DRAFT NATIONAL OUTSOURCING STRATEGY

2023 - 2027

N TDA

FEDERAL MINISTRY OF COMMUNICATIONS AND DIGITAL ECONOMY
Leveraging Digital Technology for National Economic Development

January 2023

VISION

TO MAKE NIGERIA THE PRIME GLOBAL OUTSOURCING DESTINATION.

MISSION

WE BUILD AND PROMOTE NIGERIA'S HUMAN CAPITAL FOR THE GLOBAL OUTSOURCING INDUSTRY

Executive Summary

The Digital Age is here and is changing the way people live, work and interact. Technology, if effectively utilized, has the potential of facilitating the attainment of sustainable development. In transitioning from a resource-based economy to a knowledge-based economy, Nigeria is investing in its people, increasing the competitiveness of the economy and aiming for higher growth rates while leaving no one behind.

Nigeria can export a higher value asset than oil; its brain capital. This can be achieved using technology, IT-enabled Outsourcing, to enable Nigerians key into the Global Value chain. This trend, spurred further by the Covid–19 pandemic, will surely give Nigeria the much-needed boost to lift 100 million people out of poverty.

To achieve this target, growing the Business Process Outsourcing sector in Nigeria is necessary to give the needed direct and indirect jobs. Digital technology offers Nigeria the opportunity to diversify its economy from a resource-based to a knowledge-based economy. With the largest population in Africa and a median age of 19 years, Nigeria has a large youthful population. With high capacity first-mile broadband infrastructure, the country has a tremendous opportunity to lift the standard of living of its citizens through the effective implementation of the National Digital Economy Policy and Strategy by growing the IT Enabled Outsourcing services sector to serve both the Public and Private sector organisations, onshore and offshore.

The rapid growth of the IT-enabled Outsourcing services sector will address various socio-economic challenges the country is facing. These include the need to grow its economy, create jobs, expand the tax base, and improve technology transfer and attract foreign direct investment.

The Honourable Minister of Communications and Digital Economy, Professor Isa Ali Ibrahim (Pantami), led the development of a National Digital Economy Policy and Strategy, unveiled by the President in November 2019. This Policy and Strategy document is based on 8-pillars for the acceleration of the National Digital Economy for a Digital Nigeria. The 8 pillars are Developmental Regulation, Digital Literacy& Skills, Solid Infrastructure, Service Infrastructure, Digital Services Development & Promotion, Soft Infrastructure, Digital Society & Emerging Technology and Indigenous Content Promotion& Adoption.

The National Outsourcing Strategy which aligns with the National Digital Economy Policy and Strategy, aims to deliver 5 Million jobs in Nigeria by 2030. Toachieve this ambitious target, the Strategy is focused on 7 critical pillars, These are:

Pillar #1: Outsourcing Governance
Pillar #2: Infrastructure
Pillar #3: Human Capital Development
Pillar #4: Trust, Privacy and Security
Pillar #5: Branding and promotion
Pillar #6: Innovation and Entrepreneurship
Pillar #7: Finance and Incentives

The Outsourcing Governance pillar aims at developing and implementing a reference model for creating agovernance structure for the National outsourcing campaign. Governance ensures that an effective governance structure for the management of Nationaloutsourcing campaign is established. The governance structure will typically include a governance team, a steering committee and stewards.

The Infrastructure pillar aims at creating an enabling environment for increased investments and deployment of technologies and infrastructure that will accelerate the promotion of the country's human capital for the purpose of outsourcing. Investments will be made in the platformisation of the outsourcing potentials in the country.

The Human Capital Development pillar aims at ensuring that citizens and organizations acquire the relevant knowledge and skills to build a critical mass that will position the country for the global outsourcing industry. Several programmes on outsourceable skills will be implemented to target Nigerian youths across the country.

The Trust, Privacy and Security pillar aims at addressing information security and cybersecurity risks involved in outsourcing in Nigeria. This action will ensure that the rest of the world trusts Nigeria's outsourcing campaign.

The Branding and Promotion pillar aims at developing and promoting Nigeria's outsourcing brand to the rest of the world. This action will help ensure global visibility and patronage of Nigeria's outsourcing brand.

The Innovation and Entrepreneurship pillar aims at developing the Nigeria innovation and entrepreneurship ecosystemto support the development and growth of the outsourcing industry in Nigeria.

The Finance and Incentives pillar aims at developing mature incentive frameworks spurring growth and ease of cross border financial flows.

The Strategy's Governance Structure aims at providing adequate leadership and coordination to ensure responsibility and accountability for the successful implementation of the strategy. The Governance Structure is made up of IT Enabled Advisory Council, NOS Steering Committee, Ecosystem Secretariat, Relevant Organisations, and Monitoring and Evaluation team.

Furthermore, a robust Implementation Plan is developed with specific initiatives on each pillar to facilitate the effective implementation of the Strategy.

1.0 Introduction

Nigeria is Africa's largest country, with an estimated population of over 213 million (World Bank, 2022) people as of 2021, according to World Bank reports, with about 50% of the country's population under the age of 19 (Statista, 2022). It is worth noting that Nigeria's population accounts for about 47% of the West African population (Mercy Corps, 2023), with its GDP reported to be over $504B (The World Bank, 2023) in 2021. It has a well-developed mobile telecommunications market with 150 million lines connected to the Internet out of the 206 million phone lines in the country with data from the Nigeria Communications Commission in 2022. The largest contributor to Nigeria's GDP is the Services sector, followed by Agriculture.

Figure 1 Nigeria's 2021 GDP Growth (Source: NBS)

Due to advances in technology, especially in the transportation and communications sectors, the world has become a global village with international trade, investments, people, and technology transfer taking place at an ever-increasing pace. Economies now seek to develop competitive strengths to take advantage of the free flow of trade and investments available. Businesses all over the world are seeking economies with cheaper labour, readily available skills, and expertise to improve their profitability. This win-win scenario is what Nigeria seeks to key into for economic growth given its large youthful population.

Along with all the benefits of a large population, Nigeria is well positioned geographically to fully take advantage of the markets in North America, Europe, the Middle East and Africa. Outsourcing non-core operations or jobs to an external entity specialising in that type of operation is changing the business landscape globally. The essential requirements for the IT enabled services industry of cheap and readily available skills, expertise and proficiency in English language are very much available in Nigeria.

Nigeria stands to gain tremendously from developing an outsourcing sector in both the short-run and in the long run. A viable outsourcing sector will assist in the diversification of the nation's economic base as oil prices have become unstable. It will also enable the nation to enjoy the benefits of free trade: lower cost, higher labour productivity and efficiency.

The competitiveness of the Nigerian vendors will be anchored on a low-cost value creation strategy that is backed by a large youthful and highly skilled workforce. Key reforms in areas of ease of business, greater transparency in Government, data privacy and intellectual property and an overall drive to diversify the economy will truly strengthen the Nigerian Market and favourably propel it to the world's prime outsourcing destination.

