



Government of Botswana



European Union

PRIVATE SECTOR DEVELOPMENT PROGRAMME BOTSWANA

A Government of Botswana initiative supported by the European Union and the Centre for the Development of Enterprise

INCEPTION PHASE

FINAL REPORT

October 2013



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PROGRAMME SYNOPSIS

Programme Title: Private Sector Development Programme, Botswana		
Country : Botswana		
Beneficiaries: <ul style="list-style-type: none"> • Small, Micro and Medium-sized Enterprises (SMMEs) • Community Based Organisations (CBOs), • Intermediary Organisations (IOs) 		
Duration : 3 years	Start-up : April 2013 Official launch: May 2013	Planned completion : March 2016
Partners and /or funding sources (All budgets approved): <ul style="list-style-type: none"> • 10th EDF: 2.3 million Euro • CDE: 500 000 Euro support to the Coordinating Unit team (running costs of the programme) • Chanel Foundation (France): 350 000 Euro (support to women in business) • Ministry of Trade and Industry (MTI): Provision of logistics and seconded staff to the programme • Botswana Confederation of Commerce, Industry and Manpower (BOCCIM): Seconded staff to the programme 		
Overall Objective: To contribute to economic growth, employment creation and diversification resulting in the reduction of poverty.		
Project purpose: <ul style="list-style-type: none"> • To improve the business environment in Botswana and stimulate economic diversification in the private sector • Develop and increase the role of the SMMEs in the economy. 		
Planned Results: <ul style="list-style-type: none"> • Result Area 1: Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened; • Result Area 2: Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced; • Result Area 3: Business environment for enterprises is improved. (Reduction of red tape and pilot on improved access to financing by SMMEs). 		
Indicators of Success¹: <ul style="list-style-type: none"> • At least 100 SME's from the private sector, including women companies trained on management, operation (including on quality, standards and certification) in order to be more competitive in the local, regional and international market; • Ten value chains are identified and strengthened ; • Subcontracting/outsourcing activities from the public to the private sector increased; • Greater private sector involvement in environmental protection activities; • An apex private sector coordinating structure is in place and is operational and contributing to policy dialogue; • Number of private firms using TSI services increased; • Membership satisfaction surveys show that respondents are happy with the quality of service provided. • Procedures for registration of SMMEs are made faster and less cumbersome; • Increased number of SMMEs registered for tax purposes; • Financial products targeting SMMEs introduced; • At least 30 SMME's are accessing finance ; • Micro finance policy framework is established and is operational; • Trade facilitation Advisory Group is operational and effective. 		

¹ As per the Logical Framework Matrix for the Result Areas of PSDP Contribution Agreement – Annex I

LIST OF ABBREVIATIONS AND ACRONYMS

ACP	African, Caribbean and Pacific
BDSPs	Business Services Development Providers
BEMA	Botswana Exporters and Manufacturers Association
BIDPA	Botswana Institute of Development Policy and Analysis
BIH	Botswana Innovation Hub
BITC	Botswana Investment and Trade Centre
BNPC	Botswana National Productivity Centre
BOBS	Botswana Bureau of Standards
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
BOCONGO	Botswana Council of Non-Government Organisations
BOTA	Botswana Training Authority
BTO	Botswana Tourism Organisation
CDE	Centre for the Development of Enterprise
CEDA	Citizen Entrepreneurial Development Agency
CU	Coordinating Unit
EA	Executing Agency
EC	European Commission
EDD	Economic Diversification Drive
EDF	European Development Fund
EU	European Union
HATAB	Hospitality and Tourism Association of Botswana
IO	Intermediary Organisation
ITC	International Trade Centre
LEA	Local Enterprise Authority
MC	Management Committee
MFDP	Ministry of Finance and Development Planning
MTI	Ministry of Trade and Industry
NAO	National Authorizing Officer
OiC	Officer in Charge
PA	Proposal for Assistance
PEEPA	Public Enterprises Evaluation and Privatisation Agency
PSDP	Private Sector Development Programme
RFO	Regional Field Office
SADC	South African Development Community
SMMEs	Small, Micro and Medium Enterprises
TBT	Trade Barrier and Tariffs Programme
WIBA	Women in Business Association

EXECUTIVE SUMMARY

➤ Introduction

1. This Inception Report is the result of the assessment of the Private Sector Development Programme (PSDP) and key documents including the Private Sector Development Strategy (PSDS); and the Economic Diversification Drive (EDD) Strategy, with the objectives to clarify and update some activities and budget foreseen during the formulation phase which took place in 2010.
2. The aim is to prepare a comprehensive report with all the necessary annexes to guide programme implementation including the updated list of activities, the management approach and methods to carry out the planned activities as well as the budget and timeframe.

