THE FEDERAL REPUBLIC OF NIGERIA

FEDERAL MINISTRY OF INDUSTRY, TRADE AND INVESTMENT (FMITI)

GROWTH AND EMPLOYMENT (GEM) PROJECT

CREDIT No. 4882-NG

CALL FOR PROPOSALS FOR DEVELOPING AND IMPLEMENTING A BUSINESS PLAN FOR SUSTAINABLE TRAINING, MENTORSHIP AND JOB PLACEMENT OF FULL STACK MOBILE AND WEB SOFTWARE DEVELOPERS UNDER THE INNOVATION GRANTS WINDOW.

BACKGROUND

The **Growth and Employment (GEM) Project,** a World Bank funded project implemented by the **Federal Ministry of Industry, Trade and Investment (FMITI)** is pleased to invite proposals from **existing businesses** with innovative & viable business ideas to develop a sustainable training programme delivering market driven full stack mobile and web developer training to Nigerian ICT graduates. Trainees will graduate with market demanded skills, and during training will have been exposed to potential employers or have gained experience navigating outsourcing platforms. The proposed model must demonstrate financial sustainability beyond GEM support, and show how it will continue to evolve such that as market skills requirements change, the training and training resources adapt to meet industry needs. GEM will support detailed design, establishment and piloting of the model, during which pilot phase 250 trainees will be taken through to graduation. Success criteria for the support will include placement of graduates with employers, or validated evidence of viable self-employment being undertaken.

At the end of the pilot, Nigerian ICT graduates will therefore have access to an affordable, accessible, evolving and ongoing market driven full stack / web developer training programme. The ICT industry will have access to an ongoing supply of trained employees that meet their skills needs. Proposals will in part be appraised on innovative ways of ensuring post-graduation employment or self-employment for trainees. The business model should indicate sustainable self-funding capacity upon conclusion of the GEM funded pilot. Applicants for the grant are strongly advised to partner with an institution or consortium (academic institutions, industrial centres,

research institutions, business membership organisations, and non-governmental organisations) for the domiciliation of the training in order to sustain the training project beyond GEM funding.

The Information Technology sector continues to sustain its position as the fastest growing industry in the Nigerian economy, spurred by the liberalization of the sector in the early 2000s. The industry's contribution to the Gross Domestic Product (GDP) grew from less than 0.5% in 2001 to 11% in 2015 (Adepetu, 2015). With a population in excess of 160 million (about 70 million of which are youths), the ICT industry has the potential to drive the national economic growth at the much desired double-digit rate. Software development is a key driver of a new world that is advanced by ICT knowledge. There are many opportunities for the software industry in Nigeria given the low capital entry requirements. The major requirement for the software industry is human capital and with the country's size and abundant supply of low cost computer science graduates, Nigeria stands a chance to provide highly skilled professionals with absolute wage comparative advantage in the international software market. Nigeria is Africa's busiest ICT market because of the trading, importing and consumption in ICT, but consumption is not a strength in the new economy (Jide Awe, undated). The value chain consists of the creators, distributors, resellers and consumers. To make sense of the ICT revolution, Nigeria should ensure that it carves out a niche in the high value, creative portions of the value chain. Software opportunities can unleash the potentials of the Nigerian nation. With its large, youthful, educated and enterprising populace, software provides Nigeria with a unique opportunity. There is a big opportunity to remake the software space because of the fundamental shift of the software business focus from just the corporate market to the consumer experience. Localization of software makes software relevant - the use of local language content promotes digital inclusion for all. Software localization deepens inclusion when it includes the adaptation of software (translation, design, icons and graphics) to fit a local cultural context and environment. Software presents Nigeria with an opportunity to take a high up position in the global ICT value chain.

Currently, the Nigerian software industry is largely made up of companies importing and servicing foreign made applications, some of these companies work to adapt foreign applications to Nigerian demands. The primary consumers of software from these companies are corporate Nigerian and multinational companies resident in Nigeria (H. Abimbola Soriyan & Richard Heeks, 2004). Beyond the Nigerian market however, the Global Software Development (GSD) market is worth $407.3 billion (Odusote, 2015). Major work from the international GSD market is outsourced to developing countries with lower incomes, mostly in Asia. In Africa, South Africa, is the largest supplier in the GSD market (Sanjay Misra, 2006). Nigerian foreign receipts from the international outsourcing industry is largely insignificant and Sanjay Misra (2006) identified several factors in interviews with European software experts as responsible for Nigeria's inability to take advantage of the GSD market. **Motivators in favor of business with Nigeria included**: Cost cutting, Language, Time zone proximity (to Europe) and Human capital availability. **Factors militating against doing business with Nigeria were identified as**: Ability to identify the appropriate contacts and partners, Adaptability and flexibility in contacts and negotiations, Shortage of companies providing software services, Differences in professional practice, Cultural distance that

leads to team management issues, Investment in training and human resource development and Traditional social and political instability.

