



LOCAL CONTENT POLICY FRAMEWORK

SURINAME TRADE AND INDUSTRY ASSOCIATION (VSB) &
MANUFACTURERS ASSOCIATION IN SURINAME (ASFA) & the Alliance.

Contents

Executive summary	2
Introduction	3
1. Background	5
2. Policy guidance	6
2.1 POLICY STATEMENT	
The Goal of this Local Content Policy (LCP) is to maximize the level, quality, and benefits of participation in the extractive sector value chain by Surinamese.	8
2.2 IMPLEMENTATION STRATEGY	9
2. POLICY Scope, Context & Drivers	14
4. CONCEPTS	22
5. POLICY GOALS and OBJECTIVES	24
5.1 GOALS	24
5.2 OBJECTIVES	24
6. Minimum Local Content in Goods and Services	26
Annex 1: Transfer pricing	27
Annex 2: Legal framework	27
Annex 3: Labor policy framework	27
Annex 4: Local content policy in Development Plan 2022 -2026	27
Annex 5: Key principles ICV (In Country Value)	27
Annex 6: Timeline PPP	27
Annex 7: Alliance	27

Executive summary

Suriname is known for being a resource base country, with more than a hundred years of extractive industries experience, it's rather necessary than wishful to have a sound local content policy, at least in absent of legislation. This is crucial for investors and multinationals alike, and even the local business community, to be aware of what is expected or even allowed in the industries. With this local content paper, a formal step is taken in that direction.

Initiated from the private sector, it is recommended or even expected from the government to adapt this paper as to formalize it, for people to understand what is been meant when addressing this topic, both the private and public.

With the findings of oil and gas offshore, Suriname is stepping into the world scene of oil producing countries. This puts a lot of pressure on policymakers to formulate policy on local content, in this particular case. After numerous sessions on the topic, both initiated in the private settings as well in the public, specific areas of the main topic were addressed. In this document some of the critical areas which where extensively discussed and commented by specific expert, local as international, are included for a broader orientation on the matter. The purpose of developing national local content policies, is to increase the value generated by the exploitation of a resource that remains in the domestic economy; and to develop linkages between the extractive sector and the rest of the economy. This is why it is utmost important to have the Government of Suriname to formalize this strategy, which is developed with input from all key actors in the industry. In order for the local private sector to benefit there is also extra attention given to **ICV** (In Country Value), as this will be the enabler of business and the supply industry. Furthermore, there is emphasis on the strategy, implementation, the scope and concept. Of equal importance are the annex which should be considered as integral part of this document. Less attention has been given yet on stuff like local participation or human resource quota's, this due to the fact that a much broader consultation is needed, however there is an annex that addresses the main legislation on labor. This legislation is based on the ILO (International Labour Organization), principle of decent work. The private sector entities involved in drafting this document are therefore convinced that this document can fit the purpose of having a local content strategy document.

Introduction

With the significant hydrocarbon discoveries offshore Suriname, there are opportunities to accelerate economic development of Suriname. To achieve this, local industries and employment must be improved to support this sector.

To support this, State Oil Company Suriname (SOCS) commissioned Development Alternatives Incorporated (DAI), to carry out an Industrial Baseline Study to assess the preparedness of the Surinamese private sector under the conditions of a potential supply and demand landscape and the challenges and opportunities that lay ahead. The study highlights insights into the roles of different stakeholders and which possible strategies and actions could mitigate gaps and what kind of investments would be required to partake in the petroleum sector developments.

To close the identified gaps of the DAI report, the private sector organizations Suriname Trade and Industry Association (VSB), Manufacturers Association in Suriname (ASFA) and Partners, took the initiative to prepare a Local Content Policy, ahead of the government. With this initiative, the business community wants for the government to adopt the proposed policy which should ensure that a level playing field is created for local businesses by giving an extra advantage or opportunity to local businesses who would normally be at a disadvantage, or by attempting to take away or diminish advantages of outsider competitors.

The purpose of developing a national local content policy for Suriname, is to increase the value generated by the exploitation of extractive resources that remains in the domestic economy; and to develop linkages between the sector and the rest of the economy. What matters is not only what happens in the sector but what happens beyond. As such, local content can encompass forward, lateral, and backward linkages. Backward linkages are those created by the commercial relations between mining operators and their supply chains, which include the transfer of technology and know-how, employment of nationals, and sourcing local goods and services. Lateral linkages utilize the demand of the sector to develop skills, services and infrastructure that can positively impact on other sectors of the economy while allowing locals to participate in the supply chain. Forward linkages involve the construction of facilities that process and export these resources, such as refineries and petrochemical facilities. Therefore, our local content benefits are set in a good practice that is based on the idea of creating 'shared value'. In this policy document, shared value is the foundation for a business strategy designed to achieve both project competitiveness, and stability and economic development in the local community and the entire country.

Suriname's LCP will ensure that business projects can create shared value by generating and growing economic opportunities related to their workforce, local supply chain and surrounding communities, in ways that also support their bottom line. Therefore, it should be government's guiding principles that this LCP focusses on being:

1. a guide towards a national strategy for economic development;
2. a mechanism to create value beyond the extractive sector;
3. a realistic assessment, grounded in the objectives of our resources and capabilities;
4. an adaptive strategy, towards our energy mix and transition of a low carbon economy;
5. an integrated procurement strategy of the national economy;
6. creating social sustainability.

Therefore, local content policy remains the single most important driver in Suriname's economic transformation from its extractive resource-based economy to sustainable socio-economic development.

Local content is generally understood to be the local resources of a project or business, which utilizes or develops along its value chain while investing in a host country. This may include employment or inputs, goods and services procured from local sources, locally hired workforces, operations carried out in partnership with local entities, development of enabling infrastructure, the improvement of domestic capacity, or the improvement of local content capabilities.

This imbalance will be addressed by way of linking investment incentives with local content policies. Local content will generate jobs and economic diversification, as well as transforming our MSME sector.

LC Policy will foster business linkages in growth sectors as well as promote commercial bonds between Micro, Small and Medium enterprises with local large enterprises. Setting business linkages in growth sectors will spur the industrialization and economic diversification. By ensuring linkages between local enterprises and Multinationals, micro, small and medium enterprises will improve their competitiveness and economic performance as there is transfer of knowledge and skills to local enterprises. Additionally, the strategy will promote business linkages between local enterprises and Multinationals, creating strong value chains.

By setting specific performance requirements and strategy, the Government ensures that the benefits that Suriname seeks to obtain from FDI including improved technology and managerial skills and Tvet (Technical and vocational education and training), are integrated into the domestic market and distribution networks. With this initiative the private sector proactively engages in the drafting of relevant strategies.

