

**THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE**



**NATIONAL MULTI SECTOR LOCAL  
CONTENT GUIDELINES**

**THE NATIONAL ECONOMIC EMPOWERMENT COUNCIL**

**2019**

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## **LIST OF ABBREVIATIONS**

AG	Attorney General
AQRB	Architects and Quantity Surveyors Registration Board
BoT	Bank of Tanzania
CAG	Controller and Auditor General
CRB	Contractors Registration Board
ERB	Engineers Registration Board
EWURA	Energy and Water Utilities Regulatory Authority
FDIs	Foreign Direct Investments
GDP	Gross Domestic Product
LGAs	Local Government Authorities
NACTE	National Council for Technical Education
NCC	National Construction Council
NDC	National Development Corporation
NEEC	National Economic Empowerment Council
PURA	Petroleum Upstream Regulatory Authority
RAHCO	Railway Holdings Company
RLGAs	Regional and Local Government Authorities
SIDO	Small Industries Development Organisation
SMEs	Small and Medium Enterprises
STAMICO	State Mining Corporation
SUMATRA	Surface and Marine Transport Authority
TAA	Tanzania Airports Authority
TANROADS	Tanzania Roads Agency
TBS	Tanzania Bureau of Standards

TCRA	Tanzania Communication Regulatory Authority
TCU	Tanzania Commission for Universities
TIC	Tanzania Investments Center
TIRA	Tanzania Insurance Regulatory Authority
TPA	Tanzania Ports Authority
TPDC	Tanzania Petroleum Development Corporation
TPSF	Tanzania Private Sector Foundation
TTB	Tanzania Tourism Board
VETA	Vocational Education Training Center

## PREFACE AND ACKNOWLEDGEMENT



Local Content has an important role to play in the social and economic development of the country. Having Local Content Legal and Regulatory Frameworks in place is necessary to ensure that Tanzanians are afforded the opportunity to participate in investments and strategic projects taking place in Tanzania.

In many countries Local Content has been applied in the extractives sector, Tanzania however decided to take the multi sector approach to local content by ensuring that Tanzanians participate effectively in all the key sectors of the economy. The Guideline has therefore been developed to guide all the relevant sectors to put in place plans and strategies that will create a conducive environment for Tanzanians to benefit from the opportunities arising from investments in different sectors.

There is a major need of putting effective systems in place that will enable the country to understand the capacities of local enterprises and workforce in order to build the capacities of Tanzanians and enable them to compete in the local and global market. Effective implementation of local content initiatives will boost the private sector, address the unemployment challenge and build the capabilities of local workforce and enterprises. This will lead to improved living standards and growth of the economy.

To make this happen there is a need for close collaborations between the Government, private sector and Investors in ensuring that all the laws, Agreements, Strategies and Plans are complied with. To ensure compliance, an effective monitoring and evaluation system has to be developed by the regulatory and coordinating institutions and the National Economic Empowerment Council (NEEC) will play its role of coordinating local content initiatives and monitoring implementation at the National level.

The Prime Minister's Office is grateful to all the stakeholders who participated tirelessly in the development and fine tuning of the Guideline. Special thanks go to the Uongozi Institute for their support in ensuring that various stakeholders from the public and private sector participate in the validation of the Guideline.

All the stakeholders mentioned in the Guideline should implement the roles stipulated herein and submit their implementation reports to the Prime Minister's Office through NEEC. The reports will enable the Government to make the necessary interventions to increase the participation of Tanzanians in the economy.

Let us work together to build a strong and inclusive economy.

**Hon. Jenister J. Mhagama (MP)**  
**MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE**  
(Policy, Parliamentary Affairs, Labour, Employment, Youth and the Disabled)

# CHAPTER 1

## 1.0 INTRODUCTION

The total population for Tanzania by 2017 was estimated to be 52,554,628 according to the Economic Survey for the year 2017. Tanzania mainland was estimated to have a total population of 51,020,337 whereby 51/1% of the population were females and 48.9% were male. From 2004 to 2017, the average economic growth rate has been at 7.1 per annum. The Gross Domestic Product per capita in Tanzania was Tanzanian Shillings 2,275,601 in 2017 compared to 2,086,168 in 2016. This growth was contributed by the implementation of infrastructure projects including water, energy, roads, railways and airports parallel with the increment in the production of some minerals such as diamond and coal and improvement of agricultural sector. The economic activities which grew at a higher rate include mining and stone quarries (17.5%); water (16.7%); transportation and storage of cargo (16.6%); Information, Communication and Technology (14.7%); and construction (14.1%). Furthermore, the growth rate in the agriculture sector which employs 66.3% of the household in Tanzania and contribute 20% of export increased in the year 2017 to reach 3.6% compared to the growth of 2.1% in 2016. However, there was limited growth in some of the sectors such as finance and insurance services and administration and security.

Despite the growth of the economy the participation of Tanzanians in the formal economy is still very limited. The limited participation can be traced since the period of pre independence whereby a majority of Tanzanians were engaged in the informal economy. During this era the formal economy was in the hands of a few colonial rulers and settlers as Tanzanians were denied opportunities to participate effectively in economic activities. After independence various initiatives were undertaken to ensure Tanzanians participate in the formal economy which include among others; the Arusha Declaration, Decentralisation of the Government, formation of Cooperative Societies, establishment of Small Industries Development Organisation (SIDO) and privatization of state enterprises.

The participation of Tanzanians in the economy during the 1990s was still limited as to a large extent the economy was in the hands of foreigners and a few Tanzanians. The reasons which hindered Tanzanians to participate effectively in the formal economy included: lack of capital, limited entrepreneurship and business skills, lack of credit and a policy on economic empowerment.

The National Economic Empowerment Policy was formulated in the year 2004 with the objective of providing general guidelines which will ensure a majority of Tanzanians

have access to opportunities to participate effectively in economic activities in all sectors of the economy. In this regard sector policies were required to give preferential treatment to nationals where necessary so as to enhance their bargaining positions and opportunities. The Policy aims at ensuring that the goal of the Tanzania Vision 2025 of enabling a large segment of the economy to be owned by Tanzanians is realized. The National Economic Empowerment Act was enacted in the year 2004 which led to the establishment of the National Economic Empowerment Council.

