Course Program

DAI Local Content Masterclass

Date: Wednesday 6th – Friday 8th May 2020

Location: Hyatt Centric The Woodlands

9595 Six Pines Suite 1100,

The Woodlands,

TX 77380, USA

Please bring: Laptop

The DAI Local Content Masterclass takes place over three (3) days as follows:

Day 1 – Local Content Policy, Regulation and Plans

Day 2 – Local Content Forecasts and Procurement

Day 3 – Local Supplier Development and Local Content Reporting

DAI reserves the right to amend the program as required to deliver the highest quality and most relevant training, and to deploy trainers to best fit the materials and participants.

Lead Trainers

Mr. Zachary Kaplan

Founder and Vice President of the Sustainable Business Group (SBG) at DAI, Zach leads activities related to local content, corporate social investment and supplier development.

- Over ten years' experience within extractives industry, focusing on extensive local content and policy

- Technical Advisor to local content supplier development programs in Zambia, Mozambique, Nigeria, Ghana and Angola. Assessed local supplier capacity for upgrade to enter global supply chains, facilitated foreign direct investments via JVs etc. between international and local companies

- Key architect behind the development of a suite of DAI SBG proprietary local content methodologies and tools currently deployed across the globe for a range of IOCs and governments

- Spearheaded a Local Content Regime Analysis in Ghana, Nigeria, Brazil, Trinidad and Tobago, Tanzania, Papua New Guinea, and Uganda, to provide an assessment of impacts of local content regimes

- Led Local Content Strategy Project for an IOC in Ghana, including analysis of Ghanaian offshore petroleum industry to assess local suppliers, and analysis of Ghanaian regulatory requirements

- Guest panelist and keynote speaker at events such as the *Lebanon Oil and Gas Summit 2017*, *Mozambique Local Content Policy Options Forum 2015* and the *Guyana Supplier Forum 2018* on topics including local content, supplier development, PPPs and inclusive economic growth in extractive industries

- Co-trainer of DAI's Local Content Masterclass having delivered the course in Henley (U.K.), Houston (U.S.A.), Washington D.C. (U.S.A) and Georgetown (Guyana)

Dorival Bettencourt

Senior Manager in the Sustainable Business Group (SBG) at DAI, Dorival leads activities related to local content, corporate social investment and supplier development for oil & gas clients around the world.

- Over 9 years' experience in oil & gas investment, focusing on local content policy and implementation

- Leads and oversees industrial baseline assessments for major oil & gas investments in countries including Senegal, Suriname, Mozambique and Oman
- Designs and implements local content stakeholder engagement strategies in countries including Senegal, Mauritania, Mozambique, Mexico, Suriname, Tanzania and Kenya
- Extractive Industry Lead for USAID-funded private sector development and competitiveness program in Mozambique
- Lead trainer for DAI capacity building programs (Oil & Gas 101; Introduction to Local Content; Fiscal Regimes for Oil & Gas)
- Guest panelist and keynote speaker at events such as *Africa Oil Week (Cape Town), Extractives for Human Development Regional Roundtable (Zanzibar)* and the *World Bank Kenya Local Content Exchanges (Nairobi)*
- Co-trainer of DAI's Local Content Masterclass having delivered the course in Henley, U.K., Houston, U.S.A., Washington D.C., U.S.A, Maputo, Mozambique and Dar es Salaam, Tanzania

DAY 1	Local Content Policy, Regulation and Plans

9:00 – 9:15am	**Welcome and Course Objectives**

- Introductions
- Course Program and Structure

9:15 – 9:45am	**Definitions and Core Concepts**

- Understand why Local Content matters
- Understand how Local Content contributes to the economy
- Understand how Local Content fills the 'economic benefits gap'
- Understand how Local Content fits into the new political, compliance and investment landscape

9:45 – 10:00am	**Exercise #1: Local Content Definitions**

- Develop a definition of Local Content
- Develop an understanding of 'optimal' Local Content

10:00 – 10:45am	**Local Content Policy and Regulations**

- Appreciate that Local Content regulation and strategy needs to align with Public Policy
- Learn how Local Content regulation can be positioned as a competitive differentiator
- Review the pros and cons of a range of local content legislation and regulations: Brazil, Nigeria, Ghana, Canada, Australia, Sierra Leone, Mozambique, Angola, Kazakhstan, Indonesia, Saudi Arabia
- Become familiar with extent to which different common Local Content regulations are consistent or not with WTO rules

10:45 – 11:00am	**Coffee Break**

11:00 – 12:45pm	**Exercise #2: Stakeholder Dialogue on Local Content Regulations**

- Learn different stakeholder issues concerning Local Content: government authorities, operators, primary contractors, local supplier associations
- Apply the principles of consensual negotiation
- Become familiar with common clauses in local content regulation

- Case Study: Mozambique Decree Law (no.2, 2014) - apply consensual negotiation skills to resolve regulatory design issues

12:45 – 1:30pm	**Lunch**

1:30 – 2:15pm   **Local Content Policy Trade-Offs**

- Understand the key Local Content trade-offs
- Familiarization with a Local Content optimization modelling
- Introduction to Case-Study for exercise