As the economy continues to grow and develop, the Local Content policy will facilitate the transfer of knowledge and information which can be acquired through Strengthening education and training institutions and enhanced interaction with the Multinationals which have more advanced production methods.

Local enterprises in the service industry including legal, insurance and banking also need to be integrated into the investment processes and business development in order to grow and acquire better expertise to enhance competitiveness in the service sector.

Due to the limited information available to the private sector, the strategy will provide mechanisms that will enable the private sector to access and take advantage of opportunities in the market, a **Local Content Development Office** needs to be established.

Finally, the strategy will provide a benchmark for negotiations of investment agreements which will be guided by the stipulations in the strategy which will be mandatory for all FDI's (multinationals) but also to their affiliates such as operators, contractors, subcontractors, and other entities involved in any business venture, operation, activity or transaction in the local market including locally sourced products. However, the importation of goods for resale to extractive industry e.g., in oil and gas, should not be considered as **ICV (In Country Value)**, as it is not sustainable and may lead to increased cost and loss of competitiveness of the industry in the region.

1. Background

Suriname has been in the extractive business since the 19th century, for a clean hundred years we had a booming bauxite industry, with mining companies like lamgold and Newmont the 20th century was very productive in gold mining. However, since the discovery of major commercial quantities of petroleum resources, the Government of Suriname (GoS) have made investments and participation by Surinamese companies in the activities of the extractive sector a priority.

His Excellency, the minister of foreign affairs, established an Advisory Panel with the intention to “maximize opportunities for goods and services produced by Surinamese companies or sourced locally and to take advantage of opportunities that exist now, even as we plan for the future”. The main task of the panel was to undertake “a review of all existing initiatives and draft policies relating to local content in the extractive sector and to provide guidance for the development of Surinamese’s Local Content Policy (LCP) and Legislation through a consultative process engaging with a wide range of stakeholders”. The Panel executed its mandate and submitted its report to the Minister in November 2021, making recommendations on the way forward for a new policy, enabling legislation and implementation. This document considers the recommendations from the Panel reports. This policy intends to inform the amendment process (and drafting, where necessary) of existing legislation, contracts, treaties and local, regional, and international experience, local content legislative instruments for public consultation and parliamentary approval, as appropriate. An **updated Implementation Plan (IP)** will be developed separately, in line with the final policy and legislation/regulations. It will identify specific initiatives, measures, and targets to deliver each of the identified policy objectives.

In addition to revenue accruing to the State via taxes and royalties, Surinamese are aware of the potential to capture and retain value within the local economy through the supply of skills, conduct of activities and the offer of goods and services along the value chain of the resource. The vast majority of these goods and services are currently imported into Suriname. Further, as have been done with other resource rich countries in a similar state of development, Suriname recognizes the benefits to be gained from improving the standards and quality of its people and businesses, and in industrialization through power generation and manufacturing from these raw materials. The petroleum sector requires high standards of quality, efficiency, reliability, ethics, care and attention to the environment, communities and property and the well-being of people. By supporting and participating in the sector, those who develop and provide goods, infrastructure, equipment, facilities, networks, systems, and other services that are used by the sector will need to raise their **quality, standards, behaviors’, and culture** in order to become competitive. As many of these services are required by other sectors, taking the capacity and behavioral attributes to the **non-extractive sector**, will enhance the international competitiveness of these other sectors and Suriname as a whole. Therefore, Local Content is considered the sum of inputs of local goods and services, including employment, provided to extractive operations. This occurs when operators hire locals as employees or contractors or buy goods or services from them. Local content therefore is the outcome of companies’ hiring and procurement activities, often referred to as backward economic linkages. The Long-term aim should be to encourage local production (3-5 yrs.) of materials and equipment. Consider part manufacturing and/or assembly of skids etc.

The purpose of developing national local content policies, is to increase the value generated by the exploitation of a resource that remains in the domestic economy; and to develop linkages between the extractive sector and the rest of the economy.

This policy framework will therefore address giving locals a fair (or advantageous) chance at preparing for and providing goods and services and becoming employees, so as to allow them to learn and improve by doing. It should be recommended to examine how to promote the employability of the Surinamese working population, in order to meet the prevailing and expected specific demand for labor and competences.

In this regard strong focus will be put on the establishment of the **SNTA** (Suriname National Training Authority) and the strengthening of the **SBF** (Suriname Business Forum). These institutions will act as the enabler for both the employee and the entrepreneurs. The details of execution will be addressed in **side letters** to this document.

2. Policy guidance

This policy guidance document seeks to:

1. Put in context the current and evolving state of Suriname's extractive sector, following the recent discovery of world scale gold and petroleum reserves, as well midsize gold mining operations.
2. Identify sources of value available to Suriname through:
 - a. participation by Surinamese nationals and businesses in the sector and
 - b. activities along the value chain being conducted within and outside of Suriname.
3. Present the aim and meaning of local content and value-addition, in a manner that clarifies and simplifies how, through employment, the provision of goods and services and equity investment, Surinamese participation can be achieved, and its outcomes measured.
4. Articulate a mechanism through which Suriname might use participation via equity investment, employment and the supply of goods and services in sector activities, to build capacity that can support and enhance the petroleum and other sectors (such as agriculture, food processing, mining, manufacturing, forestry, ITC, construction, and other strategic sectors) for industrialization and national development.
5. Acknowledge the current limitations of Suriname, the current state of the sector locally and internationally and the uncertainty that is part and parcel of the industry.
6. Articulate an implementation strategy that is rooted in a pragmatic and collaborative approach to enabling maximum participation of Surinamese, while benefiting investors.
7. State the policy of the Government of Suriname towards:
 - a. the enhancement of capacity to Surinamese firms, institutions, and individuals, to meet the **international standards** required by the extractive sector;
 - b. increasing the **value retained in Suriname** from the participation of Suriname nationals and diaspora firms through increasing levels of employment and provision of goods and services in the sector;
 - c. promoting **Caricom enterprises** and stimulate **joint ventures**;

- d. **transferring technology and know-how** to other economic sectors (such as agriculture, food processing, mining, manufacturing, forestry, ITC, construction, and other strategic sectors,) so as to further enhance national development.

8. Articulate a mechanism that provides assurance that the goals and objectives of the policy are pursued and reported to the Local Content Development Office on by stakeholders in a manner:
 - a. that allows for flexibility to respond to changing circumstances;
 - b. by which achievements can be measured and tracked and
 - c. by which stakeholders can be held accountable for delivering on their roles.

