Incentives & Opportunities for Scaling the "Impact Sourcing" Sector

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September 2012

AVASANT

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Abbreviations and Acronyms

BPeSA	Business Process enabling South Africa
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
CEO	Chief Executive Officer
CIC	Community Information Centers
CIO	Chief Information Officer
FDI	Foreign Direct Investment
GASSCOM	The Ghana Association of Software and IT Services Companies
IAOP	International Association of Outsourcing Professionals
ICT	Information and Communications Technology
INR	Indian Rupee
IS	Impact Sourcing
ISSP	Impact Sourcing Service Provider
IT	Information Technology
ITES	Information Technology Enabled Services
KPO	Knowledge Process Outsourcing
LPO	Legal Process Outsourcing
NASSCOM	The National Association of Software and Services Companies (India)
PRIDE	Poverty Reduction through Information and Digital Employment
USD	US Dollars

Introduction

Background

The Rockefeller Foundation ("Foundation") has a stated mission to promote the well-being of people throughout the world that has remained unchanged since its founding in 1913. The Foundation has long held that progress and rising standards of living for all groups can be achieved with the adoption of thoughtful policies aimed at promoting the well-being of people throughout the world. Today, that mission is being adapted to an era of rapid globalization. The Foundation envisions that this century can be one in which globalization's benefits are more widely shared and its challenges more easily weathered. To realize this vision, the Foundation seeks to achieve two fundamental goals. First, it seeks to build resilience that enhances individual, community and institutional capacity to survive, adapt and grow in the face of acute crises and chronic stresses. Second, it seeks to promote growth with equity in which the poor and vulnerable have more access to opportunities that improve their lives.

Through its **Poverty Reduction through Information and Digital Employment (PRIDE)** work, the Foundation is working to foster and develop a new arm of the outsourcing industry called **Impact Sourcing (IS)** to create employment opportunities for poor and vulnerable people. Toward this objective, the Foundation is supporting the development and testing of Impact Sourcing business models, research around the enabling environment and the continued building of a network of key stakeholders to advance the Impact Sourcing sector.

Overall Objectives

The Rockefeller Foundation's PRIDE work has a primary goal to support the growth of the Impact Sourcing sector to create employment opportunities for poor and vulnerable people. In order to achieve this, the Foundation is attempting to answer three key questions:

- Are there viable Impact Sourcing business models?
- How can Impact Sourcing be scaled?
- What is the potential effect of Impact Sourcing on people's lives?

Previous studies and research have focused on defining the Impact Sourcing market, articulating the various business models and estimating the market size and scope for Impact Sourcing. To build on its earlier efforts, the Rockefeller Foundation funded Avasant to highlight key policy initiatives and incentives that would help to scale the Impact Sourcing sector. The key objectives of this study include:

- Identifying global best practices related to the outsourcing sector to determine which policy and incentive models best engage the target group for employment opportunities

- Examining the inventory of policies and incentives implemented in countries across the globe, determining the likelihood of adoption in emerging outsourcing destinations
- Identifying countries that show the most promise for policy change and incentive implementation to encourage the growth of Impact Sourcing

Methodology

In order to achieve the desired outcomes and objectives, this research study provides a global overview of Impact Sourcing covering multiple countries across regions. Avasant reached out to a diverse set of stakeholders in the industry and leveraged a multipronged approach for data collection and best practices gathering through:

- Web-based survey questionnaires
- Primary interviews and discussions
- Secondary research and Avasant experience

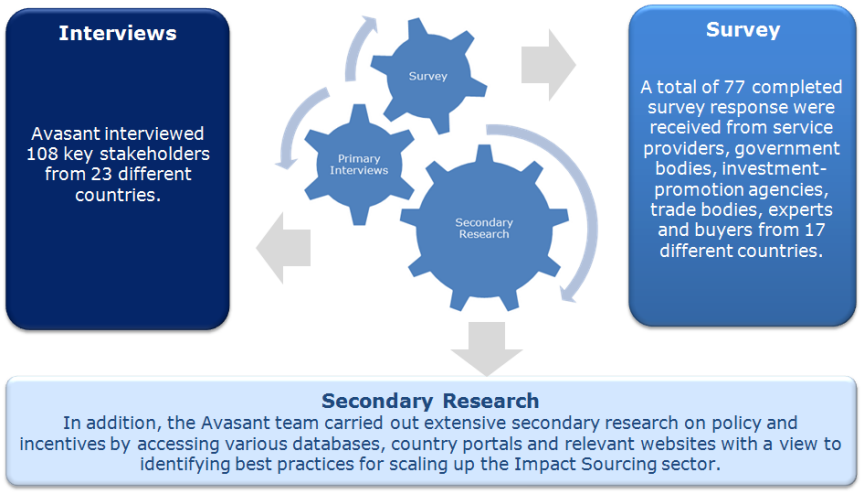

Figure 1: Data-Collection Approach

Avasant conducted a web-based survey to gather information from various key stakeholders and geographies. A total of 77 responses were received. Respondents included service providers; government ministries, departments and agencies; investment-promotion agencies; trade bodies; buyers and other experts in this field from more than 17 countries. Avasant followed the survey with several primary interviews and discussions with more than 108 stakeholders in 24 countries. Additionally, Avasant supplemented its data sources by conducting comprehensive secondary research through publicly available data on policies, incentives and case studies in order to profile various regions with a thriving and growing BPO industry.

The research focused on identifying ways to sustain and scale the Impact Sourcing sector. This included identifying best practices in terms of policies and incentives support from the government to the BPO and IS sectors and understanding case studies across the globe. Based on findings from the survey and primary discussions, Avasant identified key challenges faced by stakeholders in scaling up the sector. Earlier reports prepared for the Rockefeller Foundation listed the key archetypes for scaling Impact Sourcing. The current research aims to build on that work by providing key recommendations specific to each of the three archetypes for sustaining and scaling up the IS sector. Finally, the report also provides insights into the likelihood of adoption of Impact Sourcing policies and incentives in the key focus countries, including Ghana, Kenya, South Africa and India, as well as several other countries with the potential to adopt IS, such as Brazil, Dominican Republic and Bangladesh.

Intended Audience

This report is aimed at enhancing the understanding of the Impact Sourcing sector and specifically focuses on key initiatives that will help to develop and sustain the sector. For policy makers in various regions and countries, this document will help provide an insight into various policies and global best practices that if implemented would enable greater job creation for poor and vulnerable people in the outsourcing sector.

For other key stakeholders such as Impact Sourcing service providers, traditional BPO service providers, industry experts and buyers, this report provides a deeper understanding of the Impact Sourcing sector and, more important, an insight into various best practices adopted by stakeholders to employ poor and vulnerable people in the outsourcing sector.

Impact Sourcing Overview

Industry Background

Impact Sourcing, an emergent concept in the sourcing industry, is based on the premise of creating long-term social impact by utilizing global sourcing of services. The concept focuses on employment generation for poor and vulnerable people by providing access to job opportunities in the business process outsourcing (BPO) sector. Impact Sourcing includes BPO tasks such as data management, content editing and low-end transcription. By connecting latent demand for such tasks from large global companies with an untapped pool of sufficiently skilled labor, Impact Sourcing has the potential to change the socioeconomic landscape in developing regions of the world.

Impact Sourcing is a by-product of the globalization of technology services and specifically derives from the outsourcing of business processes relating to key operational functions (e.g., finance and accounting, human resources and travel and expense functions). Private and public sector entities (including multinational corporations and large governmental entities) are aggressively driving customer demand to outsource operational tasks to drive efficiency. The increasing demand for outsourcing services will require the expansion of the outsourcing sector to new locations and new populations. Impact Sourcing attempts to capitalize on the expanding pool of providers or sellers of services to perform outsourced tasks to employ poor and vulnerable people who otherwise would have limited opportunity for employment.

In a typical Impact Sourcing model, outsourced business process services are first broken down and grouped into smaller subsets of tasks that can be performed by individuals with at least some high school education. Next, locally based entities that can hire and train individuals from the poorest sections of society to perform such tasks offer their services in the marketplace to perform the work. With the assistance of governments or NGOs, the buyers of BPO services can be connected to an expanded pool of sellers or providers. For instance, the government of Ghana has worked extensively to develop a detailed branding and marketing strategy for the country as a preferred outsourcing destination in Africa. Such incentives and initiatives by governments have enabled a better business linkage between customers and service providers. A typical Impact Sourcing model includes low costs of service, more employed individuals who previously would not have had opportunity for employment, growth in demand for BPO services and higher wealth generation that contributes to overall economic and social development.

Socially conscious service providers such as Digital Divide Data and Samasource are playing a pioneering role in Impact Sourcing, demonstrating both the socioeconomic and business benefits of this model within the outsourcing community. Samasource, which acts as an intermediary that markets and sells Impact Sourcing services to global clients, has pioneered the ability to manage "micro-work" in a kind of virtual assembly line that spans 1,600 workers across Haiti, India, Kenya, Pakistan, Uganda and South Africa. The target workers hail from some of the poorest communities in the world, with some employed individuals having lived (and currently living) in refugee camps. Digital Divide Data, another BPO firm with an emphasis on social impact, has been operating from locations in Cambodia and Laos and recently began operations in Kenya. Digital Divide Data will be training and employing youth from Kenya's slums to perform BPO tasks for global customers including multinational and other companies based in developed countries. These organizations exemplify Impact Sourcing and its ability to both provide business benefit to the private sector and social and economic development in the countries in which it operates.

BPO Industry — Transforming Economies through Large-Scale Job Creation

The BPO sector has proven to be a significant source of employment generation. It has transformed entire countries, as is prominently visible in the booming industries in India, Philippines and China. Besides providing an upwardly mobile path for non-engineering and non-management graduates, this industry also acts as a catalyst in globalizing heretofore remote regions that can now be connected through a digital process-driven chain to clients and consumers in other parts of the world. The accompanying rise in buying power and consumption patterns acts as a stimulus to the entire economy, with a multiplier effect in the surrounding economy of four to five times. According to NASSCOM's Strategic Review 2012, India alone has generated employment for 2.8 million people in the IT and BPO sectors, with another 8.9 million jobs indirectly created as a result.

Recognizing the BPO sector's potential for continued growth and job creation, both public and private sector firms are diversifying into lower-income regions to provide employment and income sources for people with lower levels of education and language literacy. Traditionally most BPO employees have had a college education. However, as the industry has matured and due to increased pressure on the qualified labor pool, the employment threshold is being expanded to include high school graduates who otherwise might have limited opportunity for employment. Due to enhanced training techniques, innovative delivery tools and improved process efficiencies, even this less-educated labor pools in emerging outsourcing destinations in Africa and parts of India can be as effective as their better-educated counterparts.

Impact Sourcing aligns well with many government policy agendas related to economic growth via ICT sector development, youth employment and e-government initiatives. Governments and policy makers can play a critical role in encouraging the growth of the Impact Sourcing sector by implementing policies

and incentives that attract private sector attention and establish the country as a viable provider of Impact Sourcing services.

The IT sectors in Africa and Asia have benefited from governmental and developmental investments to improve infrastructure and educational facilities. For example, in India, since the onset of globalization in the early 1990s, successive governments have pursued programs of economic development through liberalization and privatization. By 1999, the government introduced policies that played a key role in reshaping the structure and size of the telecom industry, allowing commercial entities to participate in almost every industry segment. The new telecom policy brought in further changes with the introduction of Internet Protocol (IP) telephony and ended the state monopoly on international calling facilities. The government's liberalized investment policies have resulted in several foreign companies entering Indian markets, which has been a major contributor to the growth of the Indian economy. In addition to the central government's initiatives, state governments are also competing with one another to offer more favorable business environments in order to attract IT/ITES companies to set up development units in their states. These initiatives and a special focus on the IT/ITES sector have led to an exponential growth in the sector.

Encouraged by India's success in generating large-scale employment, governments in other developing countries like Kenya, Ghana and South Africa are implementing policies and incentives to grow their BPO sector with the purpose of economic development and job creation. These policies and incentives will encourage the growth of Impact Sourcing due to the nature of the population employed. In many cases, specific policies and incentives encourage IS distinctly; for example, the Monyetla Work Readiness Programme in South Africa promotes skills development, hence improving employability for youth.

Size of the Industry

A previous study by the Monitor Group, supported by the Rockefeller Foundation, explored the potential of employing poor and vulnerable populations within the business process outsourcing industry. In "Job Creation through Building the Field of Impact Sourcing," the IS market was categorized and defined relative to geography; the definition included the following components relating to the target groups for employment:

1. Employment of high-school-or-below-educated people in low-employment regions of high-income countries, such as low-employment / rural regions of the United States, the United Kingdom and Israel.
2. Employment of high-school-or-below-educated people in low-employment regions of upper-middle-income countries such as Mauritius, South Africa and Brazil.
3. Employment of high-school-or-below-educated people in the urban regions of low- / lower-middle-income economies with a mature BPO industry such as India and Philippines, where traditional employment requires at least a graduate degree.
4. Employment of people who have not completed high school in the rural regions of low- / lower-middle-income economies such as Kenya and Philippines.

5. Employment of high school and university graduates in rural regions of low- / lower-middle-income economies with an established BPO industry, such as employment of a graduate in rural India or rural Philippines.
6. Employment of poor and vulnerable sections of the society in rural and urban areas in low- / lower-middle-income countries with an emerging BPO industry like Ghana or Kenya.

The above segments indicate that employment of high school graduates or below in the BPO industry can be classified as Impact Sourcing. In the rural regions of low- / lower-middle-income economies employing graduates would also classify as Impact Sourcing.

Avasant's recent research and data collection indicate that the current size of the IS market appears to be substantially larger than earlier estimates. Based on a high-level analysis, Avasant estimates the size of the Impact Sourcing industry to be approximately 561,000 employed individuals worldwide, which is approximately 10 percent of the total current BPO global employed workforce. The determination of industry size takes into account the "pure play" Impact Sourcing service providers (ISSPs) and mainstream BPO organizations as well as captive centers that hire poor and vulnerable people.

Table 1: Impact Sourcing Market Size

Country	Estimated IS Employees	Remarks
South Africa	**126,000**	▪ Per multiple industry checks, the total industry employs approximately 180,000 to 200,000 employees covering domestic and international BPO service providers as well as shared service centers. ▪ Approximately 70 percent of these employees are not university graduates, thereby falling under the Impact Sourcing category (amounting to 126,000 employees as a conservative estimate).
Kenya	**2,800**	▪ The total BPO industry in Kenya is estimated to be 7,000 employees, largely centered in Nairobi. ▪ According to industry estimates, 40 percent of these employees do not have a university degree. As a result, we estimate the Impact Sourcing market size to be around 2,800 employees.
Ghana	**1,750**	▪ Ghana's BPO industry is estimated to be approximately 3,500 employees, out of which 50 percent can be classified in the Impact Sourcing category.
India	**251,000**	▪ The total BPO industry in India employs approximately 1.2 million people. Of the 835,000 employees in international operations, approximately 77,500 can be classified as Impact Sourcing sector workers. ▪ Domestic market operations employ nearly 50 percent individuals who do not have a university degree (approximately 168,500). In addition, the direct rural BPO/IS market is estimated to employ around 5,000 people.
Rest of the World	**179,300**	▪ The BPO sector in the rest of the world employs approximately 4.6 million people, with approximately 4 percent of such workers being classified as Impact Sourcing workers. ▪ There are approximately 1 million BPO workers in the United States alone, and approximately 3 percent of them, or 30,000, can be classified as IS workers
TOTAL	**560,850**	▪ **An estimated total 560,850 people employed in the BPO sector can be classified as Impact Sourcing workers, which is approximately 10 percent of the total global BPO workforce.**

The ISSPs have a very optimistic expectation of healthy growth, and a strong 40 percent of the ISSPs expect to grow at more than 50 percent. Even with a conservative CAGR of 20 percent, the IS industry can expect to employ around 2.9 million people by 2020 (roughly 23 percent of the employment in global BPO sector). This would be subject to implementation of appropriate policy initiatives by the governments to stimulate the IS industry. In terms of revenues, the IS industry can grow to over US$55.4 billion by 2020 (roughly 17 percent of the global BPO services revenue) from around US$10.7 billion today.

