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Review Paper

Exploring the Local Content Paradigm in Hydrocarbon Resources-Rich Countries to Unravel the Emerging Challenges and Way Forward for Cameroon as a Neophyte

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ABSTRACT

Local content in hydrocarbon resource-rich countries has become a panacea for the host governments and other key stakeholders in the extractive industries. As such, more resource-rich developing countries like Cameroon, are trying hard to put in place viable local content frameworks (LCFs), to maximise their benefits from the industries. Despite this, it is noted that such LCFs are often implemented without sufficient research into their efficacy, thus, yielding mixed results. In this sense, the paper examines the impact of LCFs in the hydrocarbon sector, to gain insight into the impending challenges faced by the key players involved in their implementation. Equally, the channels through which LCFs are advancing value creation are traced, by evaluating the different implementation programmes, using clearly stated local content targets to measure efficacy, and assessing the diversity of local content strategies for countries at different developmental stages. To provide the Government of Cameroon, the international oil companies (IOCs), and the domestic suppliers, with some guides on how to successfully develop and implement a LCF. Since the experiences of the countries reviewed in the paper show that the success or otherwise of LCFs remains a function of a country's institutional setting and developmental paradigm. As such, a successful LCF needs to be anchored on the fact that LCFs need to look beyond the simple generation of economic benefits to focus on the development of linkages. In this regard, the paper accentuates that as IOCs play a key role in the management of natural resources in most African countries. On this basis, the paper seeks to motivate Cameroonian policymakers and practitioners in the hydrocarbon sector to include specific legislation, policy, and model contracts on local content, as a first step towards operationalizing and institutionalising the LCF, as a sustainable and alternative strategy to avoid the resource curse dilemma. Likewise, scholars and other research institutions will find the research outputs as a valuable addition to the current knowledge on the hydrocarbon sector, therefore, an impetus to conduct more research on local content in the sector.

Keywords: Exploring, Local Content Paradigm, Hydrocarbon Sector, Emerging Challenges, Way Forward, Cameroon

1. INTRODUCTION

Succinctly, local content is receiving enormous attention in resource-rich countries, with an increasing number of countries introducing or reinforcing local content to stimulate the use of local factors of production to create value in the domestic economy hence expand their industrial sectors, by requiring investors to purchase a certain percentage of goods and services within the host State and to train and hire national staff [1]. As such, in Sub-Saharan Africa (SSA), there is great effort since at least 11 States have formulated local content policies for their hydrocarbons sector, or are in the process of doing so [2], [3], [4]. This is to enhance the main goal of local content by increasing the economic benefits from the extraction of natural resources. From this perspective, it is worth stressing that in the SSA context, local content is envisaged as a potential solution to the sky-high rates of unemployment among the youth on the continent, and as a possible means to reduce social unrest and violence and contribute to the industrialisation of the resource-rich countries [2]. Nonetheless, many scholars have emphasized the potential negative consequences of local content requirements in States with flawed institutions, specifically those characterised by rent-seeking behaviour and patronage [3], [5], [6], [7]. Equally, there are also concerns that strong and binding regulations for local content may limit the companies' ability to generate income, thus, affecting the host countries' revenues from the sector [8]. In this sense, it is worth noting that many resource-rich developing countries like Cameroon have not benefited satisfactorily from the exploitation of their natural resources. Although they are receiving significant fiscal benefits from the export of natural resources, the development linkages to other economic sectors remain marginal in terms of domestic value added and employment creation. As such, the countries are placing increasing emphasis on the need to derive more benefits from their natural resources. In this regard, local content frameworks (LCFs) have been adopted by several African countries as a development strategy aimed at increasing the benefits of extractive industries. Since local content is defined as the extent to which the output of the extractive industries 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. With the objective of the LCFs being to transform the short-term benefits of natural resource extraction into long-term local economic development outcomes through capacity strengthening, institutional building, and strategic policy tools to promote the domestic economic linkages, job creation and the participation of local small and medium scale enterprises (SMEs) in the value chain via the supply of goods and services to the sector [8].

Explicitly, countries that adopt local content as a development strategy for their extractive industries often commence by developing LCFs that encompass policies, laws, and institutions to manage and monitor the outcomes of the policies. Indeed, it is worth noting that while a well-developed LCF is a valuable starting point, other factors can still shape its successful implementation. However, mapping these factors is challenging since each country exists under particular conditions and these factors might function differently depending on the context. Notwithstanding, local content is often measured by project, affiliate, and or the country aggregate and undertaken through such strategies as workforce development, and developing and procuring supplies and services locally [9]. Moreover, it is worth reiterating that LCFs are developed by the State at the central or local level, with the prime aim to complement its avenue for achieving positive developmental outcomes. As such, LCFs can also require companies to invest in facilities for local manufacturing and service provision. Since the capital retained in the local economy as a result of well-implemented LCFs has the potential to be larger than the royalties and taxes from extraction [3], [9], [10], [11] [12], [13], [14]. From these, it is worth noting that while the value added from local content can take a long time to materialise, the long-term advantages of empowering a nation to benefit directly from its country's wealth of resources are well-worth pursuing. With the ultimate aim being simply to ensure that the exploitation of natural resources is not a curse but a blessing, which generates sustainable social and economic benefits for society [11]. In this light, the experiences regarding the adoption and implementation of LCFs and practices are mixed and the observable outcomes depend on a series of factors such as the specificity of the LCF, the vision a country has in terms of the benefits that should be achieved through prioritisation of strategies, the business environment and fiscal regime, and the ability to enforce compliance. As such, it is essential to reiterate that countries around the world have established specific frameworks to foster local content through the promotion of employment, skills development, and national industry participation in the oil and gas sector. Despite this, it is observed that these frameworks vary from broader local content policies articulated in national development plans and legislation (local content laws, decrees, regulations etc.), to specific provisions in contracts with local and international firms [15]. In this regard, the paper is presented in two parts. With the first part considering the purview and interface between local content and community content, linkages and other related issues in the hydrocarbon sector, while the second part examines the premises, impacts, and impediments of local content in the hydrocarbon sector in Cameroon. It then rounds up with a conclusion by providing some possible policy recommendations to strengthen the adoption and implementation of a viable local content regulatory framework in Cameroon to enhance sustainable development.

2. Purview of Local Content in the Hydrocarbon Sector

The limited nature of mineral resources and the demands of the extractive sector require policymakers to find mechanisms to maximise the sector's benefits. One such mechanism to achieve this is the so-called "local content". Which refers to the actions a country can adopt to increase the benefits from the extractive sector through the promotion of local employment, skills development, and national industry participation. In this light, the promotion of local content has become a matter of increasing interest and debate in resource-rich countries like Cameroon. Despite this, it is observed that local content experiences from the countries are scattered with undocumented outcomes. As such, to inform the debate and provide policymakers with evidence to decide whether local content is the best policy option, this paper seeks to advocate why and how a viable LCF is a way forward for Cameroon, or any other resource-rich country. This is because there are several options for the developing countries, as they may choose to adopt the conventional or national entrepreneurial development approach, which focuses on enhancing the participation of a country's 'nationals' in the industry; or they may choose the 'localist' approach, which recognises that the communities where the hydrocarbons resource projects are carried out bear the most brunt of the activities, by giving special consideration to such communities to alleviate their condition and minimise the potential of conflicts due to the oil and gas development activities in the communities. Equally, countries may also choose to adopt a regional integration approach that is aimed at boosting regional rather than merely national competitiveness. Besides, countries may also choose to focus on training and education of the local workforce, local procurement of goods and services to increase the participation of the national industry on a competitive basis or choose to focus on a broader goal of how to use the policy to enhance economic diversification (by promoting linkages to other sectors) to reduce economic dependency on the hydrocarbon sector. However, it is worth noting that these policy focuses are not mutually exclusive, because most countries have adopted a broad approach that encompasses all of these. With each policy focus, having inherent trade-offs. As such, the challenge for any country like Cameroon will be to strike a balance between the clusters of stakeholders in the hydrocarbon sector, to prioritise their needs to meet the expectations of its legitimate citizens. In this regard, this part examines the following issues.

2.1. Interface of Local Content and Community Content

Aptly, LCFs in hydrocarbon-producing countries have become a key priority for host governments and industry players alike. This is because more resource-rich developing countries are putting in place sustainable LCFs as a means to maximise the benefits from their oil and gas sector. Notwithstanding, it is observed that these LCFs are being implemented with insufficient research into their efficacy, thus, often yielding mixed results. Since the stakeholders are usually perplexed in interpreting concepts like "local" in LCFs, as well as exhibit an inadequate appreciation of the dichotomy between "local content" and "community content" in LCFs. As such, it is worth examining such issues to illuminate the appropriate context of LCFs.

