to smooth the process
Energy sector reforms fail because

• Linkages across value chains are ignored
• Inefficiencies are obscured by incumbent interests
• Difficult to replace social pricing policies with market-based pricing
• Consumers are not aware of their choices
• Uninformed or, worse, misinformed reporting by the media complicates decision making and policy formulation

“Smart development” issues are particularly difficult

• Pricing energy services
• Public education & participation
• Transparency in decision making
• Media skills
• Consumer rights & responsibilities
• Access to info on alternatives, efficiency, conservation & environmental
• Dispute resolution
CEE-UT “Bottom Line”*

Ghana energy sector governance pilot test:
• Skills to deal with smart development issues are often absent, immature, lacking in depth
• Laws, policies, traditions to support transparency and public access are absent and/or weak
• Smart development issues vary in complexity and sensitivity
• Public inquiries, more open news media pose new challenges
• An important component of the RCEER’s future development is its ability to serve its major stakeholders with an appropriate “smart development” tool kit
  – **Goal** – strengthen, stabilize the critical institutions in Ghana’s energy sector so that they can best serve public needs
  – **Outcome** - RCEER functions as effective two-way bridge between Ghana’s energy sector elites and energy consuming public
  – **Long term implications** - innovative role model for energy sector governance improvements in other countries and regions

* Final report to USAID, Smart Development Initiative

We* all know the challenges

• Ministries, young regulatory agencies, sovereign companies are not well equipped to deal with social risks of transition
  – Well educated, technical elites neither willing nor able to deal with these risks
  – Agencies may also lack resources that can be allocated to these issues

* In addition to CEE, many other USAID contractors such as AED, IIE, USEA, NARUC and PA Consulting and other donor agencies, such as the World Bank, have made similar observations.
International assistance dilemmas are familiar

- Continuous access to international best practices in both technical and non-technical areas is limited
- International assistance is too transitory to have lasting impact
- International efforts may also miss local cultural and societal idiosyncrasies

Public participation, though desirable, carries its own risks

- Access to information and greater decision making power can actually be harmful if there is no technical capacity to correctly interpret the information
- Media reporting reflects this lack of technical knowledge & exacerbates misinformation
- Politics of misinformed public opposition can hijack the reform process
Suggested solution

- Building local resources that can provide
  - Free flow of both technical and non-technical information
  - An increased level of understanding among the public through outreach & training
  - International best practices passed through the filter of adjustment to local conditions & customs

The LEP model

Goal: Improved energy sector governance + local capacity

More "bang for the buck"
Desired profile of local resources

• Supported **but not controlled** by key stakeholders in the energy sector
  – High level, active participation in advisory capacity
  – Expert level input in outreach activities & studies
  – Access to financial contributions (sponsored studies, fee-based training programs, membership, etc)

Desired profile of local resources

• An effective **two-way bridge** between energy sector elites and consuming public
  – Resource for international best practices for technical elites
  – Informed watchdog on behalf of consumers
  – Educating the media and public to close the information gap
Desired profile of local resources

• Led by respected energy experts (known in the sector & trusted by the public)
• Staffed by capable & passionate researchers and trainers
• Direct line of communication to high level officials & expert staff in agencies

The LEP model: how to achieve long run sustainability?

• Illustration - the Bangladesh case
  – CEE LEP with BUET/PMRE (ALO grant)
  – Goals
    • Capacity building: PMRE program (curriculum and faculty recruitment, retention)
    • TA: PMRE as local resource for energy sector restructuring and development
  – PMRE history – CIDA/UA, previous linkages with Texas universities
  – Lack of previous planning for sustainability – “start/stop” path with limited effectiveness and impact
What can university-based programs do?

- Teach and train = workforce development (application + R&D)
- Consult and advise
- Individual experts + teams
- Home + away
- Alone + collaborations
- With own resources + resources of others
- *How can we get “more bang for the buck” for emerging energy sectors?*

What CEE does

- **Training & Education**
  - UT degree programs, external groups
  - (New Era in Oil, Gas & Power Value Creation)

- **Applied Research in Energy Economics**
  - With interdisciplinary collaborations
  - (university agreements)

- **Outreach**
  - Publications, forums, web resources
COMMERCIAL ENERGY VALUE CHAINS
Economics, technologies, investment
Requirements across the value chains

LEGAL, POLICY REGULATORY FRAMEWORKS
Role of government, role of business, business-government interactions

COMMERCIAL FRAMEWORKS
Best practices

CEE research/training/outreach philosophy

© Center for Energy Economics. No reproduction, distribution or attribution without permission.
Siting Energy Facilities: Politics and Law