Furthermore, the OECD “**Transfer Pricing Guidelines**” provides guidance on the application of the "arm's length principle", which represents the international consensus on the valuation, for income tax purposes, of cross-border transactions between associated enterprises. In today's economy where multinational enterprises play an increasingly prominent role, transfer pricing continues to be high on the agenda of tax administrations and taxpayers alike. Governments need to ensure that the taxable profits of MNEs are not artificially shifted out of their jurisdiction and that the tax base reported by MNEs in their country reflects the economic activity undertaken therein and taxpayers need clear guidance on the proper application of the arm's length principle (See annex 1).

This latest edition consolidates into a single publication the changes to the 2017 edition of the Transfer Pricing Guidelines resulting from:

- The report Revised Guidance on the Transactional Profit Split Method, approved by the OECD/G20 Inclusive Framework on BEPS on 4 June 2018, and which replaced the guidance in Chapter II, Section C (paragraphs 2.114-2.151) found in the 2017 Transfer Pricing Guidelines and Annexes II and III to Chapter II;
- The report Guidance for Tax Administrations on the Application of the Approach to Hard-to-Value Intangibles, approved by the OECD/G20 Inclusive Framework on BEPS on 4 June 2018, which has been incorporated as Annex II to Chapter VI;
- The report Transfer Pricing Guidance on Financial Transactions, adopted by the OECD/G20 Inclusive Framework on BEPS on 20 January 2020, which has been incorporated into Chapter I (new Section D.1.2.2) and in a new Chapter X;
- The consistency changes to the rest of the OECD Transfer Pricing Guidelines needed to produce this consolidated version of the Transfer Pricing Guidelines, which were approved by the OECD/G20 Inclusive Framework on BEPS on 7 January 2022.

The VSB and ASFA/Alliantie are most representative employers' federation for Suriname and as such will serve as the Governments' primary point of contact regarding the development of local content. Within this scope they will work closely together with the Government and relevant institutes in:

- **drafting policies and strategies** and suggesting and referring to laws relevant to developing local content and enhancing SOCS (State Oil Company Suriname), IOC's (International Oil Companies) and multinationals' procurement (See Annex 2);
- identifying **performance indicators** to measure local content and SOCS, IOC's and multinationals procurement contributions, towards achieving developmental and financial targets;

- setting local content **requirements** and targets for procurement by SOCS, IOC's and multinationals and following-up on their performance;
- working together with SOCS, IOC's and multinationals, to develop and update a **database** of suppliers and manufacturers to support local content targets;
- contributing to the development of SOCS, IOC's and multinationals procurement procedures and activities, to meet local content targets and enhance procurement processes.
- Encouraging the private sector to contribute to developing local content

2.1 POLICY STATEMENT

The Goal of this Local Content Policy (LCP) is to maximize the level, quality, and benefits of participation in the extractive sector value chain by Surinamese.

Therefore, our vision is:

“Local content can be defined as the extent to which the output of the extractive industry generates further benefits to the economy beyond the direct contribution to the Gross Domestic Product (GDP) and government revenues, through its linkage to other domestic production sectors”.

This will require improving the capacity of the Surinamese businesses, institutions, and governance, in a manner that allows the country to enhance existing sectors of the economy and add new and emerging ones so as to support national sustainable development. It is the government's intention to use these as a springboard for Suriname's in order to maintain the status of a **sustainable** and **carbon neutral** economy. This policy recognizes that the activities and benefits available from the Surinamese extractive sector presents a unique and significant transformational opportunity for every sector of the local economy. The natural resources of Suriname belong to all of its people, and represent an asset of significant intrinsic value, which, once removed, diminishes the wealth of the nation, unless there is transformation in value from resources below the ground to improved quality of life above it, for current and future generations of Suriname. Suriname will approach the development of its extractive resources, people and businesses in a pragmatic, collaborative, transparent and accountable manner and with clarity of purpose. This will be conditioned by existing circumstances and an analytical approach to understanding the resource, the activities it engenders and the country's input capabilities. Suriname will aggressively pursue **strategic opportunities** for local capacity development and participation that will allow for achievement of the possible maximum economic benefit now and in the future.

The government will ensure that strong regulatory instruments and administrative institutions are in place, properly resourced and functioning adequately and that stakeholders are held accountable to the people of Suriname for the outcome of this policy. These policies will provide incentives to drive extraordinary effort, and appropriate sanctions for lack of compliance. Surinamese will participate in a manner that gives them the preferred access and opportunities to improve and enhance our capabilities, provided their goods and services become internationally competitive and progressively provide a greater share of future services. The GoS shall also ensure that investors must benefit from the availability of a skilled workforce and high-quality services.

With the desire to **increased value creation** and enable more **value retention**, costs related to capacity development, including those which are cost recovered and therefore paid for by the people of Suriname, will be seen by Suriname as an investment in the people, rather than a cost to the nation.

2.2 IMPLEMENTATION STRATEGY

Implementation will be enabled by legislation and regulations, with an empowered and accountable institution c.q. regulator. In moving towards its goals and objectives, measures, initiatives, targets, and schedules will be set in the implementation plans and regularly reviewed through collaboration with stakeholders and made available in an accessible manner.

This will require improving the capacity of Suriname's citizens, businesses, institutions, and governance, in a manner that:

- allows their competitive participation in the oil and gas sector;
- fosters the enhancement of existing sectors of the economy (in particular agriculture, food processing, electricity, mining, manufacturing, forestry, ITC, finance, engineering, construction, and environmental and maritime services), so as to avoid negative effects of the "**Resource Curse**" and
- introduces and builds complementary, new activities, so as to support Suriname in maintaining a **Carbon neutral footprint** and transform into Green Economy for sustainable national development.

Therefore, in maximizing benefit from the extractive activities, Suriname will develop capacity in the following domains, in order for the citizens and businesses to benefit from:

- **Fiscal linkages** are the revenue which can be captured by government from production and sale of gold, oil or gas. There is a parallel set of linkages to the balance of payments from export revenues. The strength of the link will be a function of the net value of the output and the fiscal terms which govern the sector. The link arises through revenue available to the government for expenditure on consumption or investment outside the petroleum sector and the foreign exchange earned from exports to pay for imports to the non-petroleum sector of the economy.
- **Forward linkages** refer to the provision of oil products or gas to the rest of the economy either as energy or as feedstock.
- **Backward linkages** cover the factor inputs in the supply chain from the domestic economy into the gold, oil and gas sector in the form of labor or local content which would not otherwise be employed or would be employed at lower productivity.
- **Sovereign wealth fund** and **Co-investment fund** to enable government to provide for the future.

