



Solomon Islands Infrastructure Program

Local Content Strategy

Revised November 2025



SOLOMON ISLANDS
**INFRASTRUCTURE
PROGRAM**

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REVISIONS

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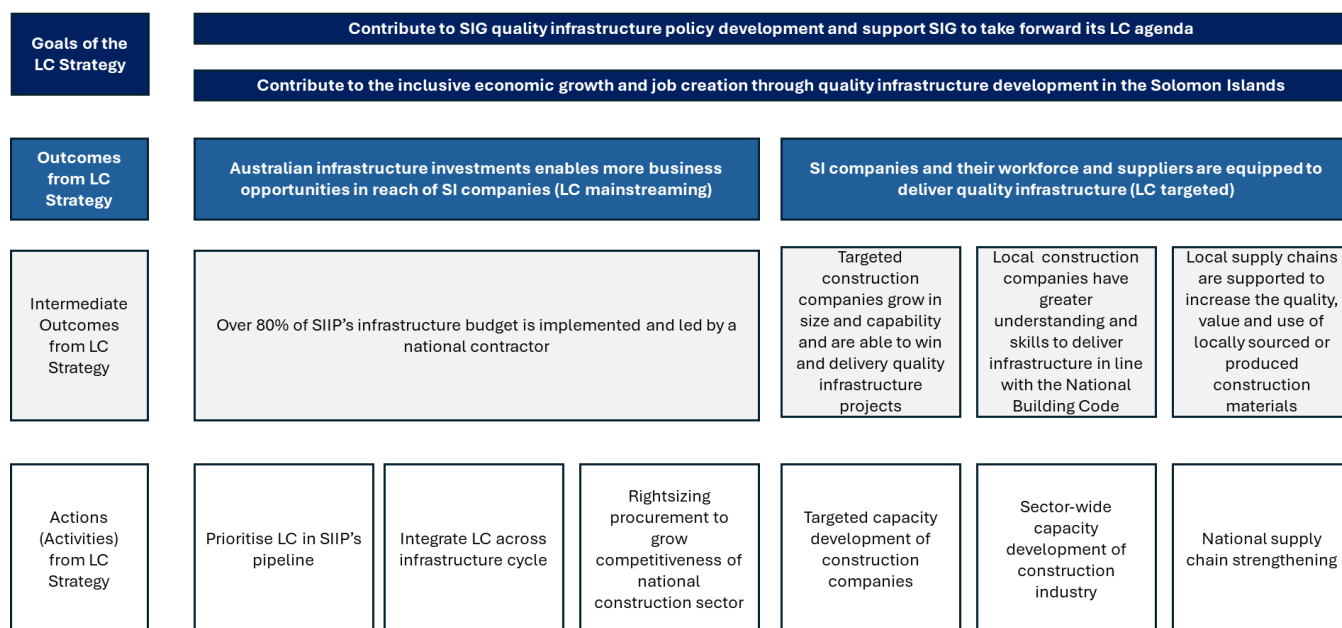
1 Executive Summary

This document contains the revised Local Content Strategy for the Solomon Islands Infrastructure Program (SIIP), to be implemented in Phase 2 (2026 to end of 2027). The Strategy represents SIIP's approach to maximising opportunities to involve and strengthen the Solomon Islands' (SI) private sector as part of delivering the program. This Strategy combines the Local Content and Capacity Development Strategies developed in 2022.

The revised Strategy deepens SIIP's approach to mainstreaming of local content in its infrastructure projects and expands targeted activities to strengthen the local construction sector (companies and suppliers). SIIP will develop a separate high-level plan around the program's institutional support to the Solomon Islands Government, primarily Ministry of Infrastructure Development (MID). This will be driven by Solomon Islands Government (SIG) policy priorities (e.g. new National Building Code) and will draw links to this Local Content Strategy.

The revised Strategy has six key actions that contribute to two local content outcomes, which are aligned to Australian and SIG priorities.

Figure 1 Local Content Strategy – theory of change / results chain



The Strategy includes monitoring and reporting and implementation arrangements, and checklists and templates to support the implementation of local content mainstreaming in SIIP-managed infrastructure projects.