The National Economic Empowerment Council has been mandated under section 5 of the Act to implement the National Economic Empowerment Policy. It is therefore mandated to develop national guidelines to support planning and coordination of multi sector response to the policy at all levels with the aim of providing Tanzanians with the opportunity to participate in economic activities.

Tanzania has been endowed with natural resources such as minerals and gas and the construction, communication and transport sectors are rapidly growing. This has led to large investments in these sectors. However, the participation of Tanzanians in these sectors in terms of employment, supply of goods and services, capacity building and technology transfer is still not satisfactory. This led to various dialogues between the government and private sector in early 2000 on the need of the policies and laws of various sectors especially the extractives sector to include local content requirements.

### **1.1 Local Content in Tanzania**

Local content is the value added to, or created in, the economy through deliberate utilization of Tanzanian human and material resources and services in investments in order to stimulate the development of capabilities and to encourage Local investments, ownership and participation.

Local Content is currently becoming one of the strategic issues in many countries which are rich in natural resources as it stimulates broad based economic development by alleviating poverty and ensuring sustainable economic and social outcomes. In Tanzania the Policies and Laws governing the extractive sector have been reviewed to capture local content issues which aim at ensuring that Tanzanians are given preference in employment and supply of goods and services in the sector. Some of the other sector laws and policies have reserved activities that should be done by Tanzanians only or in joint venture with foreigners, or have given preference to local companies or required a certain percentage of shares in a company to be owned by Tanzanians. Tanzania has decided to take the multi sector approach to local content so that it could apply to other sectors which have a great impact to the economy of the country. This creates a need of all the relevant sector policies and laws to include local content as an essential component for the growth of the economy.

## **1.2 Local Content Priority Sectors**

The Guideline covers the local content priority sectors which are as follows:-

- i. The Extractives sector (Mining, Oil and Gas);
- ii. The Construction sector (Works, Transportation and Communication)
- iii. The Manufacturing and Trade sector;
- iv. The Agricultural sector (Agriculture, Livestock and Fisheries); and
- v. Tourism sector (Natural Resources and Tourism)

The guideline has also covered cross cutting issues which will enable Tanzanians to have the opportunity to participate in investments whether through FDIs or large domestic projects. These sub sectors are as follows:-

- i. Public procurement;
- ii. Education;
- iii. Science and technology
- iv. Employment
- v. Finance and Insurance

The participation of Tanzanians in employment, provision of goods and services, technology transfer, capacity building and community engagement in the sectors mentioned above has not been very well documented and therefore no realistic data is in place. However the challenges being faced by Tanzanians to participate in these sectors include: limited capacity to undertake large projects (capital and technical skills), Lack of entrepreneurial and business skills, lack of capacity to supply large quantity of goods timely, lack of required standards of goods and services required by investors, lack of soft skills, lack of certifications required by investors in specialized projects, lack of supporting legislation and poor monitoring and enforcement of existing laws.

This document sets out guidelines on the development and inclusion of local content in the priority sectors. It aims to insure there is deliberate utilization of Tanzanian human and material resources, goods, works, services and deliberate measures to ensure that the capacity of Tanzanians is built, there is technology transfer and the communities benefit from investments in their areas.

## **1.3. The Objective of the Guideline**

The Guideline has the following objectives:-

1. To provide a guide on how to increase the participation of Tanzanians in all the sectors of the economy;
2. To provide for the coordination structure of local content initiatives from the National to the Local Government level;
3. To provide for the functions of various Local Content Committees and Local Content Coordinators;



4. To provide the roles and functions of various stakeholders in implementing local content initiatives; and
5. To provide for the Local Content reporting format.

## **CHAPTER 2**

### **2.0 LOCAL CONTENT COORDINATION**

The Guidelines shall be implemented by the Ministries, Government institutions, and Regional and Local Government Authorities. The Ministries, Government Institutions and RLGAs shall ensure that in their economic plans and budget they include issues of local content in investments and large projects undertaken in their respective sectors.

The National Economic Empowerment Council shall coordinate, facilitate, supervise and monitor the implementation of the Guideline.

#### **2.1 The Coordination Structure**

Local Content issues shall be coordinated from the National to the Local Government Level through the coordination structure stipulated in the Guidelines for the Implementation of the National Multi Sector Framework for Economic Empowerment issued in February 2016 with the addition of specific Committees for Local Content issues. The Local content issues in the Ministries and Government institutions shall be coordinated through committees which will have specific functions. In the Regional and Local Government Authorities the existing structures for coordination of economic empowerment activities shall be utilised.

##### **2.1.2 The Annual Economic Empowerment Forum**

The Annual Economic Empowerment Forum is held once in a year and is chaired by the Prime Minister of the United Republic of Tanzania. The participants in the meeting are drawn from public and private institutions, development partners, civil society organisations and academicians.

###### **2.1.2.1 The aim of the Meeting**

The meeting is a forum for various economic empowerment stakeholders from the public and private sector to meet and deliberate on various economic empowerment issues and make recommendations for improvement. Amongst the issues that are deliberated upon in the meeting is the participation of Tanzanians in economic activities.

###### **2.1.2.2 The functions of the meeting**

- i. To deliberate on the Annual Economic Empowerment Report;
- ii. To deliberate on Local Content issues;

- iii. To issue awards to Ministries, Government Institutions, Regions and private sector institutions which have significantly implemented or supported economic empowerment initiatives;
- iv. To issue directives on implementation of economic empowerment activities; and
- v. To promote various economic empowerment initiatives.

### **2.1.3 The National Advisory Committee for Economic Empowerment**

The National Advisory Committee for Economic Empowerment is held twice in a year and is chaired by the Permanent Secretary –Prime Minister’s Office. The members of this meeting are drawn from the public and private sector institutions. This is the highest body in evaluating and advising on the strategies, plans and programs relating to economic empowerment.

This Committee shall receive the report of local content implementation from the National Multi Sector Local Content Technical Committee.

#### **2.1.3.1 The Functions of the National Advisory Committee for Economic Empowerment**

- i. To advice on the implementation of various economic empowerment activities;
- ii. To create a platform for the public and private institutions to develop economic empowerment milestones; and
- iii. To receive and deliberate on various economic empowerment reports including the local content implementation reports.

