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**THE OIL AND GAS (UPSTREAM)  
ACT, NO. 6 OF 2016**

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**THE OIL AND GAS (LOCAL CONTENT) REGULATIONS,  
2021**  
[ Made under section 155(2) ]

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2021**

**[ Made under section 155(2) ]**

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L.N. 173  
of 2021

**IN EXERCISE** of the powers conferred upon me under section 155(2) of the Oil and Gas (Upstream) Act, No. 6 of 2016, **I, ABDULLA HUSSEIN KOMBO**, Minister for Blue Economy and Fisheries, do hereby make the following Regulations:

**PART ONE  
PRELIMINARY PROVISIONS**

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|-------------------------------|--|
| Short title and Commencement. | 1. These Regulations may be cited as the Oil and Gas (Local Content) Regulations, 2021 and shall come into operation after being signed by the Minister and published in the official Gazette.   |
| Application.                  | 2. These Regulations shall apply to local content matters related to upstream petroleum operations in Zanzibar.  |
| Interpretation.               | 3. In these Regulations, unless the context otherwise requires: <p style="margin-left: 40px;">“Act” means the Oil and Gas (Upstream) Act, 2016;</p> <p style="margin-left: 40px;">“Authority” means the Zanzibar Petroleum (Upstream) Regulatory Authority established under the provisions of the Act;</p> <p style="margin-left: 40px;">“common qualification system” means a sole centralized system of pre-qualified service providers in Zanzibar petroleum industry based on their capacities, capabilities and local content strength to enable ranking and categorization of the service providers as well as tracking and monitoring their performance;</p> |

“Company” means the Zanzibar Petroleum Development Company established under the provisions of the Act;

“contractor” means a second party or an entity to which any interest on the license may be transferred in the application of the provisions of the relevant agreement;

“financial services” means, but not limited to, business of banking, any business of a financial nature, the business of a credit union, the business of securities and any business relating to pension funds;

“front” means to deceive or behave in a particular manner as to conceal the fact that a company is not a Zanzibar company;

“innovation” means something new or a change made to the existing product, idea, device, contrivance, process or field originated after study and experiment, usually something which has not previously been in existence;

“local company” means a company or subsidiary company incorporated under the Companies Act, which are majority of shares owned by Zanzibaris or a company that is in a joint venture partnership with a Zanzibari whose participating share is not less than fifteen percent;

“local content” means the quantum of composite value added to, or created in the economy of Zanzibar through deliberate utilization of Zanzibar human and material resources and services in the petroleum operations in order to stimulate the development of capabilities of Zanzibari and to encourage local investment and participation;

“local content performance report” means the assessment and review of local content plan to ensure compliance with these Regulations;

“local content plan” means a forecast of procurement, employment, technology transfer, training and research and development opportunities submitted to the Authority by a licensee, subcontractor, or allied entity;

“management staff” means a staff that operates at the higher levels of the organization and has day-to-day responsibility for managing other individuals and maintaining responsibility for key business functions and is held accountable by the company’s board of directors;

“Minister” means the Minister responsible for petroleum affairs in Zanzibar;

“petroleum” means any naturally occurring hydrocarbon, whether in gaseous, liquid, solid state or any naturally occurring mixture of hydrocarbons, whether in a gaseous, liquids, or solid state or mixture of one or more hydrocarbons whether in a gaseous, liquid or solid state and any other substance and includes petroleum that has been returned to a natural reservoir, but shall not include coal or any substance that may be extracted from coal or other rock;

“petroleum activity” means petroleum operations and all other petroleum and natural gas midstream and downstream activities as defined under the Act;

“Professional Support staff” means a person who possess a qualification in the respective specialized discipline;

“research and development” also known as “research and technological development” means the systematic and investigative activities a business conducts to improve existing products and procedures or to lead to the development of new products and procedures;

“subcontractor” means any business entity hired by contractor to carry out all or a portion of petroleum operations as approved by contractor under the terms of agreement;

- “succession plan” means the process of passing each key leadership role within a company to Zanzibaris else in such a way that the company continues to operate after the incumbent leader is no longer in control;
- “Semi-skilled” means an employee who does work generally of defined routine nature wherein the major requirement is not so much of the judgment, skill and but for proper discharge of duties assigned to him or relatively narrow job and where important decisions made by others;
- “supervisory staff” means a person whose primary duties may include, but are not limited to, scheduling and evaluating subordinate staff, providing on-the-job training, making recommendations for promotion, hiring and discharge of subordinate staff, recommending disciplinary actions, and overseeing subordinate staff;
- “technical core staff” includes engineers, geo-scientists, other professionals specialists in oil and gas operations and any oil and gas technicians;
- “Unskilled” means an employee who does operations that involve the performance of simple duties, which require the experience of little of no independent judgment or previous experience although familiarity with the occupational environment is necessary;
- “upstream activities” means and comprising of geophysical exploration, exploration for and development of petroleum, constructing and operating of wells, production of petroleum, construction, operating and use of storage reservoir, construction and operation of pipelines and other special infrastructure for petroleum;
- “upstream petroleum operations” means any or all operations and activities in connection with reconnaissance, exploration,

appraisal, development, production and includes activities in connection with decommissioning of petroleum facilities; and

“ZPRA” means the Zanzibar Petroleum (Upstream) Regulatory Authority established under the Act.

## PART TWO LOCAL CONTENT OBJECTIVES

Objectives.

4. The objectives of local content are to:

- (a) promote the maximization of value-addition and diversify job creation through the use of local human capital, goods, works and services, businesses and financing in the upstream petroleum industry value chain and their retention in Zanzibar;
- (b) develop local capacities in the upstream petroleum industry value chain through education, skills transfer and expertise development, active research, transfer of technology and know-how;
- (c) achieve the minimum local employment level goods, works and services in the upstream petroleum industry value chain as specified in the First Schedule to these Regulations;
- (d) increase the capability and international competitiveness of domestic businesses;
- (e) create and improve petroleum and related supportive industries that will sustain economic development in Zanzibar;
- (f) achieve and maintain a degree of control over development initiatives by Zanzibaris; and



- (g) provide a robust and transparent monitoring, evaluation and reporting system to ensure delivery of local content policy objectives.

5.-(1) The Authority shall ensure local content objectives are achieved through the following control mechanisms:

Means of  
achievements  
of  
objectives.

- (a) develop a baseline data and information to identify the current capacity and capabilities for Zanzibaris to be employed and local companies to become suppliers;
- (b) develop needs assessment of the required capacities to deploy experts in the upstream petroleum industries in Zanzibar;
- (c) identify the areas in which there is no capacity and capabilities for Zanzibaris; and
- (d) identify ways in which initiatives under paragraphs (a) to (c) are reported, monitored, measured and evaluated through a regulated framework for local content with aim of continuous improvement.

(2) The Authority shall, in consultation with other relevant entities:

- (a) develop and publish the local content framework on technology transfer with respect to the upstream petroleum industry;
- (b) develop strategies for monitoring and evaluation of the local content plan on technology transfer; and
- (c) develop such other undertaking as may be necessary for the purposes of achieving local content objectives.

