



**SECTOR GROWTH,
YOUTH JOBS AND
INCLUSION: THE
ROLE OF GBS AND
DIGITAL SECTOR
BODIES**

JUNE 2026



Business Process
Enabling
South Africa

G:ENESIS
UNLOCKING VALUE



GLOSSARY OF TERMS

| | |
|---|---|
| <p>Global Business Services Sector</p> | <p>The sector integrates and centralises high-value support functions—such as Finance, IT, HR, and Procurement—into a unified global delivery sector. The sector leverages advanced digital transformation, automation, and data analytics to provide end-to-end business solutions that enhance agility and strategic value for enterprises.</p> |
| <p>Digital Sector</p> | <p>The digital sector is a collective of tech-enabled industries, encompassing the development of digital platforms, automation tools, and data analytics that transform traditional business outsourcing into high-value, tech-enabled services.</p> |
| <p>Sector Bodies</p> | <p>Sector bodies are central coordinating institutions or industry associations that act as the primary engine for sector growth. They align government, GBS and Digital operators, employers, and other stakeholders around a shared growth agenda, advocate for policy changes, and drive investment.</p> |
| <p>Ecosystem Actors</p> | <p>The various interconnected stakeholders involved in the GBS and Digital sectors, including operators, government entities, development partners, skilling organisations, and employers.</p> |
| <p>Source Markets</p> | <p>The global countries or regions from which outsourcing demand, clients, and investments originate.</p> |
| <p>Job Families</p> | <p>A strategic grouping of roles that involve similar work, require comparable skill sets, and follow a related career path.</p> |

1. INTRODUCTION

The Global Business Services (GBS), Information Technology Outsourcing (ITO), and Business Process Outsourcing (BPO) sectors (hereafter termed “GBS and Digital sectors”) are increasingly recognised as powerful engines of economic growth, export competitiveness and large-scale inclusive job creation. Few other sectors on the continent simultaneously absorb young people into formal work, generate export revenue and attract investment. By creating pathways into increasingly digital and globally tradable services, these sectors represent a strategic route to economic transformation. However, growth in the GBS and Digital sectors does not happen automatically; even where demand exists, countries become competitive and inclusive through deliberate ecosystem building.

Drawing on the learnings from the Mastercard Foundation-supported programme, [Skilling and Transitioning Youth into GBS Jobs](#), this learning brief aims to unpack the role of GBS and Digital Sector bodies in enabling inclusive growth at scale. In doing so, the brief responds to the Programme’s learning plan, answering the question “How to efficiently enable youth transitions into Digital and GBS jobs, at scale and sustainably”. Drawing on the experiences of South Africa’s [Business Process Enabling South Africa \(BPESA\)](#), Rwanda’s [GBS Growth Initiative \(GBS GI\)](#), and insights from India and the Philippines, the brief aims to:



- Unpack the role of GBS and Digital sector bodies as catalysts for sector development, competitiveness and inclusive youth job creation
- Identify operating models for GBS and Digital sector bodies that support sustainable, inclusive growth for young people at scale.

In doing so, the brief aims to distill lessons for sector bodies in emerging GBS and Digital sectors. This is particularly relevant for newer institutions such as GBS GI. As a recently established sector body, GBS GI does not yet have the organisational and financial capacity of more mature sector bodies. This brief is therefore intended to support the development of emerging sector bodies such as GBS GI by offering actionable considerations on how to build, grow, and sustain sector bodies in emerging GBS and Digital markets.

2. GBS AND DIGITAL SECTOR BODIES AS CATALYSTS FOR INCLUSIVE SECTOR GROWTH AND YOUTH JOB CREATION

GBS and Digital sector bodies must act as the primary engines of sector growth to deliver sustainable, decent youth jobs at scale. The success of the sector bodies, and the sectors more broadly, depends on a holistic, coordinated approach to sector development. To effectively catalyse these opportunities, these institutions should prioritise the following four strategic pillars, supported by the outlined roles, partnerships, systems and success measures:

1. **Advocacy and policy engagement to enable an inclusive, high-growth industry that expands sustainable job opportunities:** This requires capacity in policy analysis, government relations, research and intelligence, and communications to ensure evidence-based influence. It also depends on reliable sector intelligence systems and integrated research and knowledge management systems to generate credible insights. To be effective, this work must be anchored in close partnerships with government ministries, regulators, industry operators, and development partners to ensure alignment and uptake of policy recommendations. The success of advocacy and policy engagement work is measured by indicators of policy influence and responsiveness, including the extent of policy reform achieved, engagement with government stakeholders, production and use of evidence-based insights, and improved resolution of sector bottlenecks.
- **Sector bodies play a critical role in communicating sector intelligence for government and other decision-makers.** Sector bodies in the GBS and Digital sectors help governments and other decision-makers understand the realities of the sectors that are often not yet well understood, particularly in nascent and emerging markets. They act as a central source of sector intelligence, providing insight into the kinds of jobs these sectors create, the inclusion potential



collective weight to influence policy at scale; sector bodies help bridge this gap by translating industry needs into coordinated, evidence-based proposals that support sector growth. For example, GBS GI acts as an operational bridge between private operators and government entities to resolve immediate, practical hurdles. They coordinate directly with government agencies to, for example, fast-track visas and work permit applications for new staff and assist with the customs clearance of IT equipment.