#### **2.1.3.2 The Structure of the National Advisory Committee for Economic Empowerment**

- i. The Permanent Secretary in the Prime Minister’s Office (Policy and Coordination) who shall be the Chair of the Committee
- ii. The Permanent Secretary Ministry of Finance and Planning
- iii. The Permanent Secretary, Prime Minister’s Office
- iv. The Permanent Secretary Ministry of Industry, Trade and Investment (Industry)
- v. The Permanent Secretary Ministry of Industry, Trade and Investment (Trade and Investment)
- vi. The Permanent Secretary Ministry of Energy
- vii. The Permanent Secretary Ministry of Minerals
- viii. The Permanent Secretary Ministry of Works, Transport and Communication (Works)

- ix. The Permanent Secretary Ministry of Works, Transport and Communication (Communication)
- x. The Permanent Secretary Ministry of Works, Transport and Communication (Transport)
- xi. The Permanent Secretary Ministry of Agriculture,
- xii. The Permanent Secretary Ministry of Livestock and Fisheries (Livestock)
- xiii. The Permanent Secretary Ministry of Livestock and Fisheries (Fisheries)
- xiv. The Permanent Secretary Ministry of Education, Science and Technology
- xv. The Permanent Secretary Ministry of Constitution and Legal Affairs
- xvi. The Permanent Secretary Ministry of Tourism and Natural Resources
- xvii. The Permanent Secretary Ministry of Lands, Housing and Human Settlements
- xviii. The Permanent Secretary Ministry of Water and Irrigation
- xix. The Permanent Secretary Ministry of Foreign Affairs and East Africa Corporation
- xx. The Permanent Secretary Ministry of Health, Community Development, Gender and Elderly
- xxi. The Permanent Secretary Ministry of Defence
- xxii. The Permanent Secretary Ministry of Home Affairs
- xxiii. The Permanent Secretary, Presidents Office-Regional and Local Government Authority
- xxiv. Representative from Attorney General's Chambers
- xxv. Representative from Tanzania Private Sector Foundation
- xxvi. Representative from Civil Society Organisations
- xxvii. Representative from Academicians and Research Institutions
- xxviii. Representative from Banks and Financial Institutions
- xxix. Representative from Non Governmental Organisations
- xxx. Representatives of people with special needs

#### **2.1.4 The National Multi Sector Local Content Technical Committee**

The National Multi Sector Local Content Technical Committee is held twice a year and is chaired by the Executive Secretary, National Economic Empowerment Council. The members of this meeting are drawn from the Ministries, Government Institutions, Private sector institutions/associations, Academicians, research institutions and civil society organisations.

##### **2.1.4.1 The functions of the National Multi Sector Local Content Technical Committee**

- i. To deliberate on strategic issues relating to local content;
- ii. To deliberate on strategies and plans to implement local content issues;

- iii. To review reports from the local content committees;
- iv. To follow up on the implementation of the strategies and plans of local content in various sectors;
- v. To report to the National Advisory Committee on Economic Empowerment

### **The members of the National Multi Sector Local Content Technical Committee**

- i. Executive Secretary of the National Economic Empowerment Council (NEEC) who shall be the Chair of the Committee
- ii. The Chairman of the Tanzania Private Sector Foundation (TPSF) who shall be the Vice Chairperson of the Committee
- iii. The Commissioner of Labour, Prime Minister's Office (Labour, Youth, Employment and People with Disabilities)
- iv. The Director General, Petroleum Upstream Regulatory Authority
- v. The Director General, Energy, Water and Utilities Regulatory Authority
- vi. The Managing Director, Tanzania Petroleum Development Corporation
- vii. The Commissioner of Insurance, Tanzania Insurance Regulatory Authority
- viii. The Executive Director, Tanzania Investment Center
- ix. The Executive Secretary, Tanzania National Business Council
- x. The Director General, Vocational Education Training Center
- xi. The Executive Secretary, Mining Commission
- xii. The Managing Director, State Mining Corporation
- xiii. The Director of Employment, Prime Minister's Office (Labour, Youth, Employment and People with Disabilities)
- xiv. The Director of Policy and Planning, Ministry of Finance and Planning
- xv. The Director of Policy and Planning, Ministry of Industry, Trade and Investment
- xvi. The Director of Policy and Planning, Ministry of Energy
- xvii. The Director of Policy and Planning, Ministry of Minerals
- xviii. The Director of Policy and Planning, Ministry of Works, Transport and Communication (Works)
- xix. The Director of Policy and Planning, Ministry of Works, Transport and Communication (Communication)
- xx. The Director of Policy and Planning, Ministry of Works, Transport and Communication (Transport)
- xxi. The Director of Policy and Planning, Ministry of Agriculture,
- xxii. The Director of Policy and Planning, Ministry of, Livestock and Fisheries
- xxiii. The Director of Policy and Planning, Ministry of Education, Science and Technology
- xxiv. The Director of Policy and Planning, Ministry of Natural Resources and Tourism
- xxv. The Executive Director, Confederation of Tanzanian Industries

- xxvi. The Executive Director, Tanzania Chambers of Commerce, Industry and Agriculture
- xxvii. Chairman, Oil and Gas Association of Tanzania
- xxviii. Chief Executive Officer, Association of Tanzania Oil and Gas Service Providers
- xxix. A representative from Natural Resource Governance Institute
- xxx. A representative from Economic and Social Research Foundation
- xxxi. A representative from the Civil Society
- xxxii. A representative from the University of Dar es Salaam
- xxxiii. The Director of Local Content from the National Economic Empowerment Council shall be the Secretary to the Committee

### **2.1.5 The Local Content Sector Committees**

The Local Content Sector Committees shall each meet at least once per year or when the need arises. These Committees are as follows:-

1. The Mining, Oil and Gas Local Content Committee;
2. The Works, Transportation and Communication Local Content Committee;
3. The Agriculture, Livestock and Fisheries Local Content Committee; and
4. The Industries, Trade and Tourism Local Content Committee.