➤ Presentation of the Programme

3. In February 2013 a Contribution Agreement was signed between the European Union (EU) represented by the European Commission (EC) and the Centre for the Development of Enterprise (CDE). The purpose of the Agreement is to contribute for the implementation of the Action entitled: Support to the implementation of the Private Sector Development Strategy of Botswana and the Economic Diversification Drive.
4. The PSDS is a framework for support to private sector development in Botswana and was elaborated in 2008 through extensive consultations with various stakeholders. The PSDS is built on four priority areas, which are (i) trade expansion, (ii) improving labour productivity, (iii) support to trade institutions and (iv) improving the business climate.
5. Within the framework of the PSDS, the Ministry of Trade and Industry (MTI) and Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) in partnership with the EU and the CDE have developed the PSDP. The PSDP is part of the empowerment of Non-State Actors programme agreed and signed between the EU and Ministry of Finance and Development Planning (MFDP) on behalf of the Government of Botswana in December 2012. The programme was officially launched on the 23 May 2013 in Gaborone, Botswana.
6. The PSDP which will run for duration of 3 years has a budget of €2.8 million (which includes Euro 2,300,000 from the EU and Euro 500,000 from the CDE) and aims to stimulate and sustain growth through diversification of the economy while building the capacities of institutions and human resources that support the private sector. The programme is meant to address some key areas of the PSDS and had already received support of other funding partners such as Chanel Corporate Foundation dedicated specifically for Women Entrepreneurship Development (WED).
7. The contribution of the MTI is in the form of office space, including furniture, equipment and running costs of the programme. The EU is the contracting authority for the PSDP, the MTI is the supervising agency, CDE is the executing agency, and BOCCIM is responsible for monitoring and evaluation (M&E) of PSDP.
8. The implementation of the PSDP is expected to strengthen private sector intermediary organisations (IOs) and companies and ensure that they contribute to the economic diversification process. The programme will also support the MTI as the lead ministry in the implementation of the EDD.

9. The following result areas are targeted under PSDP:

- **Result Area 1:** Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened;
- **Result Area 2:** Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced;
- **Result Area 3:** Business environment for enterprises is improved. (Reduction of red tape and pilot on improved access to financing for SMMEs).

➤ **Statement of the problem and challenges facing the private sector in Botswana**

10. Estimates by the International Monetary Fund (IMF) indicate that there was a decline in the private sector's contribution to gross investment (measured as a percentage of Gross Domestic Product (GDP)) from 18% in 2007 to 8.9% in 2009 while the same ratio for the public sector increased from 7.8% to 15.1% over the same period. The private sector's contribution to gross savings declined from 20.3% in 2007 to 9.9% in 2009, while the public sector's contribution declined from 20.1% to 12% over the same period. This situation to a large extent reflects the impact of the global financial crisis and the vulnerability of the private sector to external shocks.

11. The participation of the private sector in the economy is being encouraged by the privatisation initiative an example being the privatisation of the Botswana Telecommunication Corporation. Private sector participation in the economy will also be spurred by the Public-Private Partnerships (PPPs) with a framework for PPPs having been put in place in 2009.

12. The main problems affecting the private sector in Botswana are:

- i. A small domestic market with a declining population growth rate;
- ii. Dominance of Government sector in economic activities including the Government led agenda for private sector initiatives;
- iii. Slow progress in the implementation of the privatisation process;
- iv. Vulnerability of the private sector to exogenous shocks;
- v. Weak labour market characterised by skills shortage, uncompetitive labour costs, low productivity and poor work ethic;
- vi. Limited Research and Development activity; and
- vii. Unfavourable private sector environment.

13. The challenges faced by the private sector in Botswana include little support, skills shortage, lack of market intelligence information systems, limited resources put into Research and Development, quality and standards issues, high costs of product testing, lack of access to finance, just to mention a few. It is in the context of the above scenario that the PSDS was conceived.

14. Even though SMEs are still facing difficulties, a combination of factors is influencing positively the private sector development since the formulation of the PSDP. These include but not limited:

- Economic recovery after the global financial crisis;
- Implementation of the EDD Programme;
- Access to Government procurement for micro, small and medium enterprises (SMMEs) and
- The growing importance of services sector including tourism, information and communication technology (ICT) and finance.

