



ICT SECTOR REVIEW AND PRIORITIZATION



By SSA ICT_VP

April 2011

ICT SECTOR REVIEW AND PRIORITIZATION

April 2011

TELECOMMUNICATIONS (ICT) & POSTAL SERVICES

This thematic area deals with two main chapters; Information and Communication Technology (ICT) and Science Technology and Innovation (STI). It also contains the sub-sector; Postal Services. The thematic area compliments the human capital development thematic area in the sense that it aims at enthroning knowledge, as the main driver of the economy. In that respect Education becomes the pillar for national development. ICT, STI and Postal Services are strategic for effective penetration and diffusion of knowledge.

S/n	Current Priority Projects	Current situation	Priority/Private Sector Involvement	Recommendations/ Key Reforms
1.	<ul style="list-style-type: none"> Super Corridor: Government recognizes ICT is the key enabler for the Knowledge Based Economic (KBE), and the need to put in place necessary ICT infrastructure (broadband) to provide the appropriate platform for effective governance and seamless business and commercial transactions. Local Content Development: Assessing and building the critical mass of human capital through comprehensive revamping of the educational and training systems to stimulate creativity, adaptability, life-long learning, brain-gain, vocational training, technical training etc.; Infrastructure: Fast-tracking development of ICT 	<ul style="list-style-type: none"> Disjointed and Inadequate policies coupled with the absence of legal and regulatory frameworks; lack of unified regulations between NCC/NBC/NITDA/NIMC etc Duplication of projects and inappropriate costing and poor funding of projects and programs; and lack proper M&E Weak Public Private Partnership (PPP) framework that is militating against active participation of the Private Sector; Inadequate and weak institutional framework precluding seamless synergy between existing ICT based institutions; 	<ol style="list-style-type: none"> Sustained human capacity development through creation of knowledge or technical skills by creation the enabling environment for Nigeria to be the next preferred outsourcing (BPOs & ITes) destination in Africa. Create favorable and friendly investment and enterprise environment through tax-free incentive and trade policies legal, regulatory and institutional frameworks to stimulate foreign and local investment in ICT as were done in India. Enhancing Public Sector Partnership in project funding, financing and management 	<p>Positioning the Country to be the major Off-shoring Destination in Africa will mobilize all needed infrastructure and human capital development as well as streamline and harmonize all ICT related projects which can create 2 million jobs within a year, with 4 million indirect jobs created.</p> <p>Reform the Federal ICT Structure by creating Ministry of ICT and bring all ICT related service Agencies and Department under it in order to avoid duplication of ICT projects, build redundancy and harmonize activities. Create all MDAs Web-portal and enforce internal communications through the portal</p> <p>Further liberalization of the telecommunications sector will drive cost down; create healthier competition and better service. Under the liberalization policy, providers must be compelled to create and locate their support</p>

	<p>infrastructure, info structure, penetration and diffusion to ensure universal access to bridge the digital divide;</p> <ul style="list-style-type: none"> • Info Security: Encouraging software development (English, Hausa, Igbo and Yoruba) and foster conducive environment (Security, authentication, privacy, consumer protection, Intellectual property rights etc); • R&D: Re-invigorating and refocusing STI and R&D in tertiary institutions and Research institutes to stress innovation and knowledge based product development and services; • ICT Projects: Restructuring the financial system to provide appropriate and affordable financing products to support KBE activities; • Repositioning of the public sector for effectiveness, efficiency and proficiency in knowledge acquisition, utilization and management; 	<p>and lack of ICT infrastructure and Info structure</p> <ul style="list-style-type: none"> • Poor state of the nation' physical and social infrastructure (particularly power & broadband) • Lack of an effective effort to mobilize all Nigerians and fast track ICT penetration, access and affordability. 		<p>centers in Nigeria based on their number of subscriptions.</p> <p>The key drivers for domestic outsourcing include the following:</p> <ul style="list-style-type: none"> • Affordable and reliable bandwidth through satellite, microwave, fiber • One-Stop-Shop Cyber Laws • High ICT Human Capacity • Available ICT infrastructure • Creation of an Apex Body to regulate BPOs and Partner with World BPO organization e.g. INDIA NASSCOM
2.	<ul style="list-style-type: none"> • The Postal system is a sub-key result area for the KBE. The extensive network, penetration into rural areas and variety of services it can offer make the postal system, a necessary tool for 	<p>Lack of clear delineation of roles, level-playing field and responsibilities in the postal sector</p>	<ul style="list-style-type: none"> • Transforming NIPOST into an autonomous and financially viable postal company, providing low cost universal postal services and a broad range of service including basic financial Services, government services , 	<ul style="list-style-type: none"> • Create a level playing field for postal operators in Nigeria • Nigeria must be admitted to the Universal Postal Union to enable it to participate in international technical