The following cross cutting issues shall be deliberated upon in the sector meetings where the need arises:-

1. Education;
2. Employment;
3. Public Procurement;
4. Science and technology;
5. Finance; and
6. insurance

#### **2.1.5.1 Functions of the Committees**

1. To deliberate on the Local Content issues relating to their respective sectors,
2. To develop strategies to promote local participation in their respective sectors;
3. To deliberate on Local Content recommendations issued by various stakeholders; and
4. To develop Local Content Committee Reports

### **2.1.5.2 Members of the Committees**

The members of the Committees are Local Content Coordinators appointed from the Ministries and Government Institutions. The Local Content Coordinators shall attend the meetings relating to their respective sectors and other coordinators from institutions dealing with cross cutting issues shall attend the meetings of any of the local Content Committees as they shall be required. The meetings shall be chaired by the Local Content Coordinator who shall be appointed as the Chairperson of the Committee. The Chairperson shall be appointed each year and the Local Content Department from NEEC shall form the Secretariat of the Committee meetings.

## CHAPTER 3

### **3.0. ROLES AND RESPONSIBILITIES IN LOCAL CONTENT IMPLEMENTATION**

The implementation of local content initiatives shall be the responsibility of each Ministry, Government institution, Local Government Authorities and the private sector. The guideline provides the general functions which each Ministry and Government institution shall be required to implement and specific functions that should be undertaken by the institutions in the priority sectors.

#### **3.1. Ministries and Government Institutions**

The general role of the Ministries and Government institutions shall be:-

1. To appoint Economic Empowerment/Local Content Coordinators;
2. To ensure the Policies, Laws and Regulations developed promote local participation/local content initiatives;
3. To ensure the agreements entered for large projects either funded by the Government or investors contain clauses that promote local content/local participation;
4. Develop mechanism to monitor and track local content implementation by the investors in the respective sectors;
5. Ensure Contractors or investors prepare local content plans which shall contain among other things Employment Plan, Procurement Plan, Capacity Building Plan, Technology Transfer Plan and Community Engagement Plan where necessary;
6. To develop Local Content implementation Reports bi annually in the agreed format;
7. Give preference to Tanzanians in employment and procurement of local goods and services in all large projects and investments.

#### **3.2. Specific Roles for the Priority Sectors**

##### **3.2.1 Extractive and Energy Sector**

The Extractive Sector and Energy sector comprises of the Minerals, Petroleum and Energy sectors. The Ministries and Institutions under this sector include: Ministry of Energy, Ministry of Minerals, Tanzania Petroleum Development Corporation (TPDC), Petroleum Upstream Regulatory Authority (PURA), Energy and Water Utilities Regulatory Authority (EWURA), Mining Commission, State Mining Corporation (STAMICO), Tanzania National Electricity Supply Company (TANESCO), National Development Corporation (NDC), Rural Energy Agency (REA), Tanzania Geothermal Development Cooperation (TGDC) and Tanzania Extractive Industry Transparency Initiatives (TEITI)



The role of these institutions include:-

1. PURA, EWURA, and Mining Commission to conduct a baseline survey of the capacities and gaps of local suppliers and workforce in the Extractives and Energy Sectors;
2. PURA, EWURA, and Mining Commission to develop and maintain a database of suppliers of goods and services in the Extractives and Energy Sector;
3. PURA, EWURA, and Mining Commission to maintain a database of workforce in the Extractives and Energy Sector;
4. The Ministry of Energy, Ministry of Minerals and Attorney General Chambers to ensure all contracts entered in the sector observe local content requirements;
5. PURA, EWURA, Mining Commission, NDC and TANESCO to ensure the investors submit local content plans (employment, procurement, capacity building, technology transfer, community engagement plans) and the plans are complied with;
6. The Ministry of Energy and Ministry of Minerals to formulate policies and laws to govern local content in the extractive and energy sectors;
7. PURA, EWURA, Mining Commission, TANESCO, STAMICO, REA and NDC should establish a system of monitoring local content implementation. The tool should clearly portray among other things the participation of women, men, youth and people with disabilities; their positions (skilled, semi skilled, unskilled), salaries and benefits, type of training issued, cost of training, type of goods and services procured from local companies or companies in joint venture with local companies and the value of the goods and services compared to the value of goods and services procured from foreign companies;
8. TEITI should collect data and make revenue reconciliation to promote transparency and accountability in the management of the extractive industry;
9. PURA, EWURA and Mining Commission to develop Local Content Guidelines and reporting format to facilitate reporting of local content implementation;
10. Ministry of Energy, Ministry of Minerals, PURA, EWURA and Mining Commission to build the capacities of locals in the extractives sector and maintain a database of experts;
11. EWURA, PURA, Mining Commission, TANESCO and REA to submit local content implementation reports bi annually to NEEC in the format provided in the first schedule.

### **3.2.2 Works, Transportation and Communication Sector**

The Construction Sector comprises of the Ministry of Works, Transport and Communication, Tanzania Roads Agency (TANROADS), Tanzania Zambia Railways(TAZARA), Tanzania Rural and Urban Roads Agency(TARURA), Road Fund Board (RFB), Tanzania Shipping Agencies (TASAC); Tanzania Civil

Aviation Authority (TCAA); Air Tanzania Corporation Limited (ATCL); Tanzania Electrical and Mechanical Services Agency (TEMESA); Marine Service Company Limited (MSCL); Tanzania Meteorological (TMA), Presidents Office Regional Administration and Local Government (PO-RALG), Tanzania Telecommunication Corporation (TTCL), Tanzania Postal Corporation (TPC), Dar es Salaam Rapid Transport Agency (DART), Tanzania Railway Corporation (TRC), Tanzania Airport Authority (TAA), Tanzania Ports Authority (TPA), Surface and Marine Transport Authority (SUMATRA), Tanzania Communication Regulatory Authority (TCRA), The Contractors Registration Board (CRB), National Construction Council (NCC), Engineers Registration Board (ERB), Architects and Quantity Surveyors Registration Board (AQRB)