- **Sector bodies play a critical role as solution developers within the ecosystem.** GBS and Digital sector bodies work with relevant ecosystem actors, particularly government, to translate pain points and challenges into practical, data-informed solutions. By addressing the systemic constraints that limit sector growth and inclusive job creation, these solutions are targeted at helping create more enabling conditions for firms to absorb youth talent at scale. An example of this is when UNAIDS proposed a programme to skill 10,000 young women in digital competencies, BPESA (alongside Harambee and The Collective X) identified a critical gap: a lack of clear employment pathways. They intervened to

of the sectors, what investors need, how to be competitive as a geography, and the constraints operators face. In doing so, they help articulate what is required for inclusive and scaled growth, and which interventions are most likely to unlock it. By shaping more responsive and enabling policy environments, sector bodies help ensure that sector growth translates into expanded, accessible and sustainable employment opportunities for young people. For example, BPESA produces [Quarterly GBS Jobs Reports](#). This report presents the quarterly growth in the GBS sector including the number of youth jobs created, number of inclusive hires and key global source markets, among others, providing the government and investors with the empirical evidence required to make decisions. This report was a key input into the design and refinement of the GBS Incentive Programme, and was similarly a key input into the successful unlocking of funding for the incentive backlog.

redesign the proposed initiative, ensuring it shifted to a demand-led model capable of absorbing youth talent.

- **Sector bodies translate complex government policy shifts back to their members and broader ecosystem actors.** GBS and Digital sector bodies regularly interpret and communicate policy developments in a more accessible and sector-relevant way, helping operators stay informed about changes that may affect their operations, competitiveness or expansion decisions. This supports business continuity and growth, which in turn underpins the stability and expansion of employment opportunities for young people. BPESA regularly hosts national webinars to interpret and communicate policy developments. For example, when there are shifts in labour legislation or discussions regarding the impact of AI on business compliance, BPESA provides accessible briefings to enable operators to understand how these changes affect their operations. Similarly, GBS GI has established a monthly meeting cadence with key ecosystem actors, including the Ministry of ICT and the Rwanda Development Board. The outcomes of these meetings, where strategic bottlenecks and policy shifts are addressed, are communicated back to the operators and other ecosystem actors to ensure alignment. These efforts to reduce barriers and clarify policies have improved investor confidence and shaped expansion decisions, contributing to an increase in GBS firms in Rwanda from just two to forty since 2019. Similarly, GBS GI's coordination with government ministries has shaped inclusive business decisions by securing formal Memoranda of Understanding that grant operators legal access to refugee camps for skilling and job matching.

- **Sector bodies play a role in ensuring that workforce development and skilling initiatives remain closely aligned to current and future industry demand.** This requires generating and continuously updating labour market intelligence, identifying emerging skills gaps, and translating employer needs into responsive training priorities and curricula. Effective sector bodies act as intermediaries between industry, training providers, government, and development partners, helping to coordinate demand-driven skilling ecosystems that improve employability and reduce talent mismatches. This function is particularly important in fast-evolving sectors such as GBS. BPESA provides a strong example of this role; supporting the delivery of Advanced Digital Work Readiness Programmes, developing the GBS Skills Strategy 2025–2030 and a [Skills Intelligence Microsite](#) to align skills development with evolving demand.

2. Demand generation and investment promotion: This work relies on having capacity for investment and market-facing roles, enabled by customer relationship management and market intelligence systems. This is further strengthened through partnerships with investors, trade bodies, embassies, and global buyers to attract and convert investment. The effectiveness of demand generation and investment promotion is reflected through indicators of investment attraction and conversion, including investor interest generated, conversion of leads into active investors, number of firms entering into the country, and the resulting employment and economic impact.

- **Sector bodies play a key role in driving investment promotion through both inbound and outbound market engagement.** They help shape and communicate a country’s overarching value proposition, positioning the country and its GBS and Digital sectors to attract outsourcing demand and investment; directly supporting job creation and enabling the absorption of young talent at scale. They also play an important role in international positioning and perception management by building global awareness, strengthening market credibility, and proactively shaping investor perceptions of a country as a competitive, stable, and investable destination. In many cases, sector bodies hold deeper, more granular insight into the sector than traditional investment promotion agencies, enabling them to act as a one-stop shop for investors beyond initial business registration.

Through “market-entry” and “after-care” support, they connect new entrants to critical enablers such as talent pipelines, real estate and local partners, helping to reduce friction and accelerate the establishment and growth of operations. For example, BPESA conducts extensive inbound and outbound missions to maintain and grow pipelines in key source markets like the United Kingdom and the United States. GBS GI actively participates in international investment missions to increase global visibility for their market, such as the ITO Roadshow to Germany, Netherlands and Luxembourg as well as BPO roadshow to the US.

- **Sector bodies play a catalytic role in stimulating demand and investment beyond primary urban centres by positioning rural and peri-urban locations as viable destinations.** This requires targeted place-based promotion strategies that highlight the comparative advantages of secondary locations, such as lower operating costs, untapped labour pools, language capabilities, and opportunities for inclusive growth. This includes working with government and private partners to address ecosystem constraints and strengthen the investment readiness of these locations. To support this, BPESA has worked closely with local government in South Africa, such as in Mpumalanga, to attract investment and stimulate demand for local business process and contact center services in peri-urban areas such as Komati. **Ecosystem coordination:** This requires programme and partnership management capacity, underpinned by coordination and governance systems, and driven through collaboration with government, employers, training providers, donors, and other ecosystem actors to align efforts and improve system coherence. The success of ecosystem coordination is shown through indicators of collaboration and system efficiency, including the strength and activity of partnerships, level of stakeholder participation, coordination of joint initiatives, ecosystem satisfaction, and reduction of duplicated efforts.
- **Sector bodies drive systems-level responses in the GBS and Digital sectors.** Sector bodies align government, firms and other ecosystem actors around common priorities, while ensuring that bottlenecks are addressed at a system-level rather than through fragmented, ad hoc responses. In this way, sector bodies help ensure that sector growth translates into more coordinated, scalable, and sustained employment pathways for young people. This coordination function is especially





important in emerging GBS and Digital sectors, where the institutional architecture is still taking shape, and responsibilities are often unclear. Without a central coordinating body, ecosystems can quickly become fragmented. Sector bodies also play an important role in coordinating responses to infrastructure instability, advocating for investment in reliable digital and enabling infrastructure, and supporting sector resilience planning to maintain investor confidence during periods of disruption. Through its role on the Executive Oversight Committee of the National GBS Masterplan, BPESA has effectively leveraged a system-level platform to address sector bottlenecks. When delays in GBS incentive payments created a risk for operators, BPESA coordinated engagement between government and industry to unlock additional funding to support clearing arrears and preventing potential job losses.