Key Impact Sourcing Archetypes

To provide employment opportunity for a large number of people, PRIDE has adopted a systems approach to catalyzing the IS sector. There are two primary routes to growing IS: Impact Sourcing service provider development and directly employing poor and vulnerable people in traditional BPO organizations. ISSPs have a proven ability to create more equity by reaching people as part of their mission, but they experience challenges with scale. On the other hand, traditional BPO service providers have a proven ability to scale but do not traditionally employ poor and vulnerable people. The Rockefeller Foundation has identified three key archetypes to test the two routes to growing Impact Sourcing. Each of these archetypes faces specific sets of challenges and requires different approaches to sustain and scale them. As a result, these archetypes offer a range of policy choices and initiatives for policy makers to help scale up Impact Sourcing. This research report provides specific recommendations for each of these archetypes. The three archetypes are:

- **Impact Sourcing service provider (ISSP) development**: ISSPs refers to service providers that have been formed with a specific objective of poverty alleviation in the sections of the society with the highest poverty rates. Organizations in rural India such as B2R, RuralShores and HarVa, and Digital Divide Data (DDD) in Kenya, Cambodia and Laos can be classified as ISSPs. As part of an emerging sector, such entities are usually small in size and face certain challenges related to their size as compared to the traditional BPO players, most specifically around generating customer demand. As these ISSPs directly employ and affect poor and vulnerable populations, specific initiatives to develop this category of service providers would align well with policy agendas seeking to generate employment, especially for youth.
- **Direct employment of the poor and vulnerable sections of the society in the traditional BPO industry:** As the BPO industry has evolved, large traditional BPO service providers have started employing people from the "bottom of the pyramid" with a dual purpose of addressing rising cost pressures and the need for additional labor to match buyer demand, and as a corporate social responsibility initiative. Hence, there is both a commercial and a social aspect to employing the poor and vulnerable in these organizations. BPO organizations have also started setting up operations in smaller towns and cities to tap into the talent pool in these areas. For instance, in South Africa, a large number of traditional BPO organizations hire individuals who have just completed their high school diploma with significant support from the government of South Africa under the Monyetla Training Programme, a public-private partnership that has successfully led to the employment of 3,500 previously poor and vulnerable people in

established BPO organizations such as Aegis among others. Specific incentives and policies that help traditional BPO providers engage this population can contribute to the scaling up of the IS sector.

- **Traditional BPO organizations subcontracting to Impact Sourcing service providers:** In order to achieve scalability and reduce costs, traditional BPO service providers often subcontract a part of their business to Impact Sourcing service providers. This model has helped ISSPs obtain steady workflow with limited sales and marketing expenditure. This model is commonly observed in more mature BPO destinations such as India, where there is a large traditional BPO sector. This archetype also has the potential to further develop the IS sector by promoting collaboration between traditional BPO organizations and ISSPs.

The table below summarizes the key strengths and challenges of each archetype along with their relative prevalence in various countries.

Table 2: Key Strengths and Challenges for Three IS Archetypes

	Impact Sourcing Service Provider Development	Direct Hiring by the Traditional BPO Service Providers	Subcontracting to ISSPs
Strengths	▪ Maximum social impact ▪ Flexible and dynamic in nature due to small size ▪ Established in urban or rural regions with small investments	▪ Can leverage existing infrastructure ▪ Established brand and require low sales and marketing effort ▪ Have structured training programs and sufficient middle- and top-management skills	▪ Low sales and marketing expenditure by ISSPs ▪ Assured long-term demand ▪ Can leverage traditional BPO companies' quality assurance and training ▪ Knowledge transfer from traditional BPO organizations
Challenges	▪ Sales challenges due to small size and limited capacity ▪ Scalability is a challenge in rural regions with limited supplies of skills ▪ High investment in training ▪ Need for investment in middle-management skills and trainers	▪ Limited social impact and reach if not committed to continually employing poor and vulnerable people ▪ Lack of flexibility in training programs ▪ HR challenges if working out of existing locations	▪ Existing contracts of traditional BPO companies can prohibit subcontracting ▪ Challenge managing multiple small contracts ▪ Low middle-management buy in toward subcontracting
Examples of Countries	▪ India, Kenya, Ghana	▪ Kenya, Ghana, South Africa, India	▪ India, South Africa, United States

Impact Sourcing vs. BPO Sector — Policy Implications

As we highlight the specific initiatives to grow and scale the Impact Sourcing sector in this report, it is important to be cognizant of the nuanced differences between the overall BPO industry and the Impact Sourcing subsector.

A number of countries across the world, including Philippines, Egypt, Ghana, Kenya and Jamaica are focusing their efforts on promoting themselves as destinations of choice for performing outsourcing services, including BPO and ITO. They are actively engaged in infrastructure development, capacity building, skill-enhancement initiatives, devising policies, offering incentives and conducting market and investment promotion in order to attract foreign and domestic investment and generate large-scale employment.

However, it needs to be noted that Impact Sourcing is a specific subsector of the BPO industry, focusing exclusively on engaging poor and vulnerable people who may not otherwise qualify for a BPO or an ITO job. Given the differences, there are unique challenges and opportunities to Impact Sourcing as compared to the overall BPO sector that can be addressed with targeted policies and incentives. These key challenges primarily include addressing skills and training gaps, infrastructure development and demand generation. This implies that a more focused approach by policy makers is required to scale up the Impact Sourcing subsector. The recommendations in this report are specifically focused on the Impact Sourcing subsector.

Key Opportunities for the Impact Sourcing Sector

The BPO industry has seen a rapid growth over the past decade. As per the 2012 Strategic Review report by NASSCOM, the current global BPO spend is estimated to be at US$153 billion. Currently only 27 percent (US$41 billion) of this is offshored, creating a huge potential market yet to be tapped by the offshore BPO industry. This gap and the ever-growing demand for BPO services provide a huge potential for Impact Sourcing to scale with the right kind of support and policy initiatives. Going forward, Impact Sourcing has the potential to grow at a higher rate than the traditional outsourcing industry.

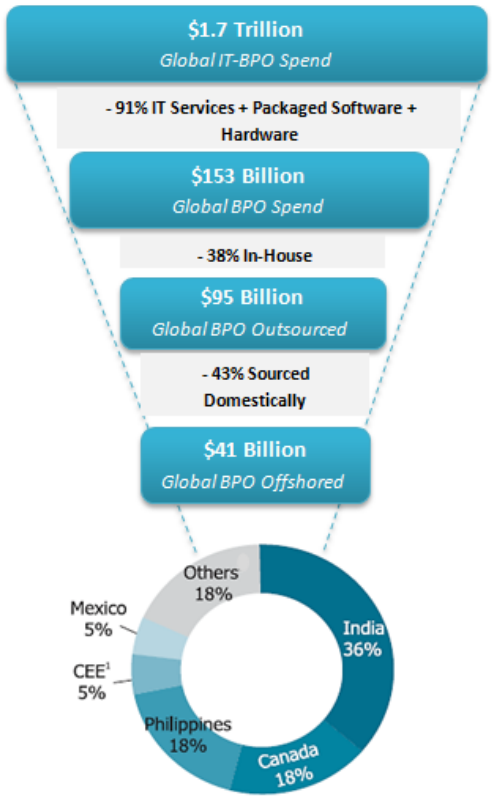

Figure 2: Global BPO Market Size Estimation by NASSCOM

Ever-expanding digital content and the need to manage information on the Internet have created substantial demand for tasks such as digitization, data mining and content management. Given the right tools and processes, these tasks could be outsourced to a distributed workforce. These projects can be broken down into micro-tasks that can be assigned to trained workers anywhere in the world, provided they have access to power, a PC and Internet connectivity. Simple data-driven tasks such as changing locations on Google maps as per changed addresses, tagging images and creating digital e-cards have created an emerging opportunity and a lucrative avenue to train and hire people with limited education

or work experience. In the survey we found that almost all BPO service providers operating in the African region provide digitization as a key service to clients in the United States and Europe. At the same time, these firms employ between 40 percent and 80 percent of their workforce from the underprivileged sections of society and therefore fall within the scope of Impact Sourcing. Impact Sourcing not only makes strong economic sense for companies, it also has a huge impact on the employees and their communities.

Rising costs in major cities of India and South Africa due to wage inflation and an exponential increase in real estate costs are also creating an opportunity for established BPO service providers to look at rural and emerging cities in order to manage operational costs and profitability. Such entities are increasingly establishing operations in smaller cities and towns to leverage the local talent pool and lower the cost of business. This evolution in the existing BPO models is leading to new opportunities to provide sustainable employment to people who might otherwise be outside the reach of the global technology services industry. Traditional BPO players such as Aegis and Xchanging have been able to realize this potential and have successfully made forays into smaller cities, towns and rural areas in India.

Xchanging is a UK-based business processes outsourcing company with a wide range of multinational customers in 42 countries. Xchanging employs more than 8,000 people worldwide and is listed on the London Stock Exchange.

Xchanging in India

- Xchanging made a foray into India in 2003, and in July 2010, CEO David Andrews revealed plans to create a new low-carbon state-of-the-art 1,000-person processing center, with an option to scale to 2,000, in Shimoga, a small (tier 3) town northwest of Bangalore.
- Primary drivers for entering Shimoga included:
  - Attrition problems in places like Bangalore
  - Higher cost of living in cities leading to escalating costs
  - Job creation for people in smaller cities and towns
- The center currently employs more than 600 people and is in the process of further scaling up. Over 20 percent of employees are high school diploma holders, with most of them enrolled in continuing studies.
- Xchanging has signed a memorandum of understanding with the state-owned enterprise KEONICS to develop a special economic zone (SEZ) in Shimoga to help ramp up the capacity of its center.
- Xchanging has also set up a finishing school to train graduates in BPO and reduce the gap between the available skill sets and required skill sets for the BPO industry.
- Driven by the success of its Shimoga center, Xchanging has now opened a new center in Solan, a small town in north India. The operations will begin with a capacity of 50 people, with plans to scale up to 200 seats by the end of 2012.

With many countries in Africa aggressively adopting e-governance programs, governments can stimulate demand for Impact Sourcing services, particularly with respect to content-digitization projects. Governments are the largest purchaser of goods and services in many countries and can act as the

anchor client for Impact Sourcing service providers. A majority of the service providers in the African region, when asked about key enablers to growth, indicated that a concerted government effort to outsource e-governance and digitization projects to local providers would be very important to sustaining this sector.

Various ISSPs have indicated a very positive outlook for the future and expect to grow at a very healthy rate. The survey reveals that over 40 percent of the service providers expect to grow at more than 50 percent. A healthy 23 percent of service providers expect to grow between 20 percent and 50 percent. As per the survey respondents, the top three incentives that would accelerate the growth of the industry include (1) financial grants for setup; (2) tax incentives on earning; and (3) hiring incentives and grants. A number of governments in Africa are already taking steps that have led to higher growth expectations by service providers.

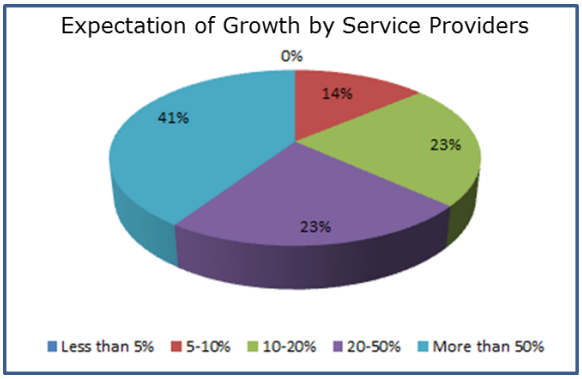

Figure 3: IS Growth Expectations by Service Providers

Major ICT Initiatives in Kenya Lead to an Optimistic Outlook for Service Providers

Under Vision 2030, ICT will be a major contributor to attaining the target of a 10 percent GDP growth rate for Kenya. The BPO subsector has been targeted to increase its contribution to the country's gross domestic product in the medium term by $300 million while creating more than 7,500 jobs for young professionals.

Situated 60 kilometers outside of Nairobi, Malili will be the site of Kenya's first smart city, a city built for technology firms that will propel Kenya into the global ICT arena. Information technology export-oriented businesses are also expected to benefit from the park through tax incentives from the government. The government is likely to offer concessions on land to those willing to construct IT offices and some tax incentives on utility services such as water and electricity. For BPO providers, the Ministry of Information and Communications offers simplified recruitment, expedited business setups, training program subsidies and discounts on rent.

Leveraging these trends, the Impact Sourcing sector has the potential to grow, employing approximately 2.9 million people by 2020 (roughly 23 percent of the global BPO market), even considering a conservative 20 percent CAGR, translating to overall revenues of over US$55.4 billion. Given the right policies and programs, this is an achievable goal, and it presents tremendous opportunities for policy makers to significantly increase employment, alleviate poverty and contribute to economic growth.

Key Challenges for the Impact Sourcing Sector

As an emerging and upcoming sector, the Impact Sourcing sector faces unique challenges that can be addressed by targeted policies and incentives. Based on the survey results, the top three challenges cited by the service providers were:

1. Inadequate initial demand for services
2. Inadequate skilled resources
3. Inadequate government support

Key Challenges Faced by ISSPs

- Inadequate initial demand for services
- Inadequate skilled resources
- Inadequate government support
- Difficult incorporation and inception
- Competition from existing mature service providers
- Lack of infrastructure
- Lack of consistency in quality of services delivered

Impact Sourcing service providers have raised concern over the lack of initial demand or awareness in the buyer market as a key constraint. Difficulty in sourcing the right talent, longer training times and the high cost of training are some of the other important issues limiting the growth of this sector. This means that significant initiatives are required by policy makers on both the demand and supply sides to enhance the IS sector. Additionally, ISSPs have identified inadequate government support in terms of policies and incentives that support organization incorporation and procurement policies, and lack of subsidy on supporting infrastructure such as telecom and electricity as key challenges to the growth and development of the Impact Sourcing sector.

From a government perspective, the availability of a trained workforce was identified as a key challenge to not only the Impact Sourcing sector, but also the overall BPO sector. The government bodies also highlighted lack of infrastructure and perceived lack of favorable policies and support from the government as additional impediments to growth.

To mitigate these challenges, proactive governments have offered various incentives, and some service providers have adopted unique approaches. A few state governments in India (e.g., government of Karnataka and government of Tamil Nadu) have devised a specific rural BPO policy to promote the sector and have also created initial demand by outsourcing government work. Various incentive programs focusing on developing regions offer lucrative financial incentives for job creation and investment in such areas. However, it needs to be noted that a number of service providers have expressed difficulties in utilizing these benefits due to onerous paperwork and cumbersome requirements in some cases. ISSPs are currently very small organizations and have limited capability to fulfill stringent compliance requirements. Policy makers can simplify the grant-making and approval processes to further stimulate growth in the Impact Sourcing sector.

These key challenges touch upon all three of the driving forces for the successful development of the Impact Sourcing sector: the demand side, the supply side and the support side. Various countries have cited a combination of these challenges to growing their IS sectors. For instance, in South Africa the key identified challenges highlighted the lack of middle-management skills and concentration of infrastructure in key cities and towns, which impeded the setting-up of organizations in less-developed

regions of the country. In India, key challenges focused on inefficiencies in the government procurement process and the lack of marketing skills, which affects the ability to market and sell services to domestic and international clients.

Although there are multiple challenges faced by the Impact Sourcing sector, recent efforts by various governments are focusing on reducing the digital gap and developing infrastructure in rural regions. The governments are also working toward simplifying various policies to improve adoption of policies to scale up the Impact Sourcing sector.

This report provides governments interested in supporting and promoting the growth of Impact Sourcing with a series of policies and incentives and best practices that have been implemented with success across the globe to address these challenges.

Coega Development Corporation, South Africa

The Coega Development Corporation (CDC) is a state-owned entity formed in 1999 in South Africa, mandated to develop and operate the Coega Industrial Development Zone (IDZ), which is located adjacent the modern deep-water port facility, Port of Ngqura, outside Port Elizabeth. CDC strives to improve the delivery of infrastructure in the Eastern Cape by addressing skill shortages, unemployment, constrained planning and project management capacity, under-expenditure, substandard infrastructure and inefficiencies that characterize delivery of infrastructure by government of South Africa generally and the Eastern Cape Province in particular.

A R125 million, 1,500-seat call center is currently being built to boost the global competitiveness of the Coega Industrial Development Zone — the Business Process Outsourcing (BPO) Park. The CDC has initiated training programs for call center staff. Nearly 300 call center operators have been trained, and those not working at one of the existing facilities in the zone are either working elsewhere or studying for a Contact Centre Support Certificate.

In the process, Coega Development Corporation advances socioeconomic development and transformation within the Eastern Cape and South Africa as a whole.

Country Analysis

Various countries have shown a strong appetite for adopting and implementing Impact Sourcing as a way of generating employment. The countries under focus for this research were Ghana, Kenya, South Africa and India. All of these countries have demonstrated strong potential to develop a vibrant Impact Sourcing sector. India and South Africa have been leading adopters of Impact Sourcing, though in different ways. In India there is a very strong emerging pure play Impact Sourcing service provider community, also known as rural BPO providers, employing poor and vulnerable people in the rural regions. In South Africa, adoption of Impact Sourcing has been through employment of high school graduates in the mainstream BPO organizations. Kenya and Ghana, regions with a relatively new BPO industry, have already demonstrated a strong appetite for Impact Sourcing through both employing the poor and vulnerable in the mainstream BPO industry and building ISSPs.