Taken together these domains', will provide a 'multiplier effect' from the extractive sector to the rest of the economy. The multiplier effect depends partly on how the government allocates its revenues between consumption and investment, and partly on the capacity of the economy to benefit from the output and input linkages.

This policy recognizes and acknowledges that:

- Activities in Suriname's extractive industry are temporary and provide both **opportunities** and **treats**,
- By virtue of the scale and quality of its reserves, Suriname's gold, oil, gas and agricultural resources are of **extremely high value** to investors,
- Suriname provides a unique opportunity for industry participants to benefit for many years to come, at a time when demand for their inputs and products face the threat of steep and sustained decline, to the point where resources in other parts of the world, including both traditional and new producers, face the peril of being stranded as the world transitions to lower carbon and cleaner fuels,
- the activities and benefits available from its extractive sector present a **unique and significant transformational opportunity** for Suriname,
- the natural resources of Suriname **belong to all its people**, and represent an asset of significant intrinsic value,
- **once removed, the wealth of the nation is diminished**, unless there is transformation in value from resources below the ground to improved quality of life above it, for current and future generations of Suriname,
- Suriname has a **limited** human resource, business, and capital base,
- Suriname needs must implement the **Sovereign wealth Fund**,
- Suriname must mobilize **development financing**,
- Suriname must create **ICV (In Country Value)**
- Suriname must **approach sector participation** with clarity of purpose and in a pragmatic, collaborative, transparent and accountable manner,
- effective participation will be conditioned by existing circumstances and an analytical approach to understanding the resource, the activities it engenders and the country's input capabilities.

Therefore, achieving the policy goals will require a realistic and strategic approach to Surinamese participation and collaboration with industry, international partners, advisers, and other development stakeholders, including civil society to:

- Determine what is possible in terms of provision of goods and services to the sector.
- Identify what is desirable to economic growth and support national development objectives.
- Select, invest in, and pursue those that are viable and sustainable.
- Monitor, evaluate, report, learn and continuously improve the approaches being taken.

To achieve its Goal, the Government of Suriname will:

1. Ensure that Surinamese and expats are given **preferred access** to **opportunities** for employment and to provide goods and services, particularly where the capability exists and from traditionally under-served or disadvantaged groups or communities.
2. Identify and aggressively pursue strategic opportunities for **local capacity development** and participation that give Surinamese and expats the maximum possible benefit now and in the future by:
 - a. developing the **competencies** of Surinamese where the demand supports the required investment in capacity building,

- b. ensuring that Surinamese get an opportunity **to gain experience** in those areas where they are not yet at the requisite level of competence,
 - c. extending Surinamese participation where it supports **national development** and/or enables global competitiveness,
- 3. View costs related to capacity development, including those which are cost-recovered and therefore paid for by the people of Suriname, **as an investment in its people** and their future, rather than a cost to the country,
- 4. Ensure that **Suriname improve and enhance their capabilities** through participation and partnerships, so as to become internationally competitive and progressively provide a greater share of future inputs to the sector,
- 5. Ensure the longer-term benefits of supply chains relocating to Suriname are achieved through mechanisms that allow for ease of knowledge and technology transfer, while protecting intellectual property and supporting and facilitating efficiency of ongoing operations,
- 6. Ensure that **international investors benefit from the availability of a skilled workforce**, high-quality services, and an efficient and transparent business environment,
- 7. Ensure that decent work is guaranteed to all workers in Suriname (See annex 3),
- 8. **Facilitate and encourage collaboration with industry**, regional and international partners, civil society, and other +development partners,
- 9. Ensure that procurement, partnering, and other activities facilitate Surinamese participation and **are not designed or practiced in a manner that frustrates** the goals of this policy or misleads as to the outcome,
- 10. Ensure that Operators practice **good supply chain management**, inclusive of designing procurement strategies with the local supply chain in mind and maintaining a relationship with Surinamese suppliers by retaining a significant supply chain management capability in Suriname,
- 11. Ensure that stakeholders are **held accountable to the people of Suriname** for their roles in the outcome of this policy,
- 12. Ensure that this policy is enforced by an **appropriate legislative instrument** that allows for, among other things:
 - ensuring clarity, transparency, accountability, and consistency in the application of this policy,
 - stability, clarity and structure to manage Customs and Duties as a key enabler for success,
 - the setting of targets and schedules of progression for local content in specific goods and services, based in detailed market analyses,
 - the reservation for and/or first consideration/preferential treatment of certain goods and services to Surinamese,
 - make partnerships between ‘contractors & suppliers’ of Oil Co’s and local enterprises a mandatory requirement to do business,
 - a collaborative approach to identifying and a **clear mechanism** for reviewing the above,

13. Ensure that a Local Content Development Office stays in place as a strong **institution** or **regulator**, that is:
 - **properly** resourced,
 - overseen by a **multi-stakeholder supervisory body**, and
 - **held accountable** to the people of Suriname for the outcomes of this policy by reporting to Government,
 - empowered to:
 - A. access, analyze, collate, and disseminate information relevant to capacity development, procurement, and the local supply chain,
 - B. monitor, measure, and evaluate the performance of stakeholders,
 - C. **learns from Guyana, Trinidad and Tobago and other countries'** experiences to continuously improve the approaches taken, and
 - D. **makes readily accessible**, information needed by Surinamese to facilitate their participation,
14. **Improve the ease of doing business**, access to financing and the cost of capital to facilitate participation by local businesses,
15. Ensure the enhancement of **ADEK (Anton deKom University), NATIN and PTC (Polytechnic Collage)**, and other institution so they become centers of excellence for the region,
16. **Co-funded** by IOC's/allocate International Short-term Assignments to cross leverage knowledge
17. **Provide Tax incentives to drive extraordinary effort** and **appropriate sanctions** for lack of compliance, and
18. Provide a transparent and robust environment to ensure that all participants in the sector are in no doubt that this condition of engaging in and with Suriname extractive sector **will not be compromised**.

Moreover, it is the goal of the GoS to explore the opportunities of our energy mix to ensure that our future is also set in a net zero carbon emission economy for the future.

This will involve:

- Promoting and facilitating the entry into Suriname of international service providers and experts, to allow for ease of knowledge and technology transfer, while supporting and facilitating efficiency of ongoing operations.
- Giving preference to Surinamese where the capability exists, especially those from traditionally under-served or disadvantaged communities. With focus on communities with Social Performance Targets.
- Developing the competencies of Surinamese where the demand supports the required investment in capacity building, by ensuring that Surinamese get an opportunity to gain experience in those areas where we are not yet at the requisite level of competence.
- Partnering international participants with Surinamese, to provide experience, enable technology and knowledge transfer and access to investment opportunities for Surinamese.