- **Sector bodies convene ecosystem actors towards a coherent view of what the sector needs to grow.** This alignment function matters because different actors often approach the sector with different incentives and partial perspectives. Firms focus on operational and commercial realities. Governments focus on public policy, economic and social outcomes. Development partners focus on programme delivery and social outcomes. Sector bodies bridge these perspectives and create a shared understanding of where the biggest opportunities and constraints lie; while ensuring that youth inclusion is embedded within the common growth agenda. To ensure that the sector's growth agenda accurately reflects operational realities, BPESA convened a series of focus groups with its members to validate the GBS Skills Strategy 2025-2030. By grounding this high-level strategy in the lived, commercial experiences of operators, BPESA ensured strong sector buy-in for implementation and created a coherent, shared understanding of what the sector needs to grow.

3. **Supporting and safeguarding young people:** To do so effectively, this requires inclusion and safeguarding-focused roles, supported by tracking and safeguarding systems, and delivered in partnership with skilling providers and employers to ensure safe and equitable access to opportunities. For this work, success is measured through indicators of inclusive employment outcomes and protection, including job placements and retention, equitable access for marginalised groups, employer adoption of inclusion practices, and effective safeguarding compliance and case resolution.
 - **Sector bodies ensure that job creation is inclusive and aligned with market realities.** Sector bodies aggregate feedback from operators and conduct demand diagnostics to map exactly what job families are growing and what specific skilling interventions are required. This understanding of market demand helps identify where opportunities exist for young people and shapes greater intentionality around targeted skilling for marginalised youth, ensuring they are positioned to access and meet this demand. For example, BPESA conducted a GBS Skills Needs Analysis which identified skill gaps and mapped which job families are growing.
 - **Sector bodies ensure that inclusion is built into GBS and Digital Sector development, rather than treated as a parallel or standalone objective.** Where inclusion is embedded as a core part of sector strategy, sector bodies play an important role in advocating for and supporting the institutionalisation of inclusive hiring and operating practices, particularly for youth and other groups that are often excluded from formal labour market opportunities. This may include promoting impact sourcing, strengthening employer awareness and capability, and advancing safeguarding approaches. BPESA developed a Disability Hiring Handbook, which serves as a practical guide that demystifies the cost and complexity of hiring persons with disabilities, equipping operators with actionable steps to recruit, accommodate, and retain youth with disabilities. Another example is GBS GI establishing a formal Memoranda of Understanding with relevant government ministries to secure legal access to refugee camps for skilling interventions and job matching for displaced youth.
 - **Sector bodies ensure that safeguarding principles are upheld.** Safeguarding encompasses the proactive practices, policies, and mechanisms designed to protect young and marginalised people from harm and ensure their well-being as they enter the formal workplace. Sector bodies play an active role in institutionalising these protections, ensuring that inclusive hiring is matched with safe, supportive work environments. They do this by establishing employer standards and frameworks that operators across the ecosystem can adopt. For example, BPESA drives the adoption of a formal, sector-wide safeguarding policy and oversees a sector-wide reporting mechanism to ensure compliance.
 - **Sector bodies play an important role in ensuring that AI is adopted and used responsibly within the GBS and Digital sectors.** Sector bodies act as convenors between government, labour, operators, and training providers to ensure that the adoption of AI is managed in a way that augments rather than displaces inclusive employment pathways. By facilitating structured dialogue and coordinated planning across stakeholders, they help align technology adoption with workforce transition strategies. This ensures that productivity gains from AI do not translate into exclusionary outcomes. In Rwanda, GBS GI has positioned itself as an advisor to operators which are seeking guidance on how best to leverage AI within the sector. In direct response to operators seeking guidance on AI, GBS GI collaborated with Harambee to conduct a dedicated training session focused on generative AI for various GBS companies.

3. FUNDING MODELS FOR CATALYSING INCLUSIVE GROWTH AND YOUTH JOB CREATION

How a sector body is funded directly shapes its ability to operate effectively and sustainably, critical to its role as a catalyst of inclusive sector growth, the scale of youth job creation, and the durability of that growth over time. The table below outlines the main funding models adopted by GBS and Digital sector bodies globally, and the implications of each on institutional effectiveness and sustainability.

A sector body's funding requirements evolve alongside its maturity; no single model is appropriate for every stage of development. Different funding models support specific functions over time, and long-term effectiveness is dependent on a funding approach that balances sustainability, institutional independence and responsiveness to sector demand.

Most mature sector bodies use a hybrid approach that combines the multiple revenue streams listed in the table below. As these funds are blended, inclusion metrics are tracked at the overarching organisational level rather than isolated by individual funding sources. However, as outlined in the table, each funding model drives inclusive outcomes through different mechanisms.



Table 1: Funding models adopted by sector bodies across the world and their implications for inclusive growth and youth job creation