2.1.1. The scope of "local" in the local content model:

Indeed, it is observed that most local content laws do not define explicitly the term "local" in local content. Consequently, what "local" means can only be deciphered in their definitions of local content. For instance, under Section 106 of the Nigerian Oil and Gas Industry Content Development Act 2010, local content is defined as "the quantum of composite value added to or created in the Nigerian economy by a systematic development of capacity and capabilities through the deliberate utilisation of Nigerian human, material resources, and services in the Nigerian oil and gas industry". In a similar manner, the 2013 Ghanaian Petroleum (Local Content and Local Participation) Regulation defines local content as "the quantum or percentage of locally produced materials, personnel, financing, goods, and services rendered in the petroleum industry value chain, which can be measured in monetary terms". From these, it is observed that while the Nigerian Act explicitly makes reference to the "Nigerian economy" and Nigerian human and material resources and services, the Ghanaian Regulation merely speaks about "locally produced materials …" Equally, it is also observed that while one can easily assume that "local" in the Nigerian case is equivalent to "national", there is some ambiguity in the Ghanaian model regarding whether "local" refers to "national" or to the region or locality within Ghana where the goods and services are produced. Despite this, it is worth noting that such ambiguity may be resolved by looking at some other provisions of the Regulation. For instance, the Regulation requires a company's local content plan to contain detailed provisions that guarantee that "qualified Ghanaians are given first consideration" in matters of employment and that "adequate provision is made for the training of Ghanaians on the job". This suggests that "local" is equivalent to national rather than the subnational locality or region where the hydrocarbon activities take place. As such, it is worth noting that this is akin and slightly represents the position in most other countries like Angola, Cameroon, Equatorial Guinea, and Kenya. For instance, Kenya's draft local content regulation adopted a definition of local content similar to the definitions adopted in Nigeria and Ghana - but did not also contain any definition of local. Although during the discussions on the Petroleum Exploration and Production Act, the Kenyan government instead adopted the term "national content" instead of "local content" because it believed that "'local' may be misconstrued to mean the particular communities where the oil and gas operations are being conducted" (see Ministry Reviews of the Petroleum Exploration and Production Act Cap 308).

Notwithstanding, a recent study of the LCF in Ghana shows this concern to be accurate; as it was observed that about 95% of the local communities either misunderstand or misapply the concept of local content. Since they understood local content and local participation to mean, the considerations for offering employment, award of service contracts, allocation of corporate social responsibility (CSR) programmes and award of scholarships inter alia first and foremost to the indigenes of the Western Region before any other Ghanaian [16]. As such, due to this interpretative debility, the draft Kenyan bill as well as the draft local content regulation that was finally prepared abandoned the term "national content" in favour of "local content". With Section 2 of the draft regulation defining local content as "the use of Kenyan local expertise, goods and services, people, businesses and financing for the systematic development of national capacity and capabilities for the enhancement of the Kenyan economy", while Section 85 of the petroleum bill requires that "first consideration be given to services provided within the county and goods manufactured in the country". In like manner, an initial draft of Tanzania's oil and gas industry LCF adopts a national approach to an understanding of "local". With the document containing an explicit definition of local as "the Tanzania Mainland and its people" [17]; defining local content as "the added value brought to the country in the activities of the oil and gas industry in the United Republic of Tanzania through the participation and development of local Tanzanians and local businesses through national labour, technology, goods, services, capital and research capability". At another point, the document defines local content as "the added value brought to a host nation (and regional and local areas in that country) through the activities of the oil and gas industry" [17]. However, the reference to "regional and local areas" is a remarkable departure from the position in other countries and represents specific recognition that the localities or regions where the hydrocarbon resources are extracted deserve special recognition in the implementation of the LCFs. In addition, the document recognises the need to develop "local content" [17], with the essence being to give the oil and gas companies the "social licence to operate" and contribute to the growth of the local communities to achieve a "mutually beneficial and sustainable" business environment. But did not require any special preference for the extractive localities or regions over other Tanzanians, and only encourages companies to, "as far as possible", procure their workforce, materials and services from the communities in which they operate [17]. Nevertheless, in the final local content legislation that was passed by the Tanzanian Parliament, the idea of "local content" was abandoned.

2.1.2. The interface between local content and community content:

Despite the aforementioned, it is argued that the idea of "local content" is consistent with what *Warner* has termed "community content", that is, "the interface of community investment programmes with local content", which consists of "the strategic deployment of local participation and local capability development opportunities arising from an oil or gas project, specifically directed to strengthen the sustainability, relevance and political visibility of the community investment programmes" [18]. Thus, Warner alludes that "community content is about realising a competitive advantage for the oil company in the eyes of both the local population and the country's guardians of economic policy". Aptly, the distinction between the community content and local content programmes lies in the fact that whereas the former is a "merit good" directed at supporting those adversely affected by the extractive resource projects, the latter represents “public goods”; although from a global perspective, they may also be regarded as merit goods in that they give privilege to nationals and firms from within the country as against other nationals and firms [18]. In this sense, Warner suggests that community content should be pursued as a separate policy from local content - since community content would present some unique challenges. For instance, opportunities for employment provision at the community level would be severely hampered by the greater lack of available skills at the community level when compared to available skills at the national level. From this perspective, it is worth noting that the achievement of community content would require strategically building the skills capability of the local communities to enable them to capture the opportunities created by the oil and gas resource projects [18]. Nonetheless, *Ugwushi* argues that this model, though “progressive”, may face implementation difficulties because it would involve “considerable undertakings” by the oil and gas companies to provide sustained assistance to the local firms to improve their capabilities and provide financial support like “venture capital, credit guarantees and short-term loans to local suppliers and contractors” [19]. As such, it could be assumed that the building of local capacities is the sole responsibility of the companies; although such a role falls within the purview of the government like the establishment and strengthening of educational centres and institutions, where relevant skills are taught. But the provision of financial credits to local suppliers should be the responsibility of financial institutions, supported by the government, and not by the oil and gas companies. This is because pursuing a separate community content policy does not necessarily mean pursuing it independently of the LCFs - but rather, it can be embedded into the LCF by giving specific recognition to the communities surrounding the resource extraction in matters of employment and procurement of goods and services.

In this connection, a clear definition of local in LCFs is important, especially in African countries, where the relationships between the extractive companies and their host communities as well as between the extractive communities and their governments are very fragile due to the struggles over land, the adverse impact of resource extraction on the surrounding communities, and the absence of strong regulatory structures. This is because an LCF designed to give special recognition to the communities or subnational regions where the resource extraction takes place may provide a mechanism for addressing this fragility. In this light, in 2014 the World Bank notes in connection with the extractive industries in Africa that “local employment is consistently the top concern of the communities located near the extraction projects, and often a central issue behind disputes, grievance and conflict; since more local jobs result in more support for projects”. This position is supported by “a growing body of evidence that demonstrates that deliberate community action can and does influence the local economy and is capable of improving the quality of life for residents” [20]. This is particularly supported by subnational economic development theory that calls for a regional or local approach to development [21], as well as by subnational competitiveness theory that views subnational growth as “a generative process” and national growth as “an aggregate” of subnational growth and calls on national policymakers to focus on enhancing subnational growth, as this would engender national growth eventually [22]. In addition, community content can help improve company-community relations, thus, enabling the companies to obtain the social licence to operate [23]. Equally, given the negative impacts of oil and gas development on the surrounding communities, the local community content can help to compensate the afflicted communities through job creation and value addition in the communities [24]. Besides, the community is often displeased over lucrative oil and gas jobs being handed to outsiders, with only menial jobs going to the communities, which poses a significant threat to the success of the oil and gas projects [10].

Thus, the community content can also help governments in conflict-prone countries or those emerging from conflict to achieve "political harmony" through its potential to address some of the equity issues that all too often lead to resource conflicts [24]. For instance, the continuing conflict in the Niger Delta in Nigeria has been attributed to the lack of proper management of local community expectations [25]. With the UNCTAD affirming that "community relations issues are a significant obstacle to the implementation of a speedy, strife-free local content development in the oil and gas industry in Nigeria" [26]. As such, the recognition of community content in the LCFs can serve as an effective tool for such redistribution.

Despite this, *Fragouli and Danyi* argue that the local communities in Ghana who view local content from a localist perspective do not agree that the oil and gas resources found on their territories do not give them ownership rights over them, as enshrined in the Ghanaian Constitution, which bestowed ownership of the resources to all Ghanaians [16]. Equally, they argue also that these communities do not agree that the goal of the LCF is to promote engagement of the capacities and businesses of all Ghanaians in the oil and gas value chain without regard to the ethnic or regional origin or proximity to the resources. Consequently, to manage the local perceptions and expectations of the LCF, the scholars recommend that the Ghanaian government and civil society should engage in educating the communities about the meaning of local content [16]. In this sense, since oil and gas resources are not subject to private ownership in Cameroon as enshrined in it Petroleum Code, these arguments seem to apply with equal force to Cameroon. Besides, it is observed that the above view ignores the exceptional hardship that the local communities within the proximity of the resources suffer due to such proximity. As such, the approach suggested by *Fragouli and Danyi* could lead to an exclusion rather than inclusion of local communities in the oil and gas value chain. Since the relations with the local oil and gas communities do not call for the government's posturing and insistence on strict legal and constitutional rights. As the community content is better regarded as a sub-component of the LCF, requiring, for instance, that first consideration be given to resource-bearing communities before other nationals in matters of employment and procurement of goods and services, or requiring a certain percentage of these to be allocated to the communities where those communities meet the needed specifications and where they do not meet the requirements, deliberate effort should be made to build their capacity to meet those specifications. In this regard, there is a strong case for Cameroon to consider a localist approach to its LCF - since it is characterised by a huge sense of ethnic identity among its nationals. Notwithstanding, it should be noted that the localist strategy may come with some trade-offs, which are not insurmountable since the advantages of the strategy may outweigh the consequences of the trade-offs. For instance, the localist strategy may not promote supplier diversification nor offer adequate opportunities to the country's best, in terms of technical and managerial expertise, to participate in the development of the hydrocarbons sector in the country. However, the benefits of maintaining social stability in the resource-bearing region and, more broadly, national unity that such a strategy would bring about may be more important for national economic development than the loss to be occasioned by these trade-offs.