➤ **Programme management approach**

15. In order to achieve the three (3) main results areas of PSDP as indicated above, a pragmatic and multi-pronged approach has been adopted that builds upon the following pillars:

- (i) Use of CDE experience in private sector development in ACP countries and in particular lessons learnt from the Southern Africa region;
- (ii) Use of comprehensive value chains studies done by Government, parastatals and donors
- (iii) Best-use of local expertise and know-how to ensure sustainability of PSDP results;
- (iv) Organisation of PSDP activities around limited number of components to ease the implementation process
- (v) Promote sound and effective collaboration between the Coordinating Unit and programme partners.

16. The approach to effectively implement the programme is built around four phases:

- 1) Inception Phase (programme set-up) (April – October 2013)
- 2) Preparation Phase (November 2013 – March 2014)
- 3) Intervention Phase (April 2014 – December 2015)
- 4) Closing Phase (January – March 2016).

> **Achievement at the Inception Phase**

17. The programme is still at the Inception phase. However some significant activities have been completed, in particular, the mobilization of PSDP partners and the performance of early stage support through capacity building activities benefiting SMMEs, IOs and the MTI as illustrated by the following table.

Table 1: Capacity building of PSDP beneficiaries

	Title of the workshop	Date	Organisations represented
1	Procurement workshop	June 2013	MTI, BOCCIM, BITC, WIBA, LEA, BEMA, HATAB, PSDP
2	SME audit tools workshop	August 2013	MTI, BOCCIM, BITC, WIBA, LEA, BEMA, HATAB, BIDPA, BIH, BNPC, BOBS, PEEPA, PSDP
3	CEP Agro: Developing and enhancing consulting capacity workshop	September 2013	MTI, BOCCIM, BITC, CEDA, WIBA, LEA, BEMA, HATAB, BOBS, BNPC, Decisive aggregates, Organisational Life Focus

18. Other activities implemented during the Inception phase include:

- Support to BITC through Global Expo Botswana 2013;
- Recruitment of interns and short-term and junior experts;
- Official launching of PSDP and WED programmes;
- Discussion with BOCCIM and MTI about respectively M&E and Result area 3 activities;
- Consultative meetings with key organisations involved in PSDP;
- Development of Terms of Reference for PSDP actions;
- Support to SMMEs in the dairy sector to participate to International Trade Fair (Africa International Dairy Conference and Exhibition in Zimbabwe)
- Organisation of the International Trade Centre (ITC) mission to Botswana to discuss partnership on value chains development;

- Mapping of SMMEs through comprehensive database;
- Launching of Women Entrepreneurship Development (WED) programme and selection of 35 beneficiaries (women led enterprises from manufacturing (art craft, textile, food processing) and services (ICT, tourism);
- Broad consultative meetings with IOs (see matrix of consultations, in Annex 6) involved in PSDP and MTI;
- Conference call with the Regional Office of the European Investment Bank, South Africa to explore possible areas of collaboration for the setting of microfinance facility for SMEs.

> **Planned activities for the Preparation Phase**

19. The second most important step in the implementation approach consists of the Preparation Phase. Activities foreseen for this phase are the following:

- Undertaking Monitoring and Evaluation (M&E) Study;
- Performing Baseline Study or SMMEs Audits/Diagnostics;
- Undertaking Value Chains Development (VCD) Studies;
- Design the Communication and Visibility Plan;
- Finalise 3 requests for mobilization of EU/ACP programmes and instruments;
- Support to SMMEs to participate to International Trade Fairs;
- Assist BITC for Global Expo.

> **Planned activities for the Intervention Phase**

20. The core activities of PSDP will be implemented during the Intervention Phase starting early April 2014 for a total duration of 21 months. This phase will allow deploying the whole package of capacity building activities that will lead to the main expected results of PSDP. This includes:

- Capacity building actions for SMMEs and CBOs
- Strengthening the capacity of IOs and BDSPs
- Assisting MTI to create an enabling environment for business development.

21. The Closing Phase will be dedicated to the final evaluation of the programme and the transfer of some tools and data to the main implementing partners: MTI and BOCCIM.