	the promotion social, financial and digital inclusion.		It services and retail Services, using the nation-wide retail network of postal services.	assistance programs and accounting facilities within the union. This will create the necessary drive to properly reform the sub-sector through e-posting
--	--	--	---	--

Key Discussion Areas:

Nigeria must possess the knowledge stock and the type of technological capability that can kick start and sustain an industrial revolution in the style of China, India and the East Asian newly industrializing countries

The Telecommunications and Postal Sectors Reform Project will assist the government in developing a legal, regulatory, and institutional framework for delivering competitively-priced and high quality telecommunications and postal services

Demographic shifts will fuel the growth of new sectors, markets, and service lines: The ability of our diversity to build strength and unity is the power that will propel the organization and consequently, the Nigerian industry, into new dimensions of performance.

PERSPECTIVE 2020: KEY MESSAGES: Transform Business, Transform Nigeria

Reinventing Business Models

80% of incremental growth can be achieved solely through “offshore and low-cost” proposition.

Providers will see the benefit and begin to consider distinctive approaches, each building on a source of competitiveness, with distinct performance markers and imperatives

Fostering Innovation in Business

Nigeria can become a laboratory for innovation for the world and own business systems in at least 3 areas – energy efficiency, internet applications, and business process outsourcing (BPO)

Catalyzing Inclusive Growth Through ICT - Nigeria as a trusted global hub for professional services

ICT-enabled solutions in healthcare, education, financial services and public services can drive socio-economic inclusion of more than 30 million citizens each year, faster, cheaper and more effectively than traditional models.

OTHER SERVICES

The services sector comprises domestic trade, tourism/hotel and restaurant, transportation, post and telecommunications, social services, utilities, finance and

insurance, real estate, etc. This sector remains a major growth driver in the economy, accounting for 65.89% and 54.89% of the total GDP growth in 2008 and 2009 respectively.

S/n	Current Priority Projects	Current situation	Priority/Private Sector Involvement	Recommendations/ Key Reforms
1	The Vision 20:2020 captures the services sector adequately Simultaneously; the industrial sector would be propelled to drive the economy over the medium term up till 2015 while a transition to a service-based economy is envisaged from 2018-2020.	Planning on the required structural transformation to occur	Ability to Consistently Translate Strategy into Action and Results with private sector participation	Provide access to low-interest loans to wholesalers and retail trade, provide tax incentive to newly created service providers with pre-conditions for standards, quality, service and location

Summary of the proposed strategy include:

- * Focus on creating demand for the industry by boosting domestic demand as well as outsourcing;
- * Provide access to easy and cheap finance for this nascent industry;
- * Develop and provide world-class infrastructure; and
- * Develop manpower talent both in terms of skill-sets and numbers.

Key Discussion Areas:

Sustainable power, access to low interest financing, creation of self employment assistant programs (SEAP), and access to roads and availability of broadband technology include key element to grow the service industries competitively

Quick Wins:

1. Transformation of MOIC to:
 - a. Ministry of Information of National Orientation (MINO) – (NTA, Radio etc)
 - b. Ministry of Information and Communication Technology (MICT) – NCC, NBC, NITDA, NIMC, NCS, NIPOST, NigComSat and Galaxy Backbone
2. Development of National broadband multimedia backbone based on the current IP cloud initiatives

SIX FOLD VISION

1. Build a pre-eminent innovation hub in Nigeria

- Increase the number of PhD holders
- Allocate 1-2% of national budget for research

2. Catalyzing growth beyond today's market

- Industry to focus on new geographies, verticals and capabilities
- Build the domestic market

3. Trusted global destinations for professional services

- World class standard in governance and risk management
- Build ICT urban infrastructure in major cities

4. Harnessing ICT for inclusive

- Create National Information Infrastructure
- Blueprint for IT enabled solutions for public services efficacy

5. High caliber talent pool of over two million professionals

- Enhanced private participation in education
- Build specialized talent pool/global workforce

6. Create a robust software industry to target Animation

- The convergence of information technology (animation and software design) with the entertainment sector would make Nigeria a major player in the global market

ICT DRIVEN SOLUTIONS

Healthcare: More than 50% of Nigerians do not have access to primary healthcare. Technology can deliver healthcare at half the cost.