Additionally in this study, Avasant has highlighted several other countries that have demonstrated a fair to strong potential for building the Impact Sourcing sector. These include emerging BPO services destinations such as Uganda, Bangladesh, Haiti, Dominican Republic, Brazil and the Pacific Islands. In addition, several other countries could also benefit from Impact Sourcing by considering and implementing key recommendations from this report.

A detailed overview of policies, incentives and initiatives adopted by these countries has been included in Annexure 1.

Primary Focus Countries

2.1.1 Ghana

Due to the government's focus on developing the BPO industry in general, there is a high likelihood for the Impact Sourcing sector to scale in Ghana. The population in Ghana has strong English-speaking skills and high school graduates that possess basic skills to work in the data-entry areas of BPO. More important, the government has adopted a focused approach to developing the overall BPO sector. In Ghana, much of the policy change has been driven through a central administrative body, which has successfully approved a number of Impact Sourcing–favorable policies.

ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the BPO sector in Ghana. The BPO industry in Ghana is itself in a nascent stage and currently hires from all sections of society. Developing BPO organizations in the developing regions and incentivizing them to hire poor and vulnerable people will contribute to scaling up the Impact Sourcing sector.

2.1.2 Kenya

Kenya has a relatively new but fast-growing BPO industry. While there is high graduate talent availability, policy adoption can be slow. For these reasons, Kenya has a fair likelihood of developing the

Impact Sourcing industry. The domestic market in Kenya is untapped, and with expanding banking and telecom sectors, a large number of opportunities are opening up for Impact Sourcing services.

The Vision 2030 initiative is already guiding the policy making and shaping infrastructure in Kenya to help build the BPO sector. Various IT parks have been commissioned for construction that would help scale the BPO industry in regions around major cities. These IT parks can be leveraged to achieve Impact Sourcing objectives through targeting key populations for hiring within these cities.

Encouraging the BPO organizations to hire poor and vulnerable people would help scale up the Impact Sourcing sector. ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the BPO sector. Kenya has recently taken up BPO as a priority sector and has started investing in developing the ICT infrastructure required for BPO organizations. Due to the lack of large BPO firms in Kenya, subcontracting by them is virtually absent. Hence, building the BPO sector by directly hiring from the poor and vulnerable sections of society and specifically developing ISSPs to create jobs would be the most sought-after path to scale up the Impact Sourcing sector.

2.1.3 South Africa

Due to the early adoption of Impact Sourcing, South Africa has a very high likelihood for scaling it up even further. South Africa already has almost 70 percent of its BPO workforce in Impact Sourcing jobs. Call centers and captives form a major part of the BPO industry, and skills profiles of high school leavers and high school pass-outs, along with government-sponsored training programs such as Monyetla, have helped build the Impact Sourcing sector.

Growth in the Impact Sourcing sector can be accelerated with relatively modest efforts to promote industry awareness and maturity, and by targeting key decision makers in select regions (Western Cape, Limpopo, etc.) to promote the development of the BPO industry in their respective provinces. ISSP development and direct hiring by traditional BPO organizations will be relevant archetypes for scaling up the IS sector. South African BPO firms are fairly mature, and a large percentage of people are high school pass-outs compared to India, where most people hired in international BPO organizations are graduates. Hence, developing the BPO industry in general would lead to greater hiring from this population. ISSPs specifically are currently in a nascent stage and require specialized incentives in addition to the general BPO incentives to grow.

2.1.4 India

Due to a very mature and prominent BPO sector, as well as several initiatives in Impact Sourcing already under way, India has a very high likelihood to further scale Impact Sourcing. India has a well-developed educational system that can be leveraged to expand jobs in the BPO industry to target potential employees with a high school level of education or below. Per current estimates, India now employs the highest number of Impact Sourcing professionals.

India, with its highly mature BPO industry, would require detailed discussion and appreciation of benefits of IS for policy changes. Redirecting policy efforts to support Impact Sourcing will require

proactive engagement with policy makers and politicians. However, one potentially fruitful option to highlight the viability and benefits of Impact Sourcing is to identify a few champion states (such as Karnataka and Tamil Nadu — who already have rural BPO policies in place) to facilitate faster decision making and implement changes that promote Impact Sourcing.

As India is a fairly mature BPO destination, ISSP development, direct hiring by traditional BPO organizations and subcontracting by traditional BPO organizations to ISSPs will all be readily adopted archetypes for scaling up the Impact Sourcing sector. The traditional BPO organizations are hiring from the underprivileged sections of the society and people with high school degrees in order to lower costs and increase the labor force. BPO firms are also moving into smaller (tier 3) cities and/or subcontracting to ISSPs in rural areas. ISSPs have sprung up in many villages in India and are being promoted by the government as job-creation avenues.

Countries with Potential to Build the IS Sector

2.1.5 Bangladesh

Bangladesh is one of the most promising emerging destinations in Asia, driven by strong government support for the BPO sector. With a market size of US$15 million, the Bangladeshi BPO sector currently employs around 9,000 people, mostly servicing the US and UK markets. There is a high likelihood that that the Impact Sourcing sector could scale up in Bangladesh. Initiatives to harness the potential of people at the bottom of the pyramid have worked very effectively in Bangladesh in the past.

With strong government initiatives and donor participation, Bangladesh has the potential to embrace Impact Sourcing in a big way. Government has also outlined the “Digital Bangladesh 2021” initiative, underscoring the need for increasing investments in education and enhancing skills of poor and vulnerable populations through technology intervention. The promotion of Impact Sourcing should be at multiple levels, including government bodies, trade bodies and international donors, including the World Bank and the Asian Development Bank (ADB). This will help alert the various participants to the benefits of Impact Sourcing and pave the way for policy making to encourage Impact Sourcing.

ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the BPO sector. Impact Sourcing provides a strong opportunity to engage the large and growing population in Bangladesh. As the industry is in a nascent stage, initiatives on the broader BPO sector development would help enable scaling up of Impact Sourcing.

2.1.6 Brazil

The government of Brazil is committed to creating long-term jobs and policies toward income creation. Ahead of the Olympics and the FIFA World Cup, the government aims to generate large-scale employment for people living in favelas (local slums), which account for approximately 6 percent of the population, or more than 11 million individuals. The BPO industry currently is over US$4 billion, serving mostly domestic clients, but has the potential to scale higher, with growth in sectors such as e-governance, oil and gas, tourism and health.

With various initiatives such as TriSCA, and a large population that can benefit from Impact Sourcing, Brazil presents huge potential for scaling Impact Sourcing. A large population with growing aspirations and a thriving economy present a strong case for Impact Sourcing in Brazil. The large domestic market provides key opportunities for individuals to be employed in local BPO organizations. We expect growth to be driven by both public and private sector initiatives. For instance, encouraging private sector initiatives such as TriSCA will help promote skill development and lead to industry growth.

TriSCA, or Tri Sisters City Alliance, is an alliance between the cities of Pune, Johannesburg and Rio de Janeiro, to help advance social and economic inclusion. Through collaboration, the cities commit to promoting and building workforce development programs and projects that will offer real opportunities for long-term employment based on "knowledge workers" and aligned with vanguard social and economic positioning for the cities.

All three archetypes, ISSP development, direct hiring by traditional BPO firms and subcontracting, can be readily adopted for scaling up the BPO sector in Brazil. This is largely due to the fact that the domestic market has huge potential and large-scale employment opportunities are required. Brazil is an emerging BPO destination, and various multinational BPO service providers have set up operations there. Incentivizing these large BPO organizations to hire poor and vulnerable people would help develop the sector. Simultaneously building the ISSPs by encouraging local entrepreneurs to set up ISSPs would complement the growth of the mainstream BPO sector. With both the mainstream BPO and the IS sector growing, there is a strong potential for subcontracting activities.

2.1.7 Dominican Republic

Dominican Republic faces high unemployment coupled with high income disparity. However, being one of the larger economies in the region, along with its superior telecom infrastructure, it is well suited to grow its BPO industry (as well as its Impact Sourcing sector). The BPO sector in Dominican Republic has grown at a very healthy rate in the recent past, and the country has shown a positive appetite for policy improvement to enhance the BPO industry. Currently 25,000 bilingual agents are employed in more than 50 BPO organizations and contact centers located in metropolitan areas and free zone parks. The market size is expected to be US$550 to US$600 million and has grown at a CAGR of 12 percent over the past three years, thanks to public and private sector involvement.

ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the IS sector in Dominican Republic. The government in Dominican Republic has taken up key interventions to develop the human capacity through call center training and cultural familiarization. The current business environment being created by the government helps invite foreign investments in the BPO sector, which is building up the mainstream BPO sector as well as opportunity for entrepreneurs to start up new BPO firms.

2.1.8 Haiti

The BPO services industry in Haiti has been identified as critical to economic recovery and job creation in the country, as Haiti focuses its effort on redevelopment after the recent earthquake. Currently, Haiti's

policy makers are conducting analyses and adopting policy recommendations that will help market Haiti to the world and identify its niche in the BPO and Impact Sourcing sectors. Global agencies such as the Inter-American Development Bank are also taking an active role in funding and directing expenditure in the nation. Actively involving policy makers at this early stage would be helpful to set the right policy framework for developing Impact Sourcing.

ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the IS sector in Haiti. The BPO sector currently is in a very nascent stage, and creating jobs is a priority, hence placing a focus on promoting ISSPs and traditional BPO organizations as job-creating avenues for the poor and vulnerable sections of the society will get immense government support.

2.1.9 Pacific Islands

The Pacific Islands comprise 20,000 to 30,000 islands in the Pacific Ocean. There are many opportunities to use the BPO/KPO industry to help the Pacific Islands address their development objectives. The current ICT capacity-building efforts have been supported by the Asian Development Bank and include several e-governance projects, Outer Islands ICT Network Project, Schoolnet and Community Access Project, aimed at developing the ICT capacity in government as well as enhancing ICT skills for teachers and students in government schools. Investment-promotion initiatives have begun to attract foreign investment, indicating a large appetite for policy changes, including setting up new incentives and grants as well as infrastructure development.

ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the IS sector in the Pacific Islands. As the BPO industry is in a very nascent stage of development, introducing Impact Sourcing as a key form of BPO is easier as compared to developing the Impact Sourcing sector as a complement or alternative to BPO sector.

2.1.10 Uganda

The government of Uganda has identified the BPO industry as one long-term solution to address the issue of joblessness among educated youth, as well as to increase investment in the sector. The formation of National Information Technology Authority–Uganda (NITA-U), strong political commitment and the fact that the country is updating its BPO development strategy augur well for Impact Sourcing and any policy changes that might be required.

NITA-U is the apex body driving this initiative, and it is already in the process of implementing several initiatives to promote the BPO sector in the country. It is also setting up an incubator BPO park in Kampala, with key regional and global players showing interest. NITA-U is also creating specific incentive structures for the BPO industry, as well as building infrastructure and human capacity to generate enough supply for the industry.

All three archetypes, including ISSP development, direct hiring by traditional BPO organizations and subcontracting to ISSPs, will be applicable for scaling up the IS sector in Uganda. The BPO industry is mostly in the form of call centers for captive companies, and there is a drive toward creating more third-party BPO centers in Uganda. As the industry matures, subcontracting of work that requires skill sets

such as content development and English-language proficiency can be done by mature BPO locations. Employing the poor and vulnerable by means of attracting international BPO companies to set up operations in Uganda has already started gathering steam, and three international BPO companies have already committed to setting up operations in Uganda.

Scalability of Impact Sourcing — Key Recommendations

Impact Sourcing provides a holistic approach to create business value and affect the lives of the poor and vulnerable by allowing them to earn an income, enabling them to improve their lives and the lives of their families. For governments around the world, Impact Sourcing takes advantage of business imperatives to expand the supply of labor while simultaneously generating large-scale employment for poor and vulnerable people. With the endorsement and backing of governments, buyers and suppliers of services have an opportunity to implement a sustainable, socially responsible sourcing model at an affordable price. Impact Sourcing also allows for better business efficiencies through innovative use of distributed application platforms, crowd-sourcing processes, low-cost and virtualized infrastructure and targeted training techniques for a global talent pool. In short, Impact Sourcing is fostering a business model that is the classic win-win — it's a good business practice and it is socially responsible.

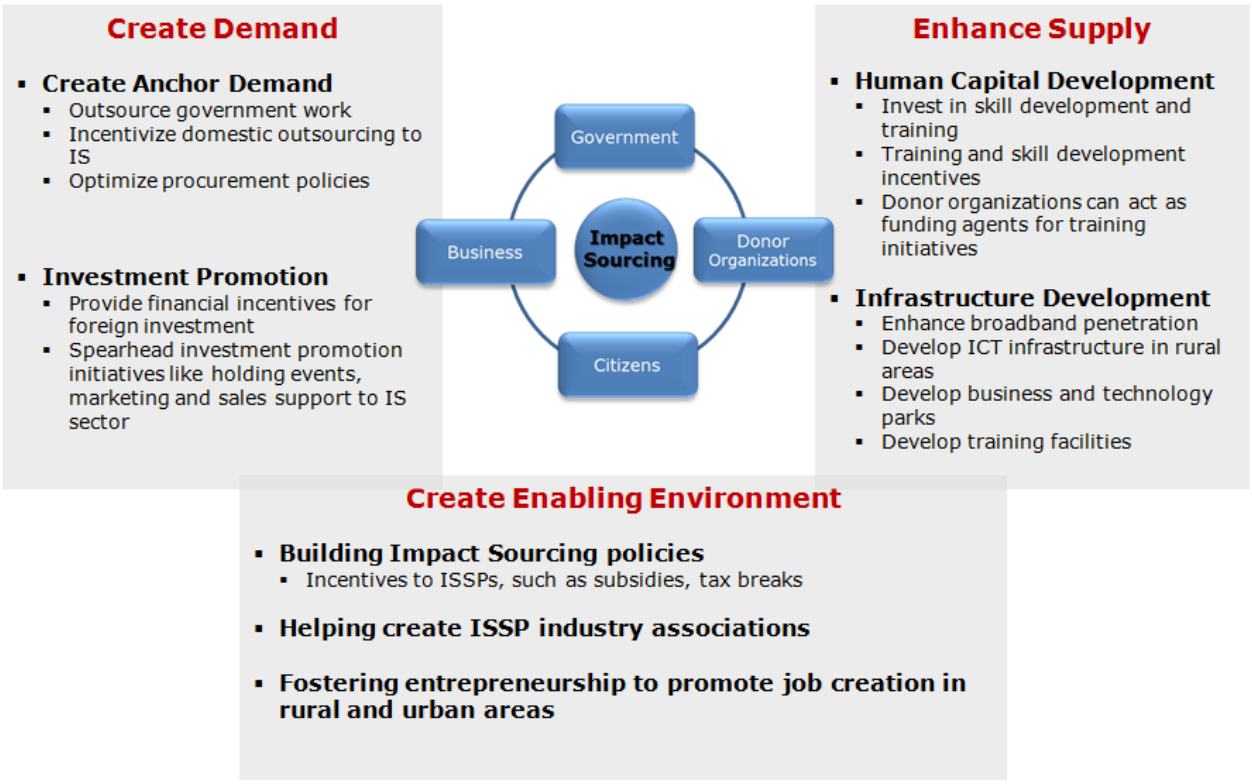

Figure 4: Scalability of Impact Sourcing: Key Pillars and Ecosystem

Proactive governments, investment-promotion bodies, service providers and buyers of outsourcing services will have a major role to play in the growth of the Impact Sourcing sector in the coming years. Governments and policy makers need to adopt a multipronged approach to enhance the Impact Sourcing ecosystem by supporting demand creation and strengthening the supply side in terms of

trained human capital and infrastructure by building capacity and infrastructure development, as well as encouraging an enabling environment in terms of policies and incentives (e.g., tax breaks and grants).

A number of countries, including Philippines and Egypt, have made significant headway in creating policies to foster the development of the BPO sector in general. However, there is a mismatch between the requirements of the Impact Sourcing sector and the current incentives and policies provided by most governments. Based on our survey analysis, many governments are not providing the targeted incentives to spur Impact Sourcing activity such as providing financial grants for business setup, training incentives and subsidies for infrastructure. To foster employment for poor and vulnerable people in the BPO sector, policy makers will need to align their policies and incentives to the needs of the Impact Sourcing sector.

	Service Providers (Attractiveness)	Government Bodies (Focus)	IPA, Trade Bodies & Other Experts (Focus)
Financial grants for setup	Very High	Low	Very Low
Tax incentives on earnings	High	High	Medium
Tax incentives on procurement	Medium	Medium	Low
Hiring incentives and grants	High	High	High
Training incentives and grants	High	Very High	Very High
Subsidies on telecom and electricity	Very High	Low	Very Low
Subsidies on land/ building procurement	Medium	Low	Very Low
Development of ICT infrastructure	Very High	Medium	High
Awarding government contracts	High	Very Low	Very Low

Figure 5: Attractiveness vs. Focus of Government Initiatives

Once policies and incentives are formed, governments will then need to commit to their implementation. Without this implementation, the service providers will not be able to use and leverage them comprehensively to support growth, thus reducing the effectiveness of various policy measures.