- Extending Surinamese participation where it supports national development and/or enables global competitiveness.
- Using the Extractive sector's demand to build new and enhance existing strategic assets, skills, education and training institutions and businesses that support the sector, putting emphasis on those that can be leveraged for **lateral benefits to other sectors**.
- Developing, implementing, and empowering appropriate regulations, regulatory entity, and administrative instruments to ensure clarity, transparency, accountability, and consistency in the application of this policy.

This policy will apply to participation by Surinamese in all parts of the value chain, including the mid and downstream activities of the sector, whether conducted within or outside of Suriname, where practical.

2. POLICY Scope, Context & Drivers

3.1 SCOPE (and Limitations (Annex 4))

Given that there are many cases of gold, coal, oil, gas and mineral windfalls being perceived as a **curse, rather than a blessing**, Suriname needs to consider both the **opportunities** and **treats** presented by the extractive resources and their production. Expressions of expectations, hope and fears are abundant. At the core of these are the desire for a better quality of life for current and future generations of Surinamese and the recognition that **many issues need to be addressed** - policies, regulatory and institutional frameworks need to be developed or strengthened and administered transparently, **other sectors enhanced, rather than destroyed**, benefits shared equitably, with citizens expecting development in an inclusive manner. These are important matters and require **special attention**.

As such, there will be an overarching national policy for the sector that is being developed and will provide the broader framework within which updated legislation and specific sub-sector policies will address other matters of the **extractive industry's** value chain, including those not covered in this policy, such as:

- support of national development;
- support of **other economic sectors**, infrastructure, institutions, etc.
- revenue management (taxation, revenue collection, savings, investment, budgeting, etc.)
natural gas management (including master planning, flaring, etc.)
- licensing and exploration;
- development and production management (including depletion rates, levels, and mechanisms of extraction);
- decommissioning;
- Environmental, Social, and Corporate Governance (ESG).

Therefore, because of the urgency required in order to allow Surinamese the best chance to access the very considerable opportunities that are available now and in the coming years, the very important matters of local content requirement policies and value addition need special attention.

This policy guidance therefore precedes the overall sector policy, but **will be updated** from time to time, so as to always be aligned with and supportive of overarching sector and national development strategies and policies.

While it may be desirable for a LCP to encompass other sectors, **this policy guidance can also offer inspiration** and serve as a guide to sectors such as *manufacturing, information technology, broadcasting, agriculture, fisheries, forestry, food processing, tourism, shipping/maritime services* and others, which may see the value of such a policy in their domain or even an overarching national local content policy.

The scope of the Strategy will incorporate amongst others:

1. creating more **ICV (In Country Value)**, by intensifying the utilization of locally sourced goods and services in the growth sectors;
2. establishment of business (backward) linkage to endorse the SMEs;
3. increase local ownership and control of companies by hiring an agreed number of locals at several levels of the labor force and
4. endorse transfer of technology and skills from foreign investors to the locals.

The focus of the Policy is, amongst others:

1. To build the capabilities of Suriname's human resources to effectively participate in the oil and gas and other subsector.
2. To promote employment of Surinamese in the oil and gas industry.
3. To develop the competitiveness of Surinamese enterprises as suppliers and joint venture partners.
4. To increase the use of locally produced or available goods and services extractive industry.
5. To promote research & development and technology transfer.
6. Ensuring availability of ownership participation for qualified Surinamese equity interest.

3.2 CONTEXT

Suriname's high exploration success rate, series of major discoveries of gold, oil and gas and low-cost production have focused the attention on the value generated by activities surrounding the production and ongoing exploration and further field developments, as well as from the use and sale of high-quality products derived from them. However, there are still large proportion of these services for, for example the oil fields development which continues to be imported.

Provision of these services requires skills, technology, equipment, facilities, infrastructure, and capital, most of which are still at the early stages of development for the local market.

Therefore, Suriname is confident that, with a guided strategy, some of their existing skills, services and facilities can be used, improved, and enhanced, while, given sustained demand, others can be introduced, supported, and grown to:

- meet more of the **needs** of the sector,
- support the **growth of other sectors** of the economy,
- prepare Suriname for **life after extractive industries** like oil and gas, and
- **become competitive for export** services.

While Surinamese individuals and businesses naturally see the development and production of the extractive industry providing opportunities for participation, it is recognized that:

- The oil and natural gas industry in Suriname is still in the emerging stages of development, unlike the gold production.
- Since the first commercial discovery in 2019, multiple exploration wells are being drilled. Yet exploration continues apace, substantially increasing the proven oil and gas reserves and development and production activities that will be generated.
- Although the oil and gas resource are world scale, low cost to produce and of very significant size, its development is taking place during a period of turmoil and uncertainty in the industry, characterized by low prices and demand and global oversupply of both the commodities and services required by the sector.

- Concerns about the state of the planet and its climate have caused nations to reassess their use of fossil fuels, while technology is rapidly driving down the cost and competitiveness of cleaner fuels, further putting pressure on the demand for oil and natural gas.
- Even though Suriname is marked as a middle-income country, it has a small, emerging economy, in terms of our human capital, technology base, services capability, infrastructure, facilities and equipment availability, which denotes an **infant industry**. International competitiveness of indigenous businesses and the size of our economy and capital markets, need to be boosted.
- Although Suriname has a long history of mining and services to the oil industry, on-shore oil production for more than 40 years, Surinamese capability and experience in the offshore oil and gas sector, including among those in the diaspora, are very limited.
- Many of the goods and services used by the sector are highly specialized, requiring very high levels of technology, innovation, investment capital and experienced specialists. Some are used only for short periods in any project or operation and require a very large pool of potential clients to be sustained, usually from the global market.
- The oil and gas sector are a high-risk business, involving very high levels of capital and technology and hazards that can put people, property, and the environment at risk, therefore requiring high standards of performance by its participants to mitigate operational and business risks.
- Many of these skills, services and behaviors and their supporting ecosystem (technology, institutions, facilities, infrastructure, capital markets, etc.) are required by other sectors, so access to the world class ecosystem introduced to Suriname by the sector's presence, can serve to enhance the international competitiveness of Surinamese firms and individuals.
- Relative to its potential economic impact, the petroleum industry **does not directly generate** large numbers of jobs, but of those created, many are of **high quality**, in terms of the competencies required/developed and benefits to employees. Thus, additional employment is created through the multiplier effects of the supply chain, the ability of other sectors to grow as a consequence of the enhanced supply chain and government spend of revenue generated by the sector.
- While the industry requires relatively few people, many with highly specialized skills, sustainable employment opportunities are generated by:
 - upstream production operations and maintenance
 - downstream petroleum operations, such as in refining and petrochemical operations.
 - those services that are transferable to other, longer life-cycle industries

No country in the world manages to get to 100% local content, most experts acknowledge that.