2 Introduction

2.1 Background

SIIP is committed to using and developing local workforce, goods, services and materials sourced from SI enterprises and suppliers for the delivery of SIIP infrastructure projects. This document outlines SIIP's approach to delivering on this commitment in Phase 2 of the program.

This document contains an update to the Solomon Islands Infrastructure Program (SIIP) Local Content (LC) Strategy 2022, reflecting lessons learned from the implementation of the previous strategy. The updated commitments reflect the evolution of SIIP project priorities over the next 4 years of implementation. It consolidates the Local Content and Capacity Development Strategies into one overarching document, while considering Gender Equality, Disability and Social Inclusion (GEDSI), Climate Change and Disaster Resilience (CCDR) and Asset Management linkages, as appropriate.

In Phase 1, local content was embedded as a cross-cutting, guiding principle informing SIIP's infrastructure pipeline and capacity development activities. In Phase 2 of SIIP, local content is elevated to a primary, targeted objective of the program.

The revised Strategy aligns with:

- SIIP Program Logic - EOPO 1 Solomon Islands Government (SIG) and industry have enhanced sustainable capacities to plan, manage, finance, construct and maintain critical economic infrastructure.
- DFAT Development Partnership Plan (DDP) for Solomon Islands Objective 1: Inclusive economic growth, infrastructure and job creation
- DFAT International Development Policy and Performance Framework (local content indicator reporting)
- DFAT Locally Led Development Guidance (locally informed project design and delivery)

The 2022 Local Content (LC) Policy contains 12 guiding principles that apply to this revised Strategy (see Annex 1). The principles focus on mainstreaming local content analysis and measures into the project design, delivery and monitoring practices of SIIP, while maintaining high standards of transparency, accountability and safeguarding. Importantly, SIIP remains committed to optimising local content without compromising quality or value for money of infrastructure. The new Strategy expands on these principles by elevating local content as a driver of SIIP's pipeline development and project selection which is essential to remove demand side barriers to locally led infrastructure delivery. This Strategy also commits SIIP to expand investments in building industry capabilities to tackle supply side barriers for local companies by supporting them to win and manage contracts in line with the updated SI National Building Code and international standards.

2.2 Local Content Definition

SIIP's LC Policy defines local content as the *“added value and economic benefits brought to the Solomon Islands through workforce development (employment and training of workforce), and investments in contractor and supplier development (developing and procuring construction and other services and supplies locally).”*

Local content is typically defined in terms of geography, ownership and/or value addition. Table 1 outlines the elements of local content that SIIP will consider for each infrastructure activity to ensure the benefits of SIIP construction projects largely flow to and remain in Solomon Islands.

Figure 2 SIIP local content definitional framework

Elements of local content	Criteria	Characteristics
Geography	- Proximity of eligible businesses / workers to project site - Businesses' registered centre of operations – provincial or national	- Prioritises benefits for affected communities adjacent to project site - Businesses based in the province or anywhere in Solomon Islands
Ownership or participation	- Ownership of the company's equity - Participation in company's management - Participation of employees	- Majority of share equity held by Solomon Islands citizens - Majority of senior management and/or board of directors are Solomon Islands citizens (% women) - Majority employees are Solomon Islands citizens
Value Addition	- Expenditure on goods produced/manufactured in country rather than imported - Expenditure on skills training and apprenticeships	- Aimed at maximising economic diversification, local manufacturing and employment - Prioritises local workforce development pathways and engaging local training system

For the purpose of SIIP projects, local content will be defined as the extent that SIIP project procurement and expenditure is channeled through Solomon Island (SI) registered businesses with SI majority ownership (national content).

SIIP will also disaggregate expenditure to measure the distribution of national content across provinces and in the near vicinity of project site locations. For imported products that are purchased from SI retailers, SIIP will work with industry to identify opportunities to increase the value added to the product through in-country fabrication, assembly and installation.

SIIP will also require companies to report the number of employees, subcontractors and casual workforce who are SI citizens and resident in SI (national workforce). To understand the distribution of benefits, SIIP will disaggregate jobs data to measure the extent that jobs are secured by men and women, People with a Disability (PWD), youth, trainees/graduates and skilled and low skilled occupations.