➤ **Major milestones**

22. The following table summarizes the key milestones of PSDP.

Table 2: Milestones for the Delivery of PSDP Reports

Report	Milestone for the delivery of the outputs	
1) Programme set-up Reports	3 rd Month	June 2013
2) Inception Report	5 th Month	August 2013
3) M&E System for PSDP Report	12 th Month	March 2014
4) SMMEs & IOs Baseline Study Report	12 th Month	March 2014
5) Value Chain Analysis and Development Report	12 th Month	March 2014
6) Training programmes and Manuals	12 th Month	March 2014
7) Reports on Interventions to strengthen SMMEs and CBOs	12 th Month 24 th Month	March 2014 March 2015
8) Reports on Interventions to strengthen IOs	12 th Month 24 th Month	March 2014 March 2015

9) Reports on technical assistance to MTI and BOCCIM	12 th Month 24 th Month	March 2014 March 2015
10) PSDP Annual Reports (Progress reports and M&E reports)	12 th Month 24 th Month 36 th Month	March 2014 March 2015 March 2016
11) Mid-term Report	18 th Month	Sept. 2014
12) Final Report	36 th Month	March 2016

➤ **PSDP procurement procedures**

23. PSDP is executed by the CDE. Therefore the programme is using CDE rules and procedures for recruitment of services providers using five different ways of procuring services as follows;

- (i) award of contract after one single offer, value \leq € 20,000²;
- (ii) award after a competitive market consultation (at least three offers), value $<$ € 300,000;
- (iii) international restricted tender for large and complex service contracts, value \geq € 300,000;
- (iv) multiple year framework contract, signed with qualified service providers who can then bid following a call for specific services , value of specific services $>$ € 20,000 and $<$ € 300,000 (per specific assignment within the framework of the contract); and
- (v) negotiated procedure for exceptional cases (as defined in the CDE Administrative and Financial Procedures).

➤ **Budget for the overall Programme**

24. The following table summarises PSDP proposed budget per component based on the proposed Implementation Plan.

Table 3: PSDP Proposed Budget Allocation

Activities/Components	Year 1	Year 2	Year 3	Sub-Total
Monitoring & Evaluation of PSDP in the framework of PSDP	€ 100 000	€ 40 000	€ 20 000	€ 160 000
Structured Value Chain Analysis and Development (beef, horticulture and tourism) / Market Intelligence Information System Project Proposal by the ITC	€ 150 000	€ 0	€ 0	€ 150 000
Assistance to BITC on Export Development Programme by the ITC	€ 45 000	€ 0	€ 0	€ 45 000
Emerging Value Chain Analysis and Development (leather, dairy, goats, piggery, poultry, honey and marula)	€ 210 000	€ 0	€ 0	€ 210 000
Capacity Building of SMMEs, CBOs and IOs	€ 36 000	€ 593 000	€ 516 500	€ 1 145 500
Supporting the creation of an Enabling Environment for Enterprises	€ 176 500	€ 150 000	€ 106 000	€ 432 500
Support costs of PSDP	€ 53 000	€ 65 000	€ 39 000	€ 157 000
Total	€ 770 500	€ 848 000	€ 681 500	€ 2 300 000
Ratio	34%	37%	30%	100%

² CDE Executive Board Decision of November 18, 2013 allowed PSDP to be aligned to EDF new ceiling amounts based on the amendment to Article 33 C of the CDE Financial Regulations

➤ **PSDP Indicators of Success**

25. The following indicators have been set-up to measure PSDP achievements (Source document: Annex I - Description of the Action of the Contribution Agreement)

➤ **Result Area 1 indicators**

- At least 100 SMME's from the private sector, including women companies trained on management, operation (including on quality, standards and certification) in order to be more competitive in the local, regional and international market;
- 10 value chains are identified and strengthened;
- Subcontracting/outsourcing activities from the public to the private sector increased;
- Greater private sector involvement in environmental protection activities.

➤ **Result Area 2 indicators**

- An apex private sector coordinating structure is in place and is operational and contributing to policy dialogue;
- Number of private firms using TSI services increased;
- Membership satisfaction surveys show that respondents are happy with the quality of service provided.

➤ **Result Area 3 indicators**

- Procedures for registration of SMMEs are made faster and less cumbersome;
- Increased number of SMMEs registered for tax purposes;
- Financial products targeting SMMEs introduced;
- At least 30 SMME's are accessing finance ;
- Micro finance policy framework is established and is operational;
- Trade facilitation Advisory Group is operational and effective.