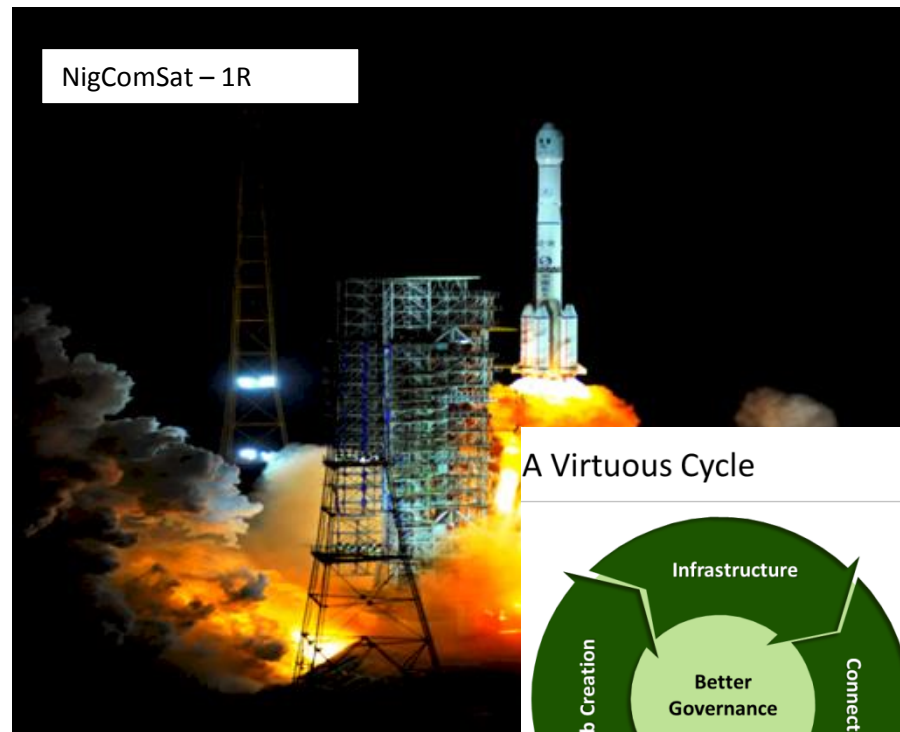
Financial Services: 60% or more of Nigerian households do not have bank accounts. Technology can enable access to all families.

Education: Nigeria faces a 3-fold shortage in teachers. Technology can address this through remote solutions.

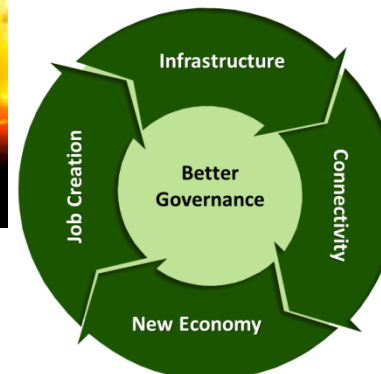
Public Services: Technology can ensure transparency, efficiency and wider coverage

e) Information and Communication Technology

52. It is critical that the efficient and globally and communications and is glad to note that, currently sub-sector in Nigeria, is growth. The ICT sector the last year. These include NigComSat – 1R satellite, broadcast, navigational services, with African countries, parts of



A Virtuous Cycle



economy be supported by competitive information technology services. I am the telecommunications experiencing astronomical has made great strides in the successful launch of the a hybrid satellite for telecommunications and footprints in over 35 Europe, and parts of Asia.

53. The satellite will be used to accelerate broadband penetration in difficult-to-reach areas and provide improved speed and quality of service. The digital divide is also being bridged by providing computers and internet access to 766 secondary schools, and 193 tertiary institutions; IT centres in 240 locations across all the six geo political zones and 146 community communications centers across country. We are also collaborating with the CBN to drive digital inclusion and financial inclusion across all segments of our nation. For the real sector to function efficiently and prosper, ICT infrastructure must be available. The government is committed to working with the private sector in actualising this important sector.

