



NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD (NCDMB)

NCDMB RESEARCH AND STATISTICS FRAMEWORK

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1. INTRODUCTION

The Nigerian Content Development and Monitoring Board (NCDMB) was established in 2010 by the Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010 with a mandate to:

1. Develop the capacity of the local supply chain for effective and efficient service delivery to the oil and gas industry without compromising standards and;
2. Implement and enforce the provisions of the NOGICD Act of 2010

Access to reliable data is a critical requirement in delivering the Board's mandate. For each mandate availability of data is required along the following parameters:

Mandate 1: Develop the capacity of the local supply chain for effective and efficient service delivery to the oil and gas industry without compromising standards

- a. Data on service providers operating in the oil and gas industry according to their service category
- b. Data on facilities owned by existing service providers and their delivery capacity
- c. Data on assets owned by existing service providers
- d. Data on producing companies in the oil and gas industry and their production profile
- e. Data on production capacity of local manufacturers of goods used in the oil and gas industry
- f. Employment data from service companies and producers operating in Nigeria by Nationality

Mandate 2: Implement and enforce the provisions of the NOGICD Act of 2010

- a. Data on service providers operating in the oil and gas industry, contracts carried out and Nigerian content level achieved
- b. Data on producing companies, contracts awarded and Nigerian content level achieved
- c. Data on employment profile of service companies and operating companies by Nationality

The aforementioned Data requirements makes a compelling case for the establishment of NCDMB Research and Statistics Framework, to provide clear procedure for statistical data management on Nigerian Content Indicators.

2. DEFINITION OF TERMS

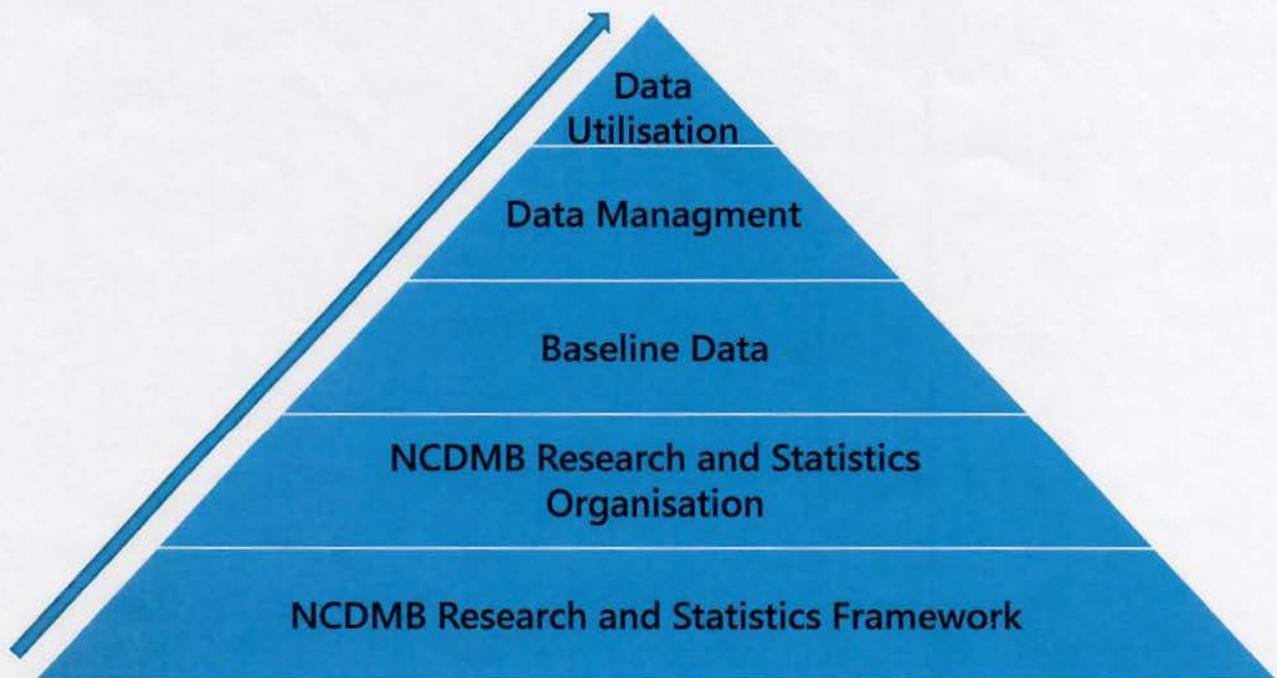
For clarity of purpose the following are important definition of terms used in the framework:

- a. **The Board:** Nigerian Content Development and Monitoring Board
- b. **Nigerian Content:** the quantum of composite value added to or created in the Nigerian economy by a systematic development of capacity and capabilities through the deliberate utilization of Nigerian human, material resources and services in the Nigerian oil and gas industry.
- c. **Nigerian Content Indicator:** a percentage rating of a company based on specific criteria defined on the basis of values ascribed to each criterion.
- d. **Operator:** the Nigerian National Petroleum Corporation (NNPC), its subsidiaries, Joint Venture partners, and any Nigerian, Foreign or International Oil and Gas company operating in the Nigerian Oil and Gas industry under any petroleum arrangement.
- e. **Nigerian Oil and Gas Industry:** all activities connected with the exploration, development, exploitation, transportation and sale of Nigerian oil and gas resources including upstream and downstream oil and gas operations.
- f. **Nigerian Company:** a company formed and registered in Nigeria in accordance with the provision of the Companies and Allied Matters Act with not less than 51 % equity shares by Nigerians.
- g. **Projects:** An investment in the oil and gas value chain (upstream, midstream & downstream).
- h. **Facilities:** A place, amenities or piece of equipment provided for Oil and Gas industry value adding activities
- i. **Infrastructure:** Refers to the fundamental facilities and systems necessary for the oil and gas industry to function and create economic growth
- j. **Stakeholders:** Government agencies, industry sectorial working groups under the Nigerian Content Consultative Forum, Operators, Service Companies and internal entities of the Board
- k. **Assets:** movable operating equipment deployed for services, production and operations. Specifically *marine vessels* and *rigs*
- l. **Human capital:** Nigerians employed or trained and expatriates working in the oil and gas industry.
- m. **Materials:** Manufactured goods produced and used in the oil and gas industry

3. OVERVIEW OF NCDMB RESEARCH AND STATISTICS FRAMEWORK

The NCDMB Research and Statistics Framework is hereby established, to provide clear procedure for data collection, compilation, analytics, dissemination, utilization and archiving. The Framework is anchored on the following core pillars:

- a. Optimal statistical organisation – qualified personnel, well defined procedure, adequate statistical tools and code of conduct.
- b. Comprehensive baseline data –Reliable data base of project promoters, service companies and operating companies from which data will be sourced on an ongoing basis
- c. Data Management – Well defined system for gathering, storing, analysing, interpreting, communicating, archiving and retrieval of data relevant to Nigerian Content development in the oil and gas industry
- d. Data utilisation – Application of data for evidence based decision making including policy formulation, gap analysis, investment decision and performance reporting



NCDMB RESEARCH AND STATISTICS SYSTEM

The above graphical illustration of R&S system is elaborated in the chapter below

4. NCDMB RESEARCH AND STATISTICS SYSTEM

The following describe the NCDMB R&S system

NCDMB Research and Statistics Organisation

Directorate of Planning, Research and Statistics (PRS)

The Directorate of Planning, Research and Statistics has overall responsibility on matters related to statistical data in the Board. Responsibilities include design of the NCDMB R&S framework, data management and data utilisation. The Directorate shall provide periodic data analytics for informed decision making within and outside the Board.

Research, Statistics and Development Division (RSDD)

The Research, Statistics and Development Division hosts the Research and Statistics function, which has responsibility for day to day implementation of NCDMB's R & S framework including baseline survey, data management and data utilisation. The Department is also responsible for carrying out benchmark studies on different systems for data management

Research & Statistics Policy

The Executive Secretary of NCDMB shall issue policy on statistical data to the industry for the purpose of compelling a culture of data sharing between NCDMB and project promoters, operators and service companies. The policy shall be issued on the premise that the Board rely on data to drive its Nigerian Content implementation guidelines.