2.3 Goals

The overarching goals of this Strategy are:

- to contribute to inclusive economic growth and job creation through quality infrastructure development in the Solomon Islands, and
- to contribute to quality infrastructure policy development in SI and support SIG to take forward its local content aspirations.

2.4 Objectives

SIIP's 2022 LC Policy contains four objectives:

- access local jobs
- promote local enterprise development
- accelerate the transfer of skills and technologies
- meet Solomon Islands' National development aspirations.

While these objectives remain relevant, they are distilled into two more specific end of program outcomes that reflect the evolution of SIIP Phase 2 and align implementation of the updated LC Strategy.

The revised Strategy takes a two-track approach to achieving these policy objectives, as described in the following **LC Strategy's end of program outcomes**:

1. Australian infrastructure investments enable more business opportunities in reach of SI companies (LC mainstreaming)
2. SI companies and their workforce and suppliers are equipped to deliver quality infrastructure (LC targeted).

The broad 'logic' or results chain for achieving these objectives is presented in Figure 1.

2.5 Intermediate Outcomes / Targets

During implementation, SIIP will measure progress towards these outcomes by monitoring the following intermediates outcomes and targets:

1. SIIP will increase its local expenditure on infrastructure projects by 50% in Phase 2 compared to the local spend on infrastructure projects in Phase 1, with majority of projects led by a national contractor (actions 1-3)¹
2. Targeted construction companies grow in size and capability and are able to win and deliver quality and inclusive infrastructure projects for SIIP, and other development partners (action 4)
3. Local construction companies have greater understanding and skills in delivering quality infrastructure in line with the new SI National Building Code (action 5)
4. Local supply chains are supported to increase the quality, value and use of construction materials / inputs that are sourced or produced in SI (action 6)

3 Local Content Actions

The Strategy has a total of actions that contribute to achieving the two objectives- three actions for objective 1, and three for objective 2. Actions are summarised below and described in greater detail after.

Strategic Objective 1: Australian infrastructure investments enable more business opportunities in reach of SI companies (LC mainstreaming)

1. SIIP's infrastructure **pipeline** will **prioritise projects that are capable of national contractor delivery**.
 - 1.1 For SIIP small works², proposals/bids will only be sought from national contractors on SIIP's prequalified small works panel
 - 1.2 For SIIP major works³, work will be tendered openly with requirements to optimise local workforce and industry participation
2. In consultation with the asset owner, asset users and local industry, SIIP will identify and create opportunities for

¹ The metric will apply for all new projects signed from 1 Jan2026. This target is assuming that the pipeline will be majority small work projects, and major projects will be within the scope of local companies.

² Projects generally between AUD200K – AUD1m (SBD1m-SPD5m), aimed at Tier 2 contractors under SIIP's benchmarking framework

³ Projects generally up to AUD5M (SBD25m), though this may be higher depending on the size and complexity and SIIP's risk assessment for local delivery.

local content in design, construction and O&M that will form a dedicated section in the PMP for each project financed by SIIP

3. SIIP will develop **procurement approaches** for small and major works that aims to **grow the competitiveness of the national construction sector**.

Strategic Objective 2: SI companies and their workforce and suppliers are equipped to deliver quality infrastructure (LC targeted)

4. SIIP undertake **benchmarking of small to medium sized SI companies** (civil, construction, design, ancillary services, and material/equipment supply) on a voluntary basis. The benchmarking report will include organisational development actions to help companies qualify for the small works panel or major works projects via SIIP and other financiers. For participants in the benchmarking program, SIIP will fund **targeted training opportunities** to improve their capacity to win work and delivery high quality infrastructure.
5. For small to medium sized SI companies that are not participating in the benchmarking program, SIIP will continue investing in **sector wide support to the SI construction industry** by developing and delivering targeted training content for SIG and industry to comply with SIG Building Code and WHS
6. SIIP will work with local partners to identify and develop priority **local supply chains to improve quality and increase local material content** on SIIP projects and wider construction sector.

3.1 Prioritising SIIP's pipeline for local content (Action 1)

The infrastructure projects that are funded and managed through SIIP will be of a scope and scale that can be delivered by a national lead contractor. Before a project is approved for development, a scoping report must demonstrate the project is aligned with local industry capability, and where there are gaps/risks to quality delivery, identify appropriate mitigation measures.