**PART THREE  
LOCAL CONTENT GENERAL PRINCIPLES**

Principles  
of Local  
Content.

6.-(1) Any person vested with functions and responsibilities under the Act and these Regulations shall adhere to the following underlying local content principles:

- (a) acquisition of services by the Company, contractor, subcontractor, or any person are prioritized, in the first instance, in favour of local service provider or locally manufactured goods, provided that such goods or services meet standards acceptable by Zanzibar Institution responsible for Standards or other international acceptable standards approved in Zanzibar;
- (b) Zanzibaris are given first priority in employment opportunity;
- (c) prioritization of on-job training for Zanzibaris; and
- (d) participatory principles.

(2) The local content principles referred to in sub regulation (1) of this regulation, shall be reflected in the local content plan as provided in these Regulations.

**PART FOUR  
LOCAL CONTENT REQUIREMENTS, OBLIGATIONS  
AND RESPONSIBILITIES**

Communi-  
cation  
of Local  
Content  
Procedures  
and  
Obliga-  
tions.

7.-(1) A Company, contractor, subcontractor or any other person shall:

- (a) communicate local content policies, procedures and obligations to any person engaged by that Company, contractor, subcontractor or such other person to perform an aspect of upstream petroleum activity; and

- (b) monitor and ensure compliance with local content procedures and obligations.

(2) Notwithstanding sub regulation (1) of this regulation, a Company, contractor, subcontractor or such other person shall make available the local content procedures and obligations of that Company, contractor or such other person available on their respective websites, the Ministry responsible for petroleum and ZPRA.

8.-(1) A Company, contractor, subcontractor, operator or other entity carrying out an upstream petroleum operations in Zanzibar shall ensure that local content is a component of the upstream petroleum operations conducted by that contractor, subcontractor, and the company or other connected entity. General  
Local  
Content  
Requirement.

(2) A Company, contractor, subcontractor or any person that carries out upstream petroleum operations shall comply with local content requirements as provided for in the Act and these Regulations.

(3) A Company, contractor, subcontractor or any other person shall ensure that any person engaged to undertake any activity in connection with upstream petroleum operations complies with local content requirements.

(4) A Company, contractor, subcontractor or any other person who fails to comply with sub regulation (2) of this regulation, commits an offence and shall, upon conviction, be liable to pay a fine to the Authority of Tanzania Shillings equivalent to not less than Thirty Thousand United States Dollars and shall be blacklisted for a period of one year.

9. A Company, contractor, subcontractor or any other person conducting upstream petroleum operations shall ensure that: Participa-  
tion of  
Zanzibaris  
in upstream  
Petroleum  
operation.

- (a) Zanzibaris are given priority in employment and training in any matter relating to upstream petroleum operations;

- (b) preference is given to goods and services provided, manufactured or locally available in Zanzibar in accordance with the provisions of the Act and these Regulations; and
- (c) Zanzibaris are given priority in any matter relating to the technology transfer, research, development and innovation in any upstream petroleum operations.

Submission  
of a Local  
Content  
Plan for  
Approval.

**10.-(1)** A Company and contractor shall, at all time, be responsible to submit a comprehensive local content plan, which shall include or reflect local content plans of its subcontractor or any other person engaged to undertake upstream petroleum operations, to the Authority for approval.

(2) A Subcontractor or any other person shall, before engaging in upstream petroleum operations, prepare and submit a local content plan to the contractor, which shall be subject to further verification by the Authority.

(3) Subject to sub regulation (1) and (2) of this regulation, a Company and contractor shall submit to the Authority:

- (a) a local content plan which corresponds with a work programme to undertake upstream petroleum operations; and
- (b) an annual local content plan in respect of each year accompanied during the submission of Work Programme and Budget.

(4) A Company, contractor who fails to comply with sub regulation (1) of this regulation, commits an offence and shall, upon conviction, be liable to pay a fine to the Authority Tanzania Shillings equivalent to not less than Thirty Thousand United States Dollars and shall be blacklisted for a period of one year.

11.-(1) The Authority shall, within thirty (30) days of receipt a local content plan submitted under regulation 10 of these Regulations, assess and review the plan and communicate to Company and contractor.

Review and approval of a Local Content Plan.

(2) The Authority shall, for the purposes of reviewing or assessing the local content plan:

- (a) provide as far as practical to persons involved in the upstream petroleum industry or likely to be affected by the decision, a reasonable opportunity of being heard; and
- (b) take into account any representation made.

(3) Upon considering the approval of local content plan, the Authority shall regard the following:

- (a) the submitted local content plans are complete, prepared and submitted based on these Regulations, particularly, aiming at achieving the objectives under regulation 5 of these Regulations; and
- (b) participation of Zanzibaris including local companies with at least fifteen percent participating shares in the business, as the case may be, in the regulated activities unless a waiver or an exemption is granted by the Authority.

(4) Where the Authority is not satisfied with the local content plan submitted by the Company and contractor, it shall direct them to submit the revised local content plan to the Authority within fifteen (15) days.

(5) Where the Authority fails to notify the Company and contractor of its decision under sub regulation (1) of this regulation or otherwise of the revised local content plan under sub regulation (4) of this regulation, the said plan shall, after forty five (45) days of the submission, be deemed approved.

Contents of  
Local  
Content  
Plan.

12.-(1) A Company and contractor who carries out upstream petroleum operations shall prepare a local content plan which consist the following details:

- (a) employment and training;
- (b) succession plan;
- (c) research, development and innovation;
- (d) enterprise development and Technology Transfer;
- (e) procurement of goods and services;
- (f) legal services;
- (g) engineering services;
- (h) financial services;
- (i) insurance services;
- (j) other relevant professional services to be provided;  
and
- (k) any other details which the Authority deems fit.

(2) A Company and contractor who fails to satisfy the contents requirement of a Local Content Plan commits an offence and shall, upon conviction be liable to pay a fine to the Authority Tanzania Shillings equivalent to not less than Thirty Thousand United States Dollars and shall be blacklisted for a period of one year.

Employ-  
ment and  
Training  
Sub-Plan.

13.-(1) A local content plan submitted by a contractor, subcontractor or any other person shall contain a detailed employment and training sub-plan which shall include:

- (a) a forecast of the hiring and training needs of the contractor or its subcontractor or such other person which shall, among others, contain:

- (i) a specification of the skills needed;
  - (ii) the anticipated skill shortages in the Zanzibaris workforce;
  - (iii) the available list of industrial attachment;
  - (iv) the specific training requirements; and
  - (v) the anticipated expenditure that is to be incurred by the contractor, subcontractor or any other person in implementing the Employment and Training Plan, and Succession Plan as forecasted.
- (b) a time frame within which the contractor, subcontractor or any other person will provide employment opportunities for the Zanzibaris workforce for all phases of upstream petroleum operations to enable members of the Zanzibaris workforce be prepared for such opportunities; and
- (c) efforts made and procedures adopted for the accelerated training of Zanzibaris.