➤ **Planning of Activities: September 2013-March 2016**

Description of Activities		April 2013- March 2014												April 2014- March 2015												April 2015- March 2016														
Activities		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
1	COMPONENT 1: Value Chain Analysis and Development for SMMEs in a selected number of economic sectors																																							
1.1	Review of previous studies																																							
1.2	Elaboration of Value Chains Roadmaps																																							
1.3	Feasibility study Market Intelligence																																							
1.4	Audits of SMMEs (baseline)																																							
1.5	Capacity building need assessment																																							
2	COMPONENT 2: Capacity Building and Sensitization of SMMEs, CBOs, IOs and BDSPs																																							
2.1	Capacity building and sensitization of SMMEs & CBOs																																							
2.2	Promote environmental protection among SMMEs																																							
2.3	Improve networking of IOs and SMMEs																																							
2.4	Establish BOCCIM as an apex body																																							
2.5	Conduct a study on the participation of women in the leadership of IOs																																							
2.6	Conduct training of IOs in policy research and analysis																																							
3	COMPONENT 3: Creating an Enabling Environment for Enterprise Development																																							
3.1	Assist MTI to enhance its capacity to manage the PSDS and EDD																																							
3.2	Support the development of the micro finance policy framework																																							
3.3	Develop & implement innovative trade finance scheme for SMMEs																																							
3.4	Assist BITC to implement Export Development Programme																																							
3.5	Review the registration and tax compliance costs and procedures																																							
3.6	Review implementation of Foreign Invest. Advisory Serv. Recommendations																																							
3.7	Review labour laws, recommend labour productivity Improvement strategies																																							
3.8	Conduct review of the import & export procedures																																							

(*) Inception Phase /detailed activities in Annex 3

☐ (*) Inception Phase (detailed activities in Annex 3)

1. OVERVIEW OF THE PROGRAMME

1.1. BACKGROUND

1. Historically, the private sector in Botswana has played a peripheral role in economic activity. The Government plays a major role in business activity with Government institutions providing private sector development services such as training and mentoring, product development, market research and financial support. The public sector employs over 40% of the formal workforce.
2. Estimates by the International Monetary Fund indicate that there was a decline in the private sector's contribution to gross investment (measured as a percentage of Gross Domestic Product (GDP)) from 18% in 2007 to 8.9% in 2009 while the same ratio for the public sector increased from 7.8% to 15.1% over the same period. The private sector's contribution to gross savings declined from 20.3% in 2007 to 9.9% in 2009, while the public sector's contribution declined from 20.1% to 12% over the same period³. This situation to a large extent reflects the impact of the global financial crisis and the vulnerability of the private sector to external shocks. The participation of the private sector in the economy is being encouraged by the privatisation initiative an example being the privatisation of the Botswana Telecommunication Corporation. Private sector participation in the economy will also be spurred by the Public-Private Partnerships (PPPs) with a framework for PPPs put in place in 2009.
3. It is in the context of the above scenario that the Private Sector Development Strategy (PSDS) was conceived. The PSDS was developed through extensive consultations with various stakeholders and was launched at the height of global financial crisis in 2009. The PSDS is built on four priority areas, which are trade expansion, improving labour productivity, support to trade support institutions and improving the business climate. Four cross cutting issues which have a bearing on private sector development have also been identified and they are; gender, the youth, HIV and AIDS and the environment.
4. Government and related institutions are in the process of implementing some aspects of the PSDS but due to limited resources and capacity, some development partners are coming in to help. The Centre for the Development of Enterprise (CDE) in partnership with a number of private sector organisations and the Government has developed a concept note focused on implementing the PSDS. The PSDS is consistent with European Union (EU) development policies.
5. The main problems affecting the private sector in Botswana are:
 - i. A small domestic market with a declining population growth rate;
 - ii. Dominance of Government sector in economic activities including the Government led agenda for private sector initiatives;
 - iii. Slow progress in the implementation of the privatisation process;
 - iv. Vulnerability of the private sector to exogenous shocks;
 - v. Weak labour market characterised by skills shortage, uncompetitive labour costs, low productivity and poor work ethic;
 - vi. Limited Research and Development activity; and
 - vii. Unfavourable private sector environment.
6. The programme started with the signing of the Contribution Agreement between the EU Delegation and CDE in March 2013. PSDP is a 3-year initiative planned to be completed in March 2016. The Private Sector Development Programme was officially launched on the 23 May 2013 in Gaborone, Botswana by the Acting Minister of Trade and Industry, Hon. Keletso Rakhudu.