SIIP maintains a register of over 100 SI companies expressing interest in SIIP construction contracts and training opportunities. Of these companies, the majority are only eligible to bid for projects below SBD 500K, restricting their ability to bid for SIIP projects. The number of contractors with technical and financial capacity to lead delivery of projects valued above SBD 500K (AUD100K) tapers off quickly between SBD500K – SBD5m (AUD100K – AUD1m) with only a handful demonstrating proven experience completing large value projects of beyond SBD 10m (AUD2m).

A steady pipeline of work of similar projects that enables firms to compete and build repeatable experience is an essential precondition to strengthen and grow the national construction sector. To facilitate this, SIIP will prioritise financing of small works contracts (AUD100K – AUD1m) where there is an adequate baseline of national competition, and scope to support small to medium sized SI contractors⁴ to qualify for larger projects as they gain more experience.

For major works, SIIP will look at packaging works to maximum AUD10m in value to enable participation by medium to large sized national contractors. Companies for major works projects will also be required to meet specific LC outcomes, including the development of LC Plans. These Plans outline the company's commitments and approach to local participation and skills transfer to develop the local workforce, tier 2 and 3 local suppliers/subcontractors and involve local trainees and graduates. GEDSI requirements will also focus on creating local jobs for women, PWD and unemployed youth who are typically excluded from industry.

3.2 Integrating local content across the infrastructure cycle (Action 2)

Every major project (i.e. not small works) approved through SIIP will consider local content at each phase

⁴ Classified as Tier 2 contractors under SIIP's benchmarking framework.

of the project cycle. Approved projects will be accompanied by a Local Content Plan that outlines opportunities, actions and stakeholder responsibilities across all project phases. The LC Plan will form a dedicated section in the Project Management Plan (PMP).

Development of the LC Plan will be informed by:

- Consultation with asset owners, users and local industry during the project scoping phase to determine opportunities for local participation and use of local materials in the design, construction and O&M
- Local industry capacity assessments produced by SIIP's industry benchmarking program and other market assessment sources (e.g. World Bank market assessments)
- Inclusion of local content analysis in the project design brief and managing the design process to ensure the design can be delivered by a local company using local materials where possible. This will have the added benefit of supporting ongoing asset management.

3.3 Rightsizing procurement to grow the competitiveness of national constructor sector (Action 3)

For small works projects, SIIP will cap contract packages to AUD1m (SBD5m) and limit market solicitations to contractors who prequalify for SIIP's Small Works Panel. In SIIP Phase 1, SIIP prequalified eight contractors to deliver small works packages. To enable Panel members to submit compliant bids and manage SIIP contracts, SIIP delivered a workforce training series on key compliance areas such as workplace health and safety (WHS) and sponsored short-courses through SINU on bid writing, managing contracts, preparing bill of quantities and project management. In Phase 2, Panel members delivering SIIP managed projects will continue to receive targeted and sector wide training opportunities, as well as on the job coaching and advice from the SIIP's small works project manager. As SIIP's pipeline grows, SIIP will refresh the Panel to invite new members.

For major works projects, SIIP will consider splitting works packages for direct delivery by national contractors or encourage joint ventures for larger packages. Where national companies are delivering major works projects, SIIP will provide a full-time site surveillance officer to oversee delivery of projects safely, on time, to budget and expected quality. Phase 1 contractors reported that SIIP's collaborative site supervision model enabled their workforce to consolidate skills more quickly and improve quality through point in time, on-the-job coaching and troubleshooting. SIIP will also provide support for contractors to deliver the commitments identified in their LC and GEDSI Plans, including coordinating the involvement of disadvantaged groups from the project affected sites and work experience opportunities for local trainees and graduates.

For projects that may require some international expertise to deliver technical designs and related investigations, SIIP will require the design engineering firm to consider joint ventures with local firms and, at minimum, provide opportunities for local graduates or current students to gain work experience on the design.