2.2. Contextualising the Mandatory Targets and Linkages of Local Content

Congruently, during the last few decades, discussions among policymakers have focused on topics related to the generation and management of revenues from the extractive industries. As such, how to build the links between the oil, gas, mineral and other economic sectors is the question that guides the current debate on natural resources [27]. Nonetheless, it is observed that an alternative approach to address this question is the so-called "local content" - which is considered as the extent to which the output of the extractive industry generates further benefits to the economy beyond the direct contribution of its value-added, as through links to other sectors [28]. With such links often created when the hydrocarbon sector, because of its operations, and purchases of inputs, is supplied domestically instead of importing them. Thus, local content seeks to expand the share of nationally produced goods and services that are needed for oil and gas exploration, development, and extraction [29]. As such, the local content policy aims to expand the benefits beyond the revenues of the oil and gas activities for the national economy through the achievement of certain outcomes. Since the most common outcomes that such policies seek to address are local employment, skills development, and national industry participation [10]. On the one hand, local employment and national industry participation are promoted when companies related to the hydrocarbon sector are required to hire a national workforce and purchase goods and services from national companies for the development of their operations. While on the other hand, skills development is incentivised because, to comply with the previous requirements, companies and government have to build skills and capacities in the national industry that provides goods and services, as well as in the national workforce. However, from a different perspective, some scholars allude that private companies can apply local content practices to reduce the costs and time needed to obtain the goods and services and create supporting operating environments by giving communities a stake in a project [13], [23].

Notwithstanding, it is observed that although the establishment of LCFs could be perceived as the best alternative for policymakers, there are major challenges that must be considered. Indeed, LCFs can have downsides if they are not adapted to specific national contexts, including slow procurement, higher industrial concentration in the extractive industries, and hindering production targets and competitiveness. Equally, they can also foster corruption, lack of transparency and more bureaucracy, amongst other things [30]. From these, it is observed that if the LCF is badly implemented or enforced, then it may damage the economic development of the host country. Besides, it should be noted that even if the framework is properly conducted, policymakers must be aware that there are extra costs associated with local content expansion that can only be justified if they turn out to serve as investments that pay off in the future [29], [31]. As such, it is worth noting that the implementation of LCFs can produce negative effects when increasing the participation of the local industry such as consuming wealth rather than creating value, attracting high-cost investors, and inferior industry development [29]. Moreover, there are social impacts like demographic change associated with in-migration, the concentration of economic activity around the project area, changes in patterns of land use, and institutional change [23]. Consequently, it is important to note that expected benefits should be closely related to the analysis and understanding of the contexts and factors that account for different results when adopting local content policies [28], [29], [32]. Since a better understanding of local content and its possible outcomes helps to keep a country's expectations realistic regarding the implementation of these types of measures. Complementarily, it is necessary to understand the dynamic of every stage of an oil and gas project along its value chain to assess intervention through local content policies [33]. This is because LCFs implementation is a complex process for the hydrocarbons producing countries. Since they often established different types of LCFs, thus, realising different outcomes and challenges due to the different considerations they took into account before the establishment of the LCF.

2.2.1. The usage of mandatory targets and conditions:

The availability of local skills, which frequently lags behind industry needs, is the major problem with LCFs. This is because many oil and gas companies have used this as an excuse for not meeting local content directives. In this sense, *Oguine* asserts that "the challenge here is determining the extent to which opportunities can reasonably be provided to Nigerian companies to supply goods and services to the petroleum industry, even when they do not necessarily offer the best value - so that they can develop their capacities. As a regulatory body needs to distinguish between capacity that is available but currently limited and that can be enhanced, and capacity that is simply not available or so limited that to insist on its use will cause significant economic loss to the operators in the petroleum industry and the nation" [6]. In this connection, the civil society organisations found that in Ghana the oil and gas companies have difficulties finding local staff with the requisite education and skills to fill available positions, but found in Nigeria that the company ownership requirements imposed under the Nigerian content law have fostered the formation of hollow companies by local entrepreneurs who front for foreign companies that have the capabilities to execute oil and gas projects [6]. Likewise, the industry stakeholders in Nigeria argue that about 70% of the contracts awarded to Nigerian companies are executed overseas, thereby defeating the goal of developing in-country capacity [34]. As such, it is observed that imposing stringent conditions without putting in place appropriate regulatory and monitoring mechanisms to ensure the proper use of local labour and local procurement may not achieve the best outcome; since local content works best to create value where the necessary technical and vocational skills are available [35]. Consequently, the better approach for an emerging hydrocarbon country is to first and foremost focus on local skills development by developing skills training programmes for young people in relevant areas, to catch up with the needs of the industry. Similarly, the LCF must require and facilitate the firms to develop such local skills, by requiring the firms to invest in local skills training to complement the efforts of the government in establishing the relevant skills training institutions for its nationals. From this perception, Ghana presents a pertinent example of a new hydrocarbon-producing country that has shown a strong commitment to skills development that Cameroon and other African countries can emulate. Indeed, the skills shortage in Ghana was described as "contributing to a workforce structure shaped like a steep Egyptian pyramid or the Eiffel Tower", the base of which comprised unskilled workers employed in activities that required little technology [36]. As such, it is worth noting that rather than setting stringent targets, an incremental approach to promoting local content over time may ensure greater benefits. This is because as a country continues to invest in the training of local professionals, the level of local content required of companies can be increased gradually, in proportion to a reasonably projected increase in the availability of qualified local professionals and firms to take up the opportunities.

2.2.2. The impact of promoting project linkages:

There is a noticeable assumption in the design and even more in the implementation of most LCFs in developing countries that the capture of economic benefits from the presence of foreign investors can come merely through employment generation and the participation of local firms [18]. As such, it is observed in Nigeria that there is an increase in the number of Nigerians in managerial and professional positions in the oil and gas companies in Nigeria, although evidence of technology transfer is still minimal [37]. Based on this, it is realised that inadequate attention is being paid to the potential benefits that could come from project linkage or what is termed "'off-project' strategies" [18]. Comprehensively, *Morrisey* identifies the three basic types of linkages as those relating to employment, demand for inputs from local suppliers, and supply of inputs to local producers [38]. On the one hand, regarding employment, linkages occur through the provision of training that firms provide to their workers - since training can benefit the local firms if the workers later move to work for local firms. On the other hand, inputs from local suppliers carry linkage potentials because, to meet the demands of foreign firms, local firms improve their production standards and practices. Besides, when foreign firms supply inputs to local producers, some technology is implanted in it that benefits the local producers [38]. From these perspectives, it is observed that the promotion of project linkage is critical to the economic diversification of the local economy. A position illuminated by the International Monetary Fund, which reiterated that albeit regarding São Tomé and Príncipe, the development of specific activities in the oil sector cannot be undertaken without reference to other sectors [39]. As such, the link between the oil sector and the non-oil sectors like agriculture, tourism and finance, may be viewed as symbiotic. This is because some economic activities outside the oil sector can provide inputs to the growth of the oil industry. For instance, the provision of decent housing and other services to hydrocarbon company employees constitutes an input into the hydrocarbon sector. Besides, it can result in the emergence of a robust tourism industry in the region of the country where the hydrocarbon facilities are located. Likewise, revenues from oil can be used "to carry out well-targeted productivity-enhancing investments" in other sectors [39]. Thus, it is pertinent to stress that since the hydrocarbon sector in Cameroon is strongly emerging, taking advantage of the linkages can boost its non-oil sectors, which in turn can boost its hydrocarbon sector; therefore, enabling the LCFs to contribute enormously to enhancing the positive aspects of this symbiotic relationship.

In addition, it should be noted that whether linkages will deliver benefits depends on whether they result in spill-overs, defined as the occurrence of knowledge transfer to, or learning by local firms. This is because linkages may occur without or with limited spill-overs, either because the foreign firms do not support knowledge transfer by withholding pertinent information, or because the local firms are unable to learn from what is transferred due to limited capacity to attract able workers [38]. Nevertheless, research has found that spill-over effects occur when the ownership of investment projects is shared between the domestic and foreign firms - since in such cases the foreign firms are more likely to source their suppliers locally and so would be more willing to share their technology, as this can improve the performance of their suppliers, whereas wholly owned affiliates would tend to import their inputs [40]. Besides, compared to the manufacturing and telecommunication industries, *Morrissey* alludes that there are fewer linkage benefits in the extractive sector in Africa because the linkages of the extractive sector in Africa are seldom accompanied by spill-overs, as the sector provides mostly basic employment with little learning and knowledge transfer [38]. As such, the hydrocarbon companies need to formulate policies that can sharpen the linkages. Consequently, a country that seeks to promote linkages must be strategic and systematic in the kind of firms it wishes to attract and like the conditions it imposes on such firms before they can operate. Likewise, it should include provisions of inter-sector knowledge transferability and those requiring firms to invest in local skills training and procurement of local goods and services in its local content legislation, and strengthen the environment for linkage development. Indeed, it is worth noting that this requires promoting the growth and capacity development of the institutions and organisations that help to build the socio-economic assets and infrastructure on which the industries depend [41]. Such institutions and organisations include educational institutions and vocational training institutes, credit-providing institutions, cooperatives and other small business associations, entrepreneurship organisations, and relevant government agencies and departments like company registries and tax offices [41]. Equally, the capacity development of the government institutions is particularly vital, especially in matters relating to business licencing and regulatory enforcement, since inefficiency can slow down linkage development by delaying project approvals, which in turn can lead to corruption and discourage competition. As such, to enhance sustainability, Cameroon needs to formulate and adopt appropriate LCFs that will enhance and develop the linkages between the hydrocarbon sector and the macroeconomy.