The role of these institutions include:-

1. The Ministries responsible for Works, Transport, Communication and Local Government Authorities to oversee the respective implementing Agencies in ensuring compliance with local content requirements;
2. Regulatory Authorities/ Agencies to regulate and provide advices to the responsible ministries and implementing Agencies to ensure Local Content issues are observed;
3. The Ministry of Works, Transport and Communication and its institutions to conduct a baseline survey of the local capacities in the sector;
4. The Ministry of Works, Transport and Communication, PO – RALG and its institutions (CRB, AQRB, ERB, TPA, TAA, TRC, TCRA, TARURA, TANROADS, RFB, TTCL etc.) to develop and maintain a database of workforce in the Construction, Transport and Communication Sectors;
5. The Ministry of Works, Transport and Communication and the Attorney Generals Chambers in collaboration with NCC to ensure all construction contracts have a local content clause that requires investors to submit local content plans (employment, procurement, capacity building, technology transfer, community engagement plans) and the plans are complied with;
6. The Ministry of Works, Transport and Communication, PO-RALG and their institutions (NCC, CRB, TANROADS, RF TARURA, TRC, TAA, TPA, ERB, AQRB, TCRA, SUMATRA etc) to ensure the Construction, transport and communication sector Policies and Laws contain local content requirements on preference of local goods and services, joint ventures between local and foreign construction firms, capacity building and technology transfer;
7. The Ministry of Works, Transport and Communication, NCC, CRB, ERB and AQRB to build the capacities of experts at all levels in the construction, transport and communications sector;
8. The Ministry of Works, Transport and Communication, TANROADS, TRC, TPA, TCRA and TAA to establish a system of monitoring local content implementation in the construction, transport and communication sectors, The tool should clearly portray among other things the participation of women, men, youth and people with disabilities; their positions (skilled, semi skilled, unskilled), salaries and benefits, type of training issued, cost of training, type of goods and services procured from local companies or companies in joint venture

- with local companies and the value of the goods and services compared to the value of goods and services procured from foreign companies;
9. The Ministry of Works, Transport and Communication, PO–RALG and their institutions (TANROADS, RFB, TARURA, SUMATRA, TRC, TAA, TPA, TCRA etc.) to submit local content implementation reports bi annually to NEEC in the format provided in the First Schedule.

### **3.2.3 The Manufacturing and Trade Sector**

The Manufacturing sector comprises of the Ministry of Industry, Trade and Investments, Tanzania Bureau of Standards (TBS), Small Industries Development Agency (SIDO), Tanzania Investment Center (TIC), Export Processing Zone Authority (EPZA) and TanTrade.

The role of the institutions include:-

1. The Ministry of Industry, Trade and Investments, to Conduct a baseline survey of the capacities of local SMEs to supply goods and services in large projects;
2. The Ministry of Industry, Trade and Investments and SIDO to develop a database of SMEs in Tanzania;
3. SIDO, TBS, TIC, EPZA and TanTrade to build the capacities of local SMEs to be competitive internationally;
4. TBS to facilitate the standards of local goods and services to meet International standards;
5. TIC and EPZA to link local SMEs with investors;
6. EPZA to ensure all contracts have a local content clause that requires investors in the EPZs to submit local content plans (employment, procurement, capacity building, technology transfer, community engagement plans) and the plans are complied with;
7. The Ministry of Industry, Trade and Investments, to develop a mechanism to monitor the participation of local SMEs in supplying goods and services to investors and large projects;
8. The Ministry of Industry, Trade and Investments to develop and report implementation of the above activities bi annually to NEEC in the format that shall be provided by NEEC.

### **3.2.4 The Agricultural Sector (Agriculture, Livestock and Fisheries)**

The Agriculture sector comprises of the Ministry of Agriculture, The Ministry of Livestock and Fisheries, Meat Board, Southern Agriculture Corridor of Tanzania (SAGCOT), SAGCOT Catalytic Fund, Dairy Board, Crop Boards, Agriculture Training Institutes, Agriculture Research Institutions, Fisheries Education Training Agency and Tanzania Livestock Research Institute.

The role of the institutions include:-

1. The Ministry of Agriculture, Ministry of Livestock and Fisheries the Meat Board, Dairy Board and Crop Boards to develop a database of suppliers of goods and services in their sector and Processors;

2. The Agriculture Training Institutes, Livestock and Fisheries Education and Training Agencies, Agriculture, Livestock and Fisheries Research Institutes, to build the capacities of local farmers, livestock keepers and fish processors to meet international standards;
3. The Ministry of Agriculture and Ministry of Livestock and Fisheries to ensure that Policies and Laws governing these sectors contain Local Content initiatives;
4. The Ministry of Agriculture, Ministry of Livestock and Fisheries, SAGCOT Centre and SAGCOT Catalytic Fund to develop linkages between local farmers, livestock keepers and investors;
5. The Ministry of Agriculture, SAGCOT to develop a mechanism of monitoring the participation of local farmers in supplying their products to investors and Ministry of Livestock and Fisheries should monitor the participation of Tanzanians in the value and supply chain of the sector;
6. TIPRI, TBS, TFDA, TOSCI, Tanzania Atomic Energy Agency and any other quality regulatory agencies to liaise with the Ministry of Agriculture and Ministry of Livestock and Fisheries for quality assurance;
7. Ministry of Agriculture and Ministry of Livestock and Fisheries should ensure efficient and effective marketing of agro, fisheries and livestock products across the value chains;
8. Ministry of Agriculture and Ministry of Livestock and Fisheries in collaboration with other relevant authorities to ensure investors in the sector give preference in the employment of locals, procurement of local goods and services, capacity building and technology transfer;
9. The Ministry of Agriculture and Ministry of Livestock and Fisheries to develop and report implementation of the above activities bi annually to NEEC in the format that shall be provided by NEEC.

### **3.2.5 The Tourism Sector**

The tourism sector comprises of the Ministry of Natural Resources and Tourism and its institutions such as The Tanzania Tourism Board (TTB), Tanzania National Parks (TANAPA), Tanzania Forest Services Agency (TFSA), Ngorongoro Conservation Area Authority (NCAA) and Tanzania Wildlife Management Authority (TAWA).