Legal Institutions  Relevant Actors
Political Institutions  Social, economic, & cultural factors

Themes/Issues:
• No “one size fits all” solution
• Importance of political analysis → short-term & long-term
• Legal system: who has leverage in the near-term and in the long-term?
• Compensation systems → targeting and politics
Investment Decisions:

- Expected return = $f\{\}$
  - projected revenues = $f\{\text{price, volume, contract royalty}\}$
  - projected physical costs = $f\{\text{capital, O&M, regulatory, legal}\}$
  - discounted by long-term political and legal risk (i.e. unilateral changes in law or contract) = $f\{\text{legal & political institutional structure, preferences of community actors}\}$

Designing Licensing Laws

- Balancing stakeholder interests
- Producing a durable decision
Siting Factors: Investor Perspective

Situational

- Government preferences
- Popular preferences: can sustained public support be gained?

Institutional

- Legal regime:
  - opponent leverage and veto points
  - Consensus vs. preemptive licensing regime
- Political system characteristics → can government be changed without disrupting law?

Siting Factors: Preferences of Local Population

- Distribution of preferences
- Intensity of preferences: politics and law
- Mutability of preferences

Value of benefits to locals = f\{ available, initial endowment (diminishing returns), purchasing power (cost of living)\}

Two related processes:

- Licensing: Can we win the license
- Compensation: Can we make whole those who bear costs?
Licensing Regime:

- Unitary vs. federal: does each political subdivision have a veto?
- Role of NGOs → open vs. closed process
NGO preferences

- Ideological
- Representational
- Long-term vs. short-term
- Mutability? Partnership opportunities?

NGO leverage

- In siting/licensing process
- Other legal leverage (environmental, social)
- Access to politicians
- Access to international pressure

Legal Analysis for Developer

1. Is permit or license likely to be issued?
   - YES: Do NGOs support the project?
   - NO: How much legal leverage to NGOs have?
2. Is legal regime sufficiently stable to make bargain durable?
   - YES: Do NGOs support the project?
   - NO: How much legal leverage to NGOs have?

Judicial Review of Government Decisions?
Licensing Regime:
- Unitary vs. federal: does each political subdivision have a veto?
- Role of NGOs → open vs. closed process
- Procedural fairness:
  - preemption vs. consensus (centralization)
  - transparency

### Procedural Fairness

<table>
<thead>
<tr>
<th></th>
<th>Opaque</th>
<th>Transparent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralized</td>
<td>Relatively authoritarian regimes, national government decision</td>
<td>One stop licensing, participation without veto</td>
</tr>
<tr>
<td>Decentralized</td>
<td>Relatively authoritarian regimes, delegated decision</td>
<td>Local or NGO veto</td>
</tr>
</tbody>
</table>
Licensing Regime:

- Unitary vs. federal: does each political subdivision have a veto?
- Role of NGOs → open vs. closed process
- Procedural fairness → preemption vs. consensus
- Compensation?

Who is compensated?

- State F? C and I?
- Local community within F?
- Individuals within green circle? The blue circle?
- Only those individuals whose land is taken?

How is compensation made?

Through national government? States? Directly to individuals? Through third party NGOs or institutions?
Political Analysis for Developer

Does this project have support of current government?  

- **YES**  
  Does this project have popular support?  
  - **YES**  
    Can that support be maintained? How?  
  - **NO**  
    Can popular support be earned?  
    - **NO**  
      Can government support be earned?  
      - **NO**

Long Term: Seeking Durable Bargains

Politics ➔ Legal (licensing) regime

- If populace favors development over environment, licensing regime tends toward preemption and centralization
- If populace favors environment over development, regime will put more emphasis on consensus; more decentralized

Politics ➔ outcomes

- Short-term passions can pose risk in democratic states:
  - Popular opposition
  - Minority passion

Traditionally, investors look for states with rule of law; professional bureaucracy, and independent judiciary
TRINIDAD & TOBAGO ENERGY SECTOR
LOCAL CONTENT & LOCAL PARTICIPATION
POLICY FRAMEWORK

CONTEXT

Trinidad and Tobago, blessed as we are with abundant resources of oil and gas, recognise that our country’s development is enabled by a wasting asset which belongs to all our citizens and which, once removed, is not replenished. The government, as caretaker and manager of these assets, has an obligation to ensure that the exploitation of these resources is conducted in a manner that generates maximum benefit to all the people of Trinidad and Tobago.

In generating value from the resource, the government has at its disposal a mixture of fiscal and non-fiscal measures that it can apply to the activities involved in exploration, production, conversion and disposal of the resource.

This policy addresses measures related to the activities conducted by individuals and enterprises engaged in the sector and operating within and outside of Trinidad and Tobago.