Research tools

Basic research tools shall be made available to carry out quality research on an ongoing basis. These tools include:

- I. Data servers
- II. Computers (Workstations and laptops),
- III. Handheld Digital tablets with appropriate applications and accessories for data gathering, storage, remote monitoring and database management
- IV. Statistical software packages such as Censors and Survey Processing System (CSPRO), Statistical Analysis System (SAS), and IBM SPSS (Statistical Package for the Social Sciences) etc.
- V. Printers
- VI. Photocopier
- VII. Document binding machine and accessories

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Capacity building

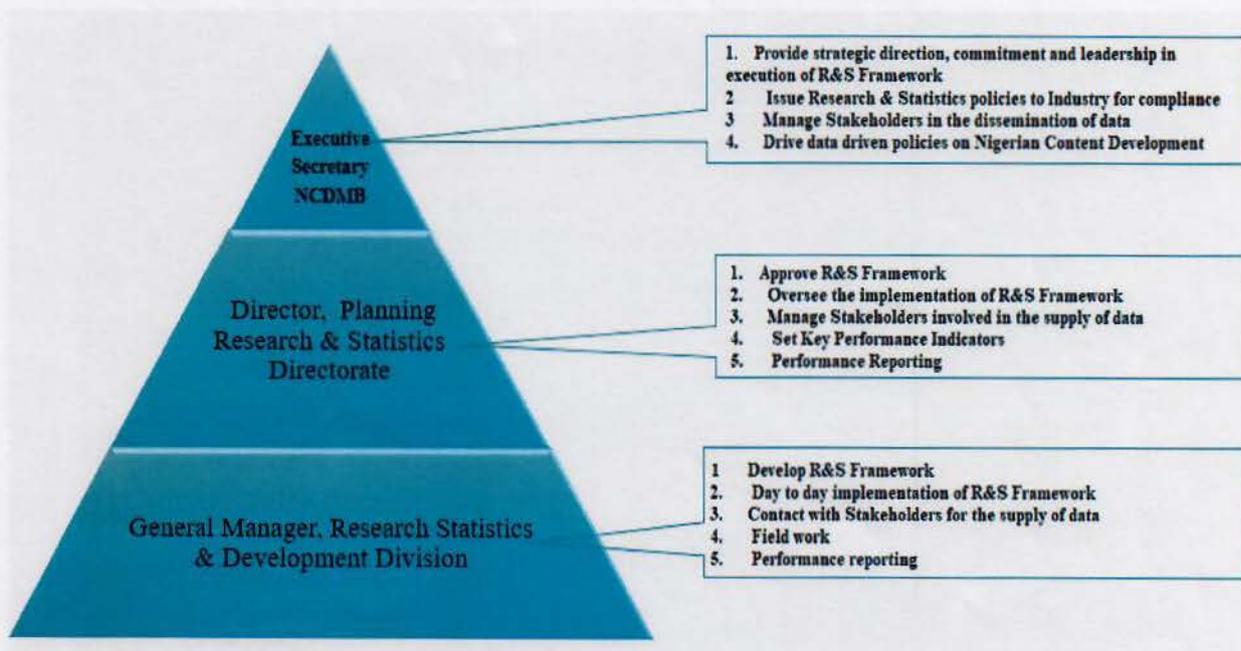
Appropriate training exposure shall be availed to Research officers, to continuously hone their skills in research methodology. Capacity building programs shall include:

- I. E-learning
- II. Classroom training
- III. Capacity building workshop organised for Statistical officers
- IV. Professional development programs
- V. Benchmark studies to counterpart institutions with credible data management system
- VI. Exchange program on statistical data management

Code of Conduct

Professionalism is a core value of the Board, as such Officers involved in any aspect of the Research and Statistics function shall be guided by the following basic code of conduct:

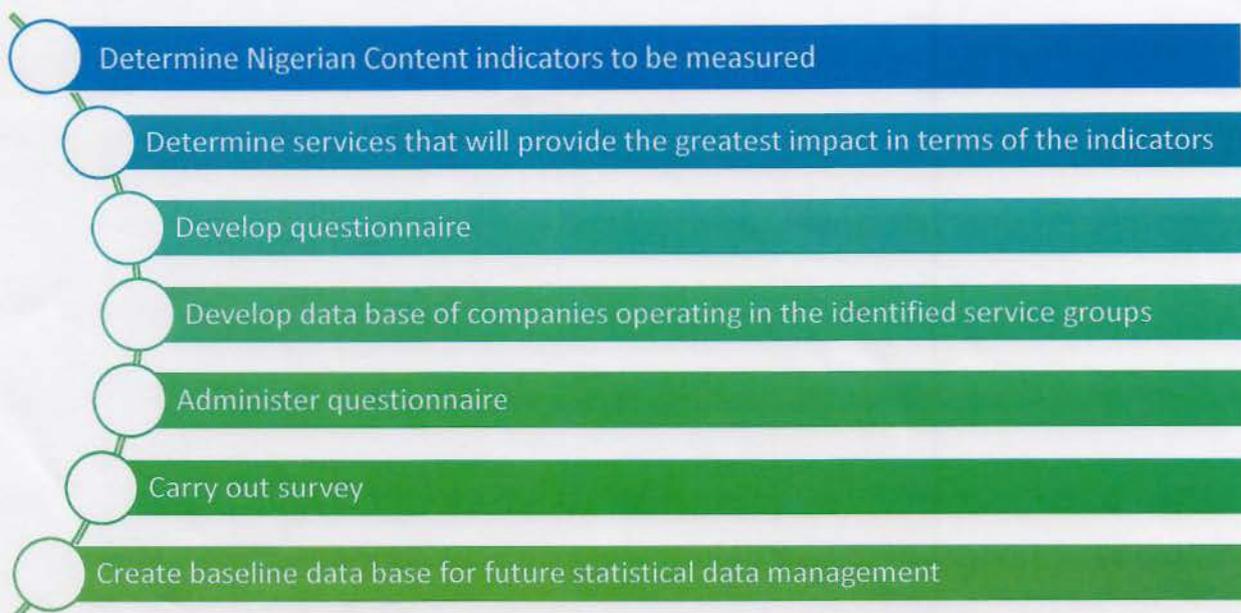
- I. Professionalism
- II. Confidentiality
- III. Accuracy
- IV. Objectivity and
- V. Conflict of interest declaration



NCDMB Research and Statistics Organisation

Baseline data

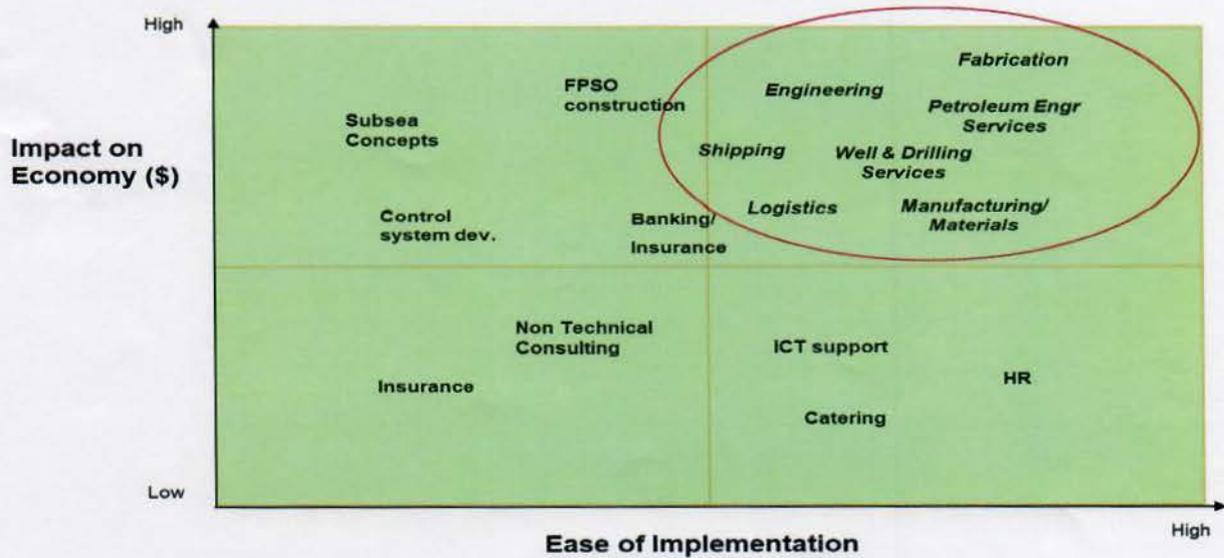
In line with standard practice, NCDMB shall carry out baseline surveys to establish the profile of entities for which statistical data shall be sourced on an ongoing basis. The Baseline data gathering process shall involve the following steps:



In this regard baseline survey shall be conducted for major services in the oil and gas industry as captured in the Schedule to the Act. However the immediate focus shall be the following service groups:

S/no	Sector	Data required		
1	Fabrication yards	Installed capacity	Capacity utilisation	Employment
2	Design houses	Installed Man-hours capacity	Man-hours capacity utilisation	Employment
3	Manufacturing companies	Installed capacity	Capacity utilisation	Employment
4	Marine service companies	Number of assets	Ownership profile	Employment
5	Well & Drilling services	Equipment owned	Ownership profile	Employment
6	Petroleum Engineering Services	Equipment owned	Ownership profile	Employment

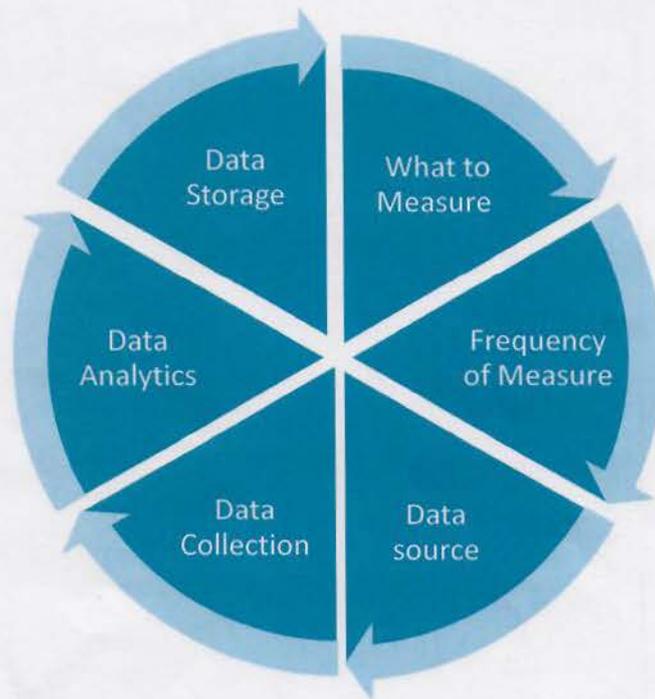
The service groups were determined based on the industry approved Matrix for Nigerian Content Value Capture, that is, ease of implementation and impact on the economy. The matrix is illustrated below.



Focus Area Matrix for Nigerian Content Value Capture

Data Management

Data Management Framework provides structured approach to defining Nigerian Content indicators to be measured and the methodology and frequency of data gathering, processing and analytics. Data management framework also elaborate on data storage, update, validation and retrieval.



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1. What to measure

What to be measured shall be aligned with NCDMB's capacity development framework. This is to provide empirical data for informed capacity development interventions anchored by the Board. The indicators include:

a. Human Capital Development: The number of Nigerians employed, trained and the number of expatriates in the oil and gas industry categorized as follows:

- *Employment indicator:*
 - i. General employment in the industry
 - ii. Nigerians employed
 - iii. Expatriates employed
- *Training indicator:*
 - i. Project based training
 - ii. Nigeria Content Remediation training
 - iii. NCDMB direct training and
 - iv. collaborative training between NCDMB and PTDF or other agencies

b. Facilities & Infrastructure: This shall be based on facilities and infrastructure that generate the highest impact on the economy as illustrated in the matrix for Nigerian content value capture. The impact created is in terms of employment, income and revenue retention in the Nigerian economy. Indicators to measure are as follows:

- i. Number of facilities
- ii. Installed capacity
- iii. capacity utilization

Focus is on fabrication yards, design engineering houses, well & drilling companies, petroleum engineering companies

c. Manufactured materials: The scope of data management shall cover:

- i. Demand profile for materials procured for oil & gas production, operation and services.
- ii. Specification of materials must align with industry standards

The focus of data management will be on the top 10 most important materials used in the oil and gas industry in terms of volume and value:

- a. Turbine
- b. pumps
- c. compressors
- d. line pipes
- e. clamps
- f. valves
- g. seal
- h. fittings and flanges
- i. drilling fluids and
- j. production chemicals

d. Assets: This is the enumeration of diverse assets deployed for production, operations and services in the oil and gas industry, with focus on *Rigs and Marine Vessels*

- i. Rigs data shall measure:
 - a. Rig count
 - b. Rigs deployed in the industry and
 - c. Ratio of Nigerian to foreign owned rigs
- ii. Marine vessels data shall measure:
 - a. Marine vessel count
 - b. Vessels deployed in the industry and
 - c. Ratio of Nigerian owned vessels to foreign owned vessels per vessel category

e. Nigerian content level: Nigerian content level shall be measured as part of the Board's