Accessing a wide pool of talent, drawing upon experience from different locations and situations brings efficiency of operations and can fast track the learning experience of local collaborators, through the transfer of know-how and technology.

Suriname's petroleum discoveries and this policy guidance come at a time when several developing countries like for instance Guyana, have been privileged to make similar, potentially transformative discoveries. In Suriname however the total extractive sector will be addressed as best suited.

Many countries have implemented local content policies and legislation, with varying degrees of success. At the same time, more mature oil and gas provinces have had recent major discoveries and have also used their experiences to implement or enhance local content policies and strategies.

Suriname is fortunate to be able to benefit from the experiences of this range of scenarios and to consider them in designing a policy and implementation strategy that are applicable to its specific purposes and allows for fair and relatively simple implementation and oversight, while remaining flexible to respond to changing circumstances.

The availability of oil and natural gas gives Suriname the opportunity to consider using the raw materials as inputs to process, refining, manufacturing, and power generation. These can all support the development goals through enhanced industrialization, skills development, job creation and revenue generation. However, aside from the pressure to reduce carbon emissions related to oil and natural gas, the current global situation is one of oversupply in production and availability of both raw materials.

This LCP continues to be constrained by the limited data available at this early stage of the industry, so addresses general principles for beneficiation, while making provision for revision, with the availability of new information and other changing circumstances.

For the extractive industries, oil and gas in particular, there will need to be detailed analyses of the local supply and international demand to determine the areas, timing and scales of investment that can be supported. These will advise Government of Suriname policies in downstream conversion, consistent with Suriname's Carbon neutral Economy and other aspirations. Natural gas beneficiation via conversion to power and extraction of natural gas liquids and LPG production will not be compromised.

A natural gas master plan will be necessary to properly develop that resource and will take into consideration the potential local content, value addition and participation impacts and upstream resource management, including the pace, scheduling and other characteristics of field development.

The guiding principles which are relevant to be followed by all stakeholders in its implementation:

1. Advertising of a Friendly Investment Climate

The strategy will be executed to improve the investment climate of Suriname. The interests of investors shall be contemplated when implementing the strategy to guarantee that there are no impairments created to doing business in Suriname. The requirements of the strategy will therefore attempt to strike a balance between the interests of investors to safeguard that they are not unreasonably affected while facilitating benefits for the domestic SME's.

2. Reinforcement of the Domestic Private Sector

The development of the domestic private sector is the ultimate goal of this strategy which will guarantee that domestic SMEs are incorporated with foreign companies and are able to partake in the economic development. The strategy will be particularly devised to reinforce the domestic private sector to enable them to take advantage of investment opportunities in the market by generating linkages with large investments.

3. Transparency

The Strategy acknowledges the necessity for transparency in executing various strategies and policy measures for example, monitoring procurement, assessing the amount of local content and review of employment of Surinamese citizens. Transparency will be fundamental to collecting the assistance of all stakeholders in the fruitful execution of the Strategy.

4. Capacity and Institutional Building

Bearing in mind the inadequate skilled labor in numerous sectors of the economy, this Strategy will function with a view to building up a skilled workforce in Suriname. The Strategy is also thoughtful of the need to build the capacity of trade support institutions such as Universities, Government Institutions as well as the private sector.

5. Devotion to International and Regional Responsibilities

This Strategy will follow Suriname's international and regional responsibilities, especially those arising from membership to example the World Trade Organization (WTO). With regard to the WTO, this Policy will follow the requirements of the WTO's Agreement on Trade Related Investment Measures (TRIMS). This Strategy will also follow to requirements within the regional arrangements on endorsing trade.

6. Mutual Cooperation

The prosperous realization of the goals of this strategy shall be set on by the level of collaboration and transfer of technology between Government and the private sector actors. The strategy will consequently encourage coordination between the various stakeholders in a manner that inspires shared collaboration and transfer of technology.

7. Compliance

To partake in the economic development, it is essential to execute a strategy to improve **compliance** and good governance in the public and private sector. Being a member country of the Caribbean Financial Action Task Force (CFATF), the Government of Suriname is committed to tackle the risks concerning Anti Money Laundering/ Combating the Finance of Terrorism / Proliferation/ and Corruption. The integrity of institutions and business is very important and needs to be guaranteed and upgraded, for financial inclusion and economic development (with foreign investors and/or foreign banks).

3.3 DRIVERS

While the current situation offers encouragement for enhanced engagement and participation of Surinamese nationals, diaspora and businesses, the degree and nature of potential and desirable mid and down-stream beneficiation require, among other things, a better understanding of the production potential of the continuously discovered reserves.

For local content capacity development:

- Given the recent discoveries and commencement of development, Suriname is assured of a relatively long period of production operations (at least 25 years).
- Further field developments, beyond the initial developments of the Maka-1 and Sapakara-1 discoveries, are imminent.

- Further field discoveries will be developed in the medium-term.
- All the activities will more likely yield further discoveries, additional proven reserves, new field developments and increased production operations and an increase in the associated activities, demand for goods and services and production of oil and gas.

However, in addition to general business services support, the extractive sector (Oil and gas) requires some very **specialized skills and services**, always of a very high standard, **while only providing a small amount** of direct and indirect **jobs**. Therefore, it is the growth and **diversification in the economy** and the supporting skills, services, technology, and infrastructure base that have catapulted the development of those countries which have managed the extractive industries well, not just the direct impact on employment and businesses. These success stories are further generally characterized by **good governance** of the sector and country, a key requirement for sustainable development. As a new phase of this industry, there is an opportunity to design and operate the required governance framework, institutions, and legal and regulatory instruments (including policies, legislation, regulations, contracts, licenses, permits, decision making criteria, reporting requirements, guidelines, and procedures) to the highest standards required.

Done well, this will ensure transparent and accountable management of the resource and can become a catalyst for transformation of the governance of the entire country and economy. This policy and its implementation give Suriname the opportunity to start on this journey in capacity development, local content, and value-addition, limited, but potentially highly impactful subsets of this most important industry.

