

# Digital Transformation Center, Nigeria

## Supporting Digitilisation and Entrepreneurship in Nigeria

### The Challenge

Nigeria has the preconditions for a powerful digital innovation ecosystem. With the “National Digital Economy Policy and Strategy (2020-2030)” driving the development of the ICT sector, Nigeria has set ambitious goals for its digital transformation. The subsequent “National Digital Innovation and Entrepreneurship Policy” was developed to set in motion the strategy for achieving a digital Nigeria. However, several challenges impede this and Nigeria ranked 118 on aggregate out of 132 countries in the Global Innovation Index (GII) for 2021. The nation ranked low on infrastructure (120), human capital and research (121), knowledge and technology outputs (123), and Government [policy] effectiveness (127). At the framework level, challenges include the lack of concrete implementation plans and budgets for existing policies and the lack of frameworks and data for developing and executing evidence-based policies.

Nigeria had 90 Tech hubs in 2021, the highest number in Africa. But innovation support organisations in Nigeria, focus primary on early-stage start-ups. But there is inadequate support for growth stage Start-ups looking to further develop innovations and for the digital transformation of existing micro, small and medium-sized enterprises (MSMEs) from non-ICT sectors.

And yet, MSMEs are the backbone of the Nigerian economy as they account for 96% of businesses, 84% of the national workforce, and over 43% of the national GDP. However, most lack the knowledge and very often the financial resources to adopt and maintain digital solutions. Thereby missing out on the benefits of digital transformation – an essential requirement for operational efficiency and scaling.

The Digital Sector has the potential to create employment opportunities, in Nigeria, where lack of jobs is at the core of the high poverty level (40% in 2020) and social unrest. Women continue to be severely disadvantaged. Nigeria ranked 139 out of 156 in the World Economic Forum's Global Gender Gap Index in 2020. Low education, including digital and entrepreneurial skills, gender roles, and dependence on men, reduce women's opportunities to access the formal labour market.



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| Project name              | Digital Transformation Center, Nigeria  |
| Commissioned by           | The European Union (EU)<br>German Federal Ministry for Economic Cooperation and Development (BMZ) |
| Implementing organisation | Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH                                |
| Project Region            | Nigeria   |
| Political Partners        | Federal Ministry of Budget and National Planning  |
| Lead Technical Partner    | National Information Technology Development Agency  |
| Project Duration          | August 2021 to January 2026   |
| Financial Volume          | 15 Mio EUR (EU 9.5 Mio & BMZ 5.5 Mio EUR)   |

### Our Approach

The Digital Transformation Center, Nigeria aims to improve the Nigerian Digital Innovation Ecosystem and the capacity of the economy to adopt digital innovations for growth, through the transformation of the economy and the society. The project focuses primarily on digitalisation and entrepreneurship. DTC Nigeria cooperates with key stakeholders in the Nigerian and International Digital Innovation Ecosystem such as; research and academic institutions, innovation hubs, networks, start-ups, Micro Small and Medium Enterprises (MSMEs), women and youth.

DTC Nigeria will achieve these through four output areas:

**Improved innovation-friendly conditions for the digital economy are promoted:** This is done by building capacities of key political institutions to execute policies, developing tools and methods for data collection to enable evidence-based policy making, creating participatory frameworks to support the execution of policies down to the state-level, building capacities on new trends in the digital innovation ecosystem and enabling cooperation and dialogue between national and international actors from the policy and innovation ecosystem through improved networking.

**Innovation support organisations fostering digital transformation are developed and supported:** This is achieved by supporting the establishment of DIHs in line with the AEDIB|NET framework and enabling knowledge transfer and capacity building between DIHs in Europe and Nigeria. In addition, strengthen existing innovation support to provide services to start-up and innovative SMEs to validate existing digital solutions and to MSMEs in non-ICT sectors to foster their digital transformation.



1st policy dialogue: Digital transformation of non-tech MSMEs in Nigeria



Digital Skills Training, Lagos

**New and validated innovative solutions are produced and deployed for use:** This is achieved by developing programmes that allow MSMEs in a structured process to deploy digital solutions. By fostering strategic innovation partnerships between local research as well as higher education institutions, start-ups, innovative SMEs, and other actors in the innovation ecosystem, validated solutions will be further developed and made accessible for use in MSMEs. To address the supply and demand gap, a market for service providers offering digital transformation services to MSMEs will be established.

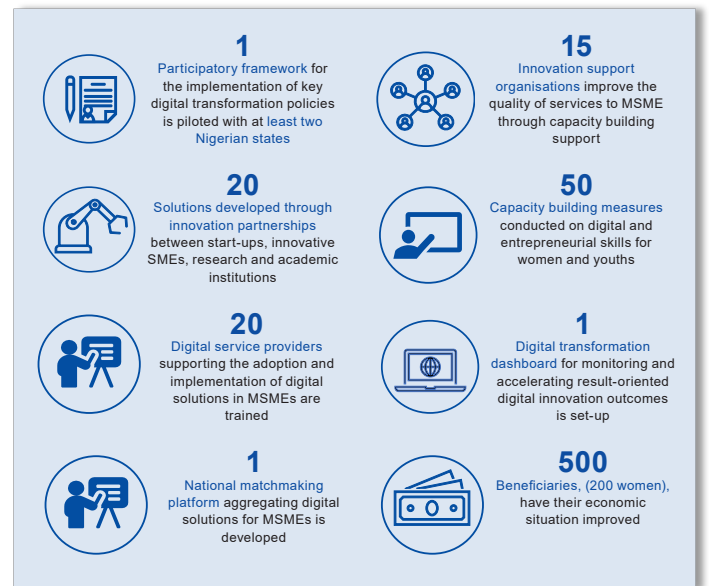
**Digital and entrepreneurial skills are developed among youth and women:** This is achieved by harmonising existing digital and entrepreneurial skills programmes of innovation support organisations, public and private training providers, etc. through a national digital and entrepreneurial training qualification framework. This will support the standardisation of digital and entrepreneurial training programmes and increase quality.

In addition, women's digital and entrepreneurial skills are promoted through special acceleration programmes, the development of a mentoring and coaching network, and the establishment of a nationwide platform that aggregates information on programmes, services, and mentors for women. In order to encourage women acquire digital and entrepreneurial skills, female leaders will be supported and given visibility through a nationwide media campaign. This will play a crucial role in breaking down barriers for women and contribute to gender equality.

## Our Achievements so far

- Published a Policy Brief on the Digital Transformation of non-tech MSMEs in Nigeria.
- 12 Digital Innovation Hub (DIH) consortia selected for Training Bootcamp from 27 proposals received for the DIH Call for proposals.
- Trained over 1200 youths and women on digital skills in collaboration with GIZ/PME.
- Co-sponsored 3 National Digital & Innovation Ecosystem Events.

## What we plan to Achieve



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