As per the survey, the governments and IPAs, trade bodies and experts rated the policies as more effective as compared to service providers, clearly underlining the disconnect between the two sets of stakeholders. For instance, service providers have indicated that grants toward helping them set up operations, subsidies on telecom and electricity and policies toward development of ICT infrastructure are most attractive, whereas policy makers are focused on training and hiring incentives and grants, as well as tax incentives. Policy makers need to address this crucial divide by ensuring policies are well designed and effectively implemented so as to maximize their benefits.

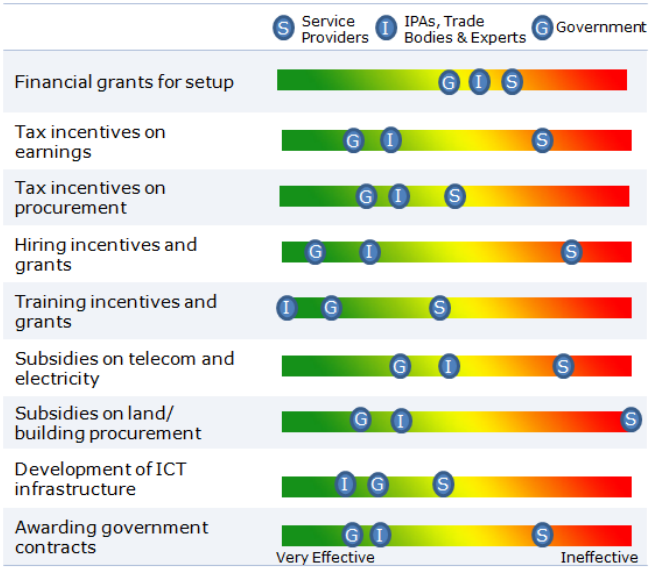

Figure 6: Effectiveness of Government Policies and Initiatives

It is important to note that all stakeholders, including public sector and private sector, are largely aligned on the area of training incentives

and grants. Most governments have indicated that there is a focus on providing training grants that are directly related to the number of people employed. Policies like this are directly linked to employment generation and help with easier implementation.

The following sections lay out recommendations for overall Impact Sourcing sector development. Some of the recommendations are crucial for overall development of the sector and thus have been classified separately. Additionally there are specific recommendations for each of the Impact Sourcing archetypes to address their unique opportunities and challenges. Policy makers can identify which specific archetypes would apply to their regions and leverage the recommendations accordingly.

Recommendations for Overall IS Sector Development

In order to scale the Impact Sourcing sector, policy makers need to implement initiatives that develop capacity, stimulate demand and improve the enabling environment. Governments will have to work closely with service providers and investment promotion and trade bodies to create policies conducive to the growth of the Impact Sourcing sector. The key recommendations for overall development of the sector are as follows:

1. Simplification of policy incentives to facilitate better adoption and create deeper impact for Impact Sourcing

Based on our research study, one of the key challenges for Service Providers is the ability to leverage existing incentives that support BPO and Impact Sourcing sector development. Almost 40 percent of the service providers indicated that they haven't received or availed themselves of any grants from governments. Service providers stated that even though the incentives were helpful and would likely encourage the growth of the Impact Sourcing sector, the qualifying conditions, approval and ongoing administrative processes presented challenges and impediments to a successful outcome.

For instance, in the original rural BPO scheme circulated by the state government of Karnataka in India, the incentives were very attractive and would have helped the rural BPO sector immensely, but the qualifying conditions acted as a hindrance in actual implementation. The policy required BPO firms to start operations with a minimum of 100 employees within three months of signing the contract. Rural BPO organizations usually scale up gradually and might not start with 100 employees at the onset. Because of this, their ability to take advantage of the incentives offered by the government of Karnataka was limited. In fact, limited adoption of this policy prompted the government of Karnataka to consider reducing the eligibility criteria to 50 employees, and rural BPO firms are now allowed to partner with established IT and BPO players as well.

Rural BPO Scheme — Government of Karnataka

Capital investment subsidy and financial support will be released in three stages, as follows:

- Toward infrastructure — 50 percent of capital investment subsidy, i.e., INR 1,000,000 after installation of equipment / capital goods
- Toward training — 50 percent on submission of proof of employment of 100 persons, 50 percent on completion of training
- Toward Internet connectivity / rentals / telephone connectivity — 50 percent on the activation of Internet/telephone connectivity
- Balance amount of capital investment subsidy shall be released after commencement of operation and inspection by the chairman or officer authorized by the chairman of the Screening Committee and submission of proof of business carried out

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Qualifying conditions:

- The unit shall start operations with a minimum of 50 (revised from 100 earlier) employees within three months of signing the contract
- A new firm/company should be opened within one month by the entrepreneur after sanction of the rural BPO unit
- Once the screening committee approves a rural BPO unit, no change of place for setting up the unit will be considered
- Once the sanction is given by the government for a rural BPO unit, the agreement shall be signed within 15 days from the date of issue of sanction letter
- State support will be until the end of two years or extended up to three years until the limit is exhausted
- Financial support shall be subject to the condition that a minimum of 100 persons are employed by the unit for a continuous period of three years
- Biometric systems shall be installed in every unit to record attendance
- Before releasing payment to the sanctioned unit, the director IT shall perform inspection of the unit
- Director IT shall nominate senior officers of Karnataka Biotechnology & Information Technology Services (KBITS) to scrutinize , sanction and release payment to the rural BPO unit subject to the condition that the sanction and release papers shall be signed jointly by the senior officer with the accounts officer of KBITS after proper verification with regard to all financial documents

As per the research, other examples of challenges faced include cumbersome application processes and/or stringent ongoing compliance requirements, both of which can act as deterrents to especially the ISSPs, as they are small and have limited capacity and management bandwidth to support such requirements. Policy makers need to be aware of such limitations of ISSPs and design their policies accordingly.

A strong focus by policy makers on simplifying existing policies and devising new incentives with few riders, followed by effective on-the-ground implementation of these policies, would enable the Impact Sourcing service providers to leverage these benefits. For example, the Chilean government (InvestChile) has worked actively to reduce administrative overhead required by companies to make use of incentives. Earlier, ongoing compliance required companies to hire a dedicated person to manage the entire documentation process, thus making it difficult and costlier for companies. Now the process has been significantly simplified and requires only limited time from existing staff, thus making it less burdensome on the companies.

In terms of specific incentives and government initiatives that would encourage service providers to set up operations in emerging outsourcing destinations such as Africa and rural India, financial grants enabling setup in these regions would be most attractive. Other interventions such as subsidies on telecom and electricity, as well as development of overall ICT

infrastructure, are also desirable. Some of the key areas where the service providers are looking for policy reforms and incentives include the following:

a. **Financial grants** to enable setting-up of the organization, such as capital incentives and subsidies on procurement, interest free loans, etc.
b. **Subsidies on telecom and infrastructure,** such as those provided by the government of Karnataka to encourage the setup of BPO-focused companies. The government is providing a 50-percent-of-capital investment subsidy after installation of the equipment / capital goods and a 50 percent subsidy on the Internet and telecom post installation of these.
c. **Tax rebate on earnings.** Bangladesh has provided a good example of such a policy, as the government provided income tax holidays through 2011 as well as imposing no taxation on any call center products.
d. **Effective training incentives,** such as Morocco's US$7,000 subsidy per recruit over the first three years of employment, which has helped drive the BPO sector there. The government-supported Monyetla Work Readiness Programme training incentive scheme in South Africa provided training support grants that covered the costs of company specific training up to a maximum of R12,000 (US$1,480) per agent.

Impact of Rural BPO Policy

The initiative provided by the Karnataka government, for instance, has led to the setting-up of 16 rural BPO firms in the state. In addition, the recent advertisement for establishing rural BPO service providers saw another 14 applications for setting up operations. "We provide infrastructure and financial assistance as incentives. For training, we provide INR10,000 per candidate to the entrepreneur who plans to set up the center. Besides they get 50 per cent reduction on Internet charges among others. We have approached the central government to adopt this model for a national policy on rural BPO," says Ashok Kumar Manoli, principal secretary to Government, Department of Information Technology, Biotechnology and Science & Technology, Karnataka.

2. Promoting digitization in government processes and amending procurement policies to actively include ISSPs

A large number of ISSPs have been set up in recent times. However, they are struggling to establish themselves due to limited demand for their services. The ISSPs have limited budgets to invest in a strong sales force and also face credibility issues owing to their relatively small size.

Governments have a unique opportunity to generate demand, especially with the numerous e-governance activities that have emerged over the past decade. ISSPs in India such as HarVa work for the state government of Haryana to carry out data entry of forms pertaining to the National Rural Employment Guarantee Scheme. Digitization of population census, birth and

death records and land records can help create opportunities for ISSPs to sustain and scale operations. For example, countries in Africa, including Kenya and Ghana, are actively considering e-governance and digitization initiatives to improve their processes and increase transparency. Such initiatives can provide the necessary anchor demand to some of the ISSPs. This would require building awareness and educating various government departments on the concept of outsourcing, thus making government a viable source for ongoing business for ISSPs.

3. Enabling broad-based infrastructure development to develop overall BPO industry

Infrastructure is the backbone of the IT and BPO industries, and it is particularly important in the Impact Sourcing industry, where targeted investments are required to enable an environment for business to take advantage of lower-costs but sufficiently skilled labor to perform subsets of BPO service tasks. A majority of ISSPs have reported lack of adequate basic infrastructure to help them set up operations. This includes limited access to grade-A real estate, quality telecom and uninterrupted power, which is further exacerbated by the fact that ISSPs, especially in India, are located in remote or rural areas where infrastructure is generally not well developed. Governments should address the following with respect to infrastructure development that can benefit the Impact Sourcing sector:

- Facilitating the development of international standard commercial real estate, including technology parks and free zones
- Enabling quality telecom availability with high-speed access
- Providing access to uninterrupted power
- Developing roads and transportation networks to facilitate travel
- Other local facilities and civic amenities to support growth in businesses

Governments need to undertake significant intervention both in terms of investments and policy formulation to accomplish the above objectives. A successful example has been the initiative by the state government of Kerala in India. The programs can be implemented through effective public-private partnerships wherein the private sector can help accelerate the execution of such infrastructure projects with limited funding from the government, with government playing an enabling and facilitating role. In Africa, in such countries as Kenya and Ghana, this is even more critical, as the BPO industry is in a nascent stage and supporting infrastructure is minimal.

Rural IT Parks / Technolodges — A Government of Kerala Initiative

In order to develop ICT infrastructure, the government of Kerala decided to set up rural IT centers, namely Technolodges, typically advantageous to IT companies that are looking for reducing operational costs. This Technolodge scheme envisages developing small buildings that have the capacity to seat about 25 employees for IT, ITeS and BPO operations.

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The main objective of this scheme is to encourage ITeS and BPO companies to operate from low-cost rural centers and thereby create employment in rural areas. The Technolodge centers will be set up in old unused government buildings, buildings belonging to government organizations, local administrations and other local bodies.

Preference shall be given to local administrations, which provide their existing buildings or community halls free of charge for the scheme. Technolodges can be set up in small towns and rural areas in buildings with a built-up area of about 10,000 square feet or land measuring at least one acre. This scheme will provide employment to rural youth, taking IT to smaller towns and cities and making use of unused government / local bodies' buildings.

4. Promotion of incubation centers / mini–tech parks in smaller locations and rural areas by the government

Traditional BPO organizations face significant issues in identifying appropriate facilities to kick-start their rural operations and are required to commit high capital expenditure. Encouraging business to move from cities to developing regions requires investment from government to provide business with adequate facilities. These investments enhance the economic viability of doing business in such regions. Several countries have successfully created incubation centers and provided benefits similar to the special economic zones to encourage companies to set up new operations in smaller (tier 2 and tier 3) cities and rural locations. Expansion to these regions is key to the development of the Impact Sourcing sector, as they typically have a convergence of sufficiently skilled labor that otherwise would have limited opportunity for employment to perform BPO tasks. This would also enhance the economics of doing business in such regions as a large part of the capital investments would be provided.

From a policy and incentive perspective, policy makers should devise regional incentives to attract investment. Such incentives enable economic development in rural or developing areas. A number of countries have already utilized such incentives to successfully position developing regions. For example, Poland offers tax exemptions for locating businesses in certain provinces. Similarly, in Chile the government was able to develop the Tarapacá region, home to world's driest desert, by developing a free trade zone — resulting in the development of commercial infrastructure. The setting-up of Iquique's Free Trade Zone (ZOFRI) has enabled higher economic growth in the region, including manufacturing, agriculture, mining, sea produce and port services.

5. Generating demand by promoting sourcing from organizations with "Socially Committed Business" certification/scores

As outlined earlier, a number of ISSPs face obstacles in establishing their credibility with buyers owing to their smaller size and limited experience. One way to generate demand for Impact

Sourcing services is to promote organizations that show a commitment to Impact Sourcing, which in turn can engender interest among those who value economic activity that achieves socially responsible ends. One method of promotion is to have governments or independent organizations adopt a certification program, such as "Socially Committed Business," to promote BPO companies that proactively employ poor and vulnerable populations. For example, South Africa has deployed a system, known as the BEE (Black Economic Empowerment) scorecard that scores socially responsible enterprises. Firms with a good BEE rating obtain a higher weighting, which gives them more visibility and potentially preferential status in certain competitive bidding environments (e.g., public sector projects). Since 1994, political change and the efforts to balance out the unequal distribution of wealth from the times of apartheid have driven Corporate Social Responsibility (CSR) forward in South Africa. Instrumental in this is the Black Economic Empowerment Act of 2003, which was set up by the government and specifies the advancement of historically disadvantaged groups in the population. The "Corporate Social Investment" guidelines of the BEE especially have a supporting effect, since with their assistance CSR programs are formalized and the results can be communicated.

Overseen by a standard-setting body, Fairtrade International (FLO), and a certification body, FLO-CERT, fair trade certification is a product-certification system designed to allow people to identify products that meet agreed environmental, labor and developmental standards. This involves independent auditing of producers to ensure the standards are met.

Similarly for the Impact Sourcing sector, such a certification should be strongly considered to help certify the practices of Impact Sourcing service providers. This certification could be administered by an independent agency or an industry association for the Impact Sourcing subsector. Such a certification process would help build awareness and also enable service providers (including qualifying traditional BPO organizations) to leverage it as a successful marketing and positioning tool while also providing employment to poor and vulnerable people. This would help them garner additional business or get preferential treatment due to the social impact of their work from clients while bidding for business globally. Along with certification, recognizing ISSPs for their contribution to society in international events such as NASSCOM leadership summit and the annual International Association of Outsourcing Professionals (IAOP) events can act as a strong channel to create awareness.

In addition to the above recommendations for overall development of the Impact Sourcing sector, governments and other stakeholders can implement policies and incentives to support the growth of specific Impact Sourcing archetypes.

Recommendations for Archetype I (Scaling Up Impact Sourcing Service Providers)

This archetype focuses on developing Impact Souring service providers, i.e., service providers that have been formed with a specific objective of poverty alleviation in the sections of the society with the highest poverty rates. Organizations in rural India such as B2R, RuralShores and HarVa, and DDD in Kenya, Cambodia and Laos can be classified as ISSPs. As these ISSPs directly employ and affect poor and vulnerable populations, specific initiatives to develop this category of service providers would align well with policy agendas seeking to generate employment, especially for youth.

1. Intensify focus on developing sales and marketing channels for ISSPs — with an emphasis on promoting the aggregator model

The biggest challenge faced by ISSPs is a lack of ability to connect with potential buyers and market their services in the domestic and international markets. Aggregator organizations such as Samasource and RuralShores have proven that they can act as effective intermediaries for ISSPs and provide required sales support to generate demand for their services.

Samasource is a social business based in San Francisco that connects people living in poverty in East Africa, South Asia and Haiti to work via the Internet. It was founded in 2008.

Operating Model:

- Samasource manages sales and marketing to generate demand for data services from companies in the United States and Europe. Samasource takes a project from a client, breaks it up into micro-work and allocates it to a network of delivery centers that recruit and manage workers from marginalized populations. Samasource takes advantage of latent computer capacity at work centers.
- Places like university computer labs that aren't used at night, or existing computer training facilities, can be put to good use.
- Samasource uses a proprietary web platform, the SamaHub, to securely distribute micro-work tasks to the global delivery centers.
- The SamaHub employs best-in-class technology to manage the collection, review and delivery of judgments, and monitors associated performance and quality metrics in real time.
- Quality assurance — Samasource takes care to maintain an accessible QA and account management team in San Francisco, which interfaces directly with clients.

Key Clientele:

Samasource works with several high-profile companies, including Google, LinkedIn and Intuit, and has paid out over $1.5 million in wages benefitting more than 20,000 people living in poverty.