Petroleum industry activities are conducted by some of the world's premiere firms, utilizing best in class people, technology, systems, and procedures to manage their businesses and relationships. Included are those required for Information and Communications Technology (ICT), HR, accounting, procurement, and risk, financial, project and operations management. They are also well governed and engage world leading approaches to transparency and accountability.

The presence of international petroleum sector service providers and manufacturers in the economy provides a unique opportunity for Surinamese firms and regulators to learn from these major operators and suppliers by working alongside and for them. This will help to create well governed and managed Surinamese companies and agencies that will generate opportunities for locals to invest in the petroleum sector and enhance the local capital market, **while raising the competitiveness of the business environment** and the quality of governance.

Investments and activities in the sector require long timelines, often **out of sync with national election cycles**. Robust management of the sector to enable maximum economic benefits to be achieved therefore **requires a common vision** or aspiration for the sector and country, **across the political divide**, which lends itself to predictability in investment, policy direction and sector governance. Similarly, investors need a consistent and predictable policy and legislative environment to make otherwise risky investments.

The Government of Suriname must ensure that activities are consistent with provisions of the Constitution and Laws of Suriname, always keeping in mind that the best interests of the people of Suriname are paramount.

Furthermore, a vision of the outlook of Suriname and the role the sector will play in such objectives will allow all participants to be clear on their roles in achieving the country's goals and also to be aligned to work together for the common good. The scale and scope of activities available to Suriname due to the nature of the oil and gas discoveries and the circumstances under which they are being explored for, developed, and produced provides Suriname a unique opportunity to leverage those same activities to prepare itself as a major oil and gas producer.

Suriname's entrance into the offshore facilities of the sector also allow it to better position itself to follow its objective of being a negative carbon economy. Thus, with prudent macroeconomic management the petroleum sector can provide the local economy with the capabilities it needs to become a world leader during the energy transition phases. Moreover, the major social and economic shifts of 2020, caused by the COVID-19 Pandemic and the global movement to redress historic systemic social injustice have come at a time that presents Suriname with an opportunity to shape the conversation with an investor base that is redesigning the way they work and relate to host countries. Given the nature of the geology of the oil and gas fields in Suriname, the investors see a long term, profitable relationship with the country.

The moment is ripe and opportune, therefore for a conversation about "business not as usual," a way of working that is mutually beneficial as it:

- allows all parties an ideal workshop to heal the planet and laboratory to prepare for the energy transition;
 - ✓ Suriname offers the potential for very significant carbon sequestration in the quest for a net-zero world;
 - ✓ Suriname will secure its place in the world as guardian of the rainforests and Amazon ecosystem;
 - ✓ Suriname can become a model for Sustainable Development;
 - ✓ The companies can play a significant role in helping develop capacity in engineering, ITC, innovation, environmental sciences, and research and development;
- Moves away from the historic model of exploitation by extractives companies in the developing world;
- Is less reliant on a transient workforce, the dangers of which were exposed by the pandemic;
- Rewards people for their inputs rather than their origins, so that Surinamese do not have to leave their homeland to earn a decent wage and can bring their considerable talents to bear in developing Suriname.

The extraction of natural resources can have enormous implications for many parts of an economy irrespective of any LCP, including government revenues, public expenditures, investments, salary levels, demand for labor and expertise. Therefore, one key option for Suriname is to adopt a localism approach for its LCP. A localism approach can be utilized to address a number of other problems associated with extractive resource development that have historically impeded other sectors of the local economy from fully realizing the potential benefits of the extractive resources.

It can also be used to improve company-community relations. It can be used to partially compensate the local resource bearing communities for any negative impacts of oil and gas development. The private sector has an important role in the adoption of Local Content Policies (LCPs); however, they are just one of many stakeholders, the public sector and civil society also needs to understand what is at stake.

Local content must also attract attention from civil society groups, State agencies must make a strong effort to engage civil society, and for their part, many organizations simply must give sufficient attention. Outside of the international oil industry, local institutions must understand local content's potential and significance. For that reason, there is a lot that can be accomplished through applied research and encouraging public participation in the creation, implementation, and enforcement of these important policies as well as in ensuring an enabling governance environment for local content to operate and make good on Suriname's development through its emerging petroleum industry.

The Local Content Development Office must play a strategic role in the facilitation, adaptation and of transformation of the economy due to local content opportunities.

They must adopt a structural approach through:

- 1) Promoting the localization of materials and service.
- 2) Creating of business opportunities in downstream.
- 3) Developing workforce, training and entrepreneurship.
- 4) Support attracting and enabling foreign investment in Suriname.

The enforcement of local content policy regulations should address amongst others, two critical policy instruments (**human capital** and **domestic firm capability development**), to remain effective and beneficial to the domestic economy. It is crucial to embed the human capital and capability of domestic firms in development practices within the local content policy regulation. Linking that to investment incentives policies can contribute to the broader economy in the short and long term.

The SME sector should also get the change to develop to a higher level of operations within the backward linkage, in other words they need to be strengthened for sustainable job creation as well as exports potentials.

Furthermore, it is important that the government commits itself to:

- demand from investors that specific knowledge is transferred within an X period to Surinamese laborers so that the knowledge and skills also benefit Suriname;
- have the ministries of JUSPOL, AWJ and BIBIS coordinate well with regard to the expected increased pressure of expats who will stay here for a short time to perform work in the oil and gas sector.

4. CONCEPTS

Local content requirements impact the global economy

The term “localization, barriers to trade”, applies to a range of measures that favor domestic industry at the expense of foreign competitors. While many localization barriers have been around for a number of years, they are being applied with increasing frequency. This includes recent country-specific 'Made in XX' or 'Buy XX' programs introduced by many national governments.

The fastest growing of these measures are **local content requirements (LCRs)**, which are policies imposed by governments that require firms to use domestically-manufactured goods or domestically-supplied services in order to operate in an economy. There has been a substantial increase in the use of these measures in recent years, as governments try to achieve a variety of policy objectives that target employment, industrial, and technological development goals.

Despite the long-standing and predominately negative evidence of the impact of LCRs on economic development and trade, they continue to play a significant role in policy today. Since the financial crisis a decade ago, more than 340 localization measures, including over 145 new local content requirements, have been put in place by governments largely in an effort to improve domestic employment and industrial performance. Analysis by the OECD has shown that for select measures, 80% of disrupted trade is in intermediate goods, disproportionately affecting global value chains.

While LCRs may help governments achieve certain short-term objectives, they sometimes undermine long-term competitiveness. Work undertaken by the OECD provides evidence of the detrimental effects that LCRs can have on the imposing country's own economy.