3.4 Targeted capacity development of construction companies (Action 4)

In Phase 1, SIIP developed a benchmarking tool to differentiate where a SI contractor sits in their supply chain to deliver works of varying scope, value and complexity. The assessment enables both the local contractor and SIIP to understand what type of projects they are suited to and what type of support can optimise their participation on projects. The benchmarking system is based on international good practice (ISO9001) and customised to SI market size and context.

Accordingly, the SI supply chain is divided into 3 tiers:

- Tier 1 have the capacity to deliver very large projects and can self-perform most of the required work with internal resources, typically contracts valued between SBD 5-10million

- Tier 2 often specialise in a specific trade or service and are an expert in their field, typically contracts valued between SBD 0.5 – 5 million
- Tier 3 are smaller, specialised firms that provide services to tier 1 and tier 2 contractors. They do not have direct contact with the project owner or user and typically contracts valued between up to SBD 0.5million.

To date, six companies have participated in the program. Each company participating in the assessment receives a tailored report and organisational development plan to help them make an informed decision to either improve their company's competence level to be more competitive at the tier where they are assessed, remain at that tier level or supply or move up the tier level of supply through a number of options outlined in the report.

On an opt in basis, SIIP will support companies interested in implementing actions in their organisational development plans. This may be through specific SIIP-provided coaching in targeted areas (e.g. WHS, procurement, cashflow management) or certified courses offered by SINU or other providers (e.g. project management, quantity surveying). SIIP will also provide brokering services to access technical support, business advice or finance for plant and equipment through Strongim Bisnis, Business Link Pacific or other services.

3.5 Sector-wide capacity development of construction industry (Action 5)

SIIP will expand learning opportunities to the wider construction sector (companies and workers) through SIIP's new Waka Stret videos on critical skills and knowledge aligned to the new National Building Code (NBC) and other training needs that emerge from delivery of SIIP-managed infrastructure projects.

Learning products will also include strategic communications to extend outreach in the sector, such as advertorials in newspapers and case studies on website to socialise the NBC in partnership with Ministry for Infrastructure Development (MID) and Solomon Islands Chamber of Commerce and Industry (SICCI). SIIP intends to be an early adopter of the NBC through its projects, including supporting the new building inspection system as a way to provide practical experience to MID staff in implementing the NBC.

In addition to direct support, SIIP will explore partnerships with other DFAT programs (e.g. Pacific Fellowships Program) and opportunities for learning tours to support SIG stakeholders access opportunities to develop hands on experience of the new Code which draws significantly on AS/NZ standards.

3.6 National supply chain strengthening (Action 6)

SIIP will facilitate a collective learning and planning process with Strongim Business, SICCI, local community groups, and industry to identify materials and goods that have high LC potential to increase material content in SIIP projects and the wider construction sector. Materials will be selected based on construction demand and the extent that SIIP and partner capabilities can help improve product quality, volume or value-added processing, where it is economically viable. Through SIIP's partnership with MID and other SIG stakeholders, SIIP will identify opportunities to leverage SIG's purchasing power to generate demand for goods and services that have high local content potential.

4 Monitoring and Reporting

The following key indicators, drawn from SIIP's MEL Plan, and DFAT reporting requirements (Tier 2 and DPP) will be monitored and reported:

- Number and dollar value of local contracts (DFAT Tier 3⁵)
- Number of local people accessing jobs created by new infrastructure projects, disaggregated by gender where possible (DFAT Tier 2)
- Number of Solomon Islanders, who successfully complete a tertiary or technical/vocational course or work-related training (DFAT Tier 2)
- Number of women entrepreneurs provided with financial and/or business development services (DFAT Tier 2)
- Number of organisations that have had participants undertake professional development opportunities
- Instances of SIG and construction industry applying knowledge and skills from SIIP capacity development activities

SIIP will collect and verify data from:

- Monthly contractor reports (including jobs, procurement, training)
- SIIP Supervisor reports
- SIIP Monitoring visits
- SIIP procurement database
- Benchmarking baseline and updates
- Training attendance records
- Interviews and surveys

Databases for storing and retrieving local content metrics include:

- Jobs and procurement tracker
- Master capacity development tracker

Progress against this Strategy will be reported in:

- SIIP Annual Report
- Development Partnership Plan (DPP)
- DFAT Tier 2 indicator Reporting
- Ad-hoc DFAT requests (including Communications products)