(2) A Company, contractor and subcontractor shall provide to the Authority, as the case may be an annual report on:

- (a) employment and training activities for the reporting period; and
- (b) a comparative analysis of the Employment and Training Plan with the employment and training activities undertaken to monitor compliance.

(3) The annual report referred in sub regulation (2) of this regulation shall include information from its subcontractors or any other persons engaged in upstream petroleum operations.

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(4) The annual report shall state the number of new Zanzibaris employed during the respective quarter and their job descriptions.

(5) The Authority may request any further information it considers necessary for purpose of implementation of these Regulations.

(6) Where Zanzibaris are not employed because of lack of expertise, the Company, contractor, subcontractors or any other person shall ensure, to the satisfaction of the Authority, that reasonable effort has been made to provide training to Zanzibaris in that field to the best institution locally or elsewhere.

Succession  
Plan.

14. A local content plan submitted by Company, contractor, subcontractor or such other person shall, where applicable, contain a detailed succession plan for any employment position, that is occupied by a non-Zanzibaris to ensure that the minimum local content levels specified in the First Schedule of these Regulations are met.

Employment  
of skilled  
Zanzibaris.

15.-(1) A Company, contractor, subcontractor or such other person engaged in upstream petroleum operations shall employ skilled Zanzibaris in all stages of Upstream Petroleum Operations specifying the required minimum requirements as set out under First Schedule of these Regulations.

(2) In such employment, the Company, contractor, subcontractor or such other person engaged in upstream petroleum operations shall take into consideration the promotion of participation of specific groups including women and persons with disabilities meeting the qualification of the posts.

(3) Employment positions held by Zanzibaris shall attract same salaries, wages and benefits commensurate to the job descriptions to that of non-Zanzibaris employed in similar positions.

Employment  
of  
Unskilled  
and  
Semi-skilled  
Labor.

16.-(1) A Company, contractor, subcontractor or such other person engaged in upstream petroleum operations shall employ only Zanzibaris in unskilled labour.



(2) A Company, contractor, subcontractor or such other person engaged in upstream petroleum operations shall employ semi – skilled Zanzibaris in the arrangement prescribed under the First Schedule of these Regulations.

(3) In the event that due to lack of qualification, where a Zanzibaris cannot be employed in terms of sub regulation (2) of this regulation a Company, contractor, subcontractor or such other person may, by a written approval of the Authority, employ a non-Zanzibaris in semi-skilled labor with a written commitment of timeframe to train Zanzibaris.

17.-(1) A Company, contractor, subcontractor or any other person shall ensure that preference is given to works, goods and services provided, manufactured or locally available in Zanzibar in accordance with the provisions of the Act and these Regulations.

Procurement  
of Works,  
Goods and  
Services  
from  
Zanzibar  
Entrepre-  
neurs.

(2) Where goods and services required by the contractor, subcontractor are not available in Zanzibar, such works, goods and services shall be provided by a company which has entered into a joint venture with a local company.

(3) The local company referred to in subregulation (2) of this regulation shall own shares of at least fifteen percent in the joint venture.

(4) Notwithstanding sub regulation (3) of this regulation, a non-local company which intends to provide goods, works or services to a Company and contractor within the country shall, subject to the Authority's approval, enter into any other business arrangement which will guarantee a local participation of at least fifteen percent shares, interest or equity of the contract value for the provisions of the works, goods and services.

(5) In the event that formation of joint venture or other business arrangements in the form prescribed in sub regulation (4) of this regulation fails, and upon application by the Company or contractor, the Authority shall grant approval for the said applicant to source

such works, goods and services through any other arrangement which will provide the local company with a transfer of competence and technology.

(6) For purposes of sub regulations (1) and (2) of this regulation, a Company and contractor shall prepare and submit to the Authority a procurement plan for duration of three (3) years indicating, among other things, the use of local services in insurance, financial, legal, accounts, health matters and goods produced or available in Zanzibar.

Programme  
for  
Research  
Development  
and  
Innovation.

**18.-(1)** A Company, contractor, subcontractor or any other person shall ensure that the local content plan submitted to the Authority as required under regulation 10 of these Regulations contains a detailed programme for research, development and innovation, the budget for the promotion of education and local institution, training and research, practical attachments in the country in relation to its overall work programme and activities.

(2) A research, development and innovation programme, and budget subplan submitted by a Company, contractor, subcontractor to the Authority in respect to upstream petroleum operations shall:

- (a) outline an evolving three years programme for petroleum related research, development and innovation initiatives to be undertaken in Zanzibar;
- (b) provide details of the expected expenditure that shall be made in implementing the research, development and innovation, and budget plan;
- (c) provide for public calls for proposals for research, development and innovation initiatives associated with the activities of the Company, contractor or its subcontractor or any other person and criteria for selecting proposals which qualify for support; and

- (d) provide details on the manner in which they shall collaborate with the Authority, as the case may be, higher learning institutions and other local training, learning and research institutes in the area of research, development and innovation.

(3) Fifty percent of the research, development and innovation programme by the Company, contractor, subcontractor or any other person related with upstream petroleum operations shall be conducted by Zanzibaris.

(4) The Company, contractor, subcontractor or any other person shall:

- (a) annually, update its research, development and innovation, and budget plan; and
- (b) submit the updated plan to the Authority for review and approval.

19. A Company, contractor, subcontractor or any other relevant person shall:

Technology  
Transfer  
Programme.

- (a) implement the local content plan on technology transfer and supplier development programmes;
- (b) support and carry out a programme in accordance with the local content plan on technology transfer;
- (c) prioritize the promotion of technology transfer to Zanzibaris in relation to upstream petroleum industry and its supply chain; and
- (d) supportive on Technical Vocational Training on development for sustainability of the Programme.

Submission  
of a  
Technology  
Transfer  
Plan.

**20.**-(1) A Company and contractor shall submit to the Authority a technology transfer plan in such form and manner prescribed by the Authority.

(2) A technology transfer subplan to be submitted in terms of sub regulation (1) of this regulation shall include a programme of planned initiatives aimed at promoting the effective transfer of technologies from the Company, contractor, subcontractor or any other relevant person to a local company.

Support of  
technology  
transfer to  
Zanzibaris  
Companies.

**21.**-(1) A Company, contractor, subcontractor or any other relevant person shall support and facilitate technology transfer in regard to formation of joint ventures, partnering of licensing agreements between local companies or Zanzibaris, foreign contractors and service companies or suppliers.

(2) The Minister may, upon advice from the Authority, consult with relevant government institutions to propose fiscal incentives to assist:

- (a) foreign companies which aim to develop technological capacity and skills of Zanzibaris;
- (b) local companies which establish factories and production units in Zanzibar; and
- (c) foreign companies which aim to establish an upstream petroleum research centre in Zanzibar.

(3) The Authority shall propose the criteria for obtaining fiscal incentives.

Technology  
Transfer  
Report.

**22.** A Company, contractor or subcontractor shall submit a technology transfer report annually to the Authority and a duplicate copy thereof to the Minister, as the case may be, stating the technology transfer initiatives being pursued and the actual implementation status of the technology transfer plan.