2.3. Dichotomy between the Collaborative and Mandatory Approaches of Local Content

As appreciated by other jurisdictions like Equatorial Guinea, Brazil, Ghana, Mexico, Nigeria, and Norway, where LCFs have been implemented with varying levels of success, it is observed that sustainable local content must be backed by a clear, specific, and transparent legislative framework, embodying a robust performance monitoring mechanism, [21]. As such, the first step is to set national requirements and targets of local content that reflect the political commitment that ensures domestic value creation and long-term economic growth, with the next step being for the national authorities in developing countries like Cameroon, to develop comprehensive and holistic legal frameworks that clarify and simplify the local content requirements. Most importantly, it should be noted that rather than approach such requirements from a compliance or mandatory project requirement mindset that demands more local content or introduces more punitive enforcement measures, the governments should adopt a more collaborative approach built on clear, transparent, and attainable local content requirements, with adequate institutional support to aid in achieving such goals. Likewise, rather than focusing only on specifying mandatory or quantitative local content targets or thresholds for international oil companies (IOCs), it is appropriate to use a collaborative approach to LCFs built on creating a supportive regulatory and business-friendly economic environment for the IOCs to deliver greater value in the host country - with the OECD's Local Content Policies in Minerals-Exporting Countries having estimated that over 90% of resource-rich countries have at least one form of LCR as regards their extractive industries, 50% of which are quantitative targets or requirements [9], [29], [42]. In this sense, it is worth noting that the governments have a primordial role to play in reducing the regulatory and administrative barriers to domestic investments, providing fiscal incentives for the IOCs to establish or support SMEs in the host country, updating intellectual property laws to provide greater protection for domestically produced technology, simplifying approval processes and fees for licenses and permits, and providing and ensuring greater inter-ministerial coordination amongst key ministries and agencies that have roles to play in the employment, training and education components of local content [43]. From these, it is observed that under a collaborative approach, the governments will work closely with the IOCs and local communities to set out realistic and achievable local content needs, and then develop supportive regulatory and institutional frameworks for the delivery of the agreed targets. This is because there is a strong economic case, in terms of cost, reputation, and effectiveness for adopting a collaborative approach [44]. Nonetheless, apart from the fact that the governments and the public will ultimately benefit more when local content requirements are achieved by an IOC. As such, failure to effectively minimise the legal risks associated with local content could carry significant financial, legal, and reputational risks for the national authorities, especially when such requirements become subjects of extensive litigation [45]. Moreover, such risks can also manifest themselves in disruptions to hydrocarbon operations due to disputes like community protests over a perceived lack of benefits from a project, including potential harm to employees due to such protests. Consequently, in a competitive hydrocarbon sector, a country's ability to attract the investors and technologies needed to develop such resources depends on the processes, procedures, practices, and approaches put in place to reduce contractual risks like those that could result from misaligned local content requirements. Equally, the IOCs could avoid fines, penalties, or even allegations of corruption and/or material breach of the host government contract, which may result from misaligned local content requirements. Therefore, to minimise such legal contentions and risks relating to these requirements, the following action points need to be considered by the governments and IOCs when adopting LCFs.

2.3.1. The potency of establishing clear and comprehensive local content laws:

Explicitly, the basic move for the national authorities is to establish clear, transparent, and comprehensive local content laws that can provide guidelines on local content needs, especially in the hydrocarbon sector. This is because such laws, amongst other things, will provide clear definitions of key concepts like local, local content, local company, project sum, and in-country value. Equally, there is also a need to identify the skills, competencies, technologies, and economic activities that a country wants to improve or build upon as part of implementing local content. Since such clear definitions will readily reduce ambiguities concerning the scope and content of the LCF. In addition, LCFs can also be very helpful in addressing overlaps and limitations in other domestic laws that could hinder the successful implementation of local content requirements [3]. For instance, procurement laws that have elaborate provisions on procurement procedures may hinder the coherent implementation of such requirements, which may result in misalignments and risks, if they do not clarify if such procedures apply in the hydrocarbon sector. Consequently, the adoption of a clear and specific LCF could provide opportunities for a country to harmonise local content needs with existing laws to avoid overlap and mismatch. Most importantly, local content legislation should establish a designated institution or focal point as a one-stop shop for local content requirements. This will aid in simplifying the processes and procedures for seeking and obtaining regulatory permits and investment approvals, thus, serving as a rallying point that could foster intergovernmental coordination and linkages amongst the many institutions that currently play important roles in the delivery of local content initiatives.

2.3.2. The imperative of establishing a collaborative focal institution on local content:

Indeed, to provide adequate institutional support for IOCs to achieve the local content needs and goals, it is paramount to establish a focal institution, committee or administrative unit that will coordinate the design, approval, and implementation of local content plans across the life cycle of a project. Besides, it is worth reiterating that while such a focal institution can be established as a supervisory committee of a petroleum contract, a more long-term approach is to establish a national local content agency or unit that will oversee local content requirements in multiple sectors of the economy. Notwithstanding, apart from serving as a one-stop-shop that will streamline the approval processes for local content implementation, it should be noted that such an institution would also provide methodologies and tools for operators to report and monitor their compliance with LCFs to minimise disputes. Moreover, by empowering and establishing a focal institution on projects, investors across multiple sectors can obtain relevant information and develop a standardised approach to tracking, monitoring, and complying with the LCFs. Likewise, it is worth noting that a coordinated approach can also reduce duplication and overlap, conflicting regulations, increased administrative costs and delays.

2.3.3. The necessity of adopting collaborative contract terms on local content:

Aptly, as part of contract negotiations, it is primordial for the national authorities and IOCs to jointly define at the outset what constitutes success in terms of local content and value addition. In this light, the scope and objectives must be specific, measurable, and achievable to avoid ambiguities and misalignments. Moreover, it is worth reiterating that rather than adopting a rigid and inflexible approach, a collaborative approach that clarifies the expectations of the government, and while providing the IOC with the flexibility to develop its local content plans and procurement procedures, could achieve greater results in the country. Similarly, it is noted that rather than stipulating blanket and unrealistic timeframes, the country, in adopting its LCF and ambitions, should recognise that the timeframe for delivering in-country value may vary from project to project and could be affected by political and other factors not envisaged during the contract negotiation phase. As such, the negotiation stage is a great opportunity for an IOC and the government to agree upfront on the costs and trade-offs of complying with the LCFs over time. Since complying with product mandating requirements could mean project delays or higher costs on the part of the IOC, especially when suitable and reasonably priced alternatives are not immediately available locally. Consequently, it is observed that such situations can change the profit margin of the project or affect the timeline for petroleum operation activities. In this regard, the trade-offs should be very well considered during the contract negotiation stages to avoid long-term misalignments and contentions, to achieve a mutually beneficial and realistic contractual framework. For instance, if the government insists on a local content timeline, fiscal terms like profit oil and recovery costs, amongst others, could be amended to protect the margins of the IOC, while achieving the aggressive LCF timelines stipulated by the government.

2.4. Experiences Drawn from Some Countries on the Local Content Question

From the foregoing, it is worth reiterating that lessons must be learnt from other resource-rich developing countries whose interactions with foreign investors have not yielded the most beneficial developmental results for the host country and its citizens [46]. This is because developing countries, particularly in Africa suffer from a resource curse, where the discovery of extractive resources has led to massive economic inequalities being created leading to political and civil unrest, corruption and in the worst cases violent conflict over control of the resources. A situation being witnessed in Nigeria‘s Niger Delta region where there has been conflict over Nigeria‘s oil, and in the Democratic Republic of Congo (DRC) where there is conflict since 1994 mainly over its rich natural resources like diamonds, gold, copper, cobalt, coltan and zinc (with its citizens still living in abject poverty though DRC is one of the richest countries in the world in terms of natural resources). Notwithstanding, it is worth noting that one way for developing countries to avoid this resource curse, is to ensure more equitable sharing of the revenue and opportunities arising from the resources being exploited by employing economic policies that encourage socio-economic development and ensure that the host country benefits as much as possible from the foreign investments. As such, local content regulation is being championed as the solution to the resource curse in Africa [46]. Despite this, it is worth reiterating that the experiences and evidence regarding local content policies and practices are mixed - since the expected outcomes depend on a series of factors like local content policy design [47]. With different outcomes having been achieved by different countries depending on the framework they adopt to promote local content. Besides, other factors influence the outcomes of local content like the ability to enforce these frameworks, the economic and social environment of the country, available technology, transparency, and more. In this connection, it is important to note that the oil and gas-producing countries have established different types of LCFs through the promotion of employment, skills development, and national industry participation. As earlier examined, such LCFs often varied from broader national policies, and different types of legislation (local content laws, local content within laws, decrees, regulations, etc.), to special considerations in contracts. Likewise, it should be noted that the experiences from other countries have provided lessons on how these LCFs have been implemented in diverse scenarios. As such, it is worth reiterating that when establishing an LCF, each country often has a different approach depending on its context and needs. Consequently, local content cannot be applied in the same way in every country due to the diversity of contexts and challenges that they face - since there is no “local content manual” that countries can replicate exactly. Despite this lapse, the available literature provides some clues as to what LCFs can be as appreciated in some countries like Angola, Brazil, Indonesia, Kazakhstan, Malaysia, Mexico, Nigeria, Trinidad and Tobago, and Norway [30], [31], [47], [48].