Figure 2. highlights key factors that could improve the country's standing as an ideal ITES BPO destination.
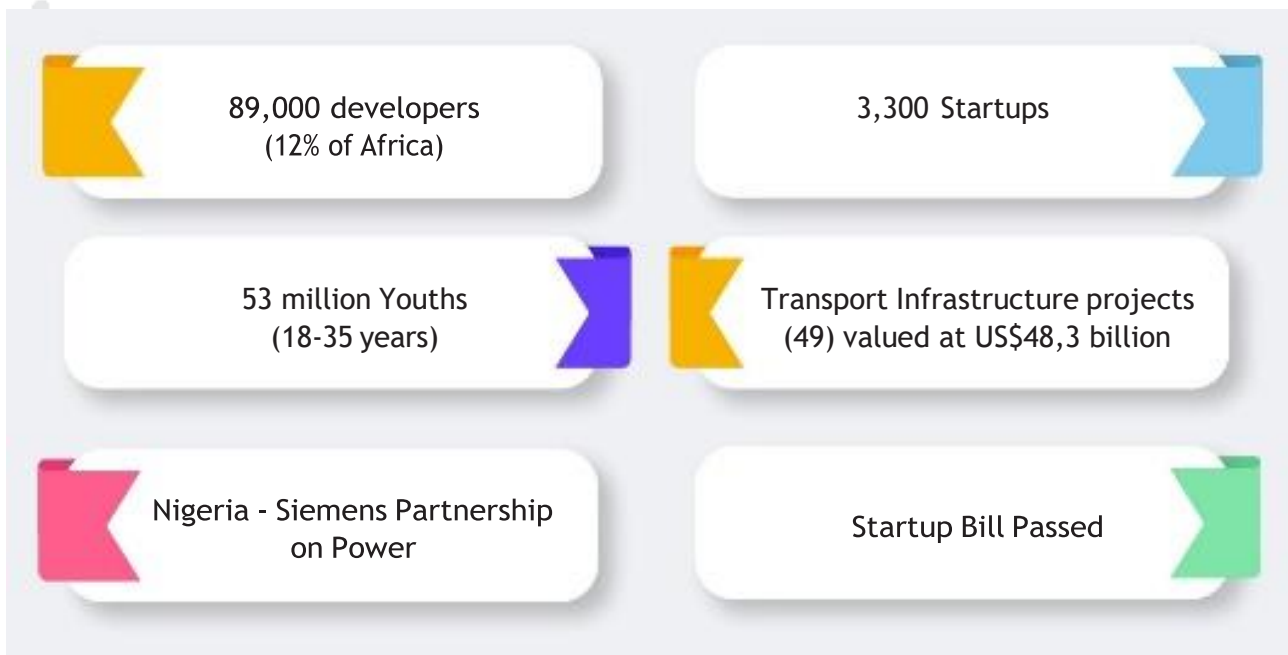
Highest GDP In Africa ($440 billion)	$1.2 billion Venture Capital in 2021
Highest Population of 210m in Africa	37 million English Speaking,
Favorable Time zone (GMT)	Largest Telecoms market in Africa

89,000 developers (12% of Africa)	**3,300 Startups**
53 million Youths (18-35 years)	**Transport Infrastructure projects** (49) valued at US$48,3 billion
Nigeria - Siemens Partnership on Power	**Startup Bill Passed**

Figure 2 The Nigerian Environment

The public sector is adapting to counter Nigerian challenges with implementation of the e-government master plan for Nigeria to improve government services for citizens, business and also to government. Consumer protection and intellectual property rights have also been areas of key government reforms recently with the Federal Competition and Consumer Act of2018.

This National Outsourcing Strategy has been developed in line with the Presidential directive given to improve the competitiveness of the Digital Economy in Nigeria. The Covid-19 pandemic has scaled remote work and digital transformation across all industries presenting new opportunities. The IT Enabled Business Process Outsourcing industry presents enormous potential to lift millions of Nigerians out of poverty through integration into global value chains. We are optimistic that the National Outsourcing Strategy will enable Nigeria to take advantage of the opportunities presented by global value chains leveraging its competitive advantages of being the largest youth population in Africa, mature telecoms market, strategic geographic location, and vibrant innovation ecosystem to create millions of jobs. We are made to understand that the pillars of the Strategy have been carefully selected to include all the key aspects that Nigeria needs to focus on to create the needed enabling environment and gain a competitive edge in this sector.

■ 1.1 Background

The World Bank defines Outsourcing as subcontracting a process, such as product design or manufacturing, to another company– called a third-party service provider, either within or outside a country. For outsourcing, the services most typically outsourced are IT, Business Process and Knowledge Process, as illustrated in Figure below.

Business Process Outsourcing (BPO) *Low-Medium Skill Requirements*

- *Customer Relationship Management (CRM) and Call Centres*
- *Content and Document Processing*
- *Human Resource Management*
- *Procurement, Logistivs and Supply Chain Management*
- *Finance and Accounting Services*

Information Technology Outsourcing (ITO) *Medium-High Skill Requirements*

- *Infrastructure Management Services*
- *Application Implementation and Management*
- *Application Development and Integration*
- *IT Consulting*
- *Software Development*

Knowledge Process Outsourcing   (KPO) *High Skill Requirements*

- *Advanced Financial and Insurance Services*
- *Legal Services*
- *Specialised Research*
- *Market Intelligence*
- *Business and Consulting Analytics*

Figure 3: Types of Outsourcing

Business process outsourcing (BPO) is the contracting of non-primary business activities and functions of an enterprise called a consumer to a different enterprise called a supplier. **Offshore BPO** involves the outsourcing of services between entities across different countries. **Information Communication Technology Enabled Services (ITES) outsourcing** is a type of BPO that is driven by ICT. IT enabled Services (ITES) are operations which exploit information technology for improving efficiency of an organization. ITES provide a range of IT-intensive processes and services, which include business process outsourcing (BPO) and knowledge process outsourcing (KPO), provided from a distant location and delivered over telecom networks. ITES focus on areas such as customer interaction services or call centres, content management, software development, finance and accounts, research, and analytics segment. **Information Technology BPO (IT-BPO)** is a type of ITES BPO which involves the outsourcing of information technology services exclusively.