Monitoring and Evaluation and Projects Evaluation oversight. The Nigerian content level shall be measured at different levels:

- iii. Contract award
 - a. Total number of contracts awarded to Nigerian companies out of total contracts awarded by operator
 - b. Total value (\$) of contracts awarded to Nigerian companies out of total value of contracts awarded by operator
- iv. Contracts executed
 - a. Nigerian content level (%) attained on contract executed measured by the unit of transaction as prescribed in the Schedule to the Act i.e Man-hours, quantity, spend, volume, length, weight,
 - b. Value (\$) retained in-country out of total value (\$) of contracts executed and monitored

2. Frequency of measure

Data collection shall be carried out at defined periods that will allow for optimal trend analysis. The following periods have been proposed as frequency of data collection:

- a. Human capital development data for a given year shall be measured and reported bi-annually in July of the reporting year and January of the next year.
- b. Facilities and infrastructure data for a given year shall be measured and reported annually in January of the next year
- c. Manufactured Materials data shall be measured and reported annually in January of the next year
- d. Assets data for a given year shall be measured and reported bi-annually in July of the reporting year and January of the next year.

3. Sources of data

Pursuant to provisions of Section 55 of the NOGICD Act which provides that the Nigerian Oil and Gas Industry Content Joint Qualification System (NOGICJQS) shall

constitute an industry data bank of available capabilities, all the sources of data shall be from or linked to the NOGICJQS. Major sources of data shall include the following:

- a. NCDMB data base – NOGICJQS, NCDMB journal, Expatriate Quota Management Database (EQM), reports from Monitoring & Evaluation Directorate (MED), Projects, Certification & Authorisation Division (PCAD), Capacity Building (CB) Division
- b. Industry stakeholders - Operators, Service Companies, Nigeria Petroleum Exchange (NIPEX) , onsite data capturing
- c. Government sources - National Bureau of Statistics (NBS), compendium of petroleum data from Ministry of Petroleum Resources, NIMASA registry of vessels,.
- d. Subscription to statistical data platforms- Rig zone, Africa Monitor, African oil & Gas Journal, Rystad Energy, desktop research, etc.

All data extracted from these sources shall be linked to the NOGICJQS.

4. Data collection methodology

The methodology for data collection shall include the following medium:

- a. Primary- administration of questionnaire (templates) & surveys, online update of company profile on NOGICJQS, Computer Assisted Personal Interviewing (CAPI), online email exchange, Paper and Pen Interviewing (PAPI)
- b. Secondary data – documents, records and subscriptions

5. Data Analytics

Applicable statistical tools and techniques shall be deployed for data analytics, to interpret data and generate reports at 4 levels:

- a. Descriptive- Presents historical raw data from the source in its raw form
- b. Diagnostic- Analyse current data in relation to data from a previous period for the purpose of comparing trends. Diagnostics is carried out to understand the causes of events and behaviours using techniques such as drill down, data discovery, data mining and correlations
- c. Predictive- Allows for forecasting future trends to show opportunities or threats

- d. Prescriptive- Allows for prescription of viable solutions or actions to be taken based on analysed data. This is considered as the main aim of data analytics.

6. Data Storage

Data generated need to be stored in a safe environment for easy retrieval. Data storage shall be in the following forms:

- a. Electronic – Electronic Data Management system (EDMS), Directorate desktops, NOGICJQS repository
- b. Hardcopy – filing of data shall be in accordance with the classification of data i.e. Human Capital Development, Assets, Manufactured materials, Facilities & infrastructure. The data shall be stored in the Board's library Directorate cabinet and Archive

Appropriate encryption and access control shall be deployed, to ensure that data is only accessed and used by authorised personnel of the Board

Data Utilisation

This is the application of data for fact based strategic planning on Nigerian Content Development. Data gathered and analysed shall be utilised in the following areas:

- a) Performance reporting
- b) Policy:
 - i. New policy formulation
 - ii. Revision of existing policies/guidelines
- c) Gap analysis for informed decision on:
 - i. Capacity development initiatives
 - ii. Investment decision

5. RESEARCH PAPER

Research plays a pivotal role in providing empirical evidence for decision making on matters related to socio-economic development. One of the mandate of the NCDMB Research and

Statistics function is to conduct research on Government policies or industry trend and its effect on Nigerian Content Development.