From the above it can be seen that the main challenges of the GSD market in Nigeria is that of insufficient talent and training as well as a lack of reputable Outsource Service Providers (OSP) to serve as the intermediaries and suppliers of talent to the outsourcers. There is therefore a need for quality training as well as quality OSPs that will remove the burden from the outsourcer, who is sometimes forced to establish a direct process of recruiting human and technological resources; a complex task and leads to an increase in both direct and indirect cost; (see Sanjay Misra, 2006). H. Abimbola Soriyan & Richard Heeks, 2004, in a survey of industry professionals in the software industry noted that our universities do not produce graduates with the kind of competencies that software firms require. As a result of this, companies spend considerable resources in training of newly recruited staff to meet software development industry demands. A large number of our software professionals are also self- taught (www.cdnetng.org).

Though the concept of training Nigerian youth in software technology is not new to Nigeria, there is significant scope to scale up the number of new youth acquiring the expertise and help in guiding and mentoring software developers to improve the overall revenues for the industry. Discussions with professionals in the industry indicate that part of the problem associated with training is cost, as skilled trainers are expensive to hire. Secondly, with the absence of quality OSPs, computer science graduates and young people who would like to invest in software development skills do not have an assurance that these skills would be engaged immediately upon completion of training.

Objectives

The project's key objective is to spur the software industry by supporting a pilot training and job engagement model that for the first year covers the high cost of training full stack developers. Subsequently, by mentoring and engaging graduates of the training in jobs within and outside Nigeria, the project will create more demand for training, thereby encouraging entrepreneurs to invest resources in the business of training software developers and setting up more OSPs catering to the software development industry in Nigeria.

The proposal should address the following areas:

a) Training requirements, which will include the curriculum, schedule of training, as well as comprehensive profile of the training facilitators and trainers.

b) Infrastructure needs to accommodate the training, covering hardware and software requirements as well as venue requirements

c) Selection criteria for screening and acceptance of trainees into the programme, and fairly handling the expectations and time / financial input of the likely heavily over-subscribed applicants.

d) Sustainability/business plan for trainees upon completion of training programme to include absorption of successful graduates into business and/or partnerships with institutions that will utilize services of the graduates as well as mentorship.

e) Development and testing of a comprehensive sustainable training business model that will be maintained, and continue to evolve to meet the changing skills needs of the market, after GEM support has finished.

f) The applying organization's contribution to the training program – in terms of investment in cash or kind.

g) Profile and background of partner firms who may be in consortium with the applying organization for delivery of the project.

For this Call for proposal, it means that the business plan and the budget should result in:

(a) The creation of a steady supply of employment-ready graduates who are fully equipped to utilise their software developers training in the creation of new businesses and/or easy absorption into the job market with in-demand skills.

(b) Development of a sustainable business model that guarantees work engagement of fully trained software developers.

Interested firms should provide information required in the prescribed formats and as per the guidance provided below.

- The submission deadline will be **February 16, 2018** at mid-night West Africa Time (GMT+1 hour). Any applications received after this date shall not be processed.

Rules and Guidelines for participating firms

Please review carefully. Any application that does not follow the rules and guidelines presented below will NOT be considered.

1. **Eligibility criteria for application under the GEM Innovation grant window:**

Firms which GEM will consider for funding under this window must meet the following criteria:

- The lead firm must be a for-profit private sector company(s), partnership(s) or sole trader(s) registered with the Corporate Affairs Commission of Nigeria.

- The organisation and companies in the consortium must have been in operation for at least three financial years and must submit have financial statements for the last 3 years in operation;

- The firm must provide matching cash or cash-equivalent funds of at least 40 percent of the total project budget. Allowable cash equivalent funds are as follows: training venue and accommodation space, existing equipment and existing technologies (patented, trademarked or licensed);

- The firm must satisfy the requirements on Environmental and Social compliance as detailed in Section F of the application Form;

- The GEM funding requested must be utilized within 15 months;

- The applying organisation must have experience in the Information, Communications and Technology (ICT) sector.

- GEM funding must be requested for utilization on the following eligible costs or activities based on a business plan – to be submitted during the application:

    (a) Technical assistance such as training, consulting services, outsourcing services, information dissemination, defining & implementing industry standards; and

    (b) Equipment and goods related to a specific business idea.

2. How to apply

Follow the steps given below:

a) Log on to the Business Innovation and Growth (BIG) Portal at www.bigportal.org.ng and download the required forms from the application window

b) Complete the Business Plan Application Form template and the Project Financial Modelling template;

c) Submit the forms in section (b) and upload to the website.

Please note that no submissions will be accepted on any other platform or a different email address. Handwritten submissions will not be accepted.

3. List of documents to provide to GEM

In addition to filling up the Business Plan Application Form and the Project Financial Modelling template, the firms must submit the following additional documents;

In addition to filling up the Business Plan Application Form and the Project Financial Modelling template, the firms must submit the following additional documents;
- Scanned original copy of business registration with the Corporate Affairs Commission (CAC) of private firms as well as scanned copy of the law establishing any institution that may be involved in delivering the training;

- Scanned copies of Federal Government of Nigeria issued identification (such as international passport, National identity card or driver's license) of the business owner(s);

- Scanned copy of the annual financial statements of the immediate past year;

- CVs of the business owner (s) and other key people that will be involved in implementing the activity in line with staffing section in the application form; and

- Copy of articles and memorandum of association for limited companies, or any other document with similar details for other forms of business.