5 Implementation Arrangements

Roles	Responsibilities
Infrastructure Project Managers and Coordinators	In collaboration with Local Content Coordinator, undertake Local Market Analysis (LMA) (see Appendix 3) during the Scoping Phase leading to the Feasibility Report ⁶

⁵ Aligning with DFAT Performance Delivery Framework Tier 3 indicator for infrastructure: Number and dollar value of local contracts and grants (local supply chains) – Managing Contractors

⁶ Refer to SIIP's Value for Money Framework. The local content analysis will be a collaborative exercise drawing on the project manager and coordinator's engineering knowledge.

	Identify local content considerations, risks and mitigation measures in design and construction Draft Local Content Plan within Project Management Plan (PMP) Draft, or provide input to Procurement staff, to have relevant local content requirements in tender and contract documentation Facilitate local content reporting
Infrastructure Lead	Oversee and approve local content requirements in design scope of services / Terms of Reference (ToR) Ensure local content is appropriately scored in tender evaluations Ensure local content requirements in SIIP infrastructure projects are being met Manage the Small Works panel
Site Surveillance Officer	Monitor contractor compliance with safety and quality requirements, and provide on-the-job coaching, as required Identify and support on-the-job training priorities and opportunities for local workforce and subcontractors as they arise
Local Content Coordinator	Collaborate with the Infrastructure Project Managers and Coordinators in their LC responsibilities in infrastructure projects Support Capacity Development (CD) Specialist to deliver targeted and sector wide training initiatives Facilitate and support partnerships with other organisations to strengthen national companies and suppliers
Local Content and MEL Manager	Oversee delivery and monitoring and evaluation of the Local Content Strategy Gather qualitative evidence and develop case studies of lessons and drivers of local content outcomes
Communications Manager	Lead the delivery of Waka Stret videos and sector-wide communications (e.g. advertorials)
Local Content Specialist	Review and QA LCPs and procurement documentation Contribute to skills surveys and other investigations during scoping Provide input into local market assessment and industry capability assessment and actions Advise and contribute to Strategy development, templates, guidance and tools
Capacity Development Specialist	Lead delivery of benchmarking assessment process and SIIP-led capacity development initiatives, including contribution of learning insights and case studies of LC outcomes
GEDSI Coordinator	Provide GEDSI considerations into LMAs and LCPs, and ensure targets are realistic and appropriate, and safeguards are in place

Infrastructure Administration Officer	Ensure procurement and contract data is up to date
MEL Coordinator	Support MEL Manager to manage monitoring and evaluation system, including local content metrics for mainstreaming and targeted actions and development of qualitative LC case studies

Annex 1: Local Content Policy Objectives and Principles

Local content objectives	SIIP will mainstream local content to: (i) create local jobs; (ii) promote local enterprise development; (iii) accelerate the transfer of skills and technologies; and (iv) meet Solomon Islands' National development aspirations.
No investment left behind	SIIP will apply this policy to enhance local content on every project it finances or supports.
No worker or enterprise left behind	SIIP will apply this policy to enhance participation opportunities across all types and sizes of enterprise and all worker skills and capabilities.
The whole project 'cycle' and the whole local 'value chain'	SIIP will apply this policy, from project selection, planning and design, through construction, and through to operations and maintenance. SIIP will optimise opportunities for local goods and materials suppliers, engineering and other services providers, and construction contractors.
The supply AND take-up of participation opportunities	SIIP will enhance the supply of contracts and opportunities suitable for local participation. SIIP will help and encourage the local take-up of contracts and opportunities – enhancing the willingness and capacity to participate.
Evidence-based rules and actions	SIIP will enhance local content opportunities based on diagnostic analysis of local content dimensions on every project investment.
Legal and regulatory compliance	SIIP's local content support will comply with all relevant Government legislation and regulations.
Good practice – do no harm	SIIP's local content support will do no harm to project quality and value-for-money, and will reflect good international practice including acting in accordance with rules-based international trade and other economic conventions.
Transparency and accountability	SIIP's local content support will enhance transparency and accountability to maintain a 'level playing field' and contain corruption.
Equality and inclusiveness	SIIP's local content support (supply-side), and its capacity development support (demand-side) will emphasise gender equality and inclusive participation by people with disabilities and other marginalised people.
Monitoring, evaluation, learning, and change	SIIP will set local content performance indicators and targets for each project investment and for the Program as a whole. SIIP will monitor and evaluate local content 'success', will articulate lessons, and will adjust SIIP policy, rules and practices as required.
Knowledge management	SIIP will accumulate and manage its local content knowledge, for the benefit of Government, partners and other stakeholders in the Solomon Islands and beyond.