The global BPO market was estimated revenue in the Business Process Outsourcing segment is projected to reach US$0.35tn in 2023.Revenue is expected to show an annual growth rate (CAGR 2023-2027) of 6.48%, resulting in a market volume of US$0.45tn by 2027 (Statista Business Process Outsourcing - Global | Market Forecast, n.d.)Figure 4 further shows global BPO industry size in billions of dollars over an 11- year period (2007 -2018).
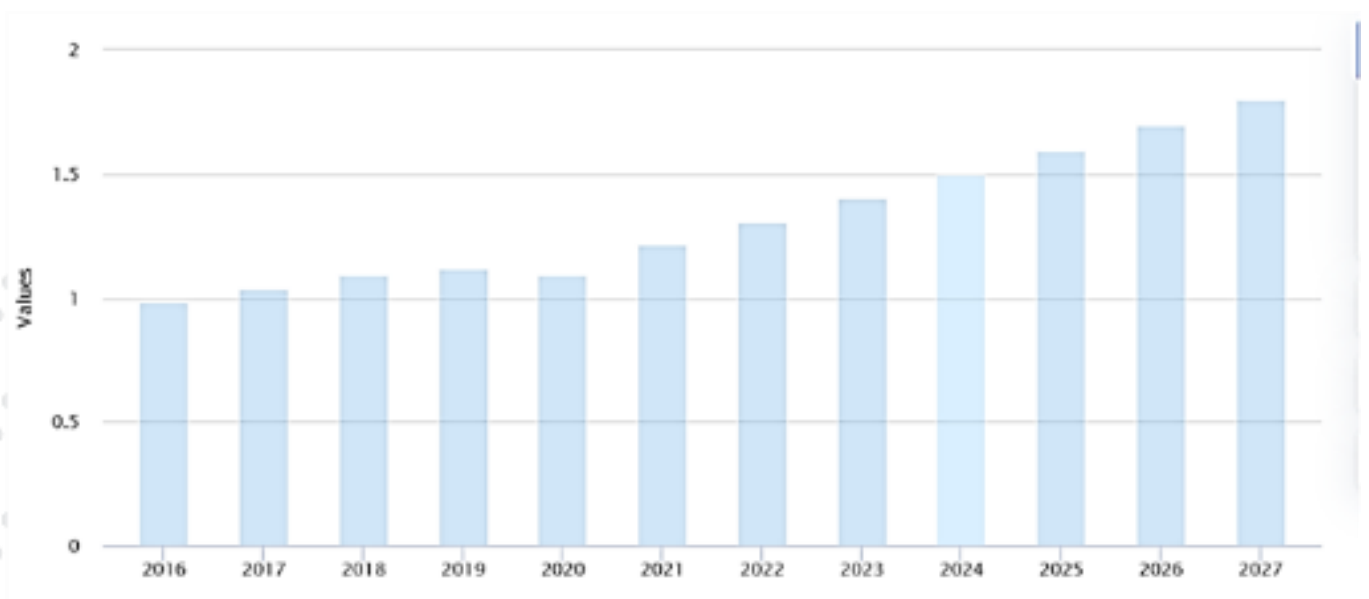

Figure 4 Revenue growth from BPO ($trn) (source Statista 2023)

■ 1.2 Why the National Outsourcing Strategy?

With the global shift to digital services and governance, it became pertinent for Nigeria to chart its course to harness its young population and ready technology landscape to generate new revenue streams and engage its youthful population, The overall need is the promotion of an enabling institutional, legal, regulatory, technological, and infrastructural environment for the sustainable development of the IT Enabled Outsourcing industry in Nigeria. The specific objectives include:

1. Actualization of the goals of the Economic Recovery and Growth Plan (ERGP) and the Digital Economy policy and strategy of the Federal Government in the areas of diversifying the economy, investing the Nigeria people and increasing global competitiveness through technology development.

2. Making Nigeria a global digital outsourcing destination and driving local and foreign direct investment in digital outsourcing infrastructure development.

3. Improve the trust/confidence and security of the Nigerian Digital environment through improved regulations, policies, and collaborators.

4. Positioning the image of the country internationally as the preferred global digital outsourcing destination by actively engaging the private sector in public private partnership arrangements.

5. Accelerated Human Capital Development and ICT Infrastructure to support the growth in the Digital Economy and outsourcing industry;

6. Unemployment rate reduction amongst the highly skilled graduates in the competitive job market.

7. Identification of potential e-government services that can be outsourced for improved services.

8. Ensure an integrated and coherent effort and coordination between the states, Local Government Areas and the Federal Government in the development of appropriate capacity and conducive environment for the growth and development of the digital outsourcing sector.

Therefore, National Outsourcing strategy has been developed as an overarching strategy to provide a strategic direction and an enabling environment for effective utilization of Human and technology capital while addressing the digital economy challenges through NDEPS and other mechanisms. Given these assumptions, through appropriate gap identification and effective implementation strategy, it is expected that Outsourcing will become a major driver of the country's Digital economy, digital services, job creation, improved quality of life, social and economic growth, global competitiveness, and sustainable prosperity.

The NOS is positioned to drive Nigeria's transformation where every Nigerian, the Government and the Private sector could harness the power of a Digital Services society for personal and sustainable national development securely and safely.

1.3 Challenges and Opportunities

The global BPO market was estimated revenue in the Business Process Outsourcing segment is projected to reach US$0.35tn in 2023. Revenue is expected to show an annual growth rate (CAGR 2023-2027) of 6.48%, resulting in a market volume of US$0.45tn by 2027 (Statista Business Process Outsourcing - Global | Market Forecast, n.d.) Figure 4 further shows global BPO industry size in billions of dollars over an 11- year period (2007 -2018).

1.3.1 Challenges

The outsourcing industry in Nigeria is faced with challenges that have to do with the below:

1.   Inadequate Government incentives in the BPO space
2.   Gaps in the skills in the available workforce, need to reskill the youth population and adjust curriculum to tap into the BPO space.
3.   High cost of maintaining Electricity supply due to erratic supply for the National Grid.
4.   Inadequate awareness of the business opportunities presented by outsourcing
5.   Security related challenges scaring off international and local investors.

1.3.2 Opportunities

There are opportunities that Nigeria could leverage to accelerate its participation in the Outsourcing economy optimally. The followings are the opportunities and key incentives that wil drive the implementation of NOS.

1.3.2.1 Workforce Opportunities

Nigeria is home to a large youthful and literate population. It is estimated by the National Bureau of Statistics that in the third quarter of 2022, Nigeria had a labour force of about 117 million people from which 80 million people were employed. The country's unemployment rate is considered quite high at 27.1% as at 2020(NBS, 2020). This presents an ample opportunity for outsourcing to become a quick solution since it has the proven ability to create jobs in the shortest possible time. The Nigerian workforce is predominantly young and skilled as evidenced by data from Figures 5 with 24-45 years having Approx. 70 million members of the labour force,

Labour Force			
National – 80,291,894			
By Educational Status		**By Age-Group**	
Never Attended School	15,847,257	15-24	16,709,724
Below Primary	85,711	25-34	23,328,460
Primary	14,831,238	35-44	20,124,531
Junior Secondary School	4,984,100	45-54	13,089,047
Vocational/Commercial	281,535	55-64	7,040,132
Senior Secondary School	28,558,044	**By Gender**	
NCE/OND/Nursing	6,530,801	Male	41,664,913
BA/BSC/Bed/HND	6,956,600	Female	38,626,981
MSC/MA/M.Adm	521,108	**By Place of Residence**	
Doctorate	76,526	Urban	28,513,287
Others	1,618,973	Rural	51,778,606

Figure 5 Nigerian labour Force Q2 2022(Source NBS)

This implies a relatively high educational level and trainability, both critical components of an ideal BPO destination. Furthermore, the English language proficiency of the Nigerian workforce gives the country a reasonable competitive edge in the global BPO supplier market potentially enabling the country to provide quality and affordable outsourcing services. Nigeria also has a very high student mobility with over 70,000 students in 2021 outbound to study in North America, Europe, Middle East, Asia and other African Countries. This is strong indication of the diversity of the talent pool available to serve the global markets.