The energy business is characterised as requiring high levels of skills, know-how, technology and capital. Trinidad and Tobago, with our limited human and capital resources, will continue to engage foreign individuals, international businesses and organisations which have these capabilities, to explore for, exploit and commercialize our natural resources.

In seeking to achieve developed nation status, Trinidad and Tobago has to move to a position of increased GNP vs. GDP and of producing higher value-added goods and services for export. The energy sector provides excellent opportunities, so to do, but these are only achieved through increased local participation in the value chain. Current levels of local value capture are in the 10% range and increasing this will have a significant impact on the national economy.

The issues of local content and participation have recently gained prominence internationally and are a major feature of policy initiatives in both developed and developing countries and the huge value they can bring to an oil and gas producing
community provides compelling reasons for the development and enactment of a local content and participation policy in Trinidad and Tobago.

**INTENT**

It is the intention of the government and people of Trinidad and Tobago that T&T will maximize the level of participation of its national people, enterprises, technology and capital through the development and increasing use of locally owned businesses, local financing and human capabilities in the conduct of all activities connected with the energy sector, along its entire value chain, within and outside of T&T.

As T&T is rapidly growing its businesses to help the international community meet their energy needs, we shall use this opportunity to leverage the capabilities of international companies in our midst to build our own businesses, people, technology and capital markets. Recognising the fact that in growing and depleting our natural resources we are simultaneously removing our opportunities to capture future wealth, it is incumbent on us to ensure that we make the most of this opportunity to create the capability to generate wealth in the future.

This policy framework seeks to identify the guiding principles that will determine:
- the major mechanisms for local content, participation and capability development;
- where, how and by whom these will be delivered;
- the performance measurement, assurance and reporting processes to be used; and
- some key areas for priority focus.

**VISION & POLICY FRAMEWORK**

To achieve the goal of maximising value for the country from its assets, the government and people of Trinidad and Tobago shall participate in the business of oil and gas and engage external participants in a manner that captures value on two fronts:

1. **Fiscal measures** - through the use of
   i. taxation and royalty policies and
   ii. government expenditure
   to capture value from the sector and to extend it by building local capabilities that support the sector’s growth.

2. **Non-Fiscal measures** - through
   i. **Local Participation** - maximising the depth and breadth of local ownership, control and financing, in order to increase local value-capture from all parts of the value chain created from the resource, including those activities in
which T&T people, businesses and capital are not currently engaged, both within and outside of T&T;

ii. Local Content - maximising the level of usage of local goods and services, people, businesses and financing.

iii. Local Capability Development - maximising the impact of the ongoing sector activities, through the transfer of technology and know-how to
   a) enhance, deepen and broaden the capability and international competitiveness of T&T's people and businesses within the sector;
   b) create and enhance capabilities that are transferable to other sectors within T&T; and
   c) create and support cluster developments with other industries that have a natural synergy with the energy sector and which may have the capacity to diversify and/or sustain the economy after the resource is depleted.

"Local Content and Participation" - collectively referred to as "local value-added" - will be defined terms in of ownership, control and financing by citizens of Trinidad and Tobago.

While, typically, the themes of "local content and participation" have focussed primarily on the aspects of in-country activity, Trinidad and Tobago recognises that the energy sector has tremendous potential to develop local capabilities that are essential for the capture of further opportunities outside of the country and which potential is not achieved unless there are specific strategies to do so.

This policy framework addresses local content and local participation in a manner that:

- will maximise utilisation and development of T&T nationals, businesses owned by nationals and the T&T capital market in every aspect of the activities conducted in the sector.
- recognises the impact of other mechanisms for maximising local value-added in the short term, while building capability for increased value capture now and in the future.
- seeks to ensure that T&T does not overlook opportunities provided by activities in and in support of the sector, so that
  o supporting energy sector policies and strategies on human and enterprise development will be consistent with this policy framework.
  o all Government and State-agencies, regulations, strategies and contracts are aligned with these policies; and
  o all policies will be vigorously applied to ongoing, proposed and future individual projects, operations and suppliers of goods and services in the energy sector.
LOCAL CONTENT AND PARTICIPATION POLICY STATEMENT

In managing the energy resources of T&T, the Government will take every opportunity to maximise the local value-added and value retention from the activities that will be conducted in all parts of the sector, where our resources are involved, whether those activities occur within T&T or not.

The Government shall consistently define Local Content in terms of the level of ownership, control and financing by citizens of Trinidad and Tobago, in conformity with internationally accepted norms and the key tenets of international conventions, such as GATS.