23.-(1) A Company, contractor, subcontractor or such other person engaged in upstream petroleum operations in the Zanzibar shall comply with the relevant provisions of the Insurance Act.

Insurance  
and  
Reinsur-  
ance.

(2) A Company, contractor, subcontractor or such other person shall insure any insurable risk relating to upstream petroleum operations in Zanzibar through a Zanzibar Insurance Corporation.

(3) Where a class of insurance required to be placed with a Zanzibar Insurance Corporation is not available to a person seeking insurance, that person may place that insurance with a non-resident insurer after obtaining prior written approval from the relevant insurance authority and thereafter submit the approval to the Authority before proceeding to procure foreign insurance.

24. A Company, contractor, subcontractor or such other person that requires legal services in Zanzibar shall retain the services of a local legal practitioner or a Zanzibar legal firm.

Legal  
services.

25. A Company, contractor, subcontractor or such other person shall submit the Legal Services Plan to Authority which shall include:

Legal  
Services  
Plan.

- (a) a comprehensive report relating to expenditure of legal services utilized in the preceding six months;
- (b) forecast of legal services required during the ensuing six months, where applicable, and the projected expenditure for the services; and
- (c) the annual legal services budget for the ensuing year quoted in Tanzania Shillings or United States Dollars.

26.-(1) A Company, contractor, subcontractor or such other person that requires engineering services in Zanzibar shall retain the services of a local Zanzibar firm.

Engineering  
Services.

(2) In the event that engineering services cannot be procured in terms of sub regulation (1) of this regulation, a Company, contractor,

subcontractor may, by a written approval from the relevant authority, obtain foreign engineering services relating to upstream petroleum operation and thereafter submit the said approval to the Authority before proceeding to procure engineering services.

Engineering  
Services  
Plan.

**27.** The Engineering Services Plan submitted to the Authority shall include:

- (a) a comprehensive report relating to expenditure of engineering services utilized in the preceding six months;
- (b) forecast of engineering services required during the ensuing six months, where applicable, and the projected expenditure for the services; and
- (c) the annual engineering services budget for the ensuing year quoted in Tanzania Shillings or United States Dollars.

Financial  
services  
and  
approval of  
Financial  
Services.

**28.** A Company, contractor, subcontractor or any other person that requires financial services shall give priority to a Zanzibar financial institutions or organization with respect to upstream petroleum operations.

Financial  
Services  
Plan.

**29.** A Company, contractor or subcontractor shall submit a financial services plan to the Authority, which shall specify:

- (a) a forecast of financial services and their projected expenditure required in the ensuing six months;
- (b) a list of financial services utilized in the preceding six months detailing on the nature of financial services provided and the expenditure for the financial services made by the Company, contractor, subcontractor or any other person; and
- (c) the annual Financial services budget for the ensuing year quoted in Tanzania Shillings or United States Dollars.

**30.** A Company, contractor, subcontractor or any other person shall maintain a bank account with the People's Bank of Zanzibar and transact business through banks in Tanzania.

Operation  
of bank  
account in  
Zanzibar.

**31.-(1)** A Company, contractor, subcontractor or such other person carrying out upstream petroleum operations shall maintain minimum local content levels in respect of its activities as set out in the First Schedule to these Regulations.

Minimum  
Local  
Content  
Levels.

(2) The Minister may, in consultation with ZPRA in the case of upstream petroleum operations vary the minimum local content levels set out in the First Schedule to these Regulations.

(3) For the purposes of sub regulation (2) of this regulation, the Authority shall, in respective capacity, determine the criteria for variation of the minimum content levels, including:

- (a) the work programme of a Company, contractor or subcontractor and other person specified in the respective petroleum agreement or petroleum licence;
- (b) availability of Zanzibaris experts; and
- (c) level of growth of the respective upstream petroleum operations.

**32.-(1)** A Company, contractor, subcontractor or such other person shall establish and implement a bidding process for the acquisition of goods, works and services that gives preference to a local company by giving high priority on local value added in accordance with Procurement laws of Zanzibar.

Bidding  
process  
and  
evaluation.

(2) A Company, contractor, subcontractor or such other person shall not award a contract based solely on the principle of the lowest evaluated bidder.

(3) A Company, contractor, subcontractor or such other person shall not disqualify a local company which has the capacity to execute

goods, works and services, solely on the basis that the local company is not the lowest financial evaluated bidder.

(4) Where the total value of the bid of a qualified local company does not exceed the lowest bid by more than five percent, the contract shall be awarded to that local company.

(5) During an evaluation of bids, the bids are adjudged to be equal, the bid containing the high weighting on local value added shall be selected.

(6) Where a non-local company is required to provide goods and services to a Company, contractor, subcontractor or any such person, that non-local company shall form a joint venture with a local company.

(7) The local company referred to in sub regulation (6) shall own share of at least fifteen percent in the joint venture.

(8) The Company, contractor, subcontractor or any other person may, upon approval of the Authority, enter into any other business arrangements, which guarantees a local participation of at least fifteen percent shares, interest or equity of the contract value for the provisions of works, goods and services where:

- (a) a Company, contractor, subcontractor or any other person has conducted a competitive bidding which is fair and transparent, and has failed to obtain a local company to partner in procuring goods or services it requires; and
- (b) the Authority has satisfied itself that:
  - (i) the Company, contractor, subcontractor or any other person has conducted a tendering process in a fair and transparency manner;



- (ii) there is no local company that qualified to meet the conditions for the lowest evaluated bidder; and
- (iii) the formation of joint venture company as provided in the Act and these Regulations has failed,

(9) In the event that formation of joint venture or other business arrangements in the form prescribed in sub regulation (8) of this regulation fails, and upon application by the Company, contractor or subcontractor, the Authority shall grant approval for the said applicant to source such works, goods and services through any other arrangement.

33.-(1) A Company, contractor or subcontractor shall, in writing, inform the Authority of each proposed contract or purchase order:

Submission  
of proposed  
Procurement  
Plan.

- (a) related to upstream petroleum operations which is to be sole sourced; or
- (b) where it is to be sourced by a competitive bidding procedure that is estimated to be in excess of the Tanzanian Shillings equivalent of one hundred thousand United States Dollars for upstream petroleum operations.

(2) A Company, contractor, subcontractor shall submit to the Authority, ninety (90) days prior to the commencement of the upstream petroleum operations, the procurement procedures for approval with at least the following information:

- (a) pre-qualification criteria;
- (b) bid evaluation criteria; and
- (c) any other information requested by the Authority to determine that, the local content requirements have been complied with.

(3) The procurement procedures submitted under of this regulation shall comply with the local content requirements as prescribed under these Regulations.

(4) A Company, contractor, subcontractor engaging in upstream petroleum operations shall, ninety (90) days prior to the commencement of each calendar year, submit to the Authority annual procurement plan for approval.