■ 1.3.2.2 Infrastructure Opportunity

Nigeria has substantial ICT infrastructure with a broadband penetration of over 45% and about 123 million active Internet subscriptions as of December 2022 as highlighted in Figure 6. Most Nigerians connect to the Internet via mobile telecom networks. Nigeria has the largest deployment of mobile towers in Africa, with over 30,000 towers across the country and significant investments in fibre optic backbone networks linking all cities with high street level penetration. Presently, all the telecommunication operators together contribute about 48,000 km of fibre installation. Despite these gains, there is room for improvement. Fixed broadband infrastructure and penetration and quality of service are improving with the launch of the revised broadband plan in 2020.
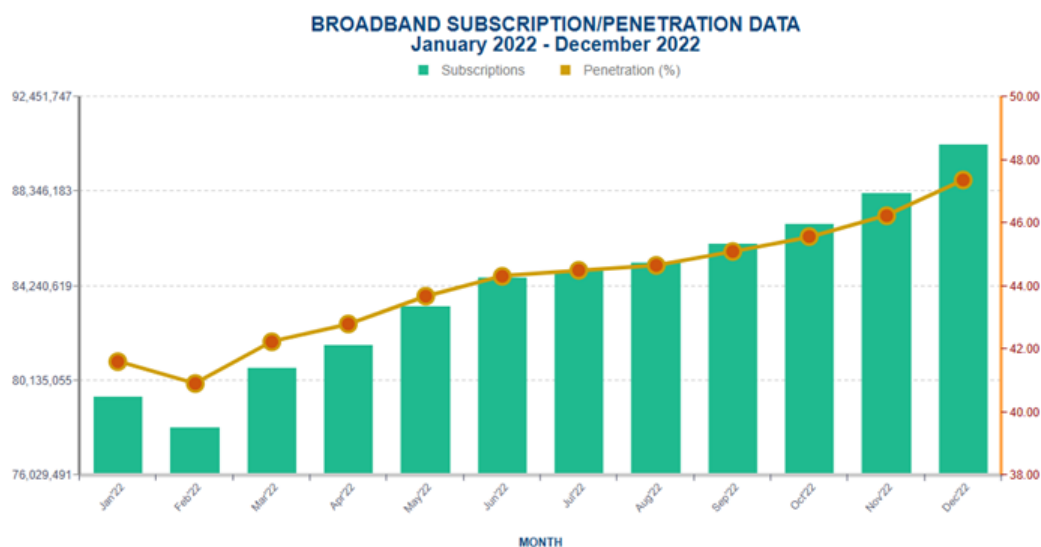
The Growing broadband penetration and relative low-cost of internet connectivity present opportunities for Outsourcing businesses setup, this places Nigeria in a competitive position in the west African region.

■ 1.3.2.3 Industry Potential

The Nigerian ITES-BPO industry has grown in the last couple of years. The sector has been dominated by Call Centre services operators providing services to both onshore (local) and offshore clients. As at December 2019, the Nigerian Communication Commission (NCC) has issued licenses to 12 companies providing call centre services and 5 companies providing call directory services. These local call centre providers provide services to the banking sector, telecommunication companies and Government. In the local telecommunication industry, BPO is very common. Several mobile network operators outsource their base station and transmission sites management to servicing companies. In 2014, a major telecommunication operator, Etisalat outsourced the management of most of its technical aspects to Huawei, a Chinese telecom company. Local ICT infrastructure and cloud service providers also provide outsourcing services

to many companies managing and administering the companies' ICT assets.

Government is also increasingly looking to outsource some of its non-core services. The Nigerian Communications Commission (NCC) currently runs an Emergency Communications Centre (ECC) to handle emergency calls in all states of the federation. The NCC mandatesall telecommunication operators to route emergency calls through the dedicated three-digittoll free number, 112, to the ECC. These centres are managed by several local licensed call centre service providers. Government and its agencies should continue to seek opportunities to outsource their services to aid the growth of the industry.

■ 1.4 Strategic Context

The NOS defines clearly why Nigeria should participate in the Global Outsourcing industry, and the challenges limiting Nigeria from maximising the opportunities in the digital economy to create values that contribute positively to sustainable economic growth and social development. The NOS has taken into consideration the following listed policy documents and legislation in the development of the Strategy:

01.   Constitution of the Federal Republic of Nigeria 1999 (as amended);

02.   Nigerian Telecommunications Act 2003;

03.   National Information Technology Development Agency (NITDA) Act 2007;

04.   National Identity Management Commission Act 2007;

05.   National Digital Economy Policy and Strategy (NDEPS) 2020 – 2030;

06.   Nigerian National Broadband Plan (NNBP) 2020 – 2025;

07.   National Development Plan (NDP) 2021 – 2025;

08.   Nigerian Data Protection Regulation 2019;

09.   National Cloud Computing Policy;

10.   Nigerian e-Government Interoperability Framework (NeGIF);

11.   Nigeria Open Data Policy (NODP);

12.   Nigeria Mobile Big Data Policy (NMBDP);

13.   Nigeria Digital Economy Ecosystem Development Strategy (N-DEEDS);

14.   Digital Economy Report 2019- Value Creation and Capture: Implication for Developing Countries;

15.   Digital Economy Report 2021- Cross-Border Data Flows and Development From: Whom the Data Flow;

16.   World Development Report 2021: Data for Better Lives;

17.   African Union Data Policy Framework; and

18.   Sustainable Development Goals 2030

1.5 Strategy Development Method

The Strategy is developed through review and analysis of relevant documents, benchmarking on Africa and global trends, Nigerian context, and priorities. It also went through experts' and stakeholders' reviews, consultation and co-creation, public engagement, and workshops.

1.6 The Scope and Applicability

The NOS focuses on generating and enabling environment for the growth of the outsourcing industry in Nigeria, it will serve as a guide to promote global competitiveness. The scope of the NOS includes Public Sector Organizations, Private Sector Organizations Associations and Civil Society.

2.0
NOS Aspirations (2023 to 2027)

The Aspirations of the National Outsourcing strategy are founded and built on the following:

2.1 Vision

To make Nigeria the prime global outsourcing destination.

2.2 Mission

We build and promote Nigeria's human capital for the global outsourcing industry.

2.3 Goal

To make the outsourcing sector a major contributor to Nigeria's economy.

2.4 Strategic Statement

Outsourcing is the new wealth.

2.4.1 Value Proposition

The National Outsourcing strategy aims to provide Industry participants, government stakeholders, businesses and individuals the following promises:

1. Job creation:

An enabling environment will be created for outsourcing to be a major source of employment in Nigeria. This action will help reduce unemployment in the country.

2. Revenue Generation:

Diversification of the country's sources of foreign exchange earnings through taxation of income earned by individuals and organisations engaged in outsourcing.