In order to achieve the goal of maximum local content and participation, the government shall ensure that all participants in the energy sector are selected, engaged and managed in a manner that:

1. Identifies WHERE to enable local value-added opportunity capture from the sector by:
   ▪ Selecting, from time to time, specific goods or services for focusing the local content, participation and supply capability development efforts;

2. Determines HOW to enable delivery of maximum local value-added by:
   ▪ managing the programme of activities in the sector as a portfolio, so that project pace and scheduling enable the maximum opportunity for development of local capabilities and their sustainable utilisation;
   ▪ targeting local capability development by increasing the amount, depth and breadth of in-country activities, so as to enable fuller participation of nationals and enterprises in the value chain;
   ▪ giving preference, firstly, to locally owned, controlled and financed enterprises, then to those that demonstrate a clear culture, commitment and capacity for maximising local value-added, participation and capability development, consistent with the country’s aspirations and vision;
   ▪ focusing on improving local skills, business know-how, technology, financing, capital market development, and wealth capture and distribution;

3. Ensures DELIVERY of maximum local value-added by:
   ▪ Aggressively promoting and rigorously applying this policy wherever State controlled resources are involved
   ▪ Facilitating the development of local capability to enable local value-added;
   ▪ Removing barriers for local participation;
   ▪ setting targets of local content and participation that will be assigned to individual projects, operations and/or operators and supporting these targets with appropriate contract terms;
• measuring and reporting on the performance of operators in the sector;
• periodically comparing the local content and participation performance amongst operators, between projects and operations and with other countries, to establish benchmarks, targets and opportunities for improvement and for the transfer of best practices;

The Permanent Local Content Committee will be responsible for:
• updating these local content and participation policies, as required;
• developing specific subsidiary policies and strategies, to ensure the transfer of technology and know-how to improve local skills, businesses and the capital market;
• ensuring compliance with these policies; and
• reporting to the Minister of Energy and Energy Industries and the Cabinet, as appropriate.

LOCAL CONTENT POLICY IMPLEMENTATION

The traditional approach of "giving preference to local suppliers if the cost, quality and timeliness of delivery of their goods and/or service are of equal quality to the international competitor" has not helped us build local capability, as only those who are already globally competitive will succeed. There is no opportunity to become competitive if the local is not given a chance to do, learn and improve. For this reason "local capability development" will be an important part of the implementation strategy.

Recognising that not all projects, activities, goods or services can be addressed immediately nor can they all be delivered or sustained locally, the Permanent Local Content Committee will initially direct efforts to maximise local content and participation in the following way and in the following key areas:

1) Defining Local Content and Participation in terms of the level of:
   o Local ownership, control and decision-making;
   o Local financing (preferential access to local finance - not just equal access)

2) Requiring preferential treatment of local suppliers by
   o ensuring that these are given preference and assurances from the principal operator, which is not deferred to primary or other contractors; these assurances to include, access, treatment and re-imbursement for goods and services actually provided;
   o addressing barriers that currently prevent this from happening, such as those aspects of the 1994 "Treaty Between the Government of the Republic of Trinidad and Tobago and the Government of the United States of America Concerning the Encouragement and Reciprocal Protection of
Investment."

3) People development in key areas that allow locals to take more value-added, analytical and decision making roles and to ensure that existing regulations and processes, like the work permits, are aligned to ensure compliance with the policies and strategies:
   o High value-added skills
      ▪ Technical
         • General management
         • Design engineering:
         • Project management
         • Seismic processing
         • Human resource development
      ▪ Business Strategic skills
         • Leadership
         • Business development
         • Commercial
         • Analytical
         • Negotiating
         • Strategy development
         • Trading

4) Technology and business know-how that have high value, consistent and sustained demand and which might be transferable to other sectors of the economy. Areas for immediate focus will include:
   o Fabrication;
   o IT support, including seismic data management and processing support;
   o Operations and maintenance support;
   o Maritime Services
   o Business support services, including accounting, HR services and consulting;
   o Financing;
   o Trading.

5) Creating and maintaining databases of:
   o Projects and operations work programmes, including their needs for the provision of goods and services and their scheduling;
   o Local suppliers of goods and services;
   o People development programmes and initiatives of the operators and their international contractors,
      ▪ including work permits awarded and the related commitments;
   o Business development programmes and initiatives;
   o The status of activities of in-country operators, State-owned companies and agencies and their contractors, including their:
      ▪ Local content and participation policies, strategies and initiatives;
- Targets, benchmarks and performance metrics
  - Appropriate legislation, regulations and contracts.

Recognising the importance of local value-added to national development and in order to ensure that the Permanent Local Content Committee (PLCC) is able to properly deliver on its mandate, the necessary resources (human, financial and technology) will be made available to the PLCC.