Policy makers, donor organizations and other industry stakeholders need to work together to enhance an aggregator model that would enable smaller ISSPs to receive ongoing, annuity-based work with a low investment in sales and marketing efforts, especially in their start-up phase. For instance, DesiCrew, an ISSP based in India, started as an incubatee of a leading technology institute, IIT-Chennai's Rural Technology Business Incubator, and spun off as a

commercial entity in 2007. Today it employs several hundred people across multiple centers. Financial support should be considered to strengthen existing aggregator networks as well as to incubate new organizations to expand the provider network and tap into newer buyer markets beyond the United States and India. State governments in Karnataka and Tamil Nadu in India have already put in place specific policies for business setup and training grants for development of rural BPO service providers and ISSPs.

2. Formation of an ISSP industry association/platform to help network, share best practices and advocate policy change

Current ISSPs are very small organizations and have limited say in policy formulation and industry forums. Creating a specialized industry association composed of ISSPs and key stakeholders would provide a platform to improve visibility of Impact Sourcing and enable structured growth of the industry.

RuralShores
Countryside Nationwide

RuralShores was founded in May 2008 with the objective of assimilating rural India into the knowledge economy by providing job opportunities to the rural youth of the country. RuralShores has set up ten delivery centers in seven Indian states with investments from the housing finance major HDFC and Lok Capital Venture Fund. The objective of the company is to set up one such delivery center in each of 500 rural districts of India. The company employs close to 1,000 rural employees.

Business Model:

- RuralShores acts as a knowledge intermediary between various clients both from the corporate/government sector and local center partners.
- The center partner is responsible for the infrastructure and delivery of services, whereas the middle and top management come from RuralShores, focusing around sales and distribution of work.
- RuralShores has laid down specific criteria for selection of center partners revolving around inclusive growth with a social objective.
- RuralShores uses a proprietary workflow to manage and distribute work to these centers, and managers in these centers communicate with one another.

Key Clients and Services:

- Key services include: Record management for US based company, Motor insurance policy enrolments, Medical coding and billing, Cab requisition and reconciliations for audit firm, Employee expense processes for a BPO etc.
- For governments, RuralShores has been able to work on national population register and SECC (Socio Economic and Caste Census). Other opportunities with the government include digitization of current and legacy data and e-district and e-governance projects.
- Indian government is expected to become a large consumer of IT & BPO services, driven primarily by National E-Governance Plan, this would help generate demand for Rural BPO firms

Contd.

Challenges Faced:

- Lack of initial support by the Government.
- No preferential treatment for Rural BPO firms – Preferential approach is desired similar to policy for Small and Medium Businesses in many countries, for e.g. Greater involvement of Rural BPO organizations in e District / eGovernance initiatives.
- Very little tax incentives and lack of infrastructure such as power.

Such a platform would enable ISSPs to express a collective view on issues and advocate policy change with policy makers. Additionally, a specialized industry association would enable ISSPs to reach out to clients by generating more awareness and organizing events and seminars, thereby promoting the overall Impact Sourcing sector. Industry associations or a platform for best practice sharing would also enable ISSPs to identify key quality certifications required to build confidence levels in potential buyers.

The National Association of Software and Services Companies (NASSCOM), the trade association of IT and BPO companies in India, is a perfect example of a successful industry body. Established in 1988, NASSCOM is a nonprofit organization focused on promoting sustainable growth for the industry and harnessing IT and communications technologies for inclusive and balanced growth. It now has more than 1,200 members of which over 250 are global companies from the United States, the UK, the EU, Japan and China. NASSCOM engages in policy advocacy, organizes events and conferences and promotes international affiliations and support skill development.

The success of NASSCOM has led to several other countries, including Ghana (GASSCOM), Brazil (BRASSCOM) and Philippines (BPAP), to study their model and set up similar trade bodies. Support for building a strong industry trade body relies on key interventions from the government in the initial years. The government of India, for instance, supported the building of a strong international body by providing adequate support for branding and marketing in the initial years. Matching grants for helping organize trade events as well as participation in large-scale international events was provided by the export-promotion board. In the late 1990s, the government of India created a task force comprising chief executives of key companies to recommend actions. This prime minister's task force recommended 108 action points, which were acted upon by the government to build the software and BPO sectors in India.

Best practices as well as guidance on various certifications required to propel the ISSPs to build credibility among the buyer community can be achieved through building an effective industry forum. Through this initiative, organizations will have the ability to advocate policy changes and gather support required from the appropriate stakeholders. Details on quality certifications can be found in the first recommendation of the subcontracting archetype in the following sections.

3. Fostering entrepreneurship to promote job creation in rural and urban areas

Much of the ISSP development in past few years has been due to efforts of passionate individuals and entrepreneurs. Incentives to promote entrepreneurship can be a catalyst to spur growth in the Impact Sourcing sector. Financial support such as soft loans to aspiring entrepreneurs and relevant training and information to successfully start businesses can help jump-start the Impact Sourcing sector. In addition, policy makers should also strongly consider developing incubation facilities that entrepreneurs can take advantage of to kick-start their operations. Such initiatives are already under way in Ghana (Ghana Multimedia Incubation Center) and Uganda and must be strongly encouraged. Such policy initiative can direct some of the growing global impact investing industry toward Impact Sourcing.

The **Ghana Multimedia Incubator Centre** was established in 2005 in Accra to promote ICT entrepreneurship development through the incubation of ICT business start-ups and also to develop much-needed ICT skills under the government's ICT for Accelerated Development (ICT4AD) initiative. With support from the United Nations Development Programme and the government through the Ministry of Communications, the center aids start-ups and young businesses that have groundbreaking and innovative ICT ideas to mature into viable business ventures. The center provides its tenant companies with office space, utilities, Internet access and a shared resources center that gives them access to various secretarial services.

In addition, the tenant companies undergo a comprehensive mentoring process, receiving capacity building from experienced consultants and successful entrepreneurs in such diverse fields as project management, marketing, business plan development, proposal writing and negotiation skills. After periodic monitoring and evaluation of tenants' performance, successful businesses "graduate" from the Incubator Centre after a stipulated period into the real world.

The Ghana Multimedia Incubator Centre also hosts the Business Process Outsourcing Training Centre, which equips young Ghanaians with the skills necessary for inducing multinational companies to outsource some of their core business processes to Ghana. The training center gives candidates the skills needed to become call center operators, medical transcriptionists and data-entry agents.

Additionally, some new ISSPs, due to their relative operational maturity, might lack key skills for running and scaling their operations. Providing capacity-building support to such ISSPs will help them meet basic quality standards and thereby significantly improve their ability to sustain and scale. In this regard, the role of organizations such as Enablis Africa is crucial, as they can help provide necessary training and support to small and upcoming businesses. Such organizations are increasingly engaging governments to address their specific needs.

Enablis Entrepreneurial Network is a nonprofit organization geared at leveraging and supporting entrepreneurial talent. Enablis was launched in 2002 and founded by Accenture and Telesystem, in collaboration with the government of Canada. It is a member-based organization that spans the African continent and has most recently expanded to Argentina in South America.

Enablis is driven by its professional network of entrepreneurs, governed by a sense of social sharing and networking. Enablis gives these entrepreneurs the opportunity to interact with one another through the Enablis platform and thereby to increase their capacity for entrepreneurial success. Enablis facilitates entrepreneurial skills development, access to finance, professional networking and mentoring to ensure economic stimulation and entrepreneurial sustainability.

Enablis engages with entrepreneurs in South Africa, Mozambique, Tanzania, Kenya, Ghana, Rwanda, and Argentina and has more than 1,800 entrepreneur members.

4. Leveraging infrastructure and capacity created under telecenters and common service centers by various governments

Governments all over the world have been investing in the creation of telecenters and digital centers in rural and remote areas with a view to leveraging ICT for development. We have seen several examples, including Digital PASHA in Kenya and Citizen Service Centre in India. Other developing countries are using similar centers to digitally provide various government services to rural areas.

SAHAJ
BRINGING TECHNOLOGY TO EARTH

Sahaj was started in India to bridge the digital divide and bring services/products related to government/business to the doorsteps of people in the rural hinterland. It was also designed to encourage and develop rural entrepreneurship i.e., village-level entrepreneurs (VLEs) with sustainable livelihoods. Sahaj was mandated by the government of India to set up more than 28,000 CSCs in six states — Assam, Bihar, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal.

Such state, donor and public-private-people-partnership-funded investments have created an ecosystem to foster the development of ISSPs. Developing a business model to convert the cost centers into profit centers by capturing smaller tasks (or "micro-work") for Impact Sourcing service providers from these centers and generating employment can catalyze the growth in this sector. This will foster local entrepreneurship and also create multiple opportunities for people in the region.

PASHA
connecting communities

A **Pasha Centre** is a digital village project (DVP) in Kenya whose key function is to provide a suite of services to the public via computers connected to the Internet. The Pasha Centres are run by private entrepreneurs who have gone through a training program initiated by the Kenya ICT Board. *Pasha* is a Swahili word meaning "to inform." The Pasha project's main role is to provide Kenyans in rural areas with access to information across the country.

A highly successful model of rural population engagement has been the e-Choupal initiative by ITC, a leading corportation in India. Based completely on a private sector initiative, the e-Choupal initiative has engaged more than 4 million farmers in 40,000 villages across India, providing them a number of services and integrating them into the mainstream economy. By working closely with local communities and in a constructive public-private-people partnership, such unique business models can contribute to economic development. E-Choupal has been specially cited in the government of India's Economic Survey of 2006–07 for its transformational impact on rural lives. As policy makers in other developing economies try to promote inclusive growth, this model provides crucial insights into policy formation and infrastructure.

ITC's **e-Choupal** initiative is the world's largest rural digital infrastructure, empowering more than 4 million farmers in 40,000 villages across India. The e-Choupal network of 6,500 kiosks across ten states in India leverages the power of the Internet and provides customized agricultural knowledge extension services to enhance farm productivity and raise rural incomes.

- Launched in June 2000, the e-Choupal model is centered on a network of kiosks, composed of Internet-connected computers, which provide information and services related to best practices, know-how, transparent discovery of prices, timely and relevant weather information and so on.
- ITC's strategic intent is to develop e-Choupal as a significant two-way multidimensional delivery channel, efficiently carrying goods and services out of and into rural India, transforming dispersed and disconnected villages into vibrant economic organizations.
- The challenges encountered while setting up and managing these "e-Choupals" primarily involve infrastructural inadequacies, including power supply, telecom connectivity and bandwidth, apart from the challenge of imparting skills to first-time Internet users.
    - Several alternative and innovative solutions have being deployed to overcome these challenges, including solar panels and mobile kiosks.
- The entire infrastructure has been built and scaled without any government incentives or grants.
- ITC is now reshaping the e-Choupal model, in its version 3.0, to leverage the spread in mobile telephony and the growing aspirations emerging from the semi-urbanization of some of the villages.
    - Providing farming communities with value-added services such as crop advisories, advance weather forecasts and output price discovery, among others
    - Supporting micro-enterprises as new off-farm opportunities through a recently created virtual rural employment platform

Recommendations for Archetype II (Direct Employment in the Traditional BPO organizations)

This archetype focuses on promoting direct employment of poor and vulnerable people in the traditional BPO industry. The traditional BPO service providers in countries like India started over a decade ago, working for US and UK clients, and generally employing graduates and above. As the industry has evolved, large traditional BPO organizations have started employing people from the "bottom of the pyramid" with a dual purpose of addressing rising cost pressures and the need for additional labor to match buyer demand, and as a corporate social responsibility initiative. BPO organizations have also started setting up operations in smaller towns to tap into the talent pool in these areas. Specific incentives and policies such as this that help traditional BPO organizations engage this population can help in a fast scaling-up of the IS sector.

1. Implement targeted incentives and build capacity to hire from specific sections/regions of society

Hiring of socially and economically underprivileged people into the mainstream BPO industry requires a compelling business case for the BPO service providers, as well as a strong push from the government. Governments have a crucial role to play here by helping create an environment conducive to the private players to invest and hire and by building human capacity.

Large-scale hiring of poor and vulnerable populations by traditional BPO organizations can be driven by a strong business case. The cost benefit for these organizations can be enhanced by reducing the initial investment requirements, as well as by providing hiring and training incentives. Policies can also be formulated to promote hiring from economically disadvantaged regions (as practiced in Poland and Chile and outlined earlier in the report).

Similarly, the Monyetla Work Readiness Programme in South Africa aims at developing unemployed youth in South Africa to successfully enter the BPO sector, thereby building capacity for BPO companies. The Work Readiness Programme is designed to provide training for unemployed young people and employment in the BPO sector for 70 percent of those who successfully complete the training. It is undertaken as part of the BPO partnership between the Department of Trade and Industry and the Business Trust, with funding provided by the Department of Higher Education and Training through the National Skills Fund.

Leveraging Outsourcing to Promote Economic Development in Rural America

Corporations are increasingly looking to diversify their delivery models and explore lower-cost locations beyond the traditional offshore centers. One recent development has been to leverage onshore delivery centers in lower-cost cities in the United States. Firms are evaluating smaller cities and towns in the rural United States, and are able to achieve costs that are 20 percent to 30 percent lower than those in traditional metropolitan centers. These centers allow corporations to help diversify their risks, maintain operational proximity and leverage the benefits of a common time zone, language and business understanding.

Local governments are often eager to offer economic incentives to attract such investments, and local educational institutions sometimes partner with employers to ensure that there is a supply of workers with desired skills.

The leading Canadian provider, CGI, has been an early adopter of this model and has a stated strategy of leveraging rural communities in the United States, Canada and Europe. CGI already has three delivery centers in the rural United States, with centers in Belton, Texas; Lebanon, Virginia; and Troy, Alabama, to service both government and commercial organizations.

This has helped create quality jobs in rural communities. To date, CGI's U.S. Centers of Excellence have created nearly 700 jobs. In addition, it helps invigorate local economies. Its Lebanon, Virginia, center alone is projected to generate more than $68 million in annual economic activity in the region.

Similarly in Belton, the CGI center is expected to generate more than 400 new jobs in five years, with the majority of these jobs offering above the county's per capita average wage. Additionally, CGI will be one of the largest private employers in the community, generating an estimated annual economic impact in the Belton area of $61 million within the first five years of operation. This was made possible through a $1.8 million investment by the government through the Texas Enterprise Fund, which was created by the Texas legislature in 2003 to help Texas businesses grow and create jobs.

In addition to CGI there are several other service providers leveraging the rural talent in the United States, including specialist firms such as Rural Sourcing, Inc., which opens centers near small cities with universities and largely hires recent college graduates; Saturn Systems, which operates in vibrant midsized American cities and draws talented individuals from universities; and Onshore Technology Services, which takes underemployed and dislocated workers who have lost manufacturing jobs and puts them through a boot camp–style training program to make software developers out of them.

2. Influencing behavior of traditional BPO organizations by altering procurement policies

Government procurement policies as well as the procurement policies of private organizations can be modified to include certain provisions for mainstream BPO players to encourage them to hire from disadvantaged locations (e.g., a certain percentage of work has to be done in rural areas, or a certain percentage of employees needs to come from a specific background). Provisions like this can either take the form of preferential treatement to BPO companies with a higher number of employees from disadvantaged locations or government tender or tax rebates / government grants to organizations that utilize the services of organizations that have a larger number of people from disadvantaged locations employed. This would be a strong motivation for the mainstream BPO companies to hire poor and vulerable people.

Mechanisms such as the BEE scorecard in South Africa and women- or minority-owned business set-aside preference programs in the United States have successfully proven that government policies can play a crucial role in influencing corporate behavior by putting in place incentives for preferential treatment while participating in government bids and doing business locally. In the United States, for example, the Women-Owned Small Business Federal Contract Program provides equal access to federal contracting opportunities for women-owned small businesses (WOSBs) and economically disadvantaged women-owned small businesses (EDWOSBs). The program allows contracting officers to set aside specific federal contracts for WOSBs and EDWOSBs.

Broad-Based Black Economic Empowerment (B-BBEE) is a form of economic empowerment initiated by the South African government with the goal of broad-based empowerment to distribute wealth across as broad a spectrum of South African society as possible.

Rationale for BEE:

- Past policies meant a deliberate exclusion of black people from meaningful participation in the economy.
- BEE is government policy to redress the wrongs of the past policies.
- BEE is a mechanism to accelerate the entry and participation of black people into the mainstream South African economy.

How does it work?

The B-BBEE Codes of Good Practice have an element called Preferential Procurement. Preferential Procurement says that if an organization asks its suppliers for a scorecard, the organization can claim a percentage as a BEE spend. This allows it to earn points, which in turn gives the organization's own customers a good scorecard.

The Preferential Procurement element accounts for a minimum of 20 percent of the scorecard, the same percentage as ownership. It is for this reason that it is so important to get a scorecard from all suppliers.

