



**NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD
(NCDMB)**

COMMUNITY CONTENT GUIDELINE

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1.0 INTRODUCTION

The Nigerian Content Development and Monitoring Board (NCDMB) was established by the Nigerian Oil and Gas Industry Content Development Act (NOGICD) of 2010. The mandate of the Board includes:

1. To develop capacity of local supply chain for effective and efficient service delivery to the oil and gas industry without compromising standards; and
2. The implementation and enforcement of the provisions of the NOGICD Act 2010.

Definitions:

- In this Guideline, the expression, “Host Community” means “the community where oil and gas operations/projects take place”.
- Impacted Community: Right of Way community due to pipeline passage, road access or any other “conduit” (creek, aerodrome, etc.) that is significant to the success of the operations in the host community.
- Location of Community for shallow or deep off shore fields: - If an Oil Field is located offshore, the (negatively impacted) communities along the coastal areas bordering the offshore field become the host Communities.

Negative impacts include:

- a. Shore line erosion due to vehicular movement from shore to offshore and vice versa.
- b. Pollution of the rivers and seas due to vehicular movement and operation, rendering fishing unprofitable.

Or the host community of the littoral state(s) closest to the offshore location will be considered as the host Communities.

2.0 PROVISIONS OF THE NOGICD ACT AND NATIONAL ASPIRATIONS FOR COMMUNITIES

The NOGICD Act has six key thrusts:

- i. Integrate oil & gas producing communities into the oil and gas value chain.
- ii. Maximize participation of Nigerians in oil and gas activities.
- iii. Maximize utilization of Nigerian resources i.e. manpower, goods, services and assets.
- iv. Attract investments to the Nigeria oil and gas sector (service providers, equipment suppliers and any other investment relevant to oil & gas industry.)
- v. Link oil and gas sector to other sectors of the economy.
- vi. Foster institutional collaboration.

Thrust (i) -**Integrating oil & gas producing communities into the oil and gas value chain** underscores the premium consideration placed on community participation by the NOGICD ACT.



Specifically, Sections 25, 26, 27 and 28(2) of the NOGICD Act provides for the operator to maintain a level of presence in communities where projects are located. The Sections also mandate participation of host Community entrepreneurs in the contractual commercial activities of the Promoter, Operators and Contactors throughout the project life cycle.

The President of the Federal Republic of Nigeria launched the Petroleum Industry Roadmap on 27th October 2016 to revitalize the oil and gas industry. A key Performance Indicator in the roadmap is to “Deploy~30% of business opportunities from operating companies to communities”

3.0 OBJECTIVE

Pursuant to the forgoing a Community Content Guideline is hereby developed with the intent to achieve the following:

1. Structured engagement of youths in host Communities in productive endeavors including employment, training, services, supplies, manufacturing and contracts.
2. Establish critical infrastructure to stimulate development in h o s t Communities
3. Attract new businesses to strategic locations in h o s t Communities
4. Sustain growth of h o s t Community entrepreneurs through funding and policy support

4.0 COMMUNITY CONTENT FRAMEWORK

The Community Content Guideline is anchored on Four (4) broad pillars





4.1 Project Office and Community Office.

Sections 25, 26 and 27 of the NOGICD Act grants the Board the power to require operators to maintain project offices in the catchment area where the project is located and an office in the community where they have significant operations. The sections also require that the operator shall locate within the project office, personnel with decision-making authority in accordance with a list of personnel to be approved by the Board. In this regard effective from date of this Community Content Guideline, all Operators, Project Promoters and Contractors shall abide by the following Nigerian Content Requirements:

- 4.1.1 All Operations and/or projects above \$100 Million or duration above 2 years shall open and maintain a project office in the catchment area as part of the Project Organization. Inclusion of this requirement shall be considered a Nigerian content requirement in the review of the Nigerian Content Plan by the Board. Certificate of Authorization to proceed with the project may not be granted by the Board on account of non-submission of plan to open a project office in the catchment area
- 4.1.2 Upon the commencement of the project it shall be a compliance requirement for the Project Promoter, Operator or Contractor appointed to deliver the project to demonstrate that a Project Office has been opened and functional in the catchment area and the office is given the responsibility to take project management and procurement decisions to the satisfaction of the board.
- 4.1.3 Upon completion of the Project and commissioning of the facility the Project Office shall continue to take operations management and procurement decisions for the duration of the operations
- 4.1.4 An EPC contractor that has maintenance agreement with the Project Promoter shall continue to use the established Project Office as its base for Operations and Maintenance activities
- 4.1.5 A Project Promoter or EPC contractors that desire to close a Project Office on account of business decision shall first of all obtain express approval from the Board. Upon receipt of such application the Board shall respond with a position within 15 working days.
- 4.1.6 The Board requires any Operator, Project Promoter or Contractor to open and maintain a liaison office in a Community where the Operator, Project promoter or Contractor has operations.
Community office is to provide interface with host Communities.



4.2 Employment and Human Capital Development

4.2.1 Employment

Employment consideration is a key component of the Community Content Strategy as employment fosters cordial relationship between project promoters and the community. It is therefore the determination of the Board to promote dignity of Labor as it relates to employment opportunities for indigenes of the Communities. In this regard the Guideline seeks to assure that indigenes of the Communities are gainfully employed, earn living wage from their Labour contribution, develop competencies relevant to the job role and pay taxes to Government.

With effect from the commencement of this Guideline the following shall apply in relation to employment opportunities for host Communities:

- i. All unskilled job roles (e.g. cleaners, porters, grass-cutters etc.) to be exclusively reserved for indigenes of the host community or communities where a project is domiciled
- ii. At least 50% of semi-skilled job roles (e.g. drivers, gardeners, storekeepers, janitors etc.) to be exclusively reserved for indigenes of the host community or communities where the project/operation is domiciled
- iii. At least 10% of skilled roles to be exclusively reserved for indigenes of the host community or communities where the project/operation is domiciled. Where capacity does not exist Project Promoter or Contractors shall identify near-fit indigenes, using the “onion effect”, and put in place understudy and succession plan for eventual take-over of such roles. In the event that the host community or Communities does not have qualified personnel to take up the 10% of the skilled roles and object to the filling of the 10% of the skilled-roles from the neighboring Community or Communities then the 10% slot shall be converted to additional relevant skill-training for the Community or Communities.
- iv. At least 20% of the personnel required during the operations phase must be indigenes of the Community or Communities where the project/operation is domiciled.



4.2.2 Human Capital Development-HCD

In line with the HCD Framework the following provisions shall apply to Communities:

- i. HCD intervention will cover Direct Trainings by NCDMB, Operators, Contractors & Project Promoters; Scholarships, Entrepreneurship & Empowerment and Project-based Trainings sponsored by Operators, Contractors or Sub-contractors
- ii. Selection of candidates shall be only through NOGICJQS platform and shall be verified by the Zonal Coordination & Board Projects Division of the Board. Youths in the Communities shall continuously be sensitized to register on the platform and actively leverage the Digital centers established in the Zonal Offices of NCDMB for pre and post training registration.
- iii. For the purpose of Direct Training Intervention, selection of training programmes shall be based on the outcome of the Periodic Needs Assessment anchored by the Community Content Committee and shall be tailored to provide requisite skills that will advance the unique Human Development needs of the oil and gas industry and host Communities. Training Providers shall be registered members of Oil and Gas Trainers Association of Nigeria -OGTAN
- iv. Scholarship programmes (undergraduate and postgraduate) sponsored by Operators, Contractors and Project Promoters shall hence forth be coordinated in a manner that reflects trends in manpower requirements in the oil and gas industry.

Operators/Contractors are required to upload list of beneficiaries of scholarship schemes to NCDMB electronically through the NOGIC JQS portal and or Digital Centers in the Zones for the purpose of capturing available academic qualifications within Communities.

- v. Entrepreneurship & Empowerment programmes sponsored by NCDMB, Operators, Contractors and other Project Promoters shall be coordinated by NCDMB to optimize resource utilization, avoid duplication and ensure effort will advance development of youths in h o s t Communities.
There shall be Joint sponsorship of empowerment programmes between NCDMB, Operators, Contractors and other Project Promoters to achieve greater impact.