2:15 – 3:45pm   **Exercise #3: Local Content Policy Trade-Off – Modeling Case-Study**

- Learn to optimize Local Content targets to deliver both commercial and national interests: personnel, goods etc.
- Appreciate the key trade-offs between Local Content, commercial interests, and government revenues
- Learn of other participants' perspectives through presentation of modelling results and plenary discussion

3:45 – 4:00pm   **Coffee Break**

4:00 – 5:30pm   **Local Content Plans**

- Types of Local Content Plans
- Regulatory requirements for Local Content Plans
- Typical contents of a Local Content Plan
- Application of Forecasting to setting targets in Content Plans and Plan evaluation thresholds

DAY 2	Local Content Forecasts and Procurement

9:00 – 9:30am	**Basic Concepts**

- Basic Concepts of Local Content in Project Forecasts, Planning and Procurement

9:30 – 10:00am	**Local Content Forecasting: Industrial Baseline Studies**

- Understand the demand side of assessing local market capability
- Understand the supply side in assessing local market capability

10:00 – 10:30am	**Exercise #4: Industrial Baseline Studies**

- Understand the cost side of major projects
- How to survey local supplier market for competitiveness
- Different metrics for forecasting Local Content
- Matching demand to local supply
- Interpreting the results of forecasting

10:30 – 11:30am	**Roaming coffee** (whilst completing exercise)

11:30 – 12:00pm	**Exercise #4 Debrief**

12:00 – 12:30pm	**Contracting Strategy**

- Learn the pros and cons of work scope bundling and unbundling
- Through a Worked Example, learn of the different strategic options to control the risks of Local Content through contracting

12:30 – 1:30pm	**Lunch**

1:30 – 2:30pm	**Leveraging Local Content in Major Contract Tenders**

- Familiarization with a common framework for tendering
- Understand the common barriers to local vendor tendering for minor contracts
- Learn how to integrate Local Content considerations into Pre-Qualification processes for major contracts
- Learn of the choices for integrating Local Content into major contract Invitations to Tender (ITTs)

- Learn what to include on Local Content in a dedicated questionnaire as part of an ITT for major contract tenders
- Learn how to weight and score Local Content Plans

2:30 – 2:45pm	**Exercise #5 – Weighting Local Content in Tender Evaluation** • Learn how to weight Local Content in bid evaluation for different types of major contracts
2:45 – 3:15pm	**Factoring Local Content into the Award Decision** • Understand the critical importance of the method chosen to integrate the scoring of Local Content within the final award decision • Learn of the common clauses in Pro-Forma Terms & Conditions
3:15 – 3:30pm	**Coffee Break**
3:30 – 5:00pm	**Exercise # 6 Evaluation of Local Content in Major Contract Tenders** • Experience the reality of evaluating and scoring a Local Content Tender • Plan within a bid from both the client and tenderer perspective • Simulation #1 – tender for Waste Water Storage Pond (construction)
5:00 – 5:30pm	**Exercise #6 Debrief** • As the client - be able to make informed judgements about how to establish the scoring and weighting of Local Content in major contract tenders • As the bidder – be able to structure bids to meet client expectations and maximize competitive advantage

DAY 3	Local Supplier Development and Local Content Reporting

9:00 – 9:30am **Local Supplier Registration and Pre-Qualification**

- What makes a successful local supplier
- Barriers to local suppliers
- Restrictive tenders
- Registration vs Pre-Qualification
- On-line portals and systems
- Features of registration
- Features of pre-qualification

9:30 – 10:00am **Writing a Winning Bid as a Local Supplier**

- Learn key strategic and tactical success factors for local suppliers to bid a wining tender
- Review a tender evaluation of local suppliers

10:00 – 10:30am **Local Supplier Development and EDCs**

- Key principles of EDCs
- Case Studies/Videos

10:30 – 11:00am **Coffee**

11:00 – 12:30pm **Exercise #8: Designing Local Supplier Program/EDC**

- Set up a program to analyze competitiveness gaps in local manufacturing capability:
  o Access to markets
  o Access to finance
  o Business technology and processes
  o Management and skills

12:30 – 1:00pm **Exercise #8: Group Pitches and Debrief**

1:00 – 2:00pm **Lunch**

2:00 – 3:15pm **Local Content Reporting and Metrics**

- Learn of the building blocks for developing Reporting Systems
- Understand some of the myths around reporting Local Content
- Understand the difference between build-down and build-up methods for measuring Local Content

	• Learn about how IncoTerms are used to measure Local Content • Understand the methods for calculating Rules of Origin and their use in measuring and reporting Local Content
3:15 – 3:30pm	**Coffee**
3:30 – 4:45pm	**Exercise #9: Local Content Performance Reporting** • Importance of configuring local content metrics to policy and regulation, example of Sierra Leone • LCPR Simulation - Regulatory review of Local Content Reporting and Scorecard • Analysis of the performance data from the Local Content reports received by regulators
4:45 – 5:00pm	**Wrap Up**