| Funding model | Brief description | Examples of sector bodies using this model | Enablers of effective and inclusive sector growth | Risks to effective and inclusive sector growth |
|--|---|--|--|---|
| Hybrid funding models | The sector body combines multiple revenue streams, such as membership fees, donor funding, government support and project management or administration fees, to reduce reliance on any single source. | BPESA uses a hybrid model combining membership fees, donor support, and project management fees. | <ul style="list-style-type: none"> Offers long-term sustainability. Reduces dependence on short-term project cycles supports institutional resilience. Supports strategic independence and operational continuity. Enables sector bodies to draw on different sources of funding to support a variety of functions, improving their ability to perform the full range of functions required for inclusive sector growth. | <ul style="list-style-type: none"> Hybrid models are institutionally demanding; requiring strong governance, financial controls, internal systems and staffing capacity to manage multiple funding streams compliantly and effectively. Without sufficient institutional maturity, this model creates administrative strain and increases the risk of weak controls or reporting challenges. The need to comply with the expectations of multiple funders can lead to mission drift. |
| Outcomes-based project management / intermediary model | The sector body acts as an intermediary or project manager for large-scale skilling or employment funds, earning administration or management fees for coordinating and deploying resources across the ecosystem. | BPESA uses this model to supplement membership and donor income. | <ul style="list-style-type: none"> Creates a strong and practical value proposition for members by positioning the sector body as a gateway to funding, talent pipelines and coordinated sector support. Directly supports inclusive growth by enabling more coordinated and demand-aligned deployment of skilling and job creation resources. Outcomes-based funders typically have inclusion targets, implementing this model supports the delivery of inclusion strategies and the achievement of these targets. | <ul style="list-style-type: none"> Requires a high level of institutional capacity, compliance capability, and operational maturity. Fund administration comes at the expense of broader strategic functions if not carefully managed. |
| Donor or programme-based support | Philanthropic or development funders provide grants to the sector body, either as operational support or for specific programmes and catalytic objectives such as youth employment, gender inclusion or investment promotion. | GBS GI has received support from GIZ and the Mastercard Foundation. | <ul style="list-style-type: none"> Provides critical early-stage runway for emerging sector bodies, especially in contexts where membership or government funding is not yet viable. In early ecosystem-building phases, this funding is catalytic in enabling core sector body functions to take root. Donor support helps advance inclusion priorities, such as youth, gender or disability inclusion. Inclusion is driven by earmarked funding. Donors often have targets or funding specifications that aim to advance inclusion that might otherwise be under-resourced. This delivery model ensures these are prioritised. | <ul style="list-style-type: none"> Creates sustainability risks, particularly when funding is project-based or time-bound. Donors prefer highly visible, programmatic activities over less visible but essential coordination and institutional functions. Donor priorities distort sector priorities, pushing bodies towards funder-led rather than demand-led interventions. |

1. Based on desktop research and stakeholder engagements.



| Funding model | Brief description | Examples of sector bodies using this model | Enablers of effective and inclusive sector growth | Risks to effective and inclusive sector growth |
|---------------------------------|--|--|---|--|
| Membership-based funding | Private sector operators, vendors and/or suppliers pay annual membership fees to belong to the association | GSM Association operates as a private industry body that is reliant on membership fees from a diverse, global network of participants. Its funding base is structured across several membership tiers. | <ul style="list-style-type: none"> Keeps the sector body accountable to industry needs and strengthens its legitimacy as the representative "voice of demand". Ensures that advocacy, skills alignment and ecosystem coordination remain grounded in what firms actually need. Enables inclusive growth that is demand-led rather than donor- or government-led. Inclusion is driven by employer demand and commercial priorities, so inclusion efforts are directly tethered to what firms need. This benefits marginalized youth by ensuring that inclusion initiatives are not hinged on donor requirements, but are tied to verifiable, long-term commercially viable work opportunities | <ul style="list-style-type: none"> Membership revenue is inherently fragile as fees are often treated as discretionary spend and are among the first costs cut during periods of financial pressure. Difficult to establish in nascent markets, where firms are small, sector maturity is low, and the value proposition of the sector body has not yet been proven. Sector bodies need resources to demonstrate value, but firms are often unwilling to pay until that value is visible. |

| Funding model | Brief description | Examples of sector bodies using this model | Enablers of effective and inclusive sector growth | Risks to effective and inclusive sector growth |
|--|--|--|--|---|
| Public-private partnership/government funding | The sector body receives direct financial support or grant funding from national, provincial or municipal government to carry out specific mandates such as investment promotion, sector coordination or job creation. | CapeBPO (South Africa) is funded by the City of Cape Town and provincial government and does not charge membership fees. | <ul style="list-style-type: none"> Provides relatively stable funding, when support from government is available. When a sector body's activities are aligned to a national strategy, its priorities are naturally aligned with broader national or regional economic goals. Inclusion is driven by alignment with national strategies, ensuring the sector body's priorities are tethered to broader regional or national economic goals. Enables sector bodies to play a strategic role in coordinating inclusive growth, investment promotion and labour market interventions over a longer time horizon. Strengthens government buy-in and institutional anchoring. | <ul style="list-style-type: none"> Public funding is uneven, fragmented and geographically skewed, depending on where political support and fiscal space exist. Exposes sector bodies to shifts in public priorities. Reduces perceived independence, if not managed carefully. Over-reliance on government funding constrains agility and responsiveness to industry needs. |
| Pay-for-service/value-added model | A pay-for-service model generates revenue by offering value-added services, such as events, research, market entry support and certifications, for which members and industry stakeholders are willing to pay. | Mature global sector bodies as India's National Association of Software and Service Companies (NASSCOM) and the IT and Business Process Association of the Philippines (IBPAP) utilise pay-for-service and value-added revenue models to achieve financial sustainability. | <ul style="list-style-type: none"> Generates sustainable revenue that strengthens financial independence and long-term institutional viability. Incentivises high-value service delivery, ensuring sector bodies remain responsive to industry needs. Enables investment in critical functions such as research, market intelligence and ecosystem coordination. Sector bodies advance inclusive hiring by embedding impact sourcing standards directly into the paid services, certifications, or audits they offer to firms. This benefits marginalised youth because employers are provided with actionable, operational frameworks that formally standardise and support their inclusion into the workplace Strengthens industry engagement, as firms utilise paid, demand-driven services. | <ul style="list-style-type: none"> Biases focus on revenue-generating activities, at the expense of public-good functions such as coordination and advocacy. Limits access for smaller firms or underserved actors, reducing inclusivity if services are cost-prohibitive. Risks underinvestment in inclusion and youth-focused initiatives if these are not directly monetisable. Shifting the sector body's role towards a service provider, rather than a neutral ecosystem coordinator. |



4. SPOTLIGHT ON SECTOR BODIES THAT HAVE CATALYSED INCLUSIVE GROWTH AND YOUTH JOB CREATION

Box 1: BPESA – A mature sector body in established GBS and Digital sectors

BPESA is an example of a mature sector body operating in established GBS and Digital markets. Established in 2002 as a non-profit, member-based industry association, BPESA emerged in response to government’s prioritisation of the Business Process Outsourcing industry and the need for a single, credible body to represent industry interests. Over time, it has evolved from a representative association into a central coordinating institution for the sector, helping align government, industry and ecosystem actors around a shared growth agenda.