(5) Upon review of the contracts or purchase order under sub regulation (1) of this regulation, the Authority shall inform the Company, contractor, subcontractor the outcome of the assessment or review and may take appropriate action as it may deem necessary.

(6) The Authority shall, within thirty (30) days of receipt of the documents under sub regulation (1) of this regulation, communicate its decision to the Company, contractor and subcontractor.

(7) Where the Authority delays to communicate its decision to the Company, contractor or subcontractor within the period specified in sub regulation (6) of this regulation, the submission shall be deemed approved.

(8) Where a Company, contractor or subcontractor fails to inform the Authority of each proposed contract or purchase order under sub regulation (1) of this regulation, commits an offence and shall, upon conviction be liable to pay a fine to the Authority Tanzania Shillings equivalent to not less than Thirty Thousand United States Dollars and shall be blacklisted for a period of one year.

Emergency  
Procurement.

**34.-(1)** Where there is compelling urgency that creates threats to smooth operation or undertakings of upstream petroleum operations, environment or safety or such other reasons of similar nature, a Company, contractor, subcontractor or any other person shall undertake emergency procurement which was not submitted in the annual procurement plan provided that, the procurement shall not exceed fifty percent of the approved budget.

(2) A Company, contractor or subcontractor shall, within fourteen days after such procurement provided under sub regulation (1) of this regulation, submit a report to the Authority containing details of the emergency procurement.

(3) The Authority may investigate or make evaluation of the report submitted under sub regulation (2) of this regulation to determine the authenticity of the same.

(4) A Company, contractor, subcontractor who provides false or misleading information in the emergency procurement report commits an offence.

35.-(1) Without prejudice to regulation 33, a Company, contractor, subcontractor shall not later than the first day of each semi-annual submit Forecasts to the Authority a list of:

Submission  
of  
Semi-  
annually  
Forecasts.

- (a) contracts or purchase orders to be sole sourced; and
- (b) contracts or purchase orders estimated to exceed the Tanzanian Shillings equivalent of one hundred thousand United States Dollars for upstream operations for or executed in the next quarter.

(2) A Company, contractor, subcontractor shall provide the information specified in the Second Schedule to these Regulations in respect of each contract or purchase order.

36.-(1) A Company, contractor, subcontractor shall, within sixty days of the beginning of each calendar year, submit to the Authority an annual local content performance report covering all its projects and activities for the year under review.

Requirement  
for Submit-  
ting a  
Local  
Content  
Performance  
Reporting.

(2) The report submitted to the Authority shall:

- (a) specify by category of expenditure the local content on both current and cumulative cost basis;

- (b) indicate the employment achievement in terms of hours worked by Zanzibaris and foreigners as well as their job positions;
- (c) indicate the training, research, development, innovation, industrial and technology transfer availed to Zanzibaris;
- (d) indicate the actual procurement of goods, works and services executed and other information set out in the Third Schedule to these Regulations;
- (e) indicate changes of the implementation of the approved local content plan and reasons thereof; and
- (f) provide any other information as the Authority may require.

Requirement  
by third  
Party to  
report local  
content i  
nformation.

**37.-(1)** Any person who has a contractual affiliation with a Company, contractor, subcontractors or any other relevant person shall report local content information to the Company, contractor, subcontractor or such other person and, if requested, submit a copy thereof to the Authority.

(2) A Company, contractor, subcontractor or any other person shall allow an agent or official designated by the Authority to access records of the Company, contractor or such other person for purposes of assessment and verification of the local content information reported.

Local  
content  
monitoring.

**38.** The Authority shall, in undertaking Local content monitoring:

- (a) supervise, coordinate and monitor the development of Local content in petroleum activities;
- (b) appraise and evaluate the Local content programmes and reports submitted to the Authority in compliance with these Regulations;

- (c) develop and operate the Local content evaluation system for licensees, operators, contractors and subcontractors;
- (d) assist Zanzibar companies, Zanzibaris and registered entities to develop their capabilities and capacities to further the development of Local content in petroleum activities;
- (e) develop guidelines for the implementation of Local content;
- (f) monitor and evaluate the national content performance of Company, contractor, subcontractor or any other person in accordance with these Regulations;
- (g) develop auditing procedures and conduct regular audits for the purposes of monitoring compliance with these Regulations;
- (h) provide definitions and indicators for the measurement of Local content;
- (i) conduct studies and research that may further the development of Local content in petroleum activities;
- (j) organize conferences, workshops, seminars, symposia, trainings, road shows and other means of public education to further the development of Local content in petroleum activities; and
- (k) carry out any other function necessary for Local content monitoring and enforcement.

**39.-(1)** The Authority shall, in consultation with industry stakeholders, establish a Common Qualification System consisting of Supplier Database as stipulated in guidelines issued by the Authority.

Establishment of Common qualification system

(2) The Authority shall manage Common Qualification System and Supplier Database in accordance with these Regulations.

Objective of  
Common  
Qualification  
System.

40.-(1) The objective of the Common Qualification System shall be to serve as the sole system for the registration and pre-qualification of service providers in the upstream petroleum industry.

(2) For the purpose of sub regulation (1) of this regulation, Common Qualification System shall be used for:

- (a) verification of contractors' capacities and capabilities through relevant authorities;
- (b) evaluation of application of local content submitted by a Company, contractor, subcontractor or any other relevant person;
- (c) tracking and monitoring of performance and provision of feedback; and
- (d) ranking and categorization of service providers in the petroleum industry based on capabilities.

Availability  
of  
Information.

41.-(1) The Authority shall maintain a database containing details of local suppliers, service providers and other entities that meet the requirements of Common Qualification System in the petroleum industry.

(2) Any person may, during working hours or online:

- (a) access records that relate to local content which is kept by the Authority and designated as public records; or
- (b) request to be furnished with a certified copy; or
- (c) extract from any document that, that person is entitled to access.

(3) The right of a person to inspect or obtain a copy of a document filed or kept in electronic form by the Authority shall extend only to the reproductions of the document in written form in a manner that the Authority determines.

(4) An application for an extract or a certified copy of document requested shall be accompanied by a fee determined by the Authority.

(5) The Authority shall, in consultation with other relevant entities, prescribe in the guidelines, the criteria for determining the fees under sub regulation (4) of this regulation.

(6) The Authority shall publish on its website, information relating to these Regulations and local content and local participation requirements generally.

**42.** The Minister shall set up a consultative body to be known as the Zanzibar Content Consultative Forum which shall provide a platform for information sharing and collaboration in the upstream petroleum operations in Zanzibar with respect to:

Setting up  
of  
Zanzibar  
Content  
Consultative  
Forum.

- (a) upcoming projects in the upstream petroleum operations;
- (b) information on available local capabilities; and
- (c) other policy proposals that may be relevant to Zanzibar's content development.

**43.** The Zanzibar Content Consultative Forum shall be made up of key industry stakeholders, government and regulatory agencies and representatives from the following sectors:

Composition  
of  
Zanzibar  
Content  
Consultative  
Forum.