The role of the institutions include:-

1. The Ministry of Natural Resources and Tourism and its institutions to ensure that the Tourism Policy and Laws contain local content requirements by giving preference to local goods and services and employment of Tanzanians in the sector;
2. The Ministry of Natural Resources and Tourism, NCAA, TANAPA and TAWA to ensure investors submit local content plans (employment, procurement, community engagement and capacity building plans);

3. The Tanzania Tourist Board (TTB) to promote tourism within and outside the country ;
4. The Ministry of Natural Resources and Tourism and its institutions, to develop and maintain a database of workforce and local suppliers of goods and services in the sector;
5. The Ministry of Natural Resources and Tourism and its institutions, to develop a system of monitoring the participation of locals in supplying goods and services and employment in the sector, The tool should clearly portray among other things the participation of women, men, youth and people with disabilities; their positions (skilled, semi skilled, unskilled), salaries and benefits, type of training issued, cost of training, type of goods and services procured form local companies or companies in joint venture with local companies and the value of the goods and services compared to the value of goods and services procured from foreign companies;
6. The Ministry of Natural Resources and Tourism, to develop and report implementation of the above activities bi annually to NEEC in the format provided in the second schedule.

### **3.3 Crosscutting Sectors**

#### **3.3.1 Public Procurement**

The institutions responsible are Ministry of Finance and Planning, Public Procurement Regulatory Authority and all procuring entities.

The role of the institutionsinclude:-

1. MoFP and PPRA to ensure the Procurement Policy and Laws include local content requirements;
2. PPRA to develop tools to monitor local content implementation by the procuring entities and specifically the participation of special groups (Women, youth and persons with disabilities);
3. PPRA to build the capacities of local SMEs to be internationally competitive to participate effectively in Public Procurement;
4. Procuring entities to comply with the local content and preference requirements in the Procurement laws;
5. PPRA to follow up on compliance of Procuring Entities with the local content/local participation requirements in the Procurement Laws and enforce the laws; and
6. PPRA to submit bi annually implementation reports of local participation in public procurement to NEEC.

#### **3.3.2 Education**

The institutions responsible are the Ministry of Education, Higher Learning Institutions, National Council for Technical Education (NACTE), Tanzania Commission for Universities (TCU), Vocational Education and Training

Authority (VETA), Technical and Vocational training institutions and National Examination Council of Tanzania (NECTA)

The role of the institutions include:-

1. Tanzania Institute of Education, TCU, NACTE and VETA to review the education curricular to capture the market needs especially in the new and emerging sectors;
2. To develop courses which will enable Tanzanians to have employability skills and soft skills to make them competitive in the opportunities in the market;
3. To conduct research that will facilitate to identify the needs and gaps for Tanzanians to be employed in the sectors which have a high possibility of creating employment to a majority of Tanzanians;
4. All Technical and Higher Learning Institutions to conduct short and long term courses to enable Tanzanians to obtain the necessary skills and international certifications required;
5. TCU, NACTE and VETA to develop a database of graduates in various courses related directly or indirectly with the priority sectors and provide the information to the central database at TaESA.

### **3.3.3 Science and Technology**

The institutions responsible are the Commission for Science and Technology (COSTECH), Higher Learning Institutions and research institutions.

The role of the institutions include:-

1. COSTECH to be consulted in reviewing the technology transfer plans in various strategic projects and investments;
2. COSTECH to develop Technology Transfer Guidelines for the relevant sectors;
3. COSTECH, Higher Learning Institutions and Research institutions to identify the relevant technologies required in various sectors;
4. COSTECH to monitor the technology transfer in various sectors;
5. COSTECH to submit bi annually reports on the implementation of technology transfer in various sectors.

### **3.3.4 Employment**

The Institutions responsible are Prime Minister's Office (Labour, Youth and Employment), Ministry of Home Affairs (Immigration), and Presidents Office-Public Service Management, Association of Tanzania Employers (ATE) and Employees Unions.

1. PMO LYED to develop a workforce database;
2. PMO LYED to identify the market employment needs and requirements in various investments and projects and build the capacities of local workforce to meet the requirements of the market;
3. PMO LYED, PO-PSM and Ministry of Home Affairs (Immigration) to have an oversight of expatriate labour in all investments and strategic projects in various sectors in accordance with the applicable laws of Tanzania;

4. PMO (LYED) to identify scarce skills and rear professions for the foreigners (expatriates) to qualify for work permits;
5. PMO LYED and Employees Unions to monitor the employment, work permits, Succession Plans and capacity building programs in investments and huge projects;
6. Association of Tanzania Employers (ATE) – to ensure its members adhere to the legal requirements for employment of foreigners and conduct internship and apprenticeship;
7. PMO LYED to submit bi annually reports on employment and capacity building programs including internships, attachments, apprenticeship, and on job training of Tanzanians in strategic projects and huge investments;.

### **3.3.5 Finance and Insurance**

The institutions responsible are Bank of Tanzania (BoT), Ministry of Finance and Planning, Banks and Financial Institutions, Pension Funds, Tanzania Insurance Regulatory Authority (TIRA), Association of Tanzania Insurers (ATI) and Tanzania Insurance Brokers Association, Tanzania Institute of Bankers, Tanzania Bankers Association.

The role of the institutions include:-

1. Ministry of Finance and Planning, Bank of Tanzania, Banks & Financial Institutions and Pension Funds to ensure that there are financial products developed to support Local enterprises to access capital to undertake large projects;
2. Ministry of Finance and Planning and BoT to ensure the investors which are required under the laws of Tanzania to utilize local banks comply with the requirement;
3. TIRA to ensure that all risks in Tanzania are insured in Tanzania as according to the law;
4. TIRA, TIBA, ATI and other stakeholders in the insurance sector to identify gaps in capacities of Tanzanians in the insurance industry and build the capacities of Tanzanians;
5. TIRA to monitor the use of local insurance companies by investors;
6. TIRA to submit bi annually reports on the implementation of usage of local insurance companies by investors to NEEC.

### **3.4. Local Government Authorities (LGA)**

The role of the LGA will be:

1. To identify the opportunities that will be available to the local communities arising from the investments being carried out in their communities;
2. To develop an effective community engagement strategy;
3. To facilitate in building capacities of SMEs in their communities
4. To develop Corporate Social Responsibility Guidelines in the Extractive Sector
5. To develop a database of SMEs and workforce in their communities;
6. To engage the community in the investments taking place in their area to raise their awareness and participate in decision making;

7. To monitor the use of goods, services and human resources available in their respective communities in various projects taking place in their communities;
8. To submit bi annually reports on the procurement of goods, services and human resources utilized by investors in their communities and Corporate Social Responsibility programs.