Annex 2: Local Content Mainstreaming Checklist for Major Works

The following checklist is to guide SIIP HUB personnel in implementing the Local Content (LC) Strategy for major works (i.e. projects that are not small works or refurbishment projects tendered through the Small Works Panel).

Small works and refurbishment projects do not have specific LC tasks and therefore do not have associated guidance or checklists.

	TASK	OUTPUT	RESPONSIBILITY	QA
PLAN	Undertake Local Market Analysis (see Annex 3 for Local Market Analysis Questions)	LMA notes	IPC and LC Coordinator	LC Manager
	Identify LC opportunities in Feasibility Report Template and Detailed Project Proposal Template. This should also consider LC opportunities as part of Asset Management (refer to AM Strategy)	Feasibility Report Detailed Project Proposal	IPC	LC Manager <i>then</i> DTL / Infrastructure Lead
	Develop Local Content Plan (see Attachment 4), as part of Project Management Plan (PMP). The purpose of the LC Plan is to identify LC opportunities and actions, resourcing and responsibilities across the project cycle and identify further LC investigations that will be undertaken during engineering design services.	Local Content Plan (in PMP)	IPC and LC Coordinator	LC Manager <i>then</i> DTL / Infrastructure Lead
DESIGN	Develop TORs / scope of services for design consultancy agreement/s that includes LC criteria and analysis of locally available materials, goods and services. This should form a dedicated section in the design report. Refer to LC supply chain strengthening activities where relevant. The cost plan for design services should also consider resourcing needs for testing/certification processes, as appropriate, that may be required to inform LC analysis of design options.	Design TOR / scope of services with LC section	IPC	LC Manager <i>then</i> DTL / Infrastructure Lead
	Assess bidder's approach to LC as part of tender evaluation	Design tender responses scored against LC response	IPC	DTL / Infrastructure Lead
TENDER	Procurement Strategy reflects LC Plan approaches to optimise LC opportunities and manage risks	Procurement Strategy with LC section	IPC	LC Manager <i>then</i> DTL / Infrastructure Lead

	Construction tender and contract documents have a clear LC section in the works requirements / scope of services, including how LC will be scored	Construction tender documentation with LC section	IPC	LC Manager <i>then</i> DTL / Infrastructure Lead
	Assess bidders' approach and commitment to LC as part of the tender evaluation (LC Industry Participation Plan)	Tender evaluation with LC scored	IPC	DTL / Infrastructure Lead
	Successful bidder supported to improve LCIPP	Revised LCIPP	IPC and LC Coordinator	LC Manager
BUILD	Local SIIP site surveillance officer monitors contractor compliance with safety and quality requirements, and provides on-the-job coaching as require	Weekly reports to IPC	Site Surveillance Officer	IPC
	Local SIIP site surveillance officer works with contractor to identify and support on-the-job training priorities and opportunities for local workforce and subcontractors as they arise	Weekly reports to IPC	Site Surveillance Officer	IPC
	IPC or LC Coordinator monitor implementation of contractor's LCIPP	Monitoring Trip reports	IPC or LC Coordinator	LC Manager
	Contractor reports on LCIPP metrics monthly	Monthly Contractor Reports with jobs, procurement and training data	IPC	LC Manager