Succinctly, it is worth noting that although local content-specific laws are not common among countries, Nigeria is the only country that has established a local content law (Nigerian Oil and Gas Industry Content Development Act, 2010). Notwithstanding, it is observed that there are similarities between the LCFs implemented by countries to foster employment, develop skills, and enhance national industry participation. With contracts and agreements being considered as the most commonly applied tools by the countries from the documented case studies. Since the countries often include specific clauses and requirements in their contracts and agreements that seek to promote local content. Equally, laws are also commonly applied but with a different focus. For instance, Angola and Kazakhstan have specific laws for the employment and training of nationals, and fostering public procurement respectively; while Brazil, Indonesia, Malaysia and Trinidad and Tobago have established general local content principles within their petroleum laws [30]. Moreover, Decrees are other tools that countries use for specific requirements. For instance, to boost the national workforce, Angola sets up a national Decree No. 20/82 that contains specific requirements for the areas of recruitment, training, and career progression of the local workforce. This framework was complemented by another Decree No. 13/10 that gave Angolans legal protection against discrimination in employment conditions. Similarly, Kazakhstan has several Decrees regulating procurement, reporting forms, state programmes and measurement of local content, among others. Besides, other sorts of tools include special regulations, tender evaluation criteria for awarding contracts as in Brazil, and the National Oil Companies’ manuals, guidelines and policies as in Indonesia and Mexico [47].

In a nutshell, LCFs can be included in broader national laws as in Angola with Law No. 14/03, to promote the Angolan enterprises in other sectors, the Indonesian Investment Law No. 25/2007 and Company Law No. 40/2007, the Malaysian Companies Act, and the Trinidad and Tobago Fiscal Incentives Act and Foreign Investment Act. Similarly, LCFs can be included in broader national policies and plans as in the Malaysia Economic Transformation Programme or Trinidad and Tobago’s Local Content Policy Framework [30]. Most significant, is the case of Norway which provides a benchmark for many aspects of local content in the extractive industries. As the country has established a viable LCF, which has led to the development of an efficient industrial sector and workforce, thus, making it highly competitive internationally [48]; with some authors claiming that the experience in Norway is almost impossible to replicate [29]. Notwithstanding, the documented case studies have seen different outcomes and challenges from the implementation of LCFs. Nevertheless, the cases of African countries are different since they have more focused LCFs. For instance, in November 2014, Tanzania published a new model Production Sharing Agreement, which tightened its local content provisions obliging companies to maximise their utilisation of goods, services, and materials from Tanzania, and give priority to nationals. Despite this, it is up to the industry to create mechanisms and strategies to drive local content development, or in some cases, to circumvent local content requirements. As such, while in Angola, the local content legislation is clearly identifiable but different laws govern different areas of local content, there is no single institution to supervise enforcement, as is the case in Cameroon. As the various stakeholders, sometimes with conflicting agendas and responsibilities, govern different aspects and compliant status is not achieved at one time. Moreover, it is observed that although Nigeria has a local content law, the main obstacles to the development of local content are its lean production stand, bureaucratic obstacles, and the lack of adequate power and other basic infrastructure to support an expanded manufacturing base. Likewise, in Ghana, where there is also a local content law, high unemployment rates have resulted in increased demand for the creation of opportunities within the petroleum sector for the benefit of the citizens of Ghana and indigenous Ghanaian companies. Nonetheless, the national constraints of the country are clearly evident in the areas of finance, human resource, and requisite enhanced technology. Furthermore, other African countries include either in their national or specific oil and gas frameworks, policies focused on the promotion of local employment, skills development, and national industry participation - although there is little literature that collects these experiences from such oil and gas producing countries like Cameroon. As such, the next part focuses on the impact, impeding challenges and the way forward of local content in Cameroon.

3. Discussion of the Emerging Trends of Local Content under the Hydrocarbon Sector in Cameroon

As earlier discussed, it is worth reiterating that there has been very little focus on the enabling legal and socio-economic conditions required to successfully implement LCFs in an economy and more importantly whether these enabling conditions exist in Cameroon as it seeks to implement LCFs in its extractive industries. These enabling factors could include the development level of infrastructure, commercial protection offered under the legal system, institutional framework, fair and transparent tax regimes, suitability and development of education policy and system, ease of doing business in a country, availability of affordable electricity, adequate water and such other amenities that provide an enabling environment for both local and foreign investors. As such, it is argued whether implementing LCFs in the hydrocarbons sector in the current legal and socio-economic environment of Cameroon would be prudent or would create superficial bottlenecks and impediments to investment in the sector. In this regard, the purpose of this section is to analyse in detail the impacts and challenging impediments of local content in Cameroon, by identifying the factors that can help to achieve sustainable results. Since the concept of local content is relatively new as a study subject in the extractive industries in Cameroon, requiring some elements of explanation about its content and scope. Especially as there is no agreed definition of it as reiterated above, although some authors consider it as a branch of CSR, with others regarding it as a different field of study. Besides, some address it as a mechanism linked to a legislative mandate, while others let the spontaneous company-led implementation fall under the definition. Nonetheless, local content can be considered as the extra value that an extraction project brings to the local, regional or national economy beyond the resource revenues, achieved by leveraging on the extractive value chain (Natural Resource Governance 2015). Consequently, the emphasis on the value beyond revenues means that it is an extra benefit that an agent of the country will receive, apart from the royalty payments/taxes or dividends, the extracting company will pay to the government. As such, IPIECA affirms that local content "is the added value brought to a host nation through the activities of the oil and gas industry, which may be measured by the project, affiliate, and/or country aggregate and undertaken through workforce development, employment of local workforce, developing suppliers and services locally and procuring supplies and services locally [9]. In this regard, this part examines the premises, legal framework, impacts and impeding challenges of local content in the hydrocarbon sector in Cameroon, in seriatim.

3.1. Premises of Local Content in the Hydrocarbons Sector

Crisply, it is observed that LCFs aim to maximise the benefits of domestic oil and gas development, by maximising the quantity of "local content" or "local value addition" in the hydrocarbons sector. As such, Warner considers it in terms of the value contributed to the national economy through the purchase of national goods and services [49]. With *Esteves et al.*, alluding that it includes various schemes ranging from the delivery of raw materials on-site - to the establishment of commercial relations with the firms with permanent operational offices in a given area [10]. In this sense, they corroborate that LCFs in the context of the hydrocarbons sector aim at extending or expanding the benefits of the activities of the extractive industries for the national economy; with the initiatives attempting to open access to economic opportunities through employment, participation in the supply chains or provision of other related support services [10]. From these, it is observed that the premises of the requirements of local content can be traced to the need to regulate the prescriptions of the theories of the "resource curse" and "paradox of the plenty". As both theories hypothesise the view that natural resources-rich countries should outperform resource-poor countries, with the assumption that the resource-abundant economies can accumulate economic infrastructure and human capital more easily compared to the resource-scarce countries [50]. More so, empirical studies on the link between natural resource endowment and economic growth, especially in developing economies, show that many natural resource-rich countries have performed poorly relative to natural resource-poor countries [51].

Despite this, it is worth noting that local content is a viable tool to achieve economic development by enacting enabling legislation to be adhered to by the hydrocarbon companies. This is appreciated in Norway – where, primarily via its national oil company, Statoil, the government adopted an LCF, which established mandatory conditions upon the IOCs to transfer technology and expertise to scale up local participation in the hydrocarbons sectors. Although it did not impose any specific employment or local content targets or quotas, however, it emphasized value addition and the building of competencies. As such, since local content is seen to be similar to "local added value", Article 2 of the Law No. 2012/006 of 19 April 2012 instituting the Gas Code in Cameroon has enshrined such a position by defining local content as "All the activities focused on local capacity development, the use of local human and material resources, technology transfer, the use of industrial companies and local services, and the creation of additional values measurable to the local economy". A definition that seems to reconcile the different previous definitional approaches of local content, since its components include:

the use of local labour force together with the capacity building by the company and its partners, the use of local industries and services, subcontracting, and the funding of local development projects. Besides, the question of the extent of local content, thus, focuses on the field it covers. This is because local content is often analysed using two approaches, that is, the local or 'community' where the company is located, and the 'nation'. However, the approach of local content adopted for this paper focuses on employment, training, capacity building, suppliers and subcontractors, participation of the company in social projects and local added value, in the national territory with more focus on the immediate local communities. From this, it is worth considering the historical perspective of hydrocarbon activities in Cameroon.