### **3.5. The Controller and Auditor General**

The role of the CAG will be:-

1. To audit every year the compliance of investors in implementing local content initiatives as stipulated in the Laws and in contracts.
2. To advice the Government on strategic issues to improve local content implementation.

### **3.6. The Private Sector**

#### **3.6.1 The role of the Local private sector will be:-**

1. The Tanzania Private Sector Foundation (TPSF) to unite and assist various private sector associations to engage with the government and international investors;
2. To register in database that will be developed by various government institutions to link them with investors and opportunities arising from various investments;
3. To build their capacities to obtain the standards and certifications required by investors or in various strategic projects;
4. To form joint ventures or other commercial arrangements with local or foreign investors to enable them to undertake large projects where necessary;

#### **3.6.2 Foreign Investors**

1. Develop local content plans in accordance with the law regulating a specific sector or in absence of a specific sector law in accordance with the Guideline or Agreement;
2. Support Programs aimed at building capacities of local suppliers and workforce to obtain certifications, standards and skills required by the investors;
3. Consider local Content as an evaluation criteria for bidders in a tender;
4. Give preference in employment of Tanzanians and procurement of local goods and services;
5. Transfer technology to Tanzanians;
6. Enter into joint ventures with local companies to transfer technology and management skills;
7. Comply with the local content requirements provided in specific sector laws or agreements;
8. Report to the relevant authorities' implementation of local content initiatives.

### **3.7. The National Economic Empowerment Council (NEEC)**

The National Economic Empowerment Council shall perform the following roles:-



1. To monitor local content implementation in all sectors of the economy;
2. To compile an annual local content implementation report;
3. To develop a database of local suppliers for all the priority sectors;
4. To coordinate and facilitate local content meetings;
5. To participate in Government Negotiation Teams for large investments to ensure Local Content is incorporated in Contracts;
6. To develop Local Content Strategies and Guidelines;
7. To facilitate inclusion of local content in various policies and laws.

## CHAPTER 4

### **4.0 MONITORING & EVALUATION AND REPORTING OF LOCAL CONTENT**

#### **4.1 INTRODUCTION**

The monitoring and evaluation (M&E) framework is an essential tool that would be used to facilitate tracking implementation of local content initiatives by stakeholders from the priority sectors. The framework is developed with a view of ensuring the government keeps proper records of the implementation of local content initiatives to realize the national goals of ensuring Tanzanians participate effectively in the economy and benefit from investments being undertaken in Tanzania.

The monitoring tools developed aim at tracking the implementation of the roles and responsibilities of various players including the coordinating ministries, regulators and Local Government Authorities. The tools will be filled in bi annually by the respective institutions and submitted to NEEC. NEEC shall then compile an annual report which shall be tabled to the National Multi-sector Local Content Technical Committee for deliberation and policy decisions before being published in the Annual Economic Empowerment Report which is tabled in the Annual Economic Empowerment Forum.

The tools developed shall not be used to replace the existing reporting tools designed by the respective institutions to collect information from the investors but shall be used as a guide on the type of basic information NEEC would require the institutions to request from investors or contractors in strategic projects. However, after the institutions have compiled their internal reports they should fill in the monitoring tool issued by NEEC.

Furthermore, the institutions implementing strategic projects should ensure that at least once a year they include NEEC officials during the monitoring visits of the projects to ensure there is proper monitoring of the basic local content issues.

#### **4.2 REPORTING MECHANISM**

##### **4.2.1 Reports from Ministries and Government Institutions**

The Guideline requires some of the institutions to ensure the investors submit their annual local content plans. The institutions will then receive reports from the investors on a quarterly basis with regards to the implementation of the annual local content plans. NEEC shall receive reports from the implementing institutions bi annually in the format provided in the First Schedule and thereafter compile them and develop an Annual Local Content Implementation Report. The report shall form a chapter in the Annual Economic Empowerment Report.

#### **4.2.2 Reports from Local Government Authorities**

The Economic Empowerment Coordinators in the Regions and Districts shall follow up implementation of Local Content Plans agreed upon with the investors in their communities. The reports shall pass through the respective regional authorities before being submitted to NEEC. The Council shall incorporate the reports in the Annual Local Content Implementation Report.

**FIRST SCHEDULE**

**REPORTING FORMS**









OFISI YA WAZIRI MKUU  
BARAZA LA TAIFA LA UWEZESHAJI WANANCHI KIUCHUMI (NEEC)



Jina la Taasisi/Wizara inayowasilisha taarifa.....  
Kipindi cha taarifa.....

Fomu ya Kukusanya Taarifa za Ushiriki wa Watanzania katika Uwekezaji-Huduma kwa Jamii

LCG F.4

Jina la Mradi	Aina ya huduma iliyotolewa kwa jamii	Jina la Wilaya, Kijiji au Kata iliyonufaika na huduma hiyo	Walengwa wa huduma iliyotolewa	Thamani ya huduma iliyotolewa kwa jamii (Shs)	Maoni

Imeandaliwa na.....Cheo.....Saini.....Tarehe.....

Imeidhinishwa na.....Cheo.....Saini.....Tarehe.....





OFISI YA WAZIRI MKUU

BARAZA LA TAIFA LA UWEZESHAJI WANANCHI KIUCHUMI (NEEC)



Jina la Taasisi/Wizara inayowasilisha taarifa.....

Muda/kipindi cha taarifa.....

LCG F.5

Fomu ya Kukusanya Taarifa za Ushiriki wa Watanzania katika Uwekezaji - Uhaulishaji wa Teknolojia

Jina la Mradi	Uhaulishaji wa Teknolojia kwa Watanzania							Maoni	
	Sekta	Aina ya Teknolojia	Madhumuni ya Teknolojia	Muda wa uhaulishaji	Idadi ya wanufaika		Mbinu/Njia iliyotumika kuhaulisha		Taasisi nyinginezo ulizoshirikiana nazo (Tafadhali taja kama zipo)
					Ke	Me			
Jumla									

Imeandaliwa na.....Cheo.....Saini.....tarehe.....