3. Increase in the National GDP:

Contributions to the National GDP by massively engaging the unemployed but skilled labour force.

4. Security:

Security strategies will be implemented to ensure that participants of the National outsourcing campaign preserve the security of their investments, data and privacy. This action will also help in increasing trust in the National outsourcing campaign.

5. Global Competitiveness:

The NOS will increase the country's competitiveness in the global outsourcing industry by providing visibility to the vibrant human capital in the country.

■ 2.5 NOS Goal

The goal of the NOS is to make offshore outsourcing a major contributor to Nigeria's economy. Achieving this goal will ensure that the country meets its intentions for a diversified economy that will ensure growth and prosperity for its citizens and businesses

■ 2.6 Specific Objectives

To ensure that the NOS goal is measurable and achievable, the following objectives have been defined :

1.   Creation of 5 million jobs by the year 2027.

2.   Contribution of 25% to the country's GDP by the year 2027.

3.   Contribution of 10% to Nigeria's economy by the year 2027.

4.   Acquisition of 30% of the global outsourcing industry by the year 2027.

5.   Increase in IT-enabled outsourcing platforms in Nigeria by 70% in the year 2027.

6.   30% increase in foreign investment in Nigerian outsourcing company's and platforms by the year 2025.

7.   60% increase in digital literacy and skills by the year 2027 as a result of the need for Nigerians to participate in offshore outsourcing.

8.   50% increase in digital technology adoption by the year 2027 as a result of the need for Nigerians to participate in offshore outsourcing.

9.   30% contribution to Nigeria's digital economy by 2027.

3.0
NOS Pillars

Seven pillars were identified in pursuit of the mission to achieve the goal and vision of the NOS. Each pillar will be strengthened by different implementation strategies. The pillars are:

Pillar #1: Outsourcing Governance
Pillar #4: Infrastructure
Pillar #2: Human Capital Development
Pillar #3: Trust, Privacy and Security
Pillar #5: Branding and promotion
Pillar #6: Innovation and Entrepreneurship
Pillar #7: Finance and Incentives

■ Pillar #1: Outsourcing Governance

The objective of this pillar is to develop and implement a reference model for creating a governance structure for the National outsourcing campaign.

Governance ensures that an effective governance structure for the management of National outsourcing campaign is established. The governance structure will typically include a governance team, a steering committee and stewards. These entities will work together to enforce standards, policies, principles, practices, and processes for the effective management of the National outsourcing campaign. This is the most important pillar as it supports most of the pillars in this document. A model-National outsourcing governance structure shall be developed, and it will serve as a national guide for outsourcing.

■ Pillar #2: Infrastructure

The objective of this pillar is to create an enabling environment for increased investments and deployment of technologies and infrastructure that will accelerate the promotion of the country's human capital for the purpose of outsourcing.

Investments will be made in the platformisation of the outsourcing potentials in the country.

This will include providing basic underlining Infrastructure such as electricity, broadband and data centres as well as efficient and effective front-end web platforms that will allow Nigerian individuals and companies advertise their skills/jobs, acquire jobs, submit jobs and receive payment. Additionally, the country will leverage the existing web-based global outsourcing platforms to onboard as many skilled Nigerians as possible; this will be achieved by creating awareness of this platforms and ensuring that skilled Nigerians register on the platforms.

■ Pillar #3: Human Capital Development

The objective of this pillar is to ensure that citizens and organizations acquire the relevant knowledge and skills to build a critical mass that will position the country for the global outsourcing industry.

Several programmes on outsourceable skills will be implemented to target Nigerian youths all over the country. This will include both outsourceable IT and non-IT skills. Additionally, Nigerians will be exposed to the global outsourcing business models to ensure that their acquisition of skills translates to economic value.

■ Pillar #4: Trust, Privacy and Security

The objective of this pillar is to address information security and cybersecurity risks involved in outsourcing in Nigeria. This action will ensure that the rest of the world trusts Nigeria's outsourcing campaign.

For the effective realisation of the goals and benefits of outsourcing, information security and cybersecurity strategies must be implemented around the country's outsourcing platforms and processes. This includes the implementation of risk management and technical/administrative security controls or measures on all infrastructure, platforms, people and processes associated with outsourcing.

■ Pillar #5: Branding and promotion

The objective of this pillar is to develop and promote Nigeria's outsourcing brand to the rest of the world. This action will help ensure global visibility and patronage of Nigeria's outsourcing brand.

The NOS will ensure that strategies are in place to create global visibility for Nigeria's outsourcing brand. This will include mass advertisements on international social and traditional media platforms targeted at countries with the largest number of outsourcers. Additionally, strategies will be in place to ensure that prominent heads of government organisations and private organisations engage prolific outsourcers outside Nigeria.

Pillar #6: Innovation and Entrepreneurship

The objective of this pillar is to develop the Nigeria innovation and entrepreneurship ecosystem to support the development and growth of the outsourcing industry in Nigeria.

The NOS will ensure that strategies are in place to promote innovation and entrepreneurship in Nigeria leading to a more vibrant innovation ecosystem. This action will help prepare a ready skills resource for the country's outsourcing campaign.

Pillar #7: Finance and Incentives

The objective of this pillar is to develop mature incentive frameworks spurring growth and ease of cross border financial flows.

The NOS will ensure that strategies are put in place to increase the level of investments and ease of doing business in Nigeria including easier cross border capital flow. This will include collaboration with financial institutions in supporting smooth and legal financial flow on outsourcing platforms.
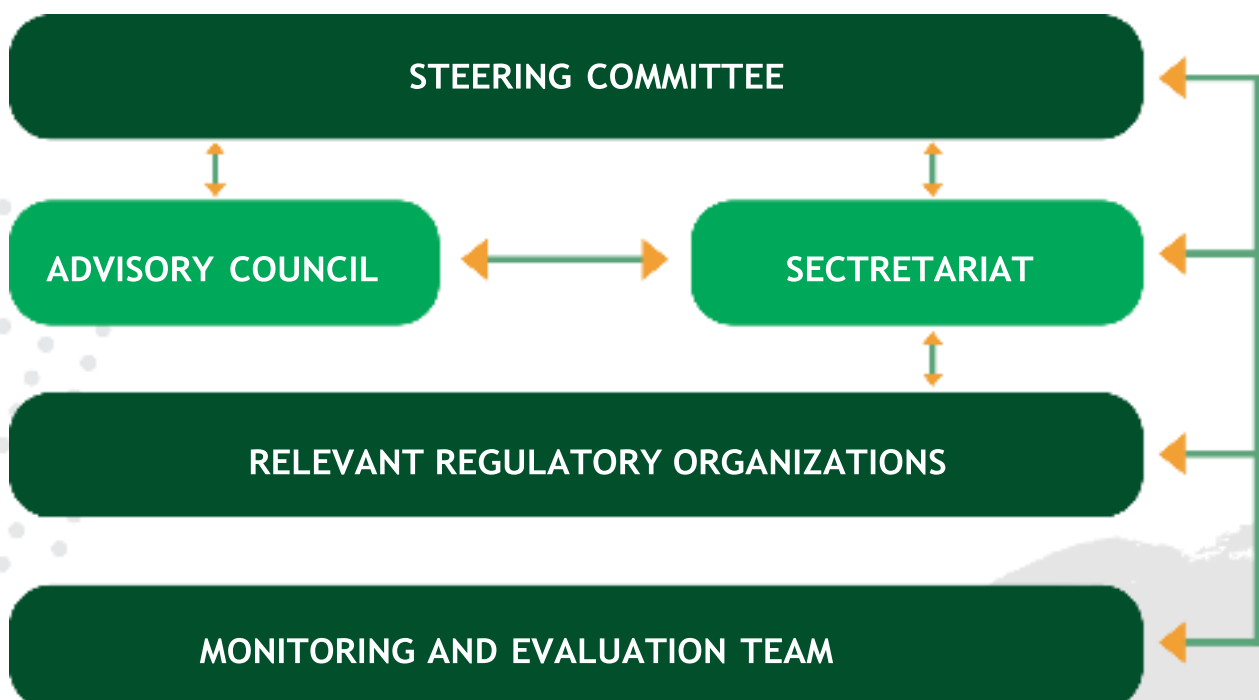
4.0
NOS Governance and Ecosystem