- vi. In selection of candidates for Project Based Trainings, priority, up to 30% slot shall be given to trainees from the host Communities where projects are domiciled. Where there is lack of entry level qualification in a host Community, priority will be given to neighboring communities. Post training employment opportunities shall also give priority to host Community candidates that meet the qualification for post training employment.
- vii. Where it is proven that a host Community is unable to provide suitably qualified candidates to fill their slots, the project owners may be required to upgrade a school in the host Community or carry out any other developmental intervention in lieu of the cost that would have been incurred in training members of that host Community.

4.3 Procurement of Goods and Services

In line with the Key Performance Indicator in the “7BigWins”, “Deploy ~30% (in terms of value of contracts to be executed in the host Communities) of business opportunities from operating companies to communities”. Compliance will be evaluated based on actual amount spent on contracts executed in the host communities. The following empowerment provisions shall apply henceforth:

- i. The Project Office established in a catchment area shall be given powers to take procurement decisions in favor of the host Community Contractors, on items relevant to the needs of the Project. These items include procurement of consumables (water, stationeries, printer cartridges, etc.), provision of services such as catering, logistics support (trucks, boats, houseboats, stores, warehouses, labour, etc.), supply of paints, PPEs, and others services and projects where capacity exist in the host Community. Quarterly procurement reports shall be submitted to NCDMB demonstrating that at least 30% of procurement opportunities were accessed by Entrepreneurs from the host community.
- ii. Extend “Nigerian Content incentives” for companies that setup business in host Communities in the following categories: manufacturing, logistics base, fabrication and training. Incentives will include First Consideration in Bids and allowance of 10% premium price during commercial bid evaluation.
- iii. Promote formation of alliances between host Community entrepreneurs and well established vendors for supply of more critical items on the basis of equality. Such alliances shall benefit from Nigerian Content Incentives.



- iv. Promote establishment of parks, facilities and infrastructure to support manufacturing and services in host Communities. Such facilities shall benefit from Nigerian Content Incentives.
- v. Impacted Communities shall have consideration for involvement in the establishment, maintenance, operations, security and any other empowerment activity associated with the “conduit” in their domain.

4.4 Funding

The Board will partner with reputable financial institutions to offer funding support from the Nigerian Content Development Fund to host Community business entities to finance Purchase Orders (PO), and to establish new businesses connected to the oil and gas industry. Such funding support shall be based on unique Terms and Conditions contained in the Host Community Contractors Intervention fund.

5.0 Governance Framework

To ensure effective implementation of the Community Content Guideline the following Governance Framework shall apply:

- 1) The provisions of the Community Content Guideline will be incorporated into the Nigerian Content Plan to be submitted to the Board by all Operators, project promoters and contractors
- 2) Provisions stated in Sections 1 to 4 in this Community Content Guideline must be strictly adhered to as part of Nigerian content requirements for all stakeholders.
- 3) To achieve the intendments contained in the Community Content Guideline (CCG), the Board (NCDMB) shall adopt provisions of existing and valid GMoUs/MOUs (e.g. governance structure, obligation of parties, etc.), where such provisions do not conflict with the provisions of the CCG, NOGICD ACT 2010 nor other policy directions of the NCDMB.
- 4) NCDMB shall in collaboration with relevant Project Promoter, EPC Contractor, Sub-contractor, host Community, etc., undertake the following activities:
 - a. Conduct periodic needs assessment to determine unique needs of host Communities in the area of Human Capital Development (training & trades), infrastructure, and social amenities.



- b. Aggregate host Community Content Strategies of Stakeholders to optimize employment of resources, address possible duplications, misfits, challenges etc.
 - c. Maintain contact with development partners and bring to the fore developmental needs of host Communities.
 - d. Embark on road shows to attract new investments to host Communities.
 - e. Organize sensitization and awareness workshops on benefits of Nigerian content, need to keep the peace etc.
 - f. Identify host Community entrepreneurs that need to be supported by NCDF (Host Community Contractors Intervention Fund) financing window
 - g. Design and put in place an objective and fair process to operationalize Community Content by Project Promoters, Contractors and other stakeholders working in Communities.
- 5.** Detailed reporting on implementation of the Community Content Guideline must be incorporated into the statutory report submitted to the Board by the Project Promoter, EPC Contractor and Sub-contractor.