Annex 3: Local Market Analysis Questions

Sufficiency of market competition	How many contractors (Solomon Islands, and in Province) are interested in participating in this procurement? - How many of these are nationally-based and/or off-shore international contractors? - How many of these are nationally-owned <i>local</i> contractors?
Technical and Commercial capability of local contractors	Do local contractors have the required skills (technical, contracting, managerial), resources (plant/equipment) and systems (QMS, WHS etc) to compete for and deliver the procurement requirements? [Can refer to SIIP Company Benchmarking or other studies] What is the largest contract value that local contractors have the commercial capacity to bid for and implement? What levels of insurance and finance can they access?
Preferred contracting arrangements	Are contractors willing to prime, prefer to sub-contract or open to joint venture or other collaborative contracting arrangements?
Market demand	What is the availability of in-country resources in terms of forward workload and other major works pipelines?
Material, plant and equipment availability in the local supply chain	What materials or goods can be sourced or manufactured locally (Solomon Islands, and Province)? How many suppliers can service the requirements of the procurement (Solomon Islands, and Province)? What plant and equipment can be sourced locally (Solomon Islands, and Province)? How many suppliers own or lease (Solomon Islands, and Province)?
Local labour supply and skills	Do contractors experience any skills shortages? What is the throughput of trainees/graduates in the training system? What are the requirements for work placements? What training organisations are there locally, what types of skills training do they deliver, what is the quality of their equipment?
Risk of supply or delivery failure	Will suppliers require a high level of supervision and will SIIP need to apply additional resources or risk management processes when managing the contract?
Opportunities to add value	What opportunities exist to enhance local skills and contractors' systems/capabilities to grow the competitiveness of local industry through the procurement?
Operate and Maintain / Asset Management	Who is the asset owner, and who is responsible for funding asset management (maintenance and renewal)? - What funding is available for asset management? - Does the asset owner have internal capacity and capability to maintain the asset? - What parts of the asset management may need to be contracted out, and are there local contractors that can deliver this? What design considerations to maximise design life and service delivery?

Annex 4: Local Content Plan Template

A Local Content Plan (LCP), as part of the Project Management Plan (PMP), must be developed for each Major Works project by the Infrastructure Project Coordinator, with the support of the Local Content Coordinator. This Plan should cover the design, construction, and operations and maintenance phases. It should be treated as a living document and may be updated at any time during the project lifecycle.

The purpose of the LCP is to document actions that SIIP will undertake to maximise local content opportunities across the different infrastructure phases.

Note: The LCP is different to the Local Content Industry Participation Plan (LCIPP) that a contractor will submit as part of a tender for a major works.

The structure of the LCP is presented below.

Local Market Analysis

Summarise key findings of the local market analysis, and industry engagement or other relevant information available (e.g. company benchmarking) to inform the local content opportunities, risks, and barriers to be considered by the project.

- › Extent and availability of local companies (Solomon Islands and Provincial) that could successfully tender and deliver the project
- › Extent and availability of local companies (Solomon Islands and Provincial) that could sub-contract for parts of the project (e.g. specific services, equipment suppliers etc)
- › Availability and quality of local materials supply chain (Solomon Islands and Provincial)
- › Risks and mitigation measures for local contracting
- › Training providers and type of skills training, and availability of trainees or graduates that could gain skills on the project

Local community interest and expectations for local employment opportunities

Local Content Actions

Identify local content actions and responsibilities across the different infrastructure phases.

Phase	Action	Responsibility	Timeframe
Design	<i>E.g. Specify in Design ToR preference for local timber for structural elements</i>		
	<i>E.g. Specify testing of local quarry for aggregates to determine quality</i>		
	<i>E.g. Specify installation of locally available equipment (e.g. pumps)</i>		
	<i>e.g. specify cost analysis analysis of local content optimisation scenarios</i>		
Procurement	<i>E.g. Split into early works and main works packages, with early works suited to Provincial contractors.</i>		
	<i>E.g. Use Short Form contract for Early Works</i>		
	<i>E.g. Tenderers to submit a Local Content</i>		

	<i>Industry Participation Plan (LCIPP) and have targets of minimum 30 % local employment, and 10% women employment</i>
Construct	<i>E.g. Provide WHS mentoring to local companies</i>
	<i>E.g. Provide provisional sum to support trainee work placement and certification</i>
Operations and Maintenance	<i>E.g. Fund training of local company in pump maintenance</i>
	<i>E.g. Involve asset owner during construction phase so that they understand materials and equipment used/installed</i>

Note: The LCP should be a living document and updated as required (e.g. when updated information is available etc).