Historically, oil and gas exploration was first carried out in Cameroon in 1947 by the French Office of Oil Research [52]; which subsequently led to the issue in 1952 of the first exploration permit by the Government of Cameroon (GoC) to an oil company - SEREPCA. Thus, it is worth noting that the first commercial discovery of hydrocarbon resources was at the Betike oil field, although commercial production began in 1977 in the Kole oil field in the Rio del Rey Basin. Consequently, since then, oil production has continued to be a major economic factor in Cameroon, accounting for about 70% of the country's GDP in 2008 [52]. Equally, as per the US Energy Administration, the oil production of Cameroon ranks 57th in the ranking of the producing countries, with a daily production of 63,000 barrels per day, and estimated commercial reserves of 200 million. Moreover, the country has a series of hydrocarbon reserves, with most of its known commercial and prolific oil reserves located offshore the Rio del Rey Basin, which accounts for 89% of its oil reserve, while the remaining 11% is located in the Douala and Kribi campo basin and the onshore in the Logone-Birni basin in the northern part of the country [53]. Most importantly, Article 3 of its Petroleum Code as amended enshrines that ownership of all deposits or natural accumulations of hydrocarbons located within the territory of Cameroon are and shall remain the exclusive property of the State. Accordingly, the principal legislation governing the hydrocarbon sector in Cameroon are the Gas Code and its implementing Decree, and the Petroleum Code as amended; with the sector commonly divided into three sub-sectors – upstream, midstream and downstream[54]. The key institutions of the GoC involved in monitoring and implementing the oil and gas sectors are: the Ministry of Trade and Commerce (MINCOMMERCE) – which as per Section 66 of the Gas Code is in charge of the downstream gas sector or any other authorised public establishment, the Ministry of Mines, Industry and Technological Development (MINMIDT) as per Section 90 of Law No. 99/013 of 22 December 1999 instituting the Petroleum Code, is in charge of the upstream hydrocarbon sector and/or any duly mandated government body or establishment to implement and monitor the provisions of Sections 86, 87, 88 and 89 of the code, and the National Hydrocarbons Corporation (SNH) (per Decree No. 2008/012 of 17 January 2008, amending and supplementing certain provisions of Decree No. 80/086 of 12 March 1980 establishing the SNH – with the decree extending the scope of the SNH to the development of natural gas in Cameroon). Indeed, the SNH created by the 1980 Decree as amended, is the main institution of the State in charge to develop and monitor petroleum activities in the country, while equally managing the interests of the State in the hydrocarbon sector, and controlling the sale of locally produced crude oil in the domestic and international markets. Other institutions involved in the process are the Hydrocarbons Stabilisation Fund (CSPH), the National Oil Refinery Corporation (SONARA), the National Petroleum Storage Company (SCDP), and the oil product downstream marketers and other oil companies. Thus, according to the Petroleum Code, MINMIDT is responsible for granting all applicable licences and authorisations in the sector, regulating petroleum operations, and granting consents for the transfer of licences or authorisations. Notwithstanding, despite the modest level of the country's extractive industries, the hydrocarbon sector has witnessed an increase in exploration, exploitation, and production activities with the IOC like Perenco, Total, Kosmos Energy, Addax Petroleum, Bowleven Oil and Gas, and Victoria Oil and Gas. As vividly highlighted above, the terms "International oil company (IOC)", "Foreign Oil Company", "Private Oil Company", "Multinational Oil Company", and "Foreign Investor", are accorded the same meaning and subjected to be used interchangeably in this paper. Since a petroleum company is a public commercial, industrial, or public commercial body, which has shown evidence that it possesses the necessary technical and financial capabilities to properly carry out petroleum operations, as well as protect the environment. As such, the company can be constituted either under the laws of Cameroon or foreign law. In the latter case, it must throughout the production contract have a permanent establishment in the Republic of Cameroon, registered per the OHADA Provisions, and comply with other legislation and regulation in force on commercial companies. As such, the Gas and Petroleum Codes have enshrined certain viable provisions on local content to regulate and alleviate the sustainability of the hydrocarbon sector.

3.2. Local Content Framework in the Hydrocarbon Sector

Explicitly, it is important to note that despite the viable hydrocarbon legal framework, one of the major challenges for Cameroon is how to maximise the potential benefits from its natural resources to avoid the under-developmental path that was a trajectory of most other hydrocarbon-producing countries like Sudan, Angola, and Nigeria. In this sense, it is observed that there is a general consensus that the lack of or insufficient specialised expertise is one of the major obstacles for Cameroon to realise its resource potential. With the World Bank affirming that "significant skills shortages exist both in terms of numbers and quality", especially within the fields of science, technology, engineering, and mathematics. In like manner, the bank notes that evidence from African countries indicates that "skills and the institutions that affect firm - and sector-level capabilities constitute the most important determinant of economic growth". As such, the formulation and adoption of a viable LCF in the hydrocarbon sector in Cameroon is seen as a means of dealing with the skills problem. With such initiatives coming late since oil was discovered in the early 1950s - but the GoC through its parliament only adopted the Gas Code in 2012 and the Petroleum Code in 1999, to regulate the hydrocarbon sector. Although the Petroleum Code was amended in 2019, making local content in the petroleum sector a statutory obligation for the IOCs. Indeed, it is worth noting that the 2019 Petroleum Code is the major legal framework governing the hydrocarbon sector in Cameroon, with its main purpose being to promote petroleum operations throughout the national territory; lay down the conditions for hydrocarbon prospection, exploration, exploitation, and transportation; and determine the rights and obligations relating to petroleum operations.

Significantly, the Code gives the State sovereign rights over the hydrocarbon resources in the country. Despite this initiative, it is noteworthy that within the hydrocarbon sectorial laws of the country, the concept of local content is relatively new, and less explicitly elaborated. As such, as far as the hydrocarbon legislation is concerned, local content issues can only be tacitly inferred from them. On this account, it is observed that such inference might be perilous since even the express articulation and respect of local content is still rudimentary, thus, posing a serious problem [55]. Therefore, to have a colossal comprehension of the content and scope of the local content within the Cameroonian hydrocarbon context, the following salient facts are worth recapitulating. Since from the economic perspective, local content is akin to "local added value"; the Petroleum Code has summarised local content in terms of promoting human resource development, usage of local services, and transfer of skills through vocational training programmes organised by the hydrocarbon stakeholders. This readily enhanced the position of Sections 76 and 77 of the 1999 Petroleum Code, which initially sets out local content provisions for the first time for the oil sector. With Section 76 providing that contractors must give preference to Cameroonian construction companies and suppliers of goods and services, provided they can match the quality of service, payment terms, and the after-sales services of competitors. While Section 77 deals with personnel by stating that the holder of a petroleum contract should be prepared to finance and adopt training and development programmes for Cameroonians and that qualified locals should be given hiring priority.

Subsequently, these provisions are currently embodied in the 2019 Petroleum Code, with Section 86 providing that the development of the national petroleum resources must help to assess local content. While Section 87(1) provides that local content shall comprise a human resources development component and a component pertaining to the use of local services and goods supplied to the companies. In addition, Section 87(2) also provides that the local content adopted in the petroleum contracts shall include a vocational and technical training programme for Cameroonians to scale up their skills in the petroleum trades, and any other aspect likely to enhance local content. Moreover, Section 88 further provides that the petroleum contract holders shall, in case of equal competence and, as a matter of priority, recruit qualified Cameroonians in all socio-professional categories and at all positions for the conduct of their petroleum operations. Likewise, Section 89 holds that the petroleum contract holders and their sub-contractors shall be bound, as a matter of priority, to award construction, insurance, goods and services, materials, equipment, and products supply contracts directly or indirectly related to the petroleum operations to companies under Cameroonian law that have their registered offices in Cameroon and meet the internationally recognised standard. Pertinently, Section 90 clearly provides that the Minister in charge of hydrocarbons (MINMIDT) and/or any duly mandated government body or establishment shall ensure the implementation and monitoring of the provisions of Sections 86, 87, 88 and 89 of the 2019 code.

Similarly, Section 2 of the 2012 Cameroonian Gas Code embodies the concept of local content by considering it as all the activities focused on local capacity development, use of local human and material resources, technology transfer, use of industrial companies and local services, and creation of additional values measurable to the local economy. As such, for the very first time within the context of Cameroonian legislation, the concept of local content was finally enshrined in an entire section of the Gas Code. With the section requiring the gas companies to valorise Cameroonian gas resources via the development of local human resources, companies and industries - by proposing such measures in detail during the gas agreement negotiations with the State. Equally, the Gas Code expressly requires the contribution of between 1% and 5% of the total investments projected for the first term of the gas convention for such a purpose. In addition, gas companies should give preference to the employment of Cameroonian personnel who have the required skills. As compliance with local content obligations requires setting up (i) a professional and technical training programme for Cameroonian human resources, and (ii) recruitment of Cameroonian personnel for all positions and levels of responsibility. Moreover, the code provides that gas companies and subcontractors should give preference to Cameroonian companies that meet the international standards in this field for the awarding of contracts for construction, provision of services, goods, equipment, materials, and gas facilities. In like manner, the gas companies and subcontractors must also periodically evaluate local companies' capabilities, and aid companies that have not yet reached international standards in developing their capacity. Nonetheless, although Decree No. 2014/3438 of 27 October 2014, regulating the Gas Code, was expected to bring further developments in terms of local content, as enshrined in Chapter VI; however, its provisions are unable to provide an extensive set of measures to substantially change or develop the current legal framework. Correspondingly, to reconcile the different definitional approaches of local content, the Gas Code sets out local content provision in Sections 62 to 68. With Section 62 stating that the development of natural gas resources must be accompanied by a local content component that specifies the benefits of the gas project for Cameroon's economic, social, industrial and technological development. While Section 64 provides that gas companies shall be required to contribute to a special account for local capacity building.

Equally, under section 65, gas companies shall give priority to Cameroonians with the required level of competence when recruiting. Likewise, as per Section 66, gas companies and their subcontractors shall be required to give preference to companies under Cameroonian law. Indeed, the same section provides that the minister in charge of the downstream gas sector (MINCOMMERCE) or any other authorised public establishment shall ensure the monitoring and implementation. Moreover, as per Section 67, gas companies are required to submit to the state and execute according to their priorities, a technology and knowledge transfer programme related to their activities in a bid to encourage, facilitate and enable the gradual replacement of expatriate personnel at gas companies with local personnel. From these, it is important to note that the local content requirements and obligations of the extractive companies in Cameroon as stated in the various codes can be assessed and analysed using two key mechanisms [56]. On the one hand, the actors - who are involved in the day-to-day monitoring of the implementation of the obligations, and on the other hand, the different markets for the extractive products. In this vein, Section 90 of the 2019 Petroleum Code empowers MINMIDT, and/or any duly mandated government body or establishment with the obligation to monitor the implementation of the local content policies enshrined in the oil sector. Per se, the aforementioned provisions show the commitment of the GoC to enhancing local content in the hydrocarbon sector. However, despite this conscious effort made by the GoC in promoting local content policies in the sector, their effective implementation remains a drawback. As such, before proceeding to examine the emerging impediments in implementing local content, it is worth throwing some light on the beneficial effects to Cameroon for effectively adopting and implementing a viable LCF in the sector.