BPESA is an example of how a sector body can evolve into a strategic and enabling institution for inclusive sector growth. A key inflection point in BPESA’s evolution was the formalisation of its partnership with the Department of Trade, Industry and Competition (dtic) and Harambee Youth Employment Accelerator, which helped strengthen its role in shaping and coordinating sector growth nationally. BPESA is now a key custodian of South Africa’s GBS Masterplan, which sets out an ambition to create 500,000 jobs by 2030. In South Africa’s context, if achieved, 92% of these jobs will likely be youth jobs. BPESA plays a central role in policy engagement, investment promotion, sector research, ecosystem coordination and inclusive job creation, while also acting as an intermediary for large-scale youth skilling and employment initiatives.

BPESA has driven inclusive sector growth and youth job creation through a set of targeted, sector-wide initiatives spanning skilling, inclusion and policy reform. Most notably, BPESA has played a key role in shaping and advocating for the GBS incentive framework in South Africa, working closely with the dtic to design and refine the GBS Incentive Programme, which reduces entry and operating costs for investors, strengthens the country’s competitiveness, and directly catalyses large-scale, inclusive youth job creation. BPESA has played a key role in the sector’s expansion, with jobs growing from 38,600 in 2017 to 186,005 by the end of 2025. This growth has been notably inclusive, with approximately 90% of new roles taken up by young people and 70% by women.

Through its implementing partners, BPESA delivers Advanced Digital Work Readiness Programmes and leverages the SA Youth platform to source, assess and place young people into jobs, alongside scaling training through its Future Skills Platform and Work Readiness Training 2.0 approach. To future-proof the talent pipeline, BPESA developed the GBS Skills Strategy 2025–2030 and a Skills Intelligence Microsite to align skills development with evolving demand. BPESA also plays a key role in fostering inclusion and safeguarding at a

sector-level. It is driving sector-wide inclusion commitments through the sector’s Masterplan targets, developing inclusion handbooks and materials like the Disability Hiring Handbook and Impact Sourcing Handbook, and is advancing safeguarding through a formal sector-wide safeguarding policy and reporting mechanisms.

As sector bodies mature and take on more strategic and delivery-oriented functions, they require corresponding investment in institutional capability. BPESA’s institutional development has been supported by deliberate capacity strengthening. As its mandate and responsibilities expanded, so too did the demands on its governance, financial systems and operational capacity. Financial and technical support provided under the GBS and Digital Jobs Programme, supported by the Mastercard Foundation, has helped BPESA undertake an independent internal controls review, strengthen its governance framework, and appoint a permanent Chief Financial Officer, improving its ability to raise and manage the complex funding and reporting requirements needed to effectively support inclusive growth and promote youth job creation at scale.

Box 2: GBS GI – building a sector body in a nascent market

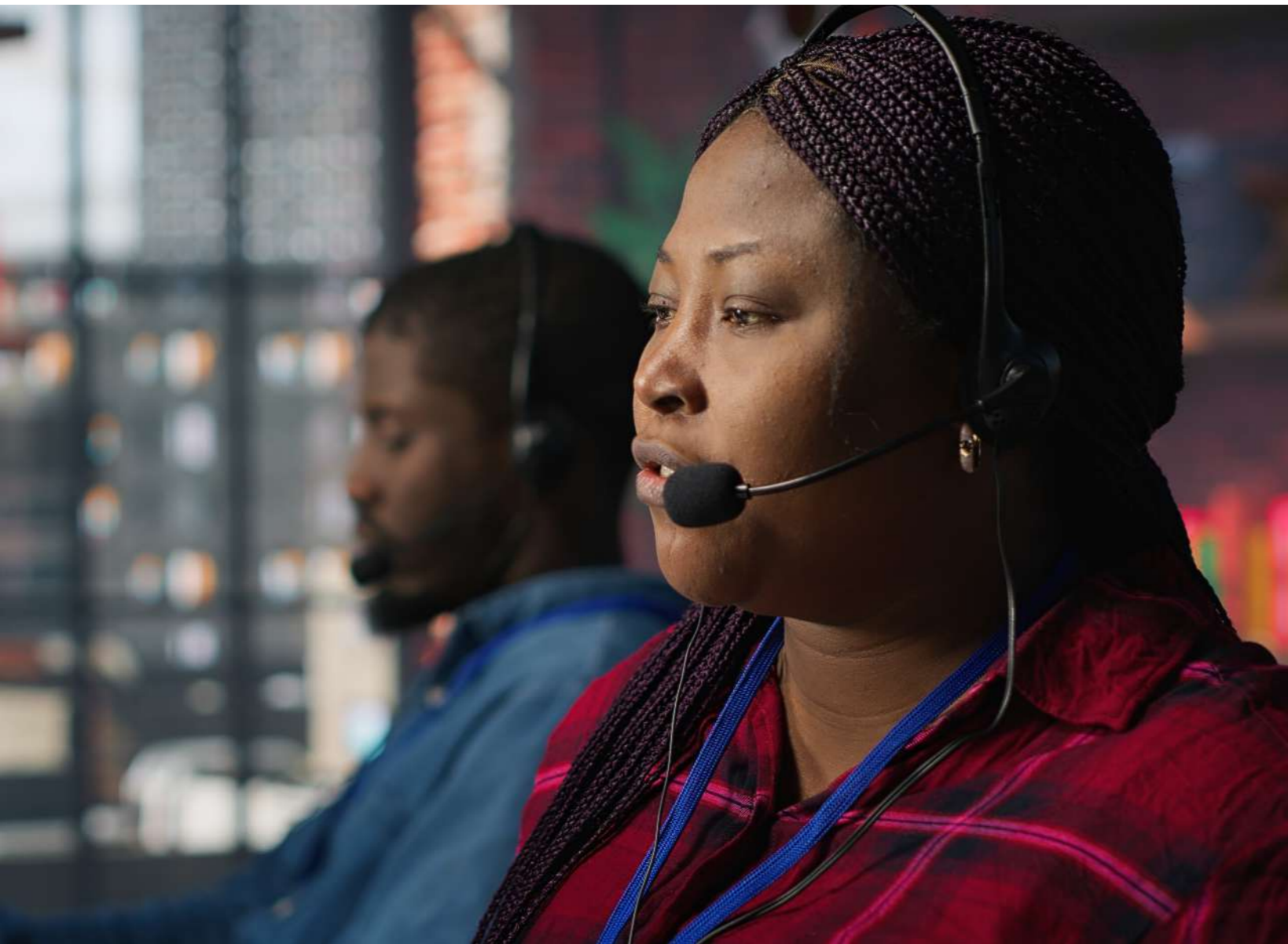
GBS GI is an example of building a sector body alongside an emerging sector. Established in the context of Rwanda’s emerging GBS and Digital ecosystem, GBS GI was created to address a coordination gap: multiple government entities and development partners were trying to solve investor and talent challenges in parallel, often duplicating effort and pulling institutions away from their core mandates. GBS GI emerged to serve as the sector’s central coordinating mechanism and “go-to” agency, helping to organise what had previously been a fragmented and largely unstructured ecosystem.