Recommendations for Archetype III (Subcontracting to ISSPs)

This archetype focuses on promoting traditional BPO organizations to subcontract to Impact Sourcing service providers. In order to achieve scalability and reduce costs, traditional BPO organizations subcontract a part of their business to Impact Sourcing service providers. This allows ISSPs to get assured work with limited sales and marketing expenditure. This model is commonly observed in countries where there is a large traditional BPO sector, such as India. This archetype also has the potential to further develop the Impact Sourcing sector by promoting collaboration between traditional BPO firms and ISSPs.

1. Quality assurance and certifications

A key challenge faced by traditional BPO organizations is the ability of ISSPs to meet global service quality and delivery standards. This can be largely mitigated by supporting and strengthening the ISSPs' quality certification processes.

Industry bodies or governments should be encouraged to subsidize quality certifications for ISSPs. They should also provide the ISSPs with adequate information on how to obtain certifications, as well any financial support required to obtain them. For example, the state government in Andhra Pradesh provides a reimbursement of 20 percent of expenditure incurred (to a limit of INR400,000 or US$8,000) for obtaining quality certifications for CMM Level 2 upward. Similar reimbursements are made to BS7799 for security and also to ITES companies for achieving COPC and eSCM certification.

Industry or government certification will help build credibility of ISSPs, increasing confidence in traditional BPO organizations to subcontract some of their work to ISSPs.

2. Building greater industry awareness at all levels, especially at middle-management layer

ISSPs have reported that they have a good buy-in for their services at the executive/board level. However, this interest in not translated at the operational level. For Impact Sourcing to grow, proponents will need to actively increase awareness and obtain commitment, or "buy-in," from middle management of BPO service providers, as this group is actually responsible for day-to-day management of subcontracting relationships. The recent inclusion of key Impact Sourcing Service providers in events organized by NASSCOM and NASSCOM Foundation has raised the general awareness levels. In addition, government support for Impact Sourcing events and road shows will further enhance awareness across all levels in buyer organizations.

In Ghana and Kenya, the government has taken initial steps toward working closely with industry associations and has supported hosting of industry events. Similarly, the Mauritius government has hosted a number of BPO industry events to attract investors and build

awareness of the country and its incentives. Such initiatives enable a broader participation and networking of industry personnel, sensitizing them to newer concepts such as Impact Sourcing and promoting exchange of ideas and collaboration.

Once the benefits of subcontracting to ISSPs are established, rapid adoption would follow, leading to successful scaling-up of the subcontracting model. This can be accomplished through IS industry association and other industry events for networking and best practice sharing.

Conclusion

The concept of Impact Sourcing dovetails with the policy priorities of many governments to improve standards of living for their populations. This study demonstrates the potential significance of Impact Sourcing to both contribute to economic growth and alleviate poverty through focused development of the technology services industry. Global demand created by the customers of BPO services and the response by BPO service providers to adapt to such demand present governments with a unique prospect to capture a larger percentage of such opportunities in the form of Impact Sourcing– related jobs.

The market size of Impact Sourcing is currently pegged at US$10.7 billion, employing nearly 561,000 people. With the positive outlook demonstrated by key Impact Sourcing service providers in the industry and the booming BPO sector, it is projected that by 2020, the Impact Sourcing sector will grow substantially, to employ 2.9 million people and generate revenues of US$55.4 billion. In addition Impact Sourcing is expected to increase its share of global BPO services revenue to 17 percent by 2020.

When successfully implemented, Impact Sourcing makes the market for the outsourcing of technology and business services work more efficiently while enabling the benefits to reach the poorest communities. This in turn can produce additional growth opportunities and a multiplier effect to generate and distribute wealth more widely across populations and reduce poverty. Rather than a zero-sum game, Impact Sourcing can create a “win-win” situation for all groups. In short, Impact Sourcing has the potential to be one of the most effective methods of harnessing the potential of globalization to enhance worldwide economic growth in a socially responsible manner.

Sustaining and scaling up the Impact Sourcing sector would require policy makers to play a key role. They will have a significant responsibility in helping generate demand, building capacity and creating an ecosystem that promotes Impact Sourcing. Governments that desire to develop a locally based technology services industry can implement policies and incentives to develop necessary infrastructure, build human capacity by supporting skill development initiatives and attract technology services providers to jump-start the Impact Sourcing sector. Additionally, governments can act as a key source for generating anchor demand, for example by prioritizing e-government projects (such as digitization) that can effectively be outsourced to Impact Sourcing service providers. In short, this study underscores that Impact Sourcing presents significant opportunities for economic growth and poverty reduction that many countries have the ability to take advantage of by implementing a series of policies and incentives that support and promote the growth of the sector.

Annexure 1 — Country Profiles and Analysis

This section provides key insights into specific countries and provides assessment on their potential to scale Impact Sourcing based on findings of this research.

Ghana

Likelihood of scaling up and key initiatives required	Due to the government's focus on developing the BPO industry in general, there is a high likelihood for the Impact Sourcing sector to scale in Ghana. The population in Ghana has strong English-speaking skills and high school graduates that possess basic skills to work in the data-entry areas of BPO. More important, the government has adopted a focused approach to developing the overall BPO sector. In Ghana, much of the policy change has been driven through a central administrative body, which has successfully approved a number of Impact Sourcing–favorable policies. However, as Ghana is a rapidly developing economy, much of the focus of the Ministry of ICT is currently centered on telecom and broadband adoption and penetration. Building strong awareness of IS would be required to fast-track policy formulation. The government should focus its efforts on developing overall supporting infrastructure to boost investments in the BPO sector as well as encouraging entrepreneurship.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the BPO sector in Ghana. The BPO industry in Ghana is itself in a nascent stage and currently hires from all sections of the society. Developing BPO organizations in developing regions and incentivizing BPO organizations to hire poor and vulnerable people will contribute to scaling up the Impact Sourcing sector.
Estimated market size	Ghana's BPO industry is estimated to be around 3,500 employees, out of whom 50 percent can be classified as Impact Sourcing, translating to approximately 1,750 Impact Sourcing employees. The market size is expected to be US$105 million. Over 80 percent of work currently is from domestic clientele, with the balance coming from the United States.
Key findings and highlights	The government of Ghana has been focused on developing the BPO sector to generate employment in the country. This has been part of a greater strategy to leverage ICT for development. The World Bank has funded a multiyear program titled eGhana, wherein the government of Ghana is aiming to: ▪ Collaborate with Micro, Small and Medium Enterprises (MSMEs) under the Ministry of Trade and Industry in the development of an ICT park. ▪ Establish and nurture a competent industry association that will partner with the government and also act as a pressure group for the ICT/IT sector. ▪ Build an integrated market access and trade facilitation infrastructure program. ▪ Proactively support entrepreneurship development through incubation

	centers. ▪ Ease up business start-up procedures and reduce red-tape bureaucracy. ▪ Provide an enabling environment to boost increased investments in the ITES/ICT MSME sector. The government has already put in place a number of incentives to promote the BPO sector. The key incentives for the BPO industry in Ghana include: ▪ 100 percent exemption from payment of direct and indirect duties and levies on all imports for production and exports from free zones ▪ 100 percent exemption from payment of income tax on profits for 10 years and not to exceed 8 percent thereafter ▪ No import licensing requirements, and minimal customs formalities ▪ Ability to have 100 percent foreign ownership in a free zone enterprise ▪ No conditions or restrictions on repatriation of dividends or net profit

India

Likelihood of scaling up and key initiatives required	Due to a very mature and prominent BPO sector, as well as several initiatives in Impact Sourcing already under way, India has a very high likelihood to further scale Impact Sourcing. India has a well-developed educational system that can be leveraged to expand jobs in the BPO industry to target potential employees with a high school level of education or below. Per current estimates, India currently employees the highest number of Impact Sourcing professionals. India, with its highly mature BPO industry, would require detailed discussion and appreciation of the benefits of IS for policy changes. Redirecting policy efforts to support Impact Sourcing will require proactive engagement with policy makers and politicians. However, one potentially fruitful option to highlight the viability and benefits of Impact Sourcing is to identify a few champion states (such as Karnataka and Tamil Nadu, which already have rural BPO policies in place) to facilitate faster decision making and implement changes that promote Impact Sourcing. In addition to developing specific policies for promoting rural BPO organizations, policy makers should focus on promotion of direct employment of poor and vulnerable populations by traditional BPO firms, as these organizations are fairly mature and looking to expand their operating base and attract a larger pool of employees.
Archetype likely to be adopted	As India is a fairly mature BPO destination, ISSP development, direct hiring by traditional BPO organizations and subcontracting by traditional BPO organizations to ISSPs will all be readily adopted archetypes for scaling up the Impact Sourcing sector in India. The traditional BPO organizations are hiring from underprivileged sections of society and people with high school degrees in order to lower costs and increase the labor force. BPO organizations are also moving into smaller (tier 3) cities and/or subcontracting to ISSPs in rural areas. ISSPs have sprung up in many villages in India and are being promoted by the government as job-creation avenues.
Estimated market size	▪ The IS market in India is estimated to be 251,000 employees. ▪ The total BPO industry in India employs around 1.2 million people with more than 340,000 working in domestic market operations. Of the 835,000 employees in international operations, around 77,500 can be

	classified as IS workers. ▪ Domestic market operations employ nearly 50 percent individuals with high school diplomas (around 168,500). ▪ In addition, the direct rural BPO/IS market is estimated to employ around 5,000 people.
Key findings and highlights	India has been the leading BPO destination and has created significant employment in the country through a number of policy initiatives. The industry is fairly mature, and current stakeholders have undertaken a number of initiatives. Some of the key government initiatives and industry activities include: ▪ Rural expansion: With reduced cost arbitrage in large cities, smaller cities are being shortlisted to ease the talent supply bottleneck. State governments are focusing on developing the transport and telecom infrastructure to attract MNC captives and foreign investment. ▪ Favoring telecom policies: The DoT and TRAI have consistently looked to pass policies that favor consumers, which have drastically reduced call charges, increased bandwidth and improved transmission quality. ▪ Public-private partnerships: HCL, along with the government of Gujarat, has set up BPO training centers with a primary aim of bringing rural and smaller cities' populations up to global standards. ▪ Targeted training: The government of Punjab has deployed a three-pronged training model — one at aimed at English-language skills, one aimed at domain specialization and one aimed at horizontal functions. ▪ Department of Information Technology: A body formed by the government to govern, improve and implement policies relating to IT. ▪ NASSCOM acts as an adviser, consultant and coordinating body for the IT-BPO industry in India, and has played a key role in enabling the government in India to develop industry-friendly policies. Some of the key incentives in India include: ▪ Special economic zones (SEZ): The incentives and exemptions provided under this scheme have catalyzed BPO growth in India. This entitles domestic suppliers to DEPB benefits, CST exemption and service tax exemption. Certain exemptions like income tax exemption on export profits are available to SEZ units for five years, 50 percent for the next two years and 50 percent plowed back into profits for three years thereafter. ▪ The government of Karnataka provides a capital investment subsidy of up to INR1,000,000 (US$20,000) per 100-seat BPO unit. A recurring financial support of INR5,000 (US$100) per employee as a subsidy to meet the cost of building rentals and Internet connectivity is also provided. It has slashed Internet charges by 50 percent for IT/ITeS companies; for training, the government provides INR10,000 (US$200) per candidate. ▪ The government of Tamil Nadu has authorized a 15 percent capital subsidy up to a maximum of INR300,000 (US$6,000) for BPO companies employing more than 100 and operational for above three years. It has committed to contributing INR1,500 (US$30) a month for three months as part of its training subsidy for BPO companies.

Kenya

Likelihood of scaling up and key initiatives required	Kenya has a relatively new but fast-growing BPO industry. While there is high graduate talent availability, policy adoption can be slow. For these reasons, Kenya has a fair likelihood of developing the Impact Sourcing industry. The domestic market in Kenya is untapped, and with expanding banking and telecom sectors, a large number of opportunities are opening up for Impact Sourcing services. The Vision 2030 initiative is already guiding policy making and shaping infrastructure in Kenya to help build the BPO sector. Various IT parks have been commissioned for construction, which would help scale the BPO industry in regions around major cities. These IT parks can be leveraged to achieve Impact Sourcing objectives through targeting key populations for hiring within these cities. Encouraging BPO organizations to hire from poor and vulnerable sections of society would help scale up the Impact Sourcing sector.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the BPO sector. Kenya has recently taken up BPO as a priority sector and has started investing in developing the ICT infrastructure required for BPO organizations. Due to the lack of large BPO organizations existing in Kenya, subcontracting by them is virtually absent. Hence, building the BPO sector by directly hiring from poor and vulnerable sections of society and specifically developing ISSPs to create jobs would be the most sought-after path to scale up the Impact Sourcing sector.
Estimated market size	The total BPO industry in Kenya is estimated to be around 7,000 employees, largely centered in Nairobi. According to industry estimates, 40 percent of these employees are high school pass-outs or below. As a result, the current IS market size is expected to be around 2,800 employees.
Key findings and highlights	The government in Kenya has taken up various initiatives to develop the BPO sector. Since people from the poor and vulnerable sections of society are directly employed in the BPO sector, a holistic development of this sector will enhance the Impact Sourcing sector. No initiatives specific to the Impact Sourcing sector have yet been seen. Some of the key government programs include: ▪ Kenya's Vision 2030 will see the implementation of four major programs: business process outsourcing (BPO), national ICT infrastructure, e-government strategy and the development of local digital content. ▪ Telecom infrastructure: The laying of optical fiber has slashed costs by 90 percent from US$5,000 per Megabytes to US$500 per Megabytes within a year. ▪ Public-private partnerships for skill development: Kenyan universities have started provided certification courses like BCI, and other centers of excellence are emerging to address skill deficits. ▪ Favorable business laws: A recently passed law on data protection will help increase trust from privacy-sensitive industries like BFSI and telecom. ▪ Aggressive marketing to increase FDI: Increase in foreign participation apart from inbound activities has strengthened the perception of Kenya as a risk-free and capable country. ▪ Use of community-based learning centers to develop ICT skills across the

	community in partnership with the private sector, NGOs and donors. ▪ Setting-up of tech parks like Sameer Tech Park and Konza technological city is encouraging MNCs and local companies alike. Current incentive structure includes: ▪ The Export Processing Zones (EPZ) program, which offers attractive incentives to export-oriented investors, and the Investment Promotion Centre (IPC) to promote all other investment in Kenya. ▪ Double taxation, bilateral investment trade agreements ▪ The liberalization policy allowing for sector participation in the ICT sector. ▪ Reduced taxes on computer hardware and software ▪ Removal of licensing requirements on information and broadcasting services

South Africa

Likelihood of scaling up and key initiatives required	Due to the early adoption of Impact Sourcing, South Africa has a very high likelihood for scaling it up even further. South Africa already has almost 70 percent of its BPO workforce in Impact Sourcing jobs. Call centers and captives form a major part of the BPO industry, and skills profiles of high school leavers and high school pass-outs along with government sponsored training programs such as Monyetla have helped build the Impact Sourcing sector. Growth in the Impact Sourcing sector can be accelerated with relatively modest efforts to promote industry awareness and maturity, and by targeting key decision makers in select regions (Western Cape, Limpopo, etc.) to promote the development of the BPO industry in their respective provinces.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be relevant archetypes for scaling up the IS sector. South African BPO organizations are fairly mature, and a large percentage of people are high school pass-outs as compared to India, where most people hired in international BPO organizations are graduates. Hence, developing the BPO industry in general would lead to greater hiring from this population. ISSPs specifically are currently in a nascent stage and require specialized incentives in addition to the general BPO incentives to grow.
Estimated market size	The total BPO industry in South Africa employs roughly 180,000 to 200,000 employees covering domestic and international BPO organizations as well as shared service centers. Approximately 70 percent of these employees are high school pass-outs or below, thereby falling under the IS category, amounting to at least 126,000 employees.
Key findings and highlights	South Africa has emerged as a strong outsourcing and offshoring location in recent years. The domestic outsourcing industry is large, and there has been traction toward the international BPO market as well. The South African government has taken various proactive steps to promote the BPO sector, which include a new enhanced investment incentive and SETA funds for training. Some of the key government initiatives and industry activities include: ▪ Talent development initiative: Known as Monyetla, this program aims to bridge the gap between campus and the corporate world. This will impart life skills and cultural sensitization along with technical skills. ▪ GAS: Partnering with the private sector, the South African government has

	approved a cabinet memorandum recommending substantial government assistance and support for the accelerated development of the BPO market. This initiative focuses on facilitating inbound and outbound marketing, increasing incumbents, skills development, speeding up administrative processes and encouraging investment. ▪ Contact centers for designated areas: Aimed at diversifying the economic impact of the BPO industry, these centers seek to ameliorate livelihoods in developing regions. The government intends to provide suitable infrastructure, business services and training grants. The government has put in place a number of grants and incentives for development of the BPO sector. Some key policies include: ▪ The BPO Investment Support Grant: An investment grant ranging between R37,000 and R60,000 (US$4,500 and US$7,400) per seat is offered to local and foreign investors to facilitate establishment of BPO companies serving offshore clients. ▪ The Training and Skills Support Grant is provided toward the cost of company-specific training up to a maximum of R12, 000 (US$1,480) per employee. The grant is provided directly to approved projects depending on the value of qualifying investment costs and employment creation. ▪ South Africa has approved grants worth R157.76 million (US$20.2 million) to 10 projects over the next three years under its business process outsourcing incentive scheme. The grants will be disbursed to 10 projects and are expected to create more than 11,000 jobs.