Imedhinishwa na.....Cheo.....Saini.....tarehe.....

**SECOND SCHEDULE**

**LOCAL CONTENT PLAN**

<b>UNITED REPUBLIC OF TANZANIA</b>  <b>NAME OF THE MINISTRY/ NAME OF THE INSTITUTION</b>  <b>NAME OF THE PROJECT</b>  <b>TEMPLATE FOR LOCAL CONTENT PLAN</b>  The following fields are mandatory  <b>Plans will be regarded as non-conforming if incomplete</b>	
REQUIRED INFORMATION	RESPONSE
RESPONDENT COMPANY NAME	
TENDER TITLE	
TENDER REFERENCE NUMBER	
DRAFT OR FINAL PLAN	
PLAN COMPILED BY	
Please nominate your company primary contact point for managing this local content plan (Name, Position, email address)	
Did/does your tender submission include importation plan	





**LOCAL CONTENT ACTIONS**

**This template seeks to capture special actions that the respondents will implement to support full, fair and reasonable opportunities for local participation**

**Respondents are encouraged to;**

- (a) Select 5 to 6 actions a piece for procurement, communication, supplier development, workforce development**
- (b) Select 4 to 6 actions for additional strategies**
- (c) Provide actions outside the listed examples that specifically relate to this tender response.**

**Respondent should only list actions that they intend to comply with as the successful respondent will be required to provide evidence of compliance and outcome during contract execution.**

**PROCUREMENT STRATEGIES**

<b>Guidelines examples</b>	<b>Respondent commitment</b>
Adopt a policy that all purchases will give preferences to local companies where local companies have proven capability	
Include a local participation schedule in tender documents	
Have local participation as one of the evaluating criteria, weighting should be noted in your response	
Commercially evaluated competitive bids giving due consideration to direct and indirect cost factors such as price, quality, safety, environment, health, security, delivery service and whole of life cost	
Give preference to bidders who optimize Local Content in terms of both materials and labour where comparative bids are assessed as being commercially competitive and technically acceptable.	
Include local participation schedule in contract documents	
Ensure design specification take account of Tanzanian standards and where international standards shall be used, provide avenues for local suppliers to identify how they can comply.	
Reserve some procurement for local or regional supplier bids only.	
Unbundle larger work packages to better suit local capability.	

<b>COMMUNICATION STRATEGIES</b>	
<b>Guidelines examples</b>	<b>Respondent commitment</b>
Publish supplier opportunities to TPSF and other private sector associations ( To identify capable local suppliers)	
Work with GoT to identify capable local suppliers and conduct business matching activities	

Work with Regional suppliers Associations to promote supply opportunities and identify regional suppliers	
Conduct local suppliers briefings for specific subcontract opportunity	
Publish supply opportunities in local, regional and national news papers.	
Publish suppliers opportunities in industry publication	
Develop, publish supplier information guides to better inform local suppliers on how to supply.	
Hold meetings with specific suppliers and procurement staff	

<b>SUPPLIERS DEVELOPMENT STRATEGIES</b>	
<b>Guideline examples</b>	<b>Respondent commitment</b>
Highlight local capability by including the details of local sub contractors in tender documents to contractors	
Promote local suppliers to global producers either through emails or letters of introduction, face to face meetings or other methods	
Promote government capability or capacity building programs	
conduct targeted supply development activities and training programs to assist local suppliers increase ability to compete for work (provide details such as program start date, target audience etc.)	
Provide targeted support to Tanzanians businesses to improve capability	



Include local suppliers in the internal training programs	
Provide formal feedback to local suppliers that are unsuccessful in pre qualifications and or tendering	
Support trade delegation to connect local suppliers to global producers	
Conduct technology transfer sessions, events or meetings to allow local suppliers to learn world class technology	
Develop Joint Venture, partnerships or consortium with local businesses (please provide details)	
Collaborate with institutions which support suppliers development in Tanzania such as SIDO, TEMDO, TBS, COSTECH, TIRDO, CAMARTEC etc	

WORKFORCE STRATEGIES	
Guidelines examples	Respondent commitment
Conduct training needs analysis to identify skill gaps	
Develop a formal workforce development plan for staff and contract staff	
Develop culturally safe responsive and competent workforce development strategies that are inclusive to Tanzanians	
Collaborate with workforce development agencies such as UDSM, UDOM VETA, DIT, ATEC, DonBosco and others.	
Collaborate with regional organizations to facilitate strategic community work force planning	
Partner with training providers to access industry specific training programs	
Hire or retain apprentice and or trainee for execution of the contract	
Include subcontractors in in-house training programs	
Ensure staff participate in training programs	

Complete and keep up to date mandatory training for staff for example site induction, first aid training, legally required training.	
Training for staff and contractors, formal, informal, online	

<b>ADDITIONAL STRATEGIES</b>	
<b>Guideline examples</b>	<b>Respondent commitment</b>
Appoint Local content officer, support officers dedicated to assist local suppliers	
Development of Local content policy	
Appoint indigenous support officer to assist indigenous suppliers	
Appoint indigenous support officer to provide assistance to develop and implement indigenous employment and training strategies	
Incorporate Local Content into any company procurement and reporting systems	
Working with support organizations to assist local suppliers	
Encourage global producers to establish local operations to service the contract	
Encourage or invite local firms to be involved in the feasibility and design work	
Encourage innovation solutions and technology alliances.	

**COMMUNITY ENGAGEMENT**

This Template seeks to identify an achievable list of economic activities for host communities

Respondents are requested to provide as much detail as possible

Type of intervention	Estimated date of executing the project	How will opportunities be communicated to the local government in the host community	Role of LGAs in the intervention	Number of beneficiaries anticipated	Economic value to the community

# Akaunti ya Kikundi

Ni akaunti maalumu kwa vikundi vya kijamii yenye lengo la kuwawezesha wanachama kuweka akiba na kufanya miamala kwa urahisi na usalama.

Kufungua akaunti ya kikundi tembelea tawi lolote la NBC

\*Akaunti hii ni kwa vikundi vilivyo na visivyo rasmi.