- (a) fabrication;
- (b) engineering;
- (c) finance, Tax Consultancy, legal and insurance services;

- (d) shipping and logistics;
- (e) materials and manufacturing;
- (f) information and communication technology;
- (g) petroleum association of Zanzibar;
- (h) education and training;
- (i) labour service; and
- (j) any other professional services nominated by the Minister.

Public  
Awareness  
and  
Sensitization.

**44.** The Authority shall ensure that public awareness and sensitization activities are undertaken to educate Company, contractors or any other person, the public and industry stakeholders about the policy on local content and to ensure the implementation of these Regulations.

Assessment  
of  
Perfor-  
mance  
Report.

**45.-(1)** The Authority shall, within sixty working days after receipt of the Local Content Performance Report in terms of regulation 36, assess and review the Local Content Performance Report to ensure compliance with these Regulations.

(2) For the purposes of assessment and verification of the report, a Company, contractor, subcontractor or any other relevant person shall allow an employee or a designated agent of the Authority access to their facilities, documents and information as it may require.

Investigations  
of  
Upstream  
Petroleum  
Operations.

**46.-(1)** The Authority may, for the purposes of enforcing these Regulations, initiate an investigation into an activity of a Company, contractor, subcontractor or any other person in upstream petroleum operations.

(2) Without prejudice to sub regulation (1) of this regulation, the Authority may launch investigations to ensure that:



- (a) the local company principle is not diluted by the operation of a front; or
- (b) bid rigging and cartelization are avoided in the procurement process.

47. The Company, Contractors, and subcontractors shall be obligated to meet the minimum local content levels by undertaking recruitment and training of potential employees and engage assistance to local suppliers, works and services providers on a competitive basis. General obligation.

## PART FIVE OFFENCES AND PENALTIES

48. Any person who submits a plan, returns, report or other document that contains false or misleading information commits an offence and shall, upon conviction be liable to a fine of Tanzania shillings equivalent to not less than twenty Thousands United States dollars or to imprisonment for a term of not less than five years or both. Offences relating to false information or misrepresentation of documents.

49.-(1) Any Zanzibaris who colludes with a non-local company or non-citizen to deceive the Authority as representing a local company or citizen to achieve the local content requirement under these Regulations, commits an offence and shall, upon conviction be liable to a fine of Tanzania shillings equivalent to not less than Ten Thousands United States dollars or to imprisonment for a term of not less than five years or both. Offences relating to collusion.

(2) Any person who colludes with a Zanzibaris or a local company to deceive the Authority as representing a local company to achieve the local content requirement under these Regulations commits an offence and shall, upon conviction be liable to a fine of Tanzania shillings equivalent to not less than Twenty five Thousands United States dollars or to imprisonment for a term of not less than five years or both.

50.-(1) A person who fails to:

- (a) support and carry out a technology transfer programme;
- (b) support and facilitate technology transfer as regards the formation of joint ventures, partnering of licensing agreements between Zanzibaris companies or Zanzibaris and foreign contractors and service companies or supply companies;
- (c) ensure that its partners, contractors, subcontractors and other entities report local content information to the contractor; or
- (d) communicate local content policies, procedures and obligations to any person engaged by the Company, contractor, subcontractor or any other person to perform an aspect of upstream petroleum operations,

commits an offence and shall be liable to pay to the Authority a penalty of Tanzania shillings equivalent to Fifty Thousand United States dollars in the first instance and a further penalty of three percent penalty for each day that the contravention of the regulation continues.

(2) A person who fails to:

- (a) comply with the minimum local content levels for any upstream petroleum operations;
- (b) establish and implement a bidding process;
- (c) comply with sub regulation (2) and (6) of regulation 32 of these Regulations;
- (d) employ Zanzibaris skilled, semi-skilled and unskilled;

- (e) ensure the insurable risks relating to upstream petroleum operations in the Zanzibar through a Zanzibaris brokerage firm or reinsurance broker;
- (f) retain only the services of a Zanzibaris legal practitioner or a firm of Zanzibaris legal practitioners; or
- (g) operate a bank account contrary to regulation 30 of these Regulations;

Commits an offence and the Authority shall impose a fine of Tanzania shillings equivalent to not less than Ten Thousands United States dollar to a contractor, subcontractor or any other person, where:

- (i) a Company or contractor, where the contravention continues under sub regulation (2) of this regulation, the Authority shall withhold the approvals and permits required by the contractor for the conduct of upstream petroleum operations until the time that the contravention is remedied; and
- (ii) a subcontractor or any other person, where the contravention continues under sub regulation (2) of this regulation, the Authority shall expunge the name of the subcontractor or any other person from the Register or persons registered to undertake petroleum operations.

**51.** Any person who, without a reasonable cause, fails to comply with a directives to furnish information or a document under these Regulations within the period specified in the request shall be liable to pay to the Authority a penalty of Tanzania shillings equivalent to not less than Twenty Thousands United States dollars or one year imprisonment in the first instance and a further penalty of two percent of the penalty for each day that the document remains undelivered to a maximum of forty percent of the original penalty.

Offences relating to non-compliance of directive.

Offences relating to fronting, bid rigging or cartelization.

**52.** Any person who does any act of fronting, bid rigging or cartelization during tendering process, commits an offence and shall, upon conviction be liable to pay a fine of Tanzania shillings equivalent to not less than Thirty Thousand United states dollars or imprisonment for a term of not less than five years or both.

Non-payment of debt.

**53.** A penalty required to be paid under regulation 50, 51, or 52 of these Regulations and which is not paid within the period specified in the notice shall be a debt owed to the Authority and recoverable by the Government in accordance with the laws of Zanzibar.

General Penalty.

**54.** A Company, contractor, subcontractor or such other person who contravenes with any provisions of these Regulations for which no penalty is provided shall be liable to pay fine to the Authority of Tanzania shillings equivalent to not less than Twenty Thousands Unites State dollars or imprisonment for a term of not less than three years or both.

## PART SIX MISCELLANEOUS PROVISIONS

Bid Evaluation Guidelines.

**55.** The Authority in consultation with Public Procurement and Disposal Authority shall establish bid evaluation guidelines for ensuring that the year to year progression of the local content objectives stipulated under these Regulations are met.

Review of the Local Content Plan.

**56.** The Authority may make guidelines for preparation and review of a local content plan.

Electronic filing of Documents.

**57.-(1)** The Authority may issue guidelines to provide for a system requiring documents under these Regulations to be filled in electronic form.

(2) The system for filing documents in electronic form shall provide for:

- (a) the criteria for authorizing persons to file documents in electronic form; and

- (b) the security and authentication of the documents filed.

**58.**-(1) The Authority may, in consultation with relevant stakeholders, establish and review the guidelines and procedures for the effective implementation of these Regulations.

Establishment of Guidelines and Procedures.

(2) Without prejudice to sub regulation (1) of this regulation, the Authority may, in consultation with relevant institutions and upstream petroleum industry, issue guidelines for compliance by a Company, contractor, subcontractor or any other person in respect of the following:

- (a) requirements and targets for the growth of research and development of the upstream petroleum industry in Zanzibar;
- (b) minimum standards, facilities, personnel and technology for training in the upstream petroleum industry in Zanzibar;
- (c) investment in or setting up a facility, factory, production or other operation in Zanzibar to carry out any production or manufacturing or to provide any upstream petroleum related service otherwise imported in Zanzibar; and
- (d) generally for the implementation of these Regulations.