In addition to assessing the key focus countries profiled above, the study also reviewed other countries based on their potential and the likelihood of their implementing policies and programs for adopting and encouraging Impact Sourcing. This section profiles some of these countries, wherein more efforts could be made to facilitate adoption of Impact Sourcing.

Bangladesh

Likelihood of scaling up and key initiatives required	There is a high likelihood that that the Impact Sourcing sector could scale up in Bangladesh. Initiatives to harness the potential of people at the bottom of the pyramid have worked very effectively in Bangladesh in the past. With strong government initiatives and donor participation, Bangladesh has the potential to embrace Impact Sourcing in a big way. Government has also outlined the "Digital Bangladesh 2021" initiative, underscoring the need for increasing investments in education and enhancing the skills of poor and vulnerable populations through technology intervention. The promotion of Impact Sourcing should be at multiple levels, including government bodies, trade bodies and international donors including the World Bank and the Asian Development Bank. This will help alert the various participants to the benefits of Impact Sourcing and pave the way for policy making to encourage Impact Sourcing.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the BPO sector. Impact Sourcing provides a strong opportunity to engage the large and growing population in Bangladesh. As the industry is in a nascent stage, initiatives on the broader BPO

	sector development would help enable scaling up of Impact Sourcing.
Estimated market size	Bangladesh is one of the most promising emerging destinations in Asia, driven by strong government support for the BPO sector. With a market size of US$15 million, the Bangladeshi BPO sector currently employs around 9,000 people, mostly servicing the US and UK markets.
Key findings and highlights	The government has outlined a Digital Bangladesh initiative, which entails an increasing investment for education and also includes many IT and BPO initiatives like mass computer education, developing ICT infrastructure and implementing nationwide e-governance. The industry is nascent but has already seen a lot of activity from various stakeholders: ▪ Bangladesh Computer Society (BCS): was formed in 1979, and is an association of IT professionals. ▪ Bangladesh Computer Samity (BCS): an association of computer vendors set up in 1987 ▪ Bangladesh Association of Software and Information Services (BASIS): was formed in 1998 to promote the interests of IT business, especially for software development and related IT services. ▪ Bangladesh Association of Call Centers & Outsourcing (BACCO): was formed to work with the government and the Telecom Commission to facilitate the growth of BPO. ▪ Bangladesh Software Marketing and Promotions (BSMP): a private organization formed with the view to helping local computer programmers and promoting their software ▪ Bangladesh Association for Information Technology Education (BAITE): has been formed to promote activities toward standardizing informal IT education in the country. Some of the key incentives already implemented by the government include: ▪ Waiver on all taxes and duties from import of computer hardware and software ▪ 100 percent remittances of profit and capital gains for foreign investors without any approval ▪ Reduction in broadband prices to US$3,800 from US$5,600 per annum and IPLC installation charge reduced to US$500–US$600 from US$2,000–US$3,000 for half circuit. ▪ Government has taken the decision to extend an income and tax holiday up to 2011, and there is no tax on any call center products.

Brazil

Likelihood of scaling up and key initiatives required	The government of Brazil is committed to creating long-term jobs and policies toward income creation. Ahead of the Olympics and the FIFA World Cup, the government aims to generate large-scale employment for people living in favelas (local slums), which account for approximately 6 percent of the population or more than 11 million individuals. With various initiatives such as TriSCA, and a large population that can benefit from Impact Sourcing, Brazil presents huge potential for scaling Impact Sourcing. A large population with growing aspirations and a thriving economy present a strong case

	for Impact Sourcing in Brazil. The large domestic market provides key opportunities for individuals to be employed in local BPO organizations. We expect the growth to be driven both by public and private sector initiatives. For instance, encouraging private sector initiatives such as TriSCA will help promote skill development and lead to industry growth.
Archetype likely to be adopted	All three archetypes, ISSP development, direct hiring by traditional BPO organizations and subcontracting, will be readily adopted for scaling up the BPO sector in Brazil. This is largely due to the fact that the domestic market has huge potential and large-scale employment opportunities are required. Brazil is an emerging BPO destination, and various multinational BPO service providers have set up operations there. Incentivizing these large BPO organizations to hire poor and vulnerable people would help develop the sector. Simultaneously building the ISSPs by encouraging local entrepreneurs to set up ISSPs would complement the growth of the mainstream BPO sector. With both the mainstream BPO and the IS sectors growing, there is a strong potential for subcontracting activities.
Estimated market size	The BPO industry currently is over US$4 billion, serving mostly domestic clients, but has the potential to scale higher, with growth in sectors such as e-governance, oil and gas, tourism and health. Brazil also has multilingual capabilities, include Spanish, German and Italian, in addition to Portuguese and English.
Key findings and highlights	Activity promoting BPO sector is at a nascent stage. Key government initiatives and industry activity in the IT and BPO sectors to date include: ▪ The Brazilian Association of Information Technology and Communication Companies (BRASSCOM): takes part in several institutional forums designed to raise awareness at various governmental levels of the need to adapt school curricula and to awaken an interest in the IT-BPO area. This aligns training and education more closely with the market. ▪ Englisoft: a joint venture between BRASSCOM and the federal government, is an English-language proficiency certification program for the IT market. It has created a three-level English Language Proficiency Certificate to help groom IT professionals with a strong command of English. ▪ Promotion of usage of technology services in federal, state and municipal governments, with world-class levels of effectiveness and efficiency. Some examples include e-voting and e-filing of tax returns and police reports. The country provides technology solutions that are benchmarks in banking automation, Internet banking, mobile phone operations and interlinked ATMs. ▪ Emphasis on engineering education and foreign languages in undergraduate colleges ▪ The Growth Acceleration Plan (PAC): launched by Brazil's federal government in 2007, was a great boost to the development of Brazil's infrastructure. Since its inception, the program has invested about US$350 billion in transportation, energy, sanitation, housing and water resources through state enterprises and the private sector. ▪ TriSCA: is a private sector–led initiative that refers to the alliance between the cities of Rio de Janeiro (Brazil), Pune (India) and Johannesburg (South

	Africa) to help advance social and economic inclusion. Through collaboration, the cities commit to promoting and building workforce development programs and projects that will offer real opportunities for long-term employment. Key incentives in Brazil include: ▪ Spending on staff training and development, and research and development can be deducted against income tax up to 200 percent. ▪ There is a 50 percent deduction on excise tax (IPI) when purchasing equipment for research and development, and this tax is exempt when software development materials are imported. ▪ Exporting companies may reduce as much as 50 percent of social security (INSS) contributions depending on the number of exports. ▪ Exporting companies are also exempt from contributing to a network of employer entities known as the "S System." ▪ Companies operating in technological parks, in any region, do not pay property taxes and receive discounts on service taxes. ▪ In the northern and northeastern states of Brazil, the government subsidizes 40 percent of salaries paid to research-focused staff. If they work in technology parks, the subsidy increases to 60 percent. ▪ Other benefits, such as subsidized infrastructure, are offered by municipalities or states that wish to attract IT-BPO companies.

Dominican Republic

Likelihood of scaling up and key initiatives required	Dominican Republic faces high unemployment coupled with high income disparity. However, being one of the larger economies in the region, along with its superior telecom infrastructure, it is well suited to grow its BPO industry (as well as the Impact Sourcing sector). The BPO sector in Dominican Republic has grown at a very healthy rate in the recent past, and the country has shown a positive appetite for policy improvement to enhance the BPO industry.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the IS sector in Dominican Republic. The government has taken up key interventions to develop human capacity through call center training and cultural familiarization. The current business environment being created by the government helps invite foreign investments in the BPO sector, which is building up the mainstream BPO sector as well as opportunity for entrepreneurs to start up new BPO organizations.
Estimated market size	Currently 25,000 bilingual agents are employed in more than 50 BPO organizations and contact centers located in metropolitan areas and free zone parks. The market size is expected to be US$550–US$600 million and has grown at a CAGR of 12 percent over the past three years, thanks to public and private sector involvement. Over 70 percent of revenues are estimated to be from the export market and rest in the local market. With more than 65 call centers, the sector is second only to tourism in growth, generating 40 percent of revenue for the overall DR economy.
Key findings and highlights	A number of government initiatives and steps have been taken to promote growth in the BPO sector in Dominican Republic: ▪ Call center training and cultural familiarization: English as a second

	language (ESL) programs and a BPO / call center academy at the Parque Cibernetico of Santo Domingo (PCSD) are some of the key initiatives for skill development and enhancement. ▪ Government has also built a focus around education, and there are more than 35 bilingual private schools (Spanish and English) in Dominican Republic. ▪ The government has been creating free zones since 1969 and currently boasts 525 companies operating in 48 free zone networks. Fifty-eight percent of the companies are privately owned, 38 percent are government owned and the rest are mixed. ▪ The construction sector is given a critical importance in developing infrastructure. ▪ Digital laws such as tax exemption for 20 years, 100 percent repatriation of benefits and investment protection Key incentives in DR include: ▪ Equal treatment of national and foreign investment, securing them the same legal protection without discrimination ▪ Numerous tax incentives for a period of five years, including: ▪ 100 percent exemption of tax on net income ▪ Exemption of ITBIS (VAT) ▪ Exemption of custom duties and related charges ▪ Exemption of income tax on the part of net taxable income ▪ Exemption of 50 percent of transit duties and charges for the use of ports and airports ▪ Free zone incentives grant free zone companies 100 percent exemption over a 15-year term for the following: ▪ Income tax payment ▪ Payment of taxes on construction and transfer of real estate ▪ Municipal tax payment ▪ Payment of import taxes on related equipment promoting the welfare of employees

Haiti

Likelihood of scaling up and key initiatives required	The BPO services industry in Haiti has been identified as critical to economic recovery and a job creator in the country, as the country focuses its efforts on redevelopment after the recent earthquake. Currently, Haiti's policy makers are conducting analyses and adopting policy recommendations that will help market Haiti to the world and identify its niche in the BPO and Impact Sourcing sectors. Global agencies such as the Inter-American Development Bank are also taking an active role in funding and directing expenditure in the nation. Actively involving the policy makers at this early stage would be helpful in setting the right policy framework for developing Impact Sourcing.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the IS sector. The BPO sector currently is in a very nascent stage, and creating jobs is a priority; focusing on promoting ISSPs and traditional BPO organizations as job-creating avenues for the

	poor and vulnerable sections of the society will get immense government support.
Estimated market size	The BPO industry in Haiti is in a very nascent stage and employs a few hundred people.

Key findings and highlights	Key government initiatives and industry activity in Haiti include:
	▪ ICT recognized as a key enabler in economic growth
	▪ ICT adoption being driven by the following key missions:
	  ▪ Reduction of high telecom prices and import tariffs
	  ▪ Usage of technology in government activities like e-procurement, customs and port logistics, etc.
	  ▪ Providing incubation services to SMEs
	  ▪ Creating a national backbone infrastructure by deploying optical fiber nationwide
	  ▪ Including IT courses and basic computer training in education curriculum at every stage
	▪ Fostering a public-private relationship to tie in feedback and shortlist priorities
	▪ IDB's involvement with Haiti:
	  ▪ US$50 million fund for education
	  ▪ Sponsored international investment
	  ▪ Youth training program with incentives
	Incentives:
	▪ Devaluing the gourde temporarily against the background of economic growth
	▪ Customs duty and tax relief for exports and re-exports
	▪ Exemption from payroll and other direct internal taxes for a period of 15 years
	▪ Exemption from security deposits provided by the Customs Tariff Code for temporary entry imports
	▪ Accelerated depreciation on the following items:
	  ▪ Built-up properties
	  ▪ Rolling stock
	  ▪ Software
	  ▪ Office equipment

Pacific Islands

Likelihood of scaling up and key initiatives required	There are many opportunities to use the BPO/KPO industry to help the Pacific Islands address their development objectives. The current ICT capacity-building efforts have been supported by the Asian Development Bank (ADB) and include several e-governance projects, Outer Islands ICT Network Project, Schoolnet and Community Access Project, aimed at developing ICT capacity in government as well as enhancing ICT skills for teachers and students in government schools. Investment-promotion initiatives have begun to attract foreign investment, indicating a large appetite for policy changes including setting up new incentives and grants, as well as infrastructure development.
Archetype likely to be adopted	ISSP development and direct hiring by traditional BPO organizations will be the most readily adopted archetypes for scaling up the IS sector. As the BPO industry is

	in a very nascent stage of development, introducing Impact Sourcing as a key form of BPO is easier as compared to developing the Impact Sourcing sector as a complement or alternative to BPO sector.
Estimated market size	The BPO industry is in a very nascent stage and employs a few hundred people.
Key findings and highlights	The Pacific Islands comprise 20,000 to 30,000 islands in the Pacific Ocean. The Pacific Islands Forum is a political grouping of 16 independent and self-governing states in the region. Similarly, Pacific Islands Forum Secretariat is an international organization enjoying legal presence in each of its 16 member countries. These bodies represent the mutual interests of the economies in the region. Pacific Islands Trade & Invest is the region's lead export facilitation, investment and tourism-promotion agency. As an arm of the Pacific Islands Forum Secretariat, it focuses on the development of export-capable businesses and the international promotion and support of exporters in Pacific Island countries. The Secretariat is increasingly looking at promotion of ICT and BPO sectors in the region. By facilitating inward investment, it helps strengthen economic growth, business opportunities and job creation for the people of the Pacific Islands. As part of the "Pacific Plan," the Pacific Regional Digital Strategy initiative aims to promote economic growth, sustainable development, good governance and security in Forum countries. The Strategy outlines the following priorities: ▪ Improving access to communications technology ▪ Reducing costs ▪ Establishing higher bandwidth to the global ICT "backbone" ▪ Removing inappropriate regulatory environments in order to foster higher levels of investment ▪ Strengthening ICT skills

Uganda

Likelihood of scaling up and key initiatives required	The government of Uganda has identified the BPO industry as one long-term solution to address the issue of joblessness among educated youth, as well as to increase investment in the sector. The formation of National Information Technology Authority–Uganda (NITA-U), strong political commitment and the fact that the country is updating its BPO development strategy augur well for Impact Sourcing and any policy changes that might be required. NITA-U is the apex body that is driving this initiative, and it is already in the process of implementing several initiatives to promote the BPO sector in the country. It is also setting up an incubator BPO park in Kampala, with key regional and global players showing interest. NITA-U is also creating specific incentive structures for the BPO industry, as well as building infrastructure and human capacity to generate enough supply for the industry.

Archetype likely to be adopted	All three archetypes, ISSP development, direct hiring by traditional BPO organizations and subcontracting will be applicable for scaling up the IS sector. The BPO industry is mostly in the form of call centers for captive companies, and there is a drive toward creating more third-party BPO centers in Uganda. As the industry matures, subcontracting of work that requires skill sets such as content development and English-language proficiency can be done by mature BPO locations such as India. Employing the poor and vulnerable by means of attracting international BPO companies to set up operations in Uganda is already gathering steam, and three international BPO organizations have already committed to setting up operations in Uganda.
Estimated market size	The BPO industry is emerging and is estimated to employ around 2,000 to 2,500 people in the country today. The Impact Sourcing market size is less than 30 percent.
Key findings and highlights	The government of Uganda, through its nodal body National Information Technology Authority (NITA-U), is already in the process of implementing a number of initiatives: ▪ BPO training and skill development: A training program has been developed by the NITA-U in partnership with Makerere University. The course at the university's Faculty of Computing and Information Technology (FCIT) aims to act as a benchmark for other training institutions within Uganda, which may wish to develop competency in BPO training. ▪ BPO incubation center: NITA-U is establishing a BPO incubation center with a 300-seat call center and has identified three BPO firms to start operations. The government will provide space, bandwidth and uninterrupted power as incentives for BPO operators that operate in the incubation center. ▪ Review of BPO strategy: NITA-U is working actively on a BPO development road map and is working with international experts to carry out the assessment.

Annexure 2 — Impact Sourcing Market Size

Based on its research and findings, Avasant has performed a high-level estimation of the market size of the global Impact Sourcing sector. These numbers only consider the BPO sector and include both third-party providers and captive operations.

	Total BPO Headcount	Percent IS Headcount	IS Headcount	Estimated Revenue (USD Million)
Ghana	3,500	50%	1,750	21.0
Kenya	7,000	40%	2,800	33.6
South Africa	180,000	70%	126,000	3,150.0
India	1,186,667		251,000	-
Domestic BPO	*346,667*	*50%*	*168,500*	*1,300.3*
International BPO	*835,000*	*9%*	*77,500*	*1,551.4*
Rural BPO / Pure ISSPs	*5,000*	*100%*	*5,000*	*25.0*
TOTAL — Key IS Countries	**1,377,167**		**381,550**	**6,081.3**
Other Countries	**4,597,833**	**4%**	**179,000**	**4,600.0**
TOTAL	**5,975,000**	**9.4%**	**560,850**	**10,714.3**

Market Overview — Ghana

The table below provides a list of key third-party BPO providers as well as captive operations in Ghana.