3.3. Impacts of Local Content on the Hydrocarbon Sector

Propitiously, these positive impacts can be felt and appreciated at two levels - the national level and the local hydrocarbon-producing community level.

At the national level, the effective implementation of the LCFs within the hydrocarbon sector in Cameroon can be used as an effective tool to correct potential market failures in the economy. Since such market failures can arise when there is a distortion that keeps the market from allocating resources efficiently and adjusting to a steady state, with the result that domestic industries cannot gain the necessary technology and capacity to compete on the open market without outside intervention and protection [57]. Equally, the market can fail from a domestic perspective, owing to the lack of skills to serve the needs of the industry as a result of the inefficient allocation of resources in the market. Consequently, by requiring the hydrocarbon companies to invest in the development of particular local skills, LCFs can help to correct this market failure because such requirements will help to ensure that skills are available to meet the demands of the market. Similarly, LCFs can contribute to the productivity and competitiveness of domestic industries through the transfer of knowledge from foreign firms to domestic firms [58]. As such, as the State needs revenue to carry out its developmental projects as well as for the proper functioning of its activities; the hydrocarbon resources can allow it to raise such revenues. Moreover, as the local domestic industries develop due to the transfer of technology through LCFs, this allows the GoC to tax the industries and other oil marketers, thus, contributing to its source of public finance.

At the local hydrocarbon-producing community level, the exploitation and production of hydrocarbons in Cameroon have provided the opportunity through which the local population can be employed, consequently, reducing unemployment. In this light, the development and exploitation of hydrocarbon resources in Cameroon have created several jobs directly and permanently or temporarily in the local communities. This is owing to the implementation of the existing legal text that regulates such activities. To this effect, Section 88 of the Petroleum Code as amended provides that the holders or sub-contractors of petroleum contracts shall employ in priority qualified personnel of Cameroonian nationality for the purposes of their petroleum operations. During the exploration and exploitation phases, substantial workforces of the local inhabitants are often employed. In addition, both skilled and unskilled labours are employed during the construction of the hydrocarbon plants. As such, it is observed that this has not only helped to improve the living standard of the local inhabitants - but has also reduced the unemployment rate in the country. Correspondingly, as per the Petroleum Code as amended, benefits from the hydrocarbon operations not only provide employment opportunities to the local inhabitants - but also pave the opportunity to develop the local communities through the construction of roads network and infrastructural developments, telecommunication systems and water projects. As such, the road network is a very meaningful index for development – as roads, it facilitates the movement of persons and the circulation of goods from one place to another. In this sense, to enhance its investment endeavours, a substantial part of the road leading to the Kribi power gas plant was constructed by Perenco. From this, it is worth noting that although the roads were created to serve the needs of the hydrocarbon companies, the local communities tend to use these roads in carrying out their activities. Moreover, apart from the development of roads, there have also been infrastructural developments. As such, in most of the areas where petroleum operations are carried out in Cameroon, the IOCs have built houses to accommodate their workers and set up good structures as offices to enable them to carry out their activities. In this light, it is important to note that capacity building is an essential element of local content. This is because a project can only really be beneficial to a community if it can continue the said activity or those related to it. Consequently, hydrocarbon exploitation has provided the opportunity through which knowledge can be transferred to the local communities. As embodied in the hydrocarbon codes, obliging the IOCs to set up and finance training programmes for Cameroonian personnel of all qualifications for hydrocarbon operations. In effect, the local inhabitants who are employed by the IOCs are trained on certain working techniques specific to the hydrocarbon sector like driving their heavy-engine vehicles. Moreover, the local population in the course of working in the hydrocarbon sector learns new ideas, techniques, and the *modus operandi*.

3.4. Impending Challenges and Lessons of Local Content on the Hydrocarbon Sector

Ardently, despite the provisions made by the Gas and Petroleum Codes on the implementation of the local content policies, its applicability to an extent remains wanting. As such, this section examines the impediments and challenging circumstances faced with the application of the LCF in the hydrocarbon sector, intending to proffer some constructive recommendations for a way forward for the sector.

3.4.1. The crucial challenges of implementing local content

Despite the provisions of local content enshrined in the Gas and Petroleum Codes, requiring the employment of local expertise. It is observed that Cameroon has few local experts in the hydrocarbons industry - most of whom, are serving in the public sector. Besides, these experts are capable only of operating and maintaining the respective facilities. Moreover, it should be noted that this debilitating expertise situation was brought to the lamplight following the discoveries of huge hydrocarbon resources, which needed people with the required skills and capabilities to operate in the exploration and production processes within the hydrocarbon extractive industry. Similarly, the technological advancement in the hydrocarbon sector, needing the usage of specialised input, technology, and knowledge - coupled with the presence of inappropriate local content policy in the sector in Cameroon is a great impending challenge that has let the GoC adopt the use of the Production Sharing Agreements (PSAs) and other contract options, to enable the IOCs to transfer their technology, knowledge, and finance to Cameroon. In this context, the GoC often concludes oil and gas contracts with IOCs in the hydrocarbon sector on the merits of their technological and financial capabilities. Despite this, it is observed that such contracts do not fully ensure the transfer of technology and skills to the nationals because of the debilitating follow-up mechanisms for their enforcement. Besides, apart from the PSA requirement for the IOCs to endeavour the transfer of technology, it is realised that Cameroon has not put in place a viable LCF for the transfer of technology and knowledge. Likewise, neither the Gas nor Petroleum Code has enshrined the quota system for the employment of Cameroonians in the IOCs, as appreciated in other jurisdictions like Nigeria.

In addition, the exploitation of hydrocarbon resources is a risky undertaking and capital-intensive business that local financial institutions and insurance companies cannot support. As such, on the one hand, it is worth stressing that the financing of all operations in the exploration of oil and gas in Cameroon is through risky capital paid for by either the oil companies' own equity or by international multilateral banks. On the other hand, the oil companies also insure their assets, operations, and equipment with insurance brokers through reinsurance with 'A' rated International Insurance Companies. From these, it is observed that since many service industries cannot raise enough capital, it is, thus, difficult for local businesses to provide services to oil companies. Furthermore, although Cameroon has made tremendous efforts to adopt the Gas and Petroleum Codes to regulate the hydrocarbon operations in its territorial sphere; it is nonetheless observed that such codes are having some flaws and lacunae. For instance, Section 88 of the Petroleum Code often called the "local content clause", which states that the IOCs are to employ qualified personnel of Cameroonian nationality for the purposes of petroleum operations, contains some discrepancies. This is because although the section provides general provisions regarding local content, it did not make any precision on the percentage of the nationals to be employed in the oil operations by the IOCs - a flaw which was repeated in the Gas Code. Consequently, without any system of precision as to the percentage, the assessment of the local content practices of the oil and gas companies can only be objectively relied on their human resource policy, programmes and other initial activities, to deduce the actual position.

3.4.2. Lessons to be learned from the neighbours:

From the foregoing paragraphs, it is worth envisaging that Cameroon can tackle such impending challenges by learning from its neighbours like Nigeria and Equatorial Guinea, who are seen to be much more advanced in terms of local content in the hydrocarbon sector. For instance, Nigeria as Africa's largest oil producer has a lot to teach Cameroon concerning LCFs. As such, to consolidate its objective of increasing indigenous participation, the Government of Nigeria enacted the Local Content Act (Nigerian Oil and Gas Industry Content Development Act of 2010), which established the Nigerian Content Development and Monitoring Board (NCDMB). This initiative has brought a significant shift in ensuring an increase in indigenous participation within the hydrocarbon sector, to achieve the government target of 70% use of indigenous labour, materials, and resources in all the hydrocarbon projects in the country. Consequently, the Act has provided the framework for increased Nigerian participation in the hydrocarbon sector - as it prescribes minimum thresholds for Nigerian participation in activities within the sector through the utilisation of Nigerian human and material resources and services. This includes all activities connected with the exploration, development, exploitation, transportation, and sale of Nigerian crude oil and natural gas resources. Likewise, the initial impact of the Act has seen great changes being made, with most IOCs making efforts to comply with its provisions. Indeed, the Act has increased indigenous participation in the hydrocarbon sector, build local capacity and competencies, create linkages to other sectors of the national economy, and boost the sector's contributions to the national GDP. Since barely two years after the enactment of the Act, the NCDMB reported that over 30,000 jobs had been created. Similarly, Equatorial Guinea has also taken great steps to implement local content provisions. For instance, its Ministry of Mines, Industry and Energy (MMIE) has enacted the Ministerial Order (Order No. 1/2014 of 26 September 2014, corroborating the Hydrocarbons Law No. 8/2006, of 10 November 2006), which among other measures, requires oil companies to include Equatoguinean firms as partners and in the procurement of goods, services, capital, and human resources whenever possible. In addition, the Order demands the inclusion of capacity building like the training of local staff, as well as social work. Equally, the Directorate of National Content at MMIE headed by a National Content Director is responsible for the implementation of the set of rules embodied in the Order. From this perspective, it is observed that Cameroon is lagging behind the local content agenda, despite the inclusion of local content provisions in its Gas and Petroleum Codes. This is because it has no viable LCF or a permanent agency to ensure the proper monitoring and implementation of the local content requirements; as such, needs to learn the most from Nigeria and Equatorial Guinea. Since a board like the NCDMB in Cameroon, could tackle some of the impending challenges, thus, creating more jobs, restricting capital flight through the award of contracts locally, and promoting a sector that is better served by Cameroonian firms. Notwithstanding, it is worth noting that even Congo-Brazzaville and Kenya have both reached out to the NCDMB to help design and put in place a sustainable national content policy for their oil and gas sector. Likewise, it is highly commended for the GoC too to seize this golden opportunity and reach out to Nigeria and Equatorial Guinea for assistance in establishing a sustainable LCF. Since their track records show that they are taking serious steps to ensure that the oil and gas companies make a significant contribution to economic growth and development. Consequently, it is primordial for the GoC to emulate the actions taken by its neighbours to tackle the impediments, reinforce the legal and regulatory framework, and build a viable structure like the NCDMB for the sector. In doing so, the GoC will be able to create progressive and comprehensive strategies to ensure the successful integration of Cameroonians into all aspects of the hydrocarbon sector.