4. Selection Criteria

Applications will be evaluated based on the following criteria:

- **Quality of the Curriculum and Training Program**: The training curriculum should be comprehensive and address all areas required to master all the front-end technologies and back-end web and mobile technologies. The curriculum should cover most used programming languages as well as databases and user interfaces. Trainees should develop a solid foundation for working with servers and host configurations, performing database integrations, and troubleshooting front-end development issues. The curriculum and business plan should include a model for updating and evolving the curriculum and training staff skills in a rapidly changing high tech industry

- **The Quality and Qualifications of Trainers:** The business proposal should include the profiles of the proposed trainers who are to be engaged to conduct the training. Partnerships with major national and international IT training companies as well as ICT companies will be an added advantage.

- **Mentorship and Job Placement of the Participants:** The business proposal should include a business plan to engage successful graduates from the program as part of an overall business model that mentors the new graduates of the programme, and also grooming trainees to undertake outsourced IT jobs from within and outside Nigeria. The proposal should include partnerships as described above.

- **Sustainability of the Training Program**: The business proposal should detail how the training will be continued profitably as a business concern upon cessation of GEM's support. Financial viability of the proposed plan will be assessed on aspects such as the extent and mode of counterpart funding, Completeness and soundness of the financial model including capital cost outlay, fund utilization, P&L and Cash flow projections. Further, the business plan will be assessed for feasibility of proposed revenue models and proposed fee for trainings or services. In addition, a very important area of assessment is the sustainability of the proposed revenue models. Partnership with an educational institution in Nigeria will be an added advantage. For Counterpart funding and/or partnership evidence, please include MOU or LOI (Letter of Intent), and a clear explanation of the incentives for the named partner to be involved, as well as evidence of the resources

that the named future resourcing partner will bring to the model (this doesn't have to be firm at this point and can be along the lines of a prospective partner showing interest upon fulfilment of conditions by the applying consortium)

- **Implementation & Operational Viability:** The following aspects will be assessed as part of the evaluation: Capacity of the business as well as partner firms and institutions, as well as track record, technical capabilities and proposed approach for delivery, soundness of proposed implementation plan and feasibility of achieving proposed milestones, qualifications of key staff of the firm, proposed operational risk(if any), mitigation plan to address risks such as those arising from external systemic constraints that would limit the viability of the proposed idea.

5. Selection Process

Selection of successful firms will occur in 4 stages:

1. **Submission of proposals.** Interested organisations submit their applications through email by the closing date specified above.

2. **Screening of applications.** The applications will be screened for conformity to the eligibility criteria as described in the eligibility criteria section. Applications meeting the eligibility criteria will be further evaluated against the selection criteria described in the previous section. Unsuccessful applicants will be notified by email.

3. **Panel presentation**. Shortlisted organisations will be contacted along with a formal request inviting them for a panel presentation. Firms will present their business case to a jury who will select viable proposals for funding.

4. **Site visit**. A verification visit to the business location will be conducted. During this visit, information provided as part of the application will be verified.

IMPORTANT POINTS FOR APPLICANTS

- The application and required documents must be submitted through email. Hand delivery submissions will not be accepted.
- Business Plans and Financial Models must be submitted using the prescribed application format only. The templates for both the Business Plan Application Form and the Project Financial Modelling are available for downloading from the BIG Portal
- An organization cannot submit more than one application.
- Submissions must be submitted in the English language only.
- Please note that all business information details provided in the application should be correct, or else the submission will be liable for disqualification.

- Incomplete applications will NOT be considered. Any missing document will flag the submission as incomplete, making it ineligible for consideration.
- Handwritten Business Plan forms or financial modelling templates will not be accepted.

For any further enquiries or clarifications interested firms can send their questions to the email gem.project@ng.pwc.com on or before.

References

Adepetu, Adeyemi (2015, 09) 'Nigeria's ICT contribution to GDP nears 11%'

Retrieved from https://guardian.ng/technology/nigerias-ict-contribution-to-gdp-nears-11/

Awe, Jide (undated). Software Nigeria-The software industry in Nigeria. Retrieved from http://www.jidaw.com/nigeria/nigeriasoftware.html

Odusote, Ayodeji (2015,07) Nigeria: Taking Advantages of Software Development Economic Dynamics. Retrieved from https://guardian.ng/business-services/nigeria-taking-advantages-of-software-development-economic-dynamics/

H. Abimbola Soriyan & Richard Heeks (2004) A Profile of Nigeria's Software Industry. Retrieved from http://www.sed.manchester.ac.uk/idpm/publications/wp/di/index.htm

Sanjay Misra (2006). Global Software Development: Challenges and Opportunities in Nigeria: Public Lecture Series. Vol. 4 No. 5, September 2015

Software Development In Nigeria. Retrieved from https://www.cdnetng.org/?q=node/6121&page=0,1