The following guide shall be applied in carrying out Research on Government policy or trends in the industry:

Selection of Research topic:

The following considerations shall be the basis for selection of Research topics:

- a. Federal Government policies that have been successfully implemented
- b. Federal Government policies that may impact Nigerian Content implementation
- c. Developments in the industry that have the potential of impacting the benefits of Nigerian Content

Outline for Research paper:

Typically, a research paper shall align with the following outline:

- a. Research Title: For every research paper, there shall be a title that will describe the research carried out
- b. Research Objective: The research paper shall define the objective detailing what we aim to achieve in the research work
- c. Justification for the study: The research paper shall provide justifications necessitating the research work
- d. Research Methodology: This section shall describe the approach adopted in carrying out the research
- e. Research Findings: The research paper shall contain the findings from the study
- f. Recommendations: The Research paper shall contain a set of recommended actions for the enhancement and implementation of Nigerian Content
- g. Conclusion: The Research Paper shall have a conclusion which shall be drawn from the research work. It will also describe limitations to the study if any, proffer suggestions on how to improve on the research work or similar future researches and clearly state observations that require management attention.

6. KEY PERFORMANCE INDICATORS (KPI)

The level of progress and effectiveness of the NCDMB R&S Framework shall be measured using the following key parameters for a given year:

1. Data analytics on human capital development bi-annually and reported in July of the reporting year and January of the following year
2. Data analytics on facilities and infrastructure annually and reported in January of the following year
3. Data analytics on operating assets bi-annually and reported in July of the reporting year and January of the following year
4. Generation of demand profile for manufactured materials annually and reported in January of the following year
5. Research paper on macro-economic policies or industry trends every quarter in April, July, October of the reporting year and January of the following year.
6. Quarterly report on Nigerian Content level (data generated by Monitoring and Evaluation Directorate)
7. Generate bi-annual statistical data on oil and gas production in Nigeria

7. POLICY STATEMENT

Pursuant to Section 63 of The NOGICD Act 2010 which states that:

The Board shall issue directives to operators, contractors and other entities or persons in order to develop a process to facilitate reporting of activities relating to any aspect of this Act.

The NCDMB hereby issue the following directive to the oil and gas industry

- a. All Operators and Service Providers executing projects/contracts or carrying out any other activities under any form of joint ventures or agreement in the Nigerian Oil and Gas industry shall provide data on Nigerian content indicators with respect to their Operations
- b. Data required shall include employment statistics, operating assets owned, installed capacity & capacity utilisation of facilities among other indicators
- c. The data shall be provided in the format and templates provided by the Board
- d. The data shall be provided at the frequency prescribed by the Board
- e. Operators and Service Providers are required to register their company on the NOGICJQS platform

- f. Operators and Service providers are mandated to update their records every quarter. Such updates shall be carried out within the first month after the preceding quarter.
- g. For service companies data provided to the Board shall be the information source for the purpose of bid evaluation
- h. For Operating companies data provided to the Board shall constitute one of the statutory reports for Nigerian content compliance
- i. This policy is communicated to all stakeholders through approved channels namely NCDMB website, Nigerian and international Newspapers, Social media and relevant Industry publications.
- j. This policy is considered a Nigerian content requirement for all operators and service companies, as such all stakeholders are hereby advised to ensure compliance

Benefit of Policy

Benefits of compliance with this policy includes but not limited to the following

- i. Aggregate available in-country capacity as a measure of Nigerian Content Development
- ii. Ensures objective evaluation of tenders and bids in the industry
- iii. Facilitate data driven policies to enhance Nigerian Content Development
- iv. Apply data to carry out gap analysis and gap closure interventions

Consequence of Non – compliance

Consequences for not providing required data or providing inaccurate data shall attract the following actions:

- i. Risk of Non-processing of operator's bid documents by NCDMB
- ii. Disqualification of vendor from pre-qualification list or technical bid evaluation
- iii. Withholding of Nigerian Content recommendations for statutory certificates or approvals
- iv. Publication of names of non-compliant entities in the Nigerian and international newspapers and professional gazettes.

8. POLICY REVIEW:

The review of this document shall be on need basis or every two years, commencing from the date of implementation (October, 2018).

Approved by: *S.K. Walote*

Signature: 

Effective date: *18/10/18*