6.0 MONITORING & EVALUATION FRAMEWORK

Community Content Section	Medium for Implementing	Details
<p>a).Project Office b). Community Office</p>	<p>Evaluation of Nigerian Content Plan submitted by Operators</p> <p>Technical Bids of EPC Contractors</p>	<p>Projects and Operations Division shall ensure it is adequately catered for during tender evaluation process.</p> <p>Capacity Building Division and the Monitoring and Evaluation Directorate shall ensure compliance upon commencement and Execution of project/operation.</p>
<p>Employment and Human Capital Development</p>	<p>Evaluation of Tender Documents</p> <p>Incorporation into Human Capital Development Guideline issued to industry</p>	<p>Projects and Operations Division shall ensure it is adequately catered for during tender evaluation.</p> <p>Capacity Building Division and the Monitoring and Evaluation Directorate shall ensure compliance.</p>
<p>Procurement of Goods and Services</p>	<p>Evaluation of Tender Documents</p>	<p>Projects and Operations Division shall ensure it is adequately catered for during tender evaluation process.</p> <p>Capacity Building Division shall promote establishment of new capabilities in Communities based on periodic needs assessment.</p> <p>The Board shall rely on ‘whistle blowing’ to identify and deal with non-compliance. The Zonal Coordination and Board Projects Division will be responsible for managing such complains.</p>
<p>Funding</p>	<p>Bank of Industry</p>	<p>Terms and conditions in the Community Contractor financing product shall be strictly observed.</p>



7.0 CONSEQUENCES FOR NON-COMPLIANCE

Project Promoters, operators, contractors and other stakeholders are expected to comply with this Guideline. Non-adherence to the Community Content Guideline will be met with imposition of appropriate sanctions as provided in the NOGICD Act of 2010 which shall include:

- 1) Refusal of the Board to issue Certificate of Authorization to the Operator, Contractor and/or Project Promoter.
- 2) Refusal of the Board to participate in the Operator's tender or issuance of Nigerian Content Compliance Certificate.
- 3) Denunciation of the project by the Community through a public hearing specifically called for that purpose.
- 4) Initiation of penal sanctions as provided in section 68 of the Act.
- 5) In the case of non-compliance in the establishment and/or closure of the project office, The Board shall invoke its administrative sanction in the NOGICD Act 2010 section 70(i) & (p).



REQUIREMENTS FOR HOST COMMUNITY CONTRACTORS VERIFICATION PART A – CERTIFICATION

1. CAC Registration

- Certificate of Incorporation
- C02
- C07
- C06

2. Registered office (s) and location:

- Registered office in the community
- Other offices

3. Local Government Identification (Certificates) of Directors

- Duly signed Letter of Identification from Paramount Ruler of the community or duly signed Letter of Identification from the Director's Compound Chief or Family / Village / Clan Head.

4. **DPR:** (Department of Petroleum Resources) Registration for relevant category to the specific job.

5. **NIPEX:** (Nigerian Petroleum Exchange) Registration for relevant category to the specific job (IF ANY).

6. **TAX:** Evidence of payment

7. **VAT:** Certificate

8. Functional company e-mail address

PART B: CAPACITY

1. COMPANY PROFILE:

- Organogram showing key personnel.
- Experience / qualification of key personnel.
- CV's of key personnel.
- Copies of Credentials of key personnel.
- Evidence of previous jobs done successfully, including similar ones to the subject matter.
- Award and Completion Certificate of previous job done, including similar ones to the subject matter.

NOTE: ALL SUBMISSIONS MUST BE ACCOMPANIED BY THE ORIGINAL DOCUMENTS FOR SIGHTING PURPOSE. THE BOARD WILL FURTHER VERIFY WITH C.A.C, DPR, ETC ON THE AUTHENTICITY OF THE DOCUMENTS SUBMITTED. 13