In addition to coordinating the ecosystem, GBS GI has played a foundational role in shaping and legitimising Rwanda’s emerging GBS sector. This role has been particularly important in a context where the sector remains relatively new and not yet fully understood. GBS GI has helped government and other stakeholders understand what the sector is, the types of jobs it can generate, what investors require, and what is needed to position Rwanda as a credible outsourcing destination. Through a combination of investment promotion, policy engagement, ecosystem coordination and talent mapping, it has contributed to expanding demand, aligning skills development with real market opportunities, and reducing barriers to sector growth.

In doing so, **GBS GI has helped translate sector potential into more structured, scalable and inclusive employment pathways for young people.** Since 2019, the number of GBS firms has increased from just two to 40, signalling rising investor confidence and ecosystem maturity. As Rwanda positions itself as a credible outsourcing destination, the GBS GI now aims to support the creation of 20,000 jobs by 2030, in a market projected to grow by 33% between 2024 and 2030, transforming early sector potential into scaled, inclusive employment pathways for young people. To support inclusion in the sector, GBS GI is unpacking the necessary conditions for inclusive growth and youth job creation. For example, GBS GI, through support from Harambee, established a formal Memoranda of Understanding

with relevant government ministries to secure legal access to refugee camps; allowing for direct skilling interventions and job matching that benefit displaced youth. GBS GI partners with universities to expose students to career opportunities in the GBS sector through informative sessions and industry insights from young professionals, helping them understand required skills, career pathways, and the sector's strong growth potential. In addition, GBS GI conducted an assessment of language proficiency among youth in Rwanda, which helped refine and define its language-focused value proposition.

GBS GI's institutional journey highlights the importance of incubation as an early-stage support model for nascent sector bodies. Launched in 2023, institutionally, GBS GI remains at an early stage of development. Currently, GBS GI does not have the institutional maturity, as well as the organisational and financial capacity to be sustainable. GBS GI currently operates through an incubation model under Harambee Youth Employment Accelerator and is funded by the Mastercard Foundation-supported GBS and Digital Jobs Programme, which has provided essential backend support, credibility and operational runway. This arrangement has enabled GBS GI to function with a lean team while focusing on building value and legitimacy in the ecosystem.



Box 3: NASSCOM – a blueprint for sector body maturity and scale

NASSCOM provides an example of how a sector body can evolve into a high-impact institution that drives both sector competitiveness and large-scale job creation. Established in 1988 to advocate for the recognition of India's nascent software industry, NASSCOM has grown into the central coordinating body for a \$315 billion GBS and Digital sector, representing over 3,000 companies across the ecosystem. Its evolution mirrors that of the sector itself; from basic IT services to advanced digital, AI and deep technology capabilities.