#	Organization	Employees	Type
1	MTN	800	Captive
2	ACS	900	Third Party
3	TeleTech (erstwhile Vodafone)	550	Third Party
4	Tech Mahindra (erstwhile Airtel)	400	Third Party
5	eProcess — Eco Bank subsidiary	350	Captive
6	eServices	150	Third Party
7	UBA	90	Captive
8	Nestle	150	Captive
9	Ostec	75	Third Party
10	Infoganily	25	Third Party
11	Intercontinental Bank	50	Captive
Total		**3,540**	

Market Overview — Kenya

The table below provides a list of key third-party BPO providers as well as captive operations in Kenya.

#	Organization	Employees	Type
1	Safaricom	650	Captive
2	Yu Mobile	60	Captive
3	Ken Call	200	Third Party
4	Direct Channel Simbatech (K) Ltd.	36	Third Party
5	Horizon Contact Center	250	Third Party
6	Oriak Digital Ltd.	20	Third Party
7	Quest Holdings	25	Third Party
8	Techno Brain BPO ITES Ltd.	250	Third Party
9	Simbatech Technologies	10	Third Party
10	Spanco BPO (Airtel Captive)	300	Third Party
11	Daproim	40	Third Party
12	Enablis	50	Third Party
13	DDD	110	Third Party
14	Preciss Services	50	Third Party
15	Dhanush	150	Third Party
16	Other captive BPO organizations	4,750	Captive centers for the telecom and BFSI sectors
Total		**6,951**	

Annexure 3 — List of Interviewees

#	Name	Designation	Organization	Country
1	Andrew McCredie	Executive Director	Australian Services Roundtable	Australia
2	Peter Springett	Chief Financial Officer	Australian BPO Association	Australia
3	Ntesena Sebesto	Director	Registrar of Companies & Intellectual Property	Botswana
4	Peggy Serame	Ministry of Finance	SILBOTS Botswana	Botswana
5	Robert Janssen		Outsource Brazil	Brazil
6	Andres Correa	Advanced Human Capital Program	CONICYT	Chile
7	Esteban Pennycook	Investment Promotion Manager	Corfo, Chilean Economic Development Agency	Chile
8	Jacki Torres	CEO	Global Connex	Chile
9	Juan Luis Nunez Tissinetti	Division Chief	Department of Telecom and Transport	Chile
10	Pablo Jugovic Masjuan	Director	RAM Consulting SpA	Chile
11	Puppy Rojas N.	Director	RAM Consulting SpA	Chile
12	Michael Zeng	Chairman and CEO	Beijing Great Idea Business Resources Co.	China
13	Qian Fangli	Director	China Outsourcing Institute	China
14	Roc Yang	Editor	Financial Outsourcing	China
15	Song Dongjin	President	China Outsourcing	China
16	Walter Fang	President BDM	Neusoft	China
17	Wu Shu	Executive Director	Huaquiao Financial Outsourcing Research Center	China
18	Alejandro Sarasti	Director de Infraestructura y Sostenibilidad	Programa de Tranformación Productiva (under the Ministry of Commerce and Trade)	Columbia
19	Camilo Montes Pineda	Viceministerio de Desarrollo Empresarial	Ministry of Commerce and Trade	Columbia
20	Eduardo Rivera Rincon	Asesor Sr. de Exportaciones	Pro Export Colombia	Columbia
21	Onalenna Sechele	PS Dem. Rep. of Congo	Government	Congo

#	Name	Designation	Organization	Country
22	Jose Armando	Director	ITLA (leading technical training institute)	Dominican Republic
23	Juan Luis del Rio	CEO	CEO, Newtech	Dominican Republic
24	Juan Luis Lozada	Consultor	Executive Director, Foundacion PCSD (Tech Park)	Dominican Republic
25	Minister Eddy Martinez	Secretary of State	Department of State and Head of CEI-RD (Investment promotion agency of DR)	Dominican Republic
26	Alhassan Umar	Director	ITES	Ghana
27	Amar Singh Hari	CEO	Intercom Programming & Manufacturing Company Limited (IPMC)	Ghana
28	Clara Pinkrah-Sam	Deputy Secretary	ITES	Ghana
29	Daniel Asare	Center Head	ACS	Ghana
30	Dr. Robert Baffoure	Vice President	GTUC	Ghana
31	Estella Aryada	Commonwealth Secretariat	Commonwealth	Ghana
32	Kofi Warlanyo	CEO	GASSCOM	Ghana
33	Kojo Afedzi Hayford	CEO	eServices	Ghana
34	Mike Murphy	Center Head	Teletech	Ghana
35	Nana Osai Bonsu	Dy. Director — HR & Skill Development	ITES	Ghana
36	Patric Ofori	Investment Officer ICT & New Business	GIPC	Ghana
37	Pushkar Gokhle	Center Head	Tech Mahindra	Ghana
38	Ady Beitler	Integration and Trade Specialist	Inter-American Development Bank	Haiti
39	Camilo Fernández de Soto	Integration and Trade Specialist	Inter-American Development Bank	Haiti
40	Ajay Chaturvedi	Founder	HarVa	India
41	Akansha Tete	Deputy Director – Global Trade Development	NASSCOM	India
42	Danveer Bhasin	Senior Manager — Marketing	Aegis	India

#	Name	Designation	Organization	Country
		and Strategy		
43	Dhiraj Dolwani	CEO	B2R	India
44	Nimish Soni	MD, India	Xchanging	India
45	K. Purushothaman	Regional Director	NASSCOM	India
46	Rajasekhar VV	Senior Vice President	ITC Infotech — eChoupal	India
47	Rajesh Bhat	Cofounder	Head Held High	India
48	Rita Soni	CEO	NASSCOM Foundation	India
49	Ritu George	Marketing Consultant	RuralShores	India
50	S. M. Gupta	People Leader	Aegis	India
51	Sanjiv Mittal	CEO	National Institute for Smart Government	India
52	Sunil Savera	Founder	Foundation for Life	India
53	Alex Masika	BDM	DDD	Kenya
54	Andrew Lewela	PM with ICT Board Kenya	ICT Kenya	Kenya
55	Betty Kariuki	Partnerships Manager	Enablis East Africa	Kenya
56	Bitange Ndemo	Permanent Secretary	Ministry of Information and Communication	Kenya
57	Diana Muthee-Gitiba	CEO	Adept Technologies	Kenya
58	Dr. Katherien Getao	ICT Secretary	Directorate of e-Government	Kenya
59	Eunice Kariuki	Deputy CEO	ICT Board	Kenya
60	Lakshmanam Manickam		Techno Brain Ltd.	Kenya
61	Michael M Murungi	CEO	Kenya Law Reporting	Kenya
62	Patrick Karanja	Head — Marketing Committee	Kenya IT and Outsourcing Society	Kenya
63	Pawan Kumar	General Manager	Techno Brain Ltd.	Kenya
64	Peres Were	Joint Secretary	Office of the Prime Minister, BPO/ITES working group	Kenya
65	Raydon Jackline	HR & Social Mission Lead	DDD	Kenya

#	Name	Designation	Organization	Country
66	Ricky Abwao	IT Lead	DDD	Kenya
67	Sanjay Sikka	CEO	Horizon Contact Centers	Kenya
68	Stephen Ciirah	Director — Global ICT	World Vision	Kenya
69	Steve Muthee	CEO	Daproim Africa	Kenya
70	Tejpal Bedi	CEO	Synergy Group Africa	Kenya
71	Zilpher Owiti	Deputy Director, ICT Capacity Building	E Governance Kenya ICT	Kenya
72	Bobby Varanasi	CEO	Matryzel Consulting	Malaysia
73	Ken Poonaswamy	CEO	BOI Mauritius	Mauritius
74	Suraj Ramgoolam	Chairman	National Computer Board	Mauritius
75	Vidia Mooneegan	VP	Cerdian	Mauritius
76	Ambrosius Lipinge	CEO	Telecom Namibia	Namibia
77	Henri Kassen	Director Communication Min. of ICT Namibia	Ministry of Communication	Namibia
78	Joel Kaapanda	Minister of ICT Namibia	ICT ministry	Namibia
79	Dr. Julia Tijaja	Trade Policy Adviser	OCTA	Pacific Islands
80	Kornet Sapulai	Manager — Policy Development and Research Division	Department of Labor and Industrial Relations	Pacific Islands
81	Sandra Tisam	Foreign Affairs Officer	Ministry of Foreign Affairs and Immigration	Pacific Islands
82	Shiu Raj	Trade Policy Adviser	Pacific Islands Forum Secretariat	Pacific Islands
83	Gigi Virata	Director	BPAP	Philippines
84	Lukasz Michalski	FDI Specialist	Pomerania Development Agency Co.	Poland
85	Michal Gryglewski	Executive Director	Sony Pictures	Poland
86	Rafal Szajewski	Team Lead, Investment Promotion	PIAZ	Poland
87	Alex Mabunda	CEO	Ntiyiso Consulting	South Africa
88	Dermot Grazebrook	Marketing Manager	BPeSA Western Cape	South Africa

#	Name	Designation	Organization	Country
89	Ferosa Thomas	CEO	BPeSA	South Africa
90	Gareth Pritchard	CEO	BPeSA Western Cape	South Africa
91	Mfanu Mfayela	CEO	SABS	South Africa
92	Rein Van Der Horst	Head, South Africa	Genpact	South Africa
93	Reshni Singh	Acting Director — Business Process Services	DTI	South Africa
94	Nick Redshaw	General Manager	IBM MEA	UAE
95	Arif Ahmed	Center Academic Head	Future Technologies Ltd.	Uganda
96	Badru Ntege	Group CEO Chairman	NFT Consult Ltd. Uganda BPO Association	Uganda
97	Dr. Fredrick Edward Kitoogo	Director, Planning Research and Development	NITA-U	Uganda
98	George William Ssekanjako	HR - Learning and Development	DFCU Bank	Uganda
99	James Saaka	Executive Director	NITA-U	Uganda
100	Martin Van Der Steen	Institutional Funding Manager, East and Central Africa Region	Oxfam	Uganda
101	Olive Idaan	Manager, Training and Staff Development	Postbank Uganda	Uganda
102	Rajeev Agarwal	Head, IT Consulting and Business Automation Services	Techno Brain Ltd.	Uganda
103	Shine George	Head — Marketing	Warid Telecom	Uganda
104	Viola Muhumuza	Manager, Strategy and Business Performance Monitoring	NITA-U	Uganda
105	Wabuna Safina Nakiyemba	Head ICT	Postbank Uganda	Uganda
106	Guy Kirkwood	Head of Channel	Xchanging	UK
107	Jessica Long	Client Group Lead	Accenture Development Partnership	USA
108	Lou August	Global Coleader of Technology for Development	World Vision	USA

Annexure 4 — List of Survey Respondents

#	Name	Designation	Organization	Country
1	Aarti Patil	Analyst Relations Lead	WNS	India
2	Alan Hong	CEO	Winskysoft, Inc.	China
3	Alejandro Sarasti	Director of Infrastructure and Sustainability	Productive Transformation Program Colombia	Colombia
4	Alejandro Delgado	BPO&O Sector Manager	Productive Transformation Program	Colombia
5	Alhassan Umar	Director — ITES Secretariat	ITES Secretariat	Ghana
6	Amolo Ngweno	Managing Director	Digital Divide Data Kenya Ltd	Kenya
7	Anil Modi	President (CCC) and Global Head, Marketing and Strategy	Aegis Limited	India
8	Anish Nanavaty	Group Head, Americas	Group FMG	USA
9	Ankur Abhishek	Manager — International Operations	Wipro Ltd.	India
10	Anne Njoroge	Client Relations	Coseke K Ltd.	Kenya
11	Anouk Rutten	Institutional Funding Manager	Oxfam Novib	Kenya
12	Aradhana Kansal	Head, Marketing, Wipro BPO	Wipro BPO	India
13	Bhushan Ambadkar	Director	Software Institute for Rural Development	India
14	Bobby Varanasi	CEO	Matryzel Consulting Inc	Malaysia
15	Bruce Von Maltitz	MD	1Stream	South Africa
16	Bryan Forst	Technical Manager	Uran Software	India
17	Clara Pinkrah Sam	Deputy Director	ITES Secretariat	Ghana
18	David Tang	Business Specialist	IIOM China	China
19	David Mugambi	SIPO	Kenya Investment Authority	Kenya
20	Dermot Grazebrook	Director (Head of Human Capital Portfolio)	BPeSA Western Cape	South Africa
21	Diana Gitiba	CEO	Adept Technologies	Kenya

#	Name	Designation	Organization	Country
22	Dieter Hoffman	Intern	Dept. of Economic Development	South Africa
23	Dipak Basu	Chairman	Anudip Foundation	India
24	Edson Althoff	Management Director	CINQ Technologies	Brazil
25	Estella Aryada	Trade Advisor	Commonwealth Secretariat	UK
26	Fahim Mashroor	Senior Vice President	BASIS	Bangladesh
27	Fatgiyah Bardien	Manager: Programmes & Support	Business Trust	South Africa
28	Gareth Pritchard	CEO	BPeSA	South Africa
29	Gillian Virata	Senior Executive Director	Business Processing Association of the Philippines	Philippines
30	Jay Desai	SVP — Global Sourcing	Northern Trust	USA
31	Jay Priday	Senior Partner	Avasant	USA
32	Jeff Thuo	Managing Director	Coseke	Kenya
33	Jerry Durant	Chairman Emeritus	The International Institute for Outsource Management	Philippines
34	Joan Wekesa	Project Coordinator	Enablis EA	Kenya
35	Juan Balparda	Project Manager	Uruguay XXI	Uruguay
36	Kevin Parikh	Global CEO	Avasant LLC	USA
37	Kofi Warlanyo	CEO	GASSCOM	Ghana
38	Kojo Hayford	CEO	e.Services Africa Ltd.	Ghana
39	Lakshman Manickam	General Manager	Techno Brain Ltd.	Kenya
40	Leila Janah	CEO/Founder	Samasource	USA
41	Lily Zhai	International business marketer	IIOM China	China
42	Lucy Mbabazi	Policy and Strategy Advisor	Rwanda Development Board	Rwanda
43	Lukasz Michalski	FDI Specialist	Invest in Pomerania	Poland
44	Manish Shekhawat	Manager, Corporate Strategy and Planning	iGATE Patni Global Solutions	India
45	Martin van der Steen	Project Manager	Oxfam Novib	Netherlands
46	Matheus Barbosa	Economic Development Manager for ICT	Rio de Janeiro City Hall	Brazil
47	Meera Shenoy	Founder CEO	Youth4Jobs	India

#	Name	Designation	Organization	Country
48	Michael Chertok	Chief Development Officer	Digital Divide Data	USA
49	Michael Stefanski	Executive Director Government Relations	TeleTech	USA
50	Munir Hasan	Consultant	Ministry of Science and ICT	Bangladesh
51	Munjal Shah	General Manager	Techno Brain BPO ITES Ltd.	Kenya
52	Michael Murungi	CEO	National Council for Law Reporting (Kenya)	Kenya
53	Olayele Adelakun	Prof. Information Systems	DePaul University	USA
54	Patrick Karanja	Business Development Leader	Horizon Contact Centers Ltd	Kenya
55	Pavan Kumar	Head of Sales Africa	Techno Brain Ltd.	Kenya
56	Poloko Leotlela	Director	Leotlela & Associates	South Africa
57	Pratima Sewpal	Manager	Board of Investment	Mauritius
58	Pumela Salela	Consultant	World Bank	Africa
59	Rein van der Horst	Country Manager	Genpact	South Africa
60	Reshni Singh	Acting Director — Business Process Services	DTI	South Africa
61	Robert Mulder	Partner/Director	IsambuloAMI	South Africa
62	Robert Janssen	Managing Partner	Outsource Brazil	Brazil
63	Salida Liu	Executive Director	Beijing Great-Idea Business Resources Co., Ltd.	China
64	Scott Murray	VP	eBay/Customer Service	USA
65	Sridhar Mitta	Managing Director	Nextwealth Entrepreneurs Private Limited	India
66	Stephen Muthee	Managing Director	Daproim Africa Ltd	Kenya
67	Sunil Savara	Director	v-BPO	India
68	Taddy Bletcher	Executive Chairperson	Invincible Outsourcing	South Africa
69	Tim Karani	Director	Accent	Kenya
70	Wanda Lopuch	Chair of the Board	Global Sourcing Council	USA
71	Yolanda Martinez	Offshore Business Services Investment Advisor	PROESA	El Salvador