³ The economic statistics of Botswana on public and private sector contributions to GDP and gross saving will be gathered and used to update the Background section in the framework of PSDP 1st year work plan (2013-20140).

1.2. STAKEHOLDERS AND BENEFICIARIES

7. The main stakeholders in the Project are private sector organisations, government ministries and parastatals, the EU and other development partners. The following is the list of some of the stakeholders that have a key role to play in the implementation of the PSDP.
- i. Ministry of Foreign Affairs and the International Cooperation (MFAIC)
 - ii. Ministry of Trade and Finance (MTI)
 - iii. Ministry of Finance and Development Planning (MFDP)
 - iv. The European Union (EU) Delegation
 - v. Centre for the Development of Enterprise (CDE)
 - vi. Botswana Confederation of Commerce, Industry and Manpower (BOCCIM)
 - vii. Botswana Investment and Trade Centre (BITC)
 - viii. Local Enterprise Authority (LEA)
 - ix. Botswana Exporters and Manufacturers Association (BEMA)
 - x. Botswana National Productivity Centre (BNPC)
 - xi. Botswana Bureau of Standards (BOBS)
 - xii. Citizen Entrepreneurial Development Agency (CEDA)
 - xiii. Botswana Tourism Organisation (BTO)
 - xiv. Hospitality and Tourism Association of Botswana (HATAB)
 - xv. Botswana Innovation Hub (BIH)
 - xvi. Botswana Power Corporation (BPC)
 - xvii. Botswana Water Utilities.
8. The target beneficiaries for the programme are small and medium-sized enterprises (SMMEs), community based organisations (CBOs), and Intermediary Organisations (IOs) capable of making the best contribution towards the objectives of economic diversification, modernisation of the private sector base, and employment creation.

1.3. CONTEXT OF PSDP

9. The PSDP is part of the empowerment of Non-State Actors programme agreed and signed between the EU and Ministry of Finance and Development Planning (MFDP) on behalf of the Government of Botswana in December 2012. As mentioned above, the programme was developed in partnership with MTI, EU and CDE in response to the BOCCIM initiated Private Sector Development Strategy (PSDS). PSDP is expected to capacitate SMMEs and CBOs by strengthening their value chains, improving access to finance and the ease of doing business as well as enhancing women's entrepreneurship. The programme has a strong link to PSDS and the Economic Diversification Drive (EDD) Strategy (See Section 1.4), which is a Government initiative to enhance local production and consumption.
10. The total budget for the programme is 3,158,000 € for a period of thirty six (36) months
- 10th EDF : 2,300,000€
 - CDE: 500,000€ for support to the running costs of the programme
 - Chanel Corporate foundation: 345,831€ to support women entrepreneurship development in Botswana.
11. Other institutions and partners are providing significant in-kind contribution: (i) MTI: Provision of logistics and seconded staff to the programme; (ii) BOCCIM: Seconded staff to the programme.
12. The following sectors were selected during the formulation process of the programme in as priority order; (1) Manufacturing including Agro Industries; (2) Tourism; (3) Construction and Public Works; and (4) Information and Communication Technology.

1.4. LINK BETWEEN PSDS, PSDP AND EDD STRATEGY

13. The CDE in partnership with a number of private sector organisations and the Government has formulated the Private Sector Development Programme as a step towards implementing the PSDS. The programme focuses on capacity building actions of SMMEs to strengthen their competitiveness including through Value Chain Development. The PSDP has a strong link with the Economic Diversification Drive (EDD) Strategy as well as with the PSDS which both are Government initiatives aiming: (i) to diversify the economic and export base of the country into sectors that will continue to grow long after diamonds have run out, and (ii) provide a systematic and coherent framework to promote the development and growth of the private sector.

