Ministry of Mines & Energy
"promoting Namibia's mineral, geological

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NATIONAL UPSTREAM PETROLEUM LOCAL CONTENT POLICY

Namibia Oil and Gas Conference

20 - 22 September 2024
Mercure Hotel, Windhoek

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1. Introduction

- The goal of the Namibian Government is to ensure that Namibia derives **optimum benefits** from the sector.
- This policy lays the framework for **maximizing the benefits** to the Namibians through strategies that will target **phased participation** of Namibian labour, goods and services, companies, ownership and financing along the value chain

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2. Guiding Principles

- A **progressive approach** focused on areas of highest impact
- Resolute health, safety, labour and env. Standards
- Intergovernmental and industry partnerships
- Transparency and accountability
- Upholding international best practices

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3. Policy Objectives

- Provide a clear and stable regulatory framework for Local Content Development
- Identify specific sectors for the development of Local capacity
- Maximise employment and development of Namibians
- Maximise the participation of local suppliers along the value chain
- Ensure the transfer of technology, knowledge and skills
- Promote Namibian ownership and financing at all levels of the sector

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3.1. Providing a clear regulatory framework for Local Content Development

- Review and update existing regulatory framework to ensure alignment with the local content policy
- Ensure that local content requirements are also applicable to subcontractors
- Develop comprehensive reporting procedures

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3.2. Identify specific sectors for the development of Local capacity

- Studies to identify strategic sectors for targeted capability & capacity building of local firms to supply the sector
- Studies to identify the current and future skills gap for targeted training and development of individuals.
- Evaluate the potential for providing local training centres vs. leveraging regional facilities.

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3.3. Maximise employment and development of Namibians

- Training contributions by the operators and service companies for the training of Namibians
- Preferential employment opportunities to Namibians having **appropriate qualifications.**
- Co-ordination between the Ministry and other agencies with respect to the recruitment of expatriates.
- Ensure mechanisms are in place to accelerate the transfer of skills and knowledge.

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3.4. Maximising the participation of local suppliers along the value chain

- Ensure preference is given to the Namibian suppliers of goods and services
- Require unbundling of contracts
- Require contracts to be advertised locally
- Ensure the regulator maintains a database of local suppliers
- Facilitate access to financing, esp. for local SME's

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3.5. Ensure the transfer of technology, knowledge and skills

- Seek R&D opportunities in consultation with the industry and academic institutions (e.g. vocational institutions).
- Use of exchange programs to accelerate knowledge transfer and develop the required expertise.
- Require operators to disclose efforts in technology & knowledge transfer in the ALCP.

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3.6. Promoting Namibian ownership and financing at all levels of the sector

- Ensure that the state (NOC, etc.) has an **exercisable** option to participate.
- Encourage Namibians' participation through **meaningful** partnerships.
- Promote innovative structures and financing mechanisms for local businesses.
- Develop measures to support and nurture investments in the sector by local SMEs.

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4. Monitoring & Evaluation

- MME will be responsible for monitoring & enforcing compliance
- Requirement for submission of Local Content Plan by operators and subcontractors.
- The LC Plan **must** address the policy objectives
- Ongoing monitoring & evaluation based on the agreed LC Plan.

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5. Institutional Arrangement

- The key institutions include MME, PETROFUND, NAMCOR, The Ministry of Finance, Ministry of Industrialisation and Trade, Ministry of Home Affairs, Immigration, Ministry of Labour, National Planning Commission, Academic & Research Institutions, Private Sector, etc.

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6. Conclusion

- This policy lays the framework for **in-country value creation** from petroleum resources through **phased participation** of Namibians.
- The relevant aspects of this policy will be incorporated into the revised Petroleum (E&P) Act and the MPA.
- The Policy is designed to be **flexible** to accommodate any reviews as the industry progresses.

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Thank you!

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