**59.** The Authority may make rules and guidelines for complaints handling mechanism under these Regulations.

Complaints handling mechanism.

**60.** Any person aggrieved by the decision of the Authority within fourteen (14) days may lodge an appeal to the Zanzibar Fair Competition Tribunal.

Appeal.

**FIRST SCHEDULE**

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[Made under Regulation 4(c)]

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**MINIMUM LOCAL CONTENT IN  
EMPLOYMENT**

**PART 1: LOCAL CONTENT LEVELS TO BE ATTAINED IN  
UPSTREAM PETROLEUM OPERATIONS**

S/N	Item	Start (within 1 year)	5 Years	10 Years and above
1.	Management staff	5%	10%	25%
2.	Supervisory Staff	10%	20%	35%
3.	Technical core staff	10%	25%	40%
4.	Professional Support Staff	25%	35%	50%
5.	Semi-skilled	50%	60%	80%
6.	Unskilled	100%	100%	100%

**PART 2: SPECIFIC LEVELS TO BE ACHIEVED**

**1. FEED DETAILED ENGINEERING AND OTHER ENGINEERING  
SERVICES**

	Description	Start (within 1 Year)	5 Years	10 Years	Measured Unit
1.1	FEED and detailed engineering on onshore facilities	5%	10%	20%	Man -Hour
1.2	FEED and detailed Engineering on offshore facilities (shallow water)	5%	10%	20%	Man -Hour
1.3	FEED and detailed engineering on LNG facility	5%	10%	20%	Man -Hour
1.4	FEED and detailed engineering gas gathering facilities	5%	10%	20%	Man -Hour
1.5	FEED and detailed engineering on deep offshore facilities hull and topside modules	5%	10%	20%	Man -Hour
1.6	FEED and detailed Engineering on deep offshore concrete structure	5%	10%	20%	Man -Hour

## 2. FABRICATION AND CONSTRUCTION SERVICES

	Description	Start	5 Years	10 Years	Measured Unit
2.1	Terminal or oil movement systems	5%	10%	15%	Man-Hour
2.2	Drilling modules or packages	5%	10%	25%	Man-Hour
2.3	Piles, anchors, buoys, jackets, bridges, flare brooms, storage tanks, pressure vessels umbilical	5%	10%	20%	Man-Hour
2.4	Top side module (process modules and storage modules)	5%	15%	25%	Man-Hour
2.5	Accommodation module	20%	30%	50%	Spend
2.6	Sub-sea systems	2%	5%	10%	Man-Hour
2.7	Pipeline network	10%	30%	50%	Spend
2.8	Risers	2%	5%	10%	Man-Hour
2.9	Utilities module or packages	2%	5%	10%	Man-Hour

## 3. MATERIALS AND PROCUREMENT

	Description	Start	5 Years	10 Years	Measured Unit
3.1	Steel plates, flat sheets, sections	15%	30%	50%	Spend
3.2	Steel pipes	15%	30%	50%	Spend
3.3	Low voltage cables	10%	20%	50%	Spend
3.4	High voltage cables	10%	20%	50%	Spend
3.5	Valves and pumps	5%	15%	25%	Spend
3.6	Drilling mud-baryte bentonite	5%	15%	25%	Spend
3.7	Cement for petroleum drilling	5%	15%	25%	Spend
3.8	Cement for normal construction	50%	85%	100%	Spend
3.9	Heat exchangers and other piping accessories	5%	15%	25%	Spend
3.10	Steel ropes and other mooring accessories	5%	15%	25%	Spend
3.11	Protective paints	10%	15%	20%	Spend
3.12	Glass reinforced epoxy (GRE) pipes	5%	15%	25%	Spend

4. WELL DRILLING SERVICES					
Description		Start	5 Years	10 Years	Measured Unit
4.1	Reservoir monitoring services	10%	30%	50%	Man-Hour
4.2	Well completion services (permanent gauges & intelligent wells)	10%	30%	50%	Man-Hour
4.3	Wireline services (electric open holes electric cased hole, slick line)	10%	30%	50%	Man-Hour
4.4	Logging while drilling (LWD) (direction and inclination or Gamma-ray)	10%	30%	50%	Man-Hour
4.5	Production or drilling service	10%	30%	50%	Man-Hour
4.6	2D Seismic data acquisition services	10%	30%	50%	Man-Hour
4.7	Well overhauling or stimulation services	10%	30%	50%	Man-Hour
4.8	Wellhead services	10%	30%	50%	Man-Hour
4.9	Directional surveying services	10%	30%	50%	Man-Hour
4.10	Cutting injections	10%	30%	50%	Man-Hour
4.11	Cutting disposal services	20%	30%	40%	Spend
4.12	Re-cutting inspection services	10%	30%	50%	Man-Hour
4.13	Cased hole logging services (gyro, perforation, gauges, gyro PLT performance, PLT gauges).	10%	30%	50%	Man-Hour
4.13	Cased hole logging services (gyro, perforation, gauges, gyro PLT performance, PLT gauges).	10%	30%	50%	Man-Hour
4.14	Well watch services	10%	30%	50%	Man-Hour
4.15	Cement services	10%	30%	50%	Man-Hour
4.16	Coiled tubing services	10%	30%	50%	Man-Hour
4.17	Pumping services	10%	30%	50%	Man-Hour
4.18	Fluid or bottom hole sampling services	10%	30%	50%	Man-Hour
4.17	Pumping services	10%	30%	50%	Man-Hour
4.18	Fluid or bottom hole sampling services	10%	30%	50%	Man-Hour
4.19	OCTS services (cleaning hard banding, re-cutting, re-threading, storage)	10%	30%	50%	Man-Hour



4.20	Well crisis management services	10%	30%	50%	Man-Hour
4.21	Other drilling services	10%	30%	50%	Man-Hour
4.22	Petro-physical interpretation services	10%	30%	50%	Man-Hour
4.23	Extended well test or early production services including provision of floating or jack-up production unit	10%	20%	40%	Man-Hour
<b>5. RESEARCH, DEVELOPMENT AND INNOVATION RELATING TO IN-COUNTRY SERVICES</b>					
<b>Description</b>		<b>Start</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Measured Unit</b>
5.1	Engineering studies-reservoir, facilities, drilling etc.	5%	150%	30%	Spend
5.2	Geological and geophysical studies	5%	15%	30%	Spend
5.3	Safety and environmental studies	50%	70%	90%	Spend
5.4	Local materials substitution studies	40%	50%	75%	Spend
<b>6. EXPLORATION, SUBSURFACE, PETROLEUM ENGINEERING &amp; SEISMIC SERVICES</b>					
<b>Description</b>		<b>Start</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Measured Unit</b>
6.1	Onshore seismic data acquisition services	10%	30%	50%	Man-Hour
6.2	Offshore seismic data acquisition services	10%	30%	50%	Man-Hour
6.3	Seismic data processing services	10%	30%	50%	Man-Hour
6.4	Geophysical interpretation services	10%	30%	50%	Man-Hour
6.5	Geological evaluation services (organic geochemistry, petrology, diagenesis, biostratigraphy, fluid characterization, PVT, core analysis, flooding)	10%	30%	50%	Man-Hour
6.6	Mud logging services				
6.7	Coring services				
6.8	Well Testing services				
6.9	Drilling rigs (offshore)				
6.10	Drilling rigs (semi-submersibles or others)	10%	30%	50%	Man-Hour
6.11	Drilling rigs (land)	10%	30%	50%	Man-Hour