While most studies have focused on the long-run inefficiencies caused by LCRs in the affected sector, a study at the OECD highlights the subsequent costs imposed on the rest of the economy as well. The inefficiencies arising in other sectors due to the LCR actually reduce job growth and opportunities to achieve economies of scale, undermining the original goals for imposing the LCR. In addition, as sectors that benefit from the LCR consume more domestic resources, other sectors are forced to reduce production or increase imports, leading to a concentration of domestic economic activity. This process ultimately undermines the growth and innovation opportunities that come from a diverse, dynamic economy.

For reasons above mentioned, the government of Suriname in collaboration with the private sector had very specific sessions on the topic of Local content. Specialized working groups studied documentation and consulted experts on the matter, to formulate a policy. There has even been a high-level seminar on local content, including presentations of primary stakeholders.

In order to be clear on the concepts, it is necessary to have the definitions written in policy documentation. Furthermore, it is important to develop comprehensive metrics and frameworks to appropriately track year on year achievement of local content targets or improvements in local content levels. Formulation of policy must be unambiguous to bolster monitoring of both local entrepreneurs and foreign investors in light of local content partnership to ensure compliance. Local content application should be guided by a **long-term development strategy**, identify critical gaps in the economy to be filled.

In sectors where local capacity is identified as inadequate (short, medium and long term), focus local content efforts will be attained on higher levels of employment and training. The enterprise development should invest into the design of a capacity audit system for sectors of the economy which will need support for transformation.

For resource-rich countries looking to derive value from their extractive industries beyond tax revenues and production-sharing arrangements, promoting “local content” has become a mainstay of domestic policy in the past few decades. According to the **OECD** (Organization for Economic Co-operation and Development), governments have adopted more than 340 localization measures—including at least 145 local content requirements—since the 2008 financial crisis.

In many countries, local content policies and regulations stipulate targets that are unrealistic or at best inflexible. But when Oman developed its local content strategy for the oil and gas sector in 2012, the country took a different approach. Rather than setting specific targets or implementing regulations, the Ministry of Oil and Gas led a collaborative process to create a holistic approach to In-Country Value (ICV)—one that works both for the government and for oil and gas operators. While local content is typically associated with the extractive or energy sector, many countries, Oman included, are looking to these types of policies for other industries as well.

Governments looking to stimulate economic growth and create local jobs—especially in response to the coronavirus pandemic—would do well to consider Oman’s experience in ICV. (See annex 5)

5. POLICY GOALS and OBJECTIVES

5.1 GOALS

By way of capacity development, local content, value addition, and taking into account the uncertainty of the future of oil and gas, Suriname intends to capture much of the value and benefits from its natural resources (not just oil and gas) and related activities. These blessings will be used to maintain the country status of a sustainable and low carbon, if not a carbon neutral economy, that encompasses the heritage and aspirations of the people. Suriname is one of the three carbon neutral countries, and we intend to stay in the top three.

Through collaborative mechanisms with operators, contractors, citizens, and other stakeholders, the country will be counted among the first developing nations who have managed an extractive industry and used its patrimony as a source of national development and sustainability. The ultimate goal of this Local Content Policy (LCP) is to provide a springboard for Suriname's national sustainable development and remain in a sustainable and low carbon economy.

To achieve this, Suriname intends to use the oil and gas sector for the development of its citizens, regardless of race, ethnicity, religion, or sex. The aim is to create a world class supply chain, workforce, and business environment for the Petroleum Sector to facilitate and attract investment beyond oil and gas, in innovation, technology development and environmental preservation. These will provide the portal through which Suriname maintains its position as a net-zero carbon emitter, in keeping with its commitments to mankind.

5.2 OBJECTIVES

The objectives of this policy are to:

- Enhance the **skills and competencies** of Surinamese Citizens.
- Maximize the use of **locally sourced goods and services** in the extractive sector.
- **Domesticate key capabilities and activities** that international investors traditionally retain at Head Office.
- Enhance the capacity of Surinamese businesses and supply chains to become **internationally competitive**.
- Ensuring availability of **ownership participation** for qualified Surinamese equity interest (Ownership Value).
- Enhance and make **world class the training, technology, innovation and research** and available to Surinamese through the **SNTA** (Suriname National Training Authority).
- Bring value to investors, through **high-quality skills** and services.
- **Promote alliances** between Surinamese and world class firms for the transfer of technology and knowledge transfer and research and development in the industrial sectors.
- Enhance the **quality of business support services**, infrastructure, and facilities.
- To build the **capabilities of Suriname's human resources** to effectively participate in the extractive sector
- Promote and **facilitate access to finance, local investment** in businesses and industries, capital aggregation and enhance the depth and quality of the Suriname's and its diaspora capital markets.

- To develop the **competitiveness of Surinamese enterprises** as suppliers and joint venture partners.
- Enhance the quality of the **business environment** and governance in Suriname.
- To increase the use of **locally produced** or available goods and services by the extractive industry.
- Increase the level and **quality of in-country supply chain management** of Operators and Primary Contractors.
- Promote **in-country value addition** and retention along value chains.

The **Implementation Plan** that is being developed to support this policy, will identify specific initiatives and measures to deliver each objective. Targets and schedules will be progressive to reflect the changing state of the domestic supply base and the forward demand. As with this policy, implementation will be undertaken in a collaborative manner with stakeholders and will include regular reporting in a manner that is easily accessible and comprehensible to all parties.

6. Minimum Local Content in Goods and Services

To ensure maximum participation of local suppliers in the extractive sector and development of Surinamese persons companies and the Local Content Development Office, shall work together to achieve below goals in 3 stages in order to create **in country value**:

1. Qualification of local suppliers.

2. Deliver Quick wins services and goods:

General services

- Travel agency/air tickets
- Office furniture's and supplies
- Car leasing
- Office leasing
- Agri produce
- Catering
- Food and beverage
- Housing and hotels
- Recruitment services

Operations related

- Training
- Medical services
- Waste management
- Offshore catering
- Charter flights
- Marine Gas Oil
- Freight forwarding
- Logistic base

3. Future opportunities: logistic base to scale up local contracting and labor:

- Logistic base
- Handling, lifting, trucking
- Pipe inspection and maintenance
- Cargo carrying units
- Workshops

Annex 1: Transfer pricing

Annex 2: Legal framework

Annex 3: Labor policy framework

Annex 4: Local content policy in Development Plan 2022 -2026

Annex 5: Key principles ICV (In Country Value)

Annex 6: Timeline PPP

Annex 7: Alliance