The NOS governance is to provide adequate leadership and coordination to ensure responsibility and accountability for the successful implementation of the strategy.

The NOS ecosystem comprises of stakeholders that can support the effective implementation of the strategy. Governance of the ecosystem is a critical success factor for the ITES BPO sector. It is aimed at ensuring that the environment is conducive for investment. All parties must play their roles under business-friendly working environment with necessary guidance, monitoring and support.

The nature of the ITES BPO services industry is cross cutting in areas of ICT, cross border trading, financial systems, skills and education, as well as the private sector that employs labour There are various organizations that regulate and license several services across these sectors. NITDA as the Nations ICT regulator also plays a major role in the regulation and development of the outsourcing sector in Nigeria.

STEERING COMMITTEE

ADVISORY COUNCIL   ⟷   **SECTRETARIAT**

RELEVANT REGULATORY ORGANIZATIONS

MONITORING AND EVALUATION TEAM

4.1 NOS Governance Structure

The NOS governance structure consists of the following

1. IT Enabled Services Advisory Council
2. NOS steering committee,
3. NOS Ecosystem Secretariat
4. Relevant organizations

4.2 IT Enabled Services Advisory Council

The Advisory Council has a critical role to play in ensuring the achievement of the plan in supporting the steering committee with industry feedback. Considering that the industry is largely private in Nigeria and the achievement of the NOS strategy will be heavily dependent on investment and alignment of private and public sector interests, open and frequent engagement between government and the very senior leadership of the services companies, industry associations and other players will be required to ensure successful outcomes.

Members of the advisory council are independent experts recruited to provide insight on ITES BPO industry to the government based on their skills and experience. Members are appointed by the Minister of Communications and Digital Economy with advice from the NOS Ecosystem Secretariat. This will require government to work with private sector organizations, civil society and developmental partners to ensure that the enabling environment is created for the requisite levels of investment that would ensure realization of the plan.

4.2.1 Functions of the IT Enabled Services Advisory Council:

The council is responsible for providing independent expert advice to the steering committee and the wider leadership of the Digital Economy sector in Nigeria. These advisory services may involve discovery of new trend in the industry and proposal for actions by government that will be necessary to guide the industry accordingly.

4.3 NOS Steering Committee

The steering committee is composed of Ministers that hold specific and critical sectors of the economy and will be chaired by Honourable Minister of Communications and Digital Economy.

The IT Enabled Services industry spans across education, commerce, trade, justice, labor, communications, youth and sports, finance and planning portfolios in Nigeria. The Steering Committee under the guidance of the Honourable Minister will be tasked with providing the high-level political support and strategic decision and interventions.

◼ 4.3.1 Functions of the Steering Committee

The steering committee are to:

1.   Provide the political will and overall leadership for the implementation of the NOS;
2.   Give directives to the NOS secretariat and relevant stakeholder organisations for effective implementation of the NOS;
3.   Perform other functions as may be deemed fit or directed by Mr President for the realization of the objectives of the NOS and national IT enabled outsourcing in Nigeria

◼ 4.4 NOS Ecosystem Secretariat

The NOS ecosystem secretariat carries out administrative and secretariat functions for the steering committee and provides a one-stop-shop point of contact for all sector governance structure and relevant organisations. The National Information Technology Development Agency (NITDA) will chair/head the NOS ecosystem secretariat.

4.4.1 Functions of the NOS Ecosystem Secretariat

The NOS ecosystem secretariat carries out administrative and secretariat functions for the steering committee and provides a one-stop-shop point of contact for all sectorgovernance structure and relevant organisations. The National Information Technology Development Agency (NITDA) will chair/head the NOS ecosystem secretariat.

The NOS ecosystem secretariat shall:

1.   provide administrative and secretariat functions for the steering committee;
2.   Liaise with all relevant organisations to coordinate the implementation of NOS; and
3.   perform other functions in the interest of relevant organisations, the NOS ecosystem and as may be deemed fit or directed by the steering committee.

4.5 Relevant Organisations

Relevant organisations are grouped into three. They include public sector organizations, Private sector organizations and industry associations. These relevant organisations from the public and private sectors are organisations that are critical to the development and regulation of the Nigeria's outsourcing industry.

4.5.1 Functions of Relevant Organisations

Public Sector Originations:
1. receive policy direction from the steering committee through the NOS ecosystem secretariat;
2. support and implement the policy directives of the steering committee as related to their mandates and strategies;
3. support the NOS ecosystem secretariat and NITDA in implementing the NOS action plan and other programmes;
4. perform any other functions as related to the mandates and mandates of their organizations.

Service Providers:
1. Support the Government through compliance with regulation and maintaining high ethical standards.
2. Register with regulators and comply by guidelines established to ensure trust in Nigeria's outsourcing industry.
3. Build and promote Nigeria's outsourcing industry by providing quality services to outsourcers around the world.

Industry Associations:
1. Promote the industry through partnerships and collaboration.
2. Work in collaboration with service providers and Government to improve Quality of Service (QoS) and preserve the integrity of the system.
3. Help promote healthy competition among service providers by ensuring good practices.
4. Organise campaigns and seminars to promote ITES BPO in Nigeria and seek more citizenry engagements.
5. Support the Government in monitoring the activities of the service providers.

■ 4.6 Monitoring and Evaluation Team

The monitoring and evaluation team will be responsible for monitoring progress within the outsourcing industry and evaluating the progress against the set goals and objectives for the NOS. The team will define metrics such as Key Performance Indicators (KPI), Key Risk Indicators (KRI) and Key Goal Indicators (KGI) in order to monitor and evaluate the progress of the NOS against its set goal and objectives. The team shall be comprised of members from private and government organisations.