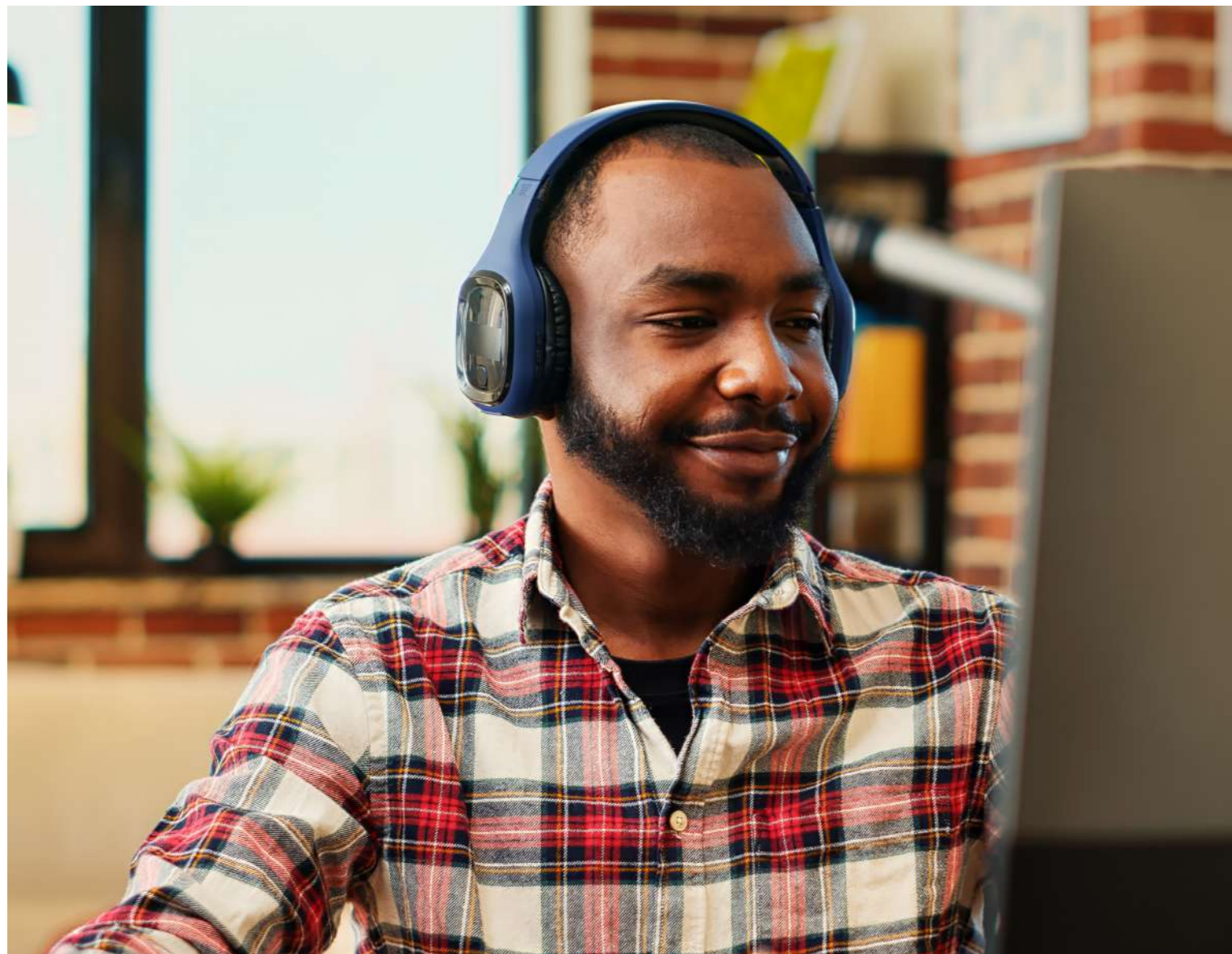
A defining feature of NASSCOM's impact has been its ability to shape the enabling environment for growth. Through data-driven policy advocacy, it has helped secure foundational incentives such as income tax exemptions for startups, modernised regulations, and responded rapidly to emerging constraints. For example, when the COVID-19 pandemic forced a sudden shift to remote work, existing telecommunications regulations restricted corporate internet from being routed to employee homes. NASSCOM worked closely with the government to promptly amend these laws, enabling business continuity and allowing the industry to thrive during the pandemic. Notably, NASSCOM has played a central role in strengthening data privacy and intellectual property frameworks, significantly enhancing the sector's global credibility. It spearheaded the establishment of the Data Security Council of India, which has set industry-wide standards for cybersecurity, data protection and privacy. NASSCOM has also contributed to shaping key legislation, including the Digital Personal Data Protection Act of 2023, helping align regulatory developments with the operational needs of the IT industry. Together, these interventions have been critical in building trust with global clients, unlocking sustained sector expansion, and positioning India as a leading global outsourcing destination.

NASSCOM has also played a central role in building and future-proofing the sector's talent pipeline. Through its FutureSkills initiative, developed in partnership with government, it has scaled digital upskilling to millions of learners, aligning workforce capabilities with evolving industry demand in areas such as AI and data. This reflects a shift from advocacy alone to actively shaping the supply of talent required for continued sector growth and job creation at scale.

NASSCOM's effectiveness and sustainability are underpinned by strong governance, institutional independence, and a diversified funding model. A neutral and independent secretariat, combined with revenue from membership fees (60% of revenue), events, research and services, has enabled it to invest in high-value functions such as proprietary research, global thought leadership and ecosystem coordination. This, in turn, has strengthened its credibility with both government and industry. Its ability to convene stakeholders, generate trusted sector intelligence, and act as a consistent voice for the industry has been central to its long-term influence.

NASSCOM shows how a well-designed and well-supported sector body can evolve into a strategic institution that drives sustained, large-scale sector growth and job creation. For emerging sector bodies and those supporting them, the key lesson is; scaling digital and GBS job creation requires not only demand and skills, but institutions with the capacity, credibility and mandate to align both at scale.

5. KEY LEARNINGS: WHAT IT TAKES TO BUILD, GROW AND SUSTAIN A GBS AND DIGITAL SECTOR BODY THAT PROMOTES INCLUSIVE GROWTH AND SUSTAINABLE YOUTH JOB CREATION AT SCALE



Sector bodies play a critical role in translating industry needs, shaping policy, reducing barriers, coordinating ecosystems, and aligning talent pipelines with real demand. They convert sector potential into tangible growth and inclusive employment opportunities for young people. This is particularly important in emerging markets, where fragmentation, limited sector understanding, and weak coordination constrains both growth and inclusion. Sector bodies' ability to deliver impact depends on strong institutional foundations, appropriate and diversified funding models, and sustained investment in their capacity to perform complex, system-level functions.