4. CONCLUSION AND RECOMMENDATIONS

In a nutshell, it is providential that local content has rightfully taken its place as one of the most discussed trends in the hydrocarbon resource-rich countries in Africa in recent years. Thus, the provisions for providing greater benefits to the local people and businesses are present in legislation around the continent. As such, from the foregoing analysis, it is noted that the development of legal and regulatory frameworks is a necessary but not sufficient condition to promote an effective and sustainable LCF in a country. This is because there is a need to put in place viable institutional structures to follow up on the implementation of local content. As seen in the case of Nigeria, which has made tremendous efforts to ensure that the oil and gas companies create the needed domestic production linkages that will ensure that the extractive industries make significant contributions to the economic growth and development of the country. Consequently, to achieve broader economic development from the exploitation of oil and gas resources, policymakers need to focus on strengthening local participation within these industries and diversifying the economy away from high dependence on oil and gas resources, to enhance the sustainable economic and social development of the country. Thus, the increasing oil and gas finds in Cameroon have offered significant opportunities to fast-track economic development and ensure that public welfare improvements are delivered to its citizens. As the country has increasingly adopted local content provisions - which have enabled it to capture the benefits of FDI by imposing conditions on foreign investors to ensure value addition in the country. Despite this, the impeding challenge for Cameroon, however, is how to design a policy that will reflect its unique economic development needs and local conditions. From this perspective, the paper has discussed the LCF options and perspectives that Cameroon may consider. With the key option identified and discussed in the paper being the localist approach to the LCF, which may be utilised to address several other problems associated with the extractive resource development that have historically impeded most African countries from fully realising the potential benefits of their extractive resources. Besides, it is noted that the approach can also be used to improve company-community relations, thus, partially compensating the local resource-bearing communities for the negative impacts of the hydrocarbon development. In addition, the paper has also discussed and emphasized the need for the promotion of linkage development through the LCFs and identified some of the factors that can promote such linkage development in Cameroon.

Notwithstanding, it is noted that the adoption of viable LCFs that do not take into account the skills gap in the country may hurt rather than help the realisation of the potential of the LCF to fast-track economic development in Cameroon. This is because LCFs can result in significant legal risks and misalignment between the governments and investors if the procedures for implementing, reporting, and measuring local content are not well clarified from the outset. As such, the legal contentions and risks relating to local content in any country like Cameroon can be exacerbated by the absence of a robust legal and institutional LCF. Consequently, there is an urgent need for national authorities to adopt comprehensive legal frameworks that clarify the meaning, nature, scope and methodology for implementing, measuring, and reporting local content performance. Since a clear, comprehensive and realistic legal framework on local content is an absolute requirement to move their local content policy goals from aspirations to realisations. Nevertheless, it is noted that the compliance approach to local content that is increasingly adopted in Cameroon may be counterproductive to the policy aims of local content requirements. As such, it is commended that the GoC should adopt a collaborative approach to local content, built on common understanding, shared values and benefits, and propelled by collaborative and supportive institutions. In doing this, it is also important that it analyses the business environment and fiscal regime, both of which are critical in building confidence among both the local and international investors to participate in the hydrocarbon and other related sectors. In this light, the paper is particularly valuable to Cameroon, given that it is in the process of developing and adopting its LCF. As such, with all purposes and concerns it is worth commending, whistling, and advocating for a sustainable legal and institutional framework of local content in Cameroon, in order to ameliorate the debilitating legal and operational regime of local content. This can be done by taking a close look at some of the critical factors like defining the quantitative, qualitative, reliable, and verifiable indicators of local content; outlining a detailed schedule of the implementation of the local content requirements; formulating sanctions via a gradual regime of sanctions for non-compliance with the LCF obligations; strengthening the capacities of the national workforce as well as suppliers and other national service providers on jobs related to hydrocarbon exploitation; involving both the local and indigenous communities in the definition and formulation of the objectives of LCF; creating a commission to monitor and evaluate the execution of the fiscal and local content obligations; strengthening the capacities of different agents in charge of monitoring the local content and fiscal obligations; harmonising the different laws and legal frameworks linking the land tenure issues to mining taxation; ensuring the respect or reinforcing penalties already specified in case of non-compliance with the tax obligations by a company; and reinforcing technical education to curb with technology transfer, as elaborated below.

All in all, after reviewing some countries like Equatorial Guinea, Nigeria etc. that have put in place legislation and regulatory frameworks to induce the contribution of the hydrocarbon sector to national economic diversification and development through local content development strategy. It is noted that the policy frameworks of such countries have achieved significant improvements in the contribution of the oil and gas sector to their national economies beyond a narrow benefit of revenue generation and export earnings. For instance, the adoption of LCFs has resulted in increased employment opportunities and enhanced the development of skills and capacities of individuals and local SMEs. Besides, it has also expanded the participation of national industries in the sector through capacity enhancement for sub-contracting, construction and supply of goods and services to the oil and gas sector. From these, it is noted that there is room to improve the policies and legal frameworks in order to promote effective compliance and sustainable domestic linkages to other economic sectors that will create broader economic value added to Cameroon. Since there are still organisational gaps in the enforcement of the policies due to the absence of institutions that will provide adequate monitoring, evaluation, and measurement of the policies - to determine their impact on the achievement of local content objectives and targets. Equally, the monitoring and enforcement of the policies are still domiciled within the Ministries responsible for the hydrocarbons sector, thus, combining the responsibilities for regulation with those of policy implementation, leading to inefficiencies in the process because of inadequate staffing. In this regard, the following recommendations are put forward to strengthen the policy frameworks and promote sustainable domestic linkages that are the expected dividends of the investment for implementing a viable LCF in Cameroon.

i. Increasing local employment and skill development through viable legislation: Since inadequate local capacity has been a major constraint to the impact of policies aimed at increasing access to opportunities through employment and the supply of goods and services. There is a need for complementary specific regulations and policies for the transfer of know-how and skills related to hydrocarbon operations by the IOCs to local enterprises and workers where the skills are available. Moreover, a related strategy should be to encourage and incentivise local companies to form joint ventures with foreign companies to ensure a more direct way of knowledge and technology transfer to local enterprises. With the strategy to include details such as metrics to measure the performance of the IOCs in delivering the know-how and skills so that compliance by the foreign companies can be monitored.

ii. Promoting sustainable domestic production linkages via policy interventions: Since the adoption of an LCF is always designed according to the national development plans of a country to increase domestic production linkages through the exploitation of extractive resources; it is noted that developing backwards and forward linkages will enhance employment, skills development, and national industry participation of the local SMEs in the sector. Despite this, it is realised that the common regulatory policy adopted by the GoC is predominantly reflected in domestic ownership rather than creating domestic linkages with other sectors, thus, limiting local value addition. As such, to promote sustainable domestic production linkages, the GoC needs to put in place effective monitoring mechanisms to ensure that incentives provided are used for creating local enterprises that contribute to local value addition in the country. In this regard, building a conducive business environment will enhance the confidence of local and international investors and boost their participation in the sector, which can lead to expanding the linkages between the sector and the broader economy.

iii. Establishing enterprise development and vocational training centres: Since Cameroon has created a few enterprises development and vocational training centres with the support of foreign oil and gas companies. It is noted that such centres have focused their programmes and activities on short-term capacity building to meet the immediate needs of the oil and gas companies without a well-developed strategy for long-term sustainable vocational training for skills development and the creation of employment opportunities in the industry. As such, enterprise development and vocational training centres should be spread across the country rather than concentrating mostly in the capital cities, to give opportunities to talents that are outside such locations, and to increase the participation of the population in oil and gas activities.

iv. Partnership among stakeholders for local content development: For local content policies to achieve their intended impact on the local economy; there is a need for partnership between the government, industry, and civil society organisations, particularly in, skills development and local supplier development programmes. Since such partnerships will create opportunities for SMEs to access skills development programmes, technical mentoring, and support for the development of business management skills. Besides, it will also enhance access to finance as well as institutional strengthening that will create an enabling environment for local SME development. As such, the role of the government can be to provide institutional infrastructures and incentives required by the industry to promote employment and skill development programmes. Equally, civil society organisations can mobilise industry support for these programmes through advocacy while the industry will use its technical knowledge and expertise to implement the programmes. More so, this partnership can also help to strengthen regulatory compliance through human capacity building and constructive oversight of the companies' local content plans and achievements.

v. Access to finance by local SMEs: There is a need to complement the capacity building of local SMEs with access to finance that will enable them to expand their activities and better compete with the foreign firms operating in the extractive industries in Cameroon. As such, although Cameroon has put in place some measures to enable SMEs to access finance from financial institutions, however, the local banks are still reluctant in granting the needed working capital to the local enterprises. Therefore, there is a need for a deliberate policy by the GoC to provide loan guarantees and insurance schemes to SMEs so that banks will be encouraged to lend to SMEs operating in the extractive industries.

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