■ 4.6.1 Functions of the Monitoring and Evaluation Team

The monitoring and evaluation team shall:

1. develop an operational monitoring and evaluation framework;
2. define metrics for the measurement of the achievement of the NOS goal and objectives;
3. report risks that can prevent the achievement of the goal and objectives of the NOS;
4. report progress made in the implementation of the NOS and the achievement of goal and objectives

health of the market

NATIONAL OUTSOURCING STRATEGY
IMPLEMETATION PLAN
2023 - 2027

NiTDA

4.0
Implementation Plan

	NOS PILLAR					
	Strategic Pillar	**Outsourcing Governance**				
	Pillar Objective	**The objective of this pillar is to develop and implement a reference model for creating a governance structure for the National outsourcing campaign**				
S/N	**Initiative**	**Initiative Objective**	**Responsibility**	**Timeline**	**KPI**	**KGI**
1	Constitution of a outsourcing governance committee (OGC)	Ensure that a committee is constituted to drive the outsourcing governance	FMoCDE, NITDA, NDPB, FMITI, Private organisations	Q2, 2023	Timeline for the constitution of the OGC committee.	Constitution of the OGC committee by the end of Q2, 2023
2	Development of the outsourcing governance model(OGM)	Ensure the development of an effective outsourcing governance model	OGC	Q3, 2023	Timeline for the completion of the (OGM)	Completion of the OGM by the end of Q3, 2023
3	Stakeholders' engagement and adoption of the OGM	Improve the quality of the OGM and ensure industry adoption	FMoCDE, NITDA, NDPB, FMITI, Private organisations, OGC	Q4, 2023	Timeline for the completion of Stakeholders engagement	completion of Stakeholders engagement by beginning of Q4, 2023

NOS PILLAR						
	Strategic Pillar	**Infrastructure**				
	Pillar Objective	The objective of this pillar is to create an enabling environment for increased investments and deployment of technologies and infrastructure that will accelerate the promotion of the country's human capital for the purpose of outsourcing.				
S/N	**Initiative**	**Initiative Objective**	**Responsibility**	**Timeline**	**KPI**	**KGI**
1	Advocacy for implementation and realization of the Nigerian Broadband plan 2020 - 2025	To ensure the rapid development of a broadband Internet and bridge the digital divide across the country, as well as, foster broadband usage for National development.	NITDA, NCC, NOA, FMIC, FMOCDE, NIGCOMSAT, GBB, NIPOST, NAN , Relevant Stakeholders	2023-2025	% of Broadband Penetration	70% Broadband Penetration by 2025
2	Upgrade and expansion of ICT infrastructure and power Nationwide.	To Facilitation and support of the development of efficient and secure nationwide ICT infrastructure including power, data, and computing centres, which will deepen National broadband penetration and expansion of digital services.	FMCDE, NCC, NITDA, GBB, NIPOST, NERC, SMEDAN, REA, NIGCOMSAT	2023-2026	% of Nigerians with access to computing resources	40% of Nigerians with access to computing resources by 2026

Na	3	Accelerated deployment of fibre optic and wireless backbone infrastructure Nationwide.	To accelerate the penetration of reasonably priced broadband internet to bridge the digital divide across the country.	STATE GOVERNMENTS, NCC, COMMUNITIES, FMCODE, ONSA, NPF, NITDA, NIPC, FIRS, Telcos, ISPs	2023-2026	% of Nigerians with connectivity at home	40% of Nigerians with connectivity at home by 2026.
	4	Acceleration of the ongoing power sector reforms.	To provide reliable accessible, secure, and reasonably priced electricity to national and international companies	NERC, FMCODE, FMITI, NCC, NITDA, NERC, REA, NOA and Stakeholders, Electric Power Companies	2023-2026	% of Nigerians with access to electricity at home	60% of Nigerians with access to electricity at home by 2026.

NOS PILLAR	
Strategic Pillar	**Human Capital Development**
Pillar Objective	The objective of this pillar is to ensure that citizens and organizations acquire the relevant knowledge and skills to build a critical mass that will position the country for the global outsourcing industry.

S/N	Initiative	Initiative Objective	Responsibility	Timeline	KPI	KGI
1	Inventory of global in-demand service-oriented skills.	To identify in-demand service-oriented skills for Nigeria's outsourcing campaign.	FMCODE, NITDA, FME,	Q2 2023	Number of identified in-demand service-oriented skills.	Complete inventory of in-demand service-oriented skills by Q2 2023.
2	Development and promotion of a centralised and free e-learning platforms for skills acquisition by Nigerians.	To increase the number of Nigerians with IT and non IT service skills.	FMCODE, NITDA, FME, CPN, COREN, SMEDAN, ITF, NUC, NBTE, NCCE, NCC.	2023-2025.	Number of Nigerians with IT and non IT service skills.	100 million Nigerians with IT and non IT service skills by 2025.
3	Coordinate internship opportunities for undergraduate students by liaising with the Industrial Training Fund, Industry association, Private Sector and International organization	To promote the development of specialized skilled personnel through targeted trainings.	ITF, NITDA, FML&E, NCC, FMCODE	2023-2026	Number of students supported to internships per 1000 students	90% of students supported to internships per 1000 students by 2026.
4	Coordinate post-graduate internship through the National Youth Service Corps and Suitable Outsourcing players	To equip young graduates with in-demand ICT skills to improve their	NITDA, NYSC, FME, FMYS,FMCODE	2023-2026	Number of internships secured per 1000 applicants.	90% of internships secured per 1000 applicants by 2026.

		employability in this ICT driven globe.				
5	Introduce mandatory training and appropriate courses in STEM at all tiers of education	To close the industry-academia gap by regular assessment in areas of STEM	FME, UBEC, NCC, NITDA, FMCODE, NUC, NBTE, NCCE	2023	Number of courses mandated supporting industry skills	100% of courses mandated supporting industry skills by 2023
6	Encourage continuous training for professionals on ITES-BPO related matters through specialized training institutes	To promote the culture of lifelong learning using e-education platform.	FMCODE, FME, FMITI, FMYS, NCC, NITDA, ITF, NDE	2023-2026	% increase in the number of professionals that are trained on ITES-BPO	50% increase in the number of professionals that are trained on ITES-BPO by 2026
7	Foster an ICT driven educational administration environment	To promote the culture of lifelong learning using e-education platform.	FME,FMCODE, NUC,NBTE,NCCE, COREN, CPN, NITDA	2024	Number of education stakeholders using ICT tools	50% increase in the number of education stakeholders using ICT tools by 2024
8	Train and retool teachers and facilitator at all levels, to enhance their STEM competence.	To support training and capacity building among public sector employees in the development and use of ICT tools and applications to improve the delivery of government services.	FMCODE, FME, NUC, UBEC, NBTE, NCCE, NITDA, CPN, COREN	2023-2026	Number of teachers and facilitators retooled per 1000	90% of teachers and facilitators retooled per 1000

	NOS PILLAR	
	Strategic Pillar	**Trust, Privacy and Security**
	Pillar Objective	The objective of this pillar is to address information security and cybersecurity risks involved in outsourcing in Nigeria.