6.12	Work-over rigs (offshore)				
6.13	Snubbing services	10%	30%	50%	Man-Hour
6.14	Liner float, hangers and running equipment services	10%	20%	30%	Man-Hour
6.15	Seismic data interpretation services	10%	30%	50%	Man-Hour
<b>7. TRANSPORTATION, SUPPLY AND DISPOSAL SERVICES</b>					
<b>Description</b>		<b>Start</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Measured Unit</b>
7.1	7.1 Tugs, remotely operated vehicle (ROV) support, diving support vessels	5%	15%	25%	Man-Hour
7.2	7.2 Barges,	10%	15%	25%	Man-Hour
7.3	Disposal, distribution and waste transport services	30%	50%	60%	Spend
7.4	Rental of cranes and special vehicles	20%	30%	50%	Spend
7.5	Freight forwarding, logistic management services	80%	90%	100%	Spend
7.6	Supply base, warehouse, storage services	50%	80%	90%	Spend
7.7	Truck package product, transportation services	80%	90%	100%	Spend

## 8. HEALTH, SAFETY AND ENVIRONMENT SERVICES

	Description	Start	5 Years	10 Years	Measured Unit
8.1	8.1 Site clearance services	70%	80%	90%	Spend
8.2	8.2 Pollution control	10%	20%	30%	Spend
8.3	8.3 Waste water treatment and disposal services	15%	25%	35%	Spend
8.4	8.4 Fire and gas protection system services	40%	60%	80%	Man-Hour
8.5	8.5 Ventilation, heating sanitary services	30%	50%	70%	Spend
8.6	8.6 Industrial cleaning services	40%	60%	70%	Spend
8.7	8.7 Safety, protection, security, firefighting system services	30%	50%	90%	Spend
8.8	8.8 Preservation of mechanical and electrical components services	30%	50%	70%	Man-Hour
8.9	Equipment brokerage services	50%	70%	90%	Spend
8.10	Temporary accommodation camp services	50%	60%	80%	Spend
8.11	Hotel accommodation and Catering service	80%	90%	100%	Spend
8.12	Cleaning and laundry services	90%	100%	100%	Spend
8.13	Security services	40%	60%	90%	Spend
8.14	Medical Services	40%	60%	90%	Spend
8.15	Other supporting services	50%	80%	90%	Spend

**9. INFORMATION SYSTEMS, INFORMATION TECHNOLOGY AND COMMUNICATION SERVICES**

Description		Start	5 Years	10 Years	Measured Unit
9.1	Network installation support services	50%	65%	80%	Spend
9.2	Software development	5%	15%	25%	Spend
9.3	Software support services	60%	80%	90%	Spend
9.4	Computer based modelling services	20%	50%	70%	Man-Hour
9.5	Computer based simulations and training programme services	15%	50%	70%	Man-Hour
9.6	Hardware installation support services	60%	80%	100%	Spend
9.7	Operating system installation and support	60%	80%	100%	Spend
9.8	User support and helpdesk services	60%	80%	100%	Spend
9.9	Information Technology Management consultancy services	30%	50%	80%	Spend
9.10	Data management services	30%	50%	80%	Spend
9.11	Telecommunication installation and support services	50%	70%	90%	Spend
9.12	Other information technology services	30%	50%	80%	Spend

10. MARINE OPERATIONS AND LOGISTICS SERVICES

	Description	Start	5 Years	10 Years	Measured Unit
10.1	Telecommunications services	40%	60%	80%	Man-Hour
10.2	Supply of crewmen for domestic coastal services.	60%	75%	90%	Number
10.3	Hook-up and commissioning including marine installation services	20%	40%	75%	Man-Hour
10.4	Dredging services	40%	60%	80%	Man-Hour
10.5	Grave land rock dumping services	80%	90%	95%	Man-Hour
10.6	Floating Storage Unit (FSU)	25%	35%	45%	Man-Hour
10.7	Sub-sea pipeline protection Services	10%	40%	70%	Man-Hour
10.8	Installation of subsea packages	10%	30%	60%	Man-Hour
10.9	Mooring system services	40%	60%	80%	Man-Hour

**SECOND SCHEDULE**

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**[Made under Regulation 35(2)]**

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**Information to be provided to the Authority with semi-annual forecast**

A Company, contractor, subcontractor shall provide the information specified below in respect of each contract and purchase order:

- (a) a description of the service or items to be contracted or purchased including the material and equipment specification if requested;
- (b) the estimated value of the contract, sub-contract or purchase order;
- (c) the anticipated dates of the following:
  - (i) the issuance and closure of the Request for Proposal; and
  - (ii) Contract Award; and
- (d) any other information requested by the Authority for the implementation of these Regulations.

**THIRD SCHEDULE**

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**[Made under Regulation 36(2)(d)]**

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A Company, contractor or subcontractor engaged in a upstream petroleum operations shall provide, among others, the information specified below in the Local Content Performance Report-

- (a) a description of scope of work done;
- (b) a list of bidders with their description in term of corporate ownership, including the shareholders by percentage, the location of any Zanzibar based office, plant or facility;
- (c) for single source procurement, the report shall contain, among other things, a company's description in terms of corporate ownership, including the shareholders by percentage, the location of any Zanzibar based office, plant or facility;
- (d) in respect of construction or service contracts, the estimated Zanzibaris employment level in person-hours;
- (e) a statement of award rationale or bid evaluation report showing the following-
  - (i) the name of the selected contractor or vendor;
  - (ii) the list of designated subcontractors or sub vendors;
  - (iii) where applicable, a list of proposed sub-suppliers;
  - (iv) in respect of construction or service contracts, the estimated Zanzibaris employment level in person-hours;
  - (v) the Award Notifications Form signed by the appropriate official of the operator or contractor;

- (vi) a statement of award rationale or bid evaluation report showing-
- (a) the percentage difference in price between selected bidder and other bids;
  - (b) the primary location of work associated with each bidder; and
  - (c) any other information relevant to the evaluation of bids including, where applicable, a summary of the technical, commercial and local content aspects of bid evaluation.

**SIGNED** on this 28<sup>th</sup> day of October, 2021.

(ABDULLA HUSSEIN KOMBO)  
*Minister for Blue Economy and Fisheries*  
**ZANZIBAR.**