Supporting a sector body is not separate from supporting inclusive sector growth; it is a core part of it. Enabling inclusive growth, characterised by large-scale and sustainable youth job creation in the GBS and Digital sectors, requires investment that extends beyond programmes to the institutions that make coordinated sector growth possible - sector bodies. **Translating lessons from BPESA, NASSCOM, and IBPAP into actionable guidance for nascent sector bodies such as GBS GI requires both contextualisation and support for operationalisation.** The case studies highlighted above should be interpreted in light of the differing stages of institutional maturity across these organisations. A newly established sector body such as GBS GI does not yet have the full technical, organisational, or financial capacity of more mature institutions like BPESA, NASSCOM, or IBPAP, and should not be expected to replicate their models at scale. Instead, translating these global lessons into practice requires targeted technical assistance and sustained financial support to progressively build core institutional capabilities aligned to the key pillars outlined above. Adoption of best practices should be sequenced according to a country's current institutional maturity and market size, with early-stage efforts prioritising lean institutional design, hybrid funding models, and catalytic public-private partnerships. At the same time, global lessons should be adapted into practical, context-specific operating procedures that reflect local regulatory frameworks, labour market dynamics, and investment conditions. In this process, peer learning and structured partnerships with established sector bodies can serve as important accelerators of capability development.

Emerging ecosystems have an opportunity to embed inclusion and safeguarding from the outset of sector development. This allows impact sourcing, refugee inclusion, disability inclusion, and sector-wide safeguarding systems to be embedded as foundational design features from the outset, rather than being retrofitted later in the institutional lifecycle.

Drawing from the learnings from BPESA in South Africa and GBS GI in Rwanda, together with guidance from the GBS-BPO Association Handbook by the [Africa GBS Federation](#), below are practical considerations for funders, governments and ecosystem actors. These provide guidance on how to build, grow, and sustain sector bodies in emerging GBS and Digital markets that enable inclusive, sustainable, and catalytic opportunities for youth.

- **Early-stage sector bodies need incubation or an institutional runway, to unlock inclusive sector growth and youth job creation at scale.** In less mature ecosystems, new sector bodies rarely have the capacity or capital to operate independently from the outset. Early institutional support provides the credibility, back-office capability and operational runway needed for the sector body to focus on building value and legitimacy.
- **Incubation only works if it is paired with a pathway to independence to sustain job creation outcomes.** While incubation is enabling in the early stages, it should not become a substitute for institutional maturity. Sustainable sector bodies require a deliberate pathway towards independence, supported by clear milestones for governance, systems, staffing, and fundraising.
- **Strong governance is foundational.** Sector bodies cannot effectively coordinate an ecosystem if their own institutional foundations are weak. Building credibility and sustainability requires robust governance, financial controls, clear operating models and sufficient internal capacity to manage complex stakeholder and funding relationships; all fundamental for effectively catalysing inclusive sector growth and youth job creation.
- **Long-term sustainability requires diversified funding.** Membership fees alone are rarely sufficient, particularly in emerging markets. Sustainable sector bodies require funding models that are diversified and evolve over time, balancing industry buy-in with other forms of institutional support. Diversified and evolving funding models enable sector bodies to support both market expansion and the intentional inclusion of youth and marginalised groups at scale.
- **Sustained institutional and government support remains critical for long-term impact.** While sector bodies should move towards greater independence, ongoing institutional or government support is often required for them to fully perform their ecosystem coordination and public-good functions. This is particularly important for maintaining momentum in sector growth, supporting inclusion, and ensuring that youth job creation is sustained over time. **Funders need to support institutional capability.** A key challenge is that the coordination and ecosystem-building functions performed by sector bodies are often underfunded because they are less visible than direct programme outputs. Yet these functions are essential to enabling sector growth and improving the efficiency and sustainability of youth job creation efforts.



For Governments and Policymakers

- **Leverage sector bodies as primary intelligence partners:** Governments should utilise the data, reports and insights generated by sector bodies to shape national strategies, sector plans, and align government-supported skilling programmes with market realities.
- **Actively collaborate to resolve policy bottlenecks:** Policymakers should draw on the unified voice of sector bodies to identify and proactively resolve sectoral barriers, such as blockages in incentive schemes, restrictive telecommunications laws, or lengthy critical skills visa processes.

For GBS and Digital Sector Bodies

- **Strengthen foundational governance and internal capacity:** Sector bodies cannot effectively coordinate an ecosystem if their own institutions are weak. It is critical to invest in robust governance frameworks, financial controls, and necessary staffing capacity to deliver wide-scale youth inclusion outcomes.
- **Diversify funding models for long-term sustainability:** To ensure long-term independence and resilience, sector bodies must proactively develop hybrid funding models, balancing a diverse range of funding sources.
- **Institutionalise inclusive hiring and safeguarding standards:** Inclusion must be a core sector strategy. Sector bodies must take the lead in equipping operators to hire marginalized youth by developing practical, sector-wide tools, such as impact sourcing standards, disability hiring handbooks, and formal safeguarding policies and reporting mechanisms.

Identify which sector body funding model delivers maximum impact for young people: Currently there is a knowledge gap on how different funding models deliver impact for young people and how this is measured. Sector bodies can interrogate this to identify which models have greatest impact on youth inclusion outcomes and leverage this for mobilising additional revenue.

6. RECOMMENDATIONS

To ensure that GBS and Digital sectors drive inclusive, large-scale youth job creation, ecosystem actors must work together, ideally supported and coordinated by a central sector body. The following are practical recommendations for key stakeholders in the sectors to drive inclusive, large-scale youth job creation:

For Funders and Development Partners

- **Invest in core institutional capability:** The coordination and ecosystem-building functions performed by sector bodies are essential for scaled growth, but they are often underfunded because they are less visible than functions that support the direct delivery of outputs such as training or knowledge production. Funders should intentionally support these core operational functions, providing early-stage sector bodies with the incubation and institutional runway needed to build credibility and capacity.
- **Structure pathways to a less donor-dependent model:** While early-stage incubation with funding support is a vital catalyst, over time sector bodies should diversify their revenue streams so as not to be wholly dependent on donor funding. Funders should ensure that their support includes the development of pathways toward this diversification, focusing on developing the sector body's governance, internal systems, and diversified fundraising capabilities.