S/N	Initiative	Initiative Objective	Responsibility	Timeline	KPIs	KGI
1	Review of existing laws related to Information/cybersecurity, privacy, intellectual property and patents regulations	To ensure that these laws meet international benchmarks	FMITI, FMJ, FMCODE, FMFBNP, NCC, NITDA, FCCPC, NDPB	2023-2026	Appropriatness of existing laws for offshore outsourcing	Existing laws must be appropriate for offshore outsourcing
2	Improve collaboration between Stakeholders	Increased response rate to emerging challenges in areas of trust, privacy and security	FMCODE, FMITI, FMJ, NITDA, ONSA, NPF, NITDA, NCC	2023 - 2026	Ranking of Nigeria on cybersecurity	50% increase in the ranking of Nigeria on cybersecurity
3	Reduce information security and cybersecurity knowledge and skills gap in the Nigerian outsourcing industry	To ensure there is sufficient manpower and capability to address information security and cybersecurity risks in the Nigeria outsourcing industry	ONSA, NDPB, NCC, NITDA, FMCODE, FMJ, NPF, FCCPC	2023 - 2026	% increase in information security and cybersecurity knowledge and skills in the Nigerian outsourcing industry	50% increase in information security and cybersecurity knowledge and skills in the Nigerian outsourcing industry

NOS PILLAR		
Strategic Pillar	**Branding and Promotion**	
Pillar Objective	The objective of this pillar is to develop and promote Nigeria's outsourcing brand to the rest of the world.	

S/N	Initiative	Initiative Objective	Responsibility	Timeline	KPI	KGI
1	Promotion of the Nigerian outsourcing brand in local and international outsourcing events	To create opportunities for networking and promotion of outsourcing opportunities.	FMCODE, FMITI, NITDA, NCC, NEPC, NIPC, FME, FMFA	2023-2026	% increase in the number of promotions in outsourcing events.	50% increase in the number of promotions in outsourcing events by 2026.
2	Mass campaign of the Nigerian outsourcing industry on international social and traditional media platforms	To increase global visibility of the Nigerian outsourcing industry	NOA, NIPC, FMITI, FMCODE, NITDA, NCC, NDPB, FMIC, FMYS, FM, VON	2023-2026	Number of international media campaigns undertaken	50% increase in the number of international media campaigns undertaken by 2026

3	Funding of objective market research will be carried out by credible and renowned firms to explore avenues for competitive sectors to harness ICT opportunities.	To provide data and research on the demand and supply of services and boost confidence and visibility of the Nigerian Market	FMCODE, NCC, NITDA, NIPC, NEPC, FMITI, FMFBNP	2023-2026	Number of reports and studies funded annually	50% increase in the number of reports and studies funded annually by 2026
4	Collaboration of key players in the industry will be encouraged to pool resources to generate value adding product and services. Incentives will be offered for companies to invest resources towards Research and Development and creation of enhanced marketing methods	To support stakeholders to collaborate toward presenting a market build on cooperation of local players	FMIC, FMITI, FMCODE, NCC, NITDA, FMFBNP, FMFA	2023-2026	Number of supported organizations undertaking research to promote the industry	50% increase in the number of supported organizations undertaking research to promote the industry by 2026

	NOS PILLAR					
	Strategic Pillar	Innovation and Enterprenuership				
	Pillar Objective	The objective of this pillar is to develop the Nigeria innovation and entrepreneurship ecosystem to support the development and growth of the outsourcing industry in Nigeria.				
S/N	**Initiative**	**Initiative Objective**	**Responsibility**	**Timeline**	**KPI**	**KGI**
1	Simplify procedures for opening and closing a business	To improve Nigeria investment ranking and ease of businesss	CAC, FMITI, FMCODE, FMFBNP	2024	Number of days to open businesses including all permits	3days to open businesses including all permits
2	Provision of funding for innovation to simplify access to subsidized credit facilities for startups	To increase the number of startups in Nigeria that are able to contribute to global value chains	BOI, DBN, CBN, NITDA, NCC, FMITI, FMCODE, FMFBNP	2023-2026	% of viable startups with access to funding in NIgeria	50% of viable startups with access to funding in Nigeria
3	Provision of incentives for tax relief to encourage entrepreneurship in outsourcing	To promote the growth of companies and increase the diversity of services offered across zones in Nigeria	CBN, FMFBNP, NCC, FMITI, FMCODE, DBN,	2023-2026	% of viable companies with access	50% of viable companies with access

4	Expansion of R & D with adequate funding, infrastructure, institutional capacity, simplified tax incentives and alignment with national development plans.	To promote enabling environment for innovation	FMYS, FMCODE, NCC, NITDA, FMITI	2023-2026	Number of patents registerd	50% increase in the number of patents registered

NOS PILLAR		
Strategic Pillar	**Finance and Incentives**	
Pillar Objective	The objective of this pillar is to develop mature incentive frameworks spurring growth and ease of cross border financial flows	

S/N	Initiative	Initiative Objective	Responsibility	Timeline	KPI	KGI
1	Provision of tax incentives to startup outsourcing companies	To support the accelerated growth of the Nigerian outsourcing industry	FIRS, FMFBNP, FMCODE, FMITI	2023 - 2027	Number of startup outsourcing companies enjoying tax incentives	100% of startup outsourcing companies by 2027
2	Increase funding for the outsourcing industry	To support the accelerated growth of the Nigerian outsourcing industry	FMFBNP, CBN, NITDA, FMCODE, NCC, FMITI, NEPC, NIPC, Relevant Private Companies	2023-2027	% increase in funding the outsourcing industry	50% increase in funding the outsourcing industry
3	Encourage payments solutions innovation to enhance cross border transactions	To support cross border financial flows and strong markets	FMFBNP, CBN, NITDA, FMCODE, NCC, FMITI, NEPC, NIPC, Relevant Financial Organisations	2023-2026	% increase in digital cross border finacial flows	50% increase in digital cross border finacial flows

Review and Updates

Considering the fast-evolving nature of IT and ITES-BPO industry, it is important that the Strategy remains up to date and reflects the needs of the ITES-BPO industry and other global requirements/standards at any time. As such, there is a need for the framework to be reviewed and updated regularly. The framework will be reviewed and updated biennially (i.e. every two years)or whenever there is an urgent need for review. Any such review shall go through a transparent and multi-stakeholder process for buy-in and confidence building within the industry.

Conclusion

The government has identified the need to facilitate the development of the IT Enabled Services-BPO sector to create new jobs to respond to the economic downturns caused by the global covid-19 pandemic and create prosperity for Nigerians.

It also seeks to increase foreign direct investment and knowledge transfer for the achievement of sustainable development goals. With this Strategy, Government commits to the sector's rapid development and will strengthen the industry through targeted interventions and partnerships. This Strategy shall propel Nigeria into the top global ITES-BPO destination and open the country to limitless opportunities in a fast-paced, data-driven world.