14. The Table below shows similarities between the two strategies and the programme.

Table 4: Link Between PSDS PSDP and EDD Strategy

Items	PSDS	PSDP	EDD Strategy
Overall Objective	To provide a systematic and coherent framework to promote the development and growth of the private sector	To contribute to economic growth, employment creation and diversification resulting in the reduction of poverty	To diversify the economic and export base of the country into sectors that will continue to grow long after diamonds have run out
Expected Results	<ul style="list-style-type: none"> • Entrepreneurial culture developed • Improved domestic and foreign investment • Improved business environment • Increased private sector contribution • Diversified economy 	<ul style="list-style-type: none"> • Strengthened capacity and competitiveness of SMMEs and CBOs including value chains • Enhanced service delivery of targeted IOs and BDSPs • Improved business environment for enterprises 	<ul style="list-style-type: none"> • Globally competitive enterprises which produce products that comply with international standards • Diversified exports • Improved entrepreneurship culture • Increase in foreign investment
Priority Activities	<ul style="list-style-type: none"> • Business climate • Promote environmental protection • Trade support institutions • Trade expansion • Mainstream gender issues in the private sector 	<ul style="list-style-type: none"> • Value chain analysis and development • Capacity building of SMMEs in quality standards • Capacity building of IOs • Business linkages • Access to finance • Participation of women in governance structures • Trade facilitation 	<ul style="list-style-type: none"> • Sectoral development and business linkages • Quality control and standards • Export development and promotion • Investment and finance • Entrepreneurship development
Key Indicators	<ul style="list-style-type: none"> • Improved private sector contribution towards economic growth and diversification • Improved access to international markets • Increase in investment • Improved business climate • Development and graduation of SMEs 	<ul style="list-style-type: none"> • Increase in number of private firms using TSI services • An apex body in place • Trade facilitation advisory group is operational and effective • Improved business environment • Financial products targeting SMMEs • Private sector led economy 	<ul style="list-style-type: none"> • Economic diversification • Improved entrepreneurship culture • Improved business environment • Diversified exports and export markets • Employment creation • Improved quality standards of products produced

1.5. OBJECTIVES AND EXPECTED RESULTS

15. The proposed programme has the following objectives as foreseen in the Contribution Agreement:

- **Overall objective:** To contribute to economic growth, employment creation and diversification resulting in the reduction of poverty in Botswana.
- **Specific objective:**
 - To improve the business environment in Botswana and stimulate economic diversification in the private sector
 - To develop and increase the role of the SMMEs in the economy.

16. Result areas that are targeted under this programme as well as indicators as per Annex I of the Contribution Agreement for measuring the programme achievements are as follows:

- **Result Area 1: Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened**

- **Indicators**

- 1) At least 100 SMME's from the private sector, including women companies trained on management, operation (including on quality, standards and certification) in order to be more competitive in the local, regional and international market;
- 2) Ten value chains are identified and strengthened;
- 3) Subcontracting/outsourcing activities from the public to the private sector increased;
- 4) Private sector involved in environmental protection activities.

- **Result Area 2: Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced**

- **Indicators**

- 1) An apex private sector coordinating structure is in place and is operational and contributing to policy dialogue;
- 2) Number of private firms using TSI services increased;
- 3) Membership satisfaction surveys show that respondents are happy with the quality of services provided by the IOs and BDSPs.

- **Result Area 3: Business environment for enterprises is improved. (Reduction of red tape and pilot on improved access to financing by SMMEs)**

- **Indicators**

- 1) Procedures for registration of SMMEs are made faster and less cumbersome;
- 2) Increased number of SMMEs registered for tax purposes;
- 3) Financial products targeting SMMEs introduced;
- 4) At least 30 SMME's are accessing finance;
- 5) Micro finance policy framework is established and is operational;
- 6) Trade facilitation Advisory Group is operational and effective

1.6. PROGRAMME COORDINATION

17. The implementation modality of PSDP is outlined below:

- **Contracting Authority:** The EU, represented by the European Commission (EC)
- **Supervision:** Ministry of Trade and Industry (MTI)
- **Executing Agency:** Centre for the Development of Enterprise (CDE)
- **Monitoring and Evaluation:** Botswana Confederation of Commerce Industry and Manpower (BOCCIM).

1.7. COMMENTS ON THE LIST OF ACTIVITIES

18. The Contribution Agreement has defined a list of 18 main activities to be carried out to reach the expected results (See table below). However, these activities need to be articulated in such a way to facilitate their implementation. Therefore the activities need to be more detailed, updated and articulated.

Table 5: PSDP List of Activities

#	Result Area 1: Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened, in a selected number of economic sectors
1	1.1 Conduct training workshops and provide onsite mentoring and coaching to a select group of SMMEs to build expertise in key business subjects
2	1.2 Design and implement a quality improvement programme for SMMEs. Conduct annual sensitization workshops for manufacturers and service providers on quality standards
3	1.3 Design and implement an export focused entrepreneurship development programme and in particular support women owned SMMEs to participate in international trade
4	1.4 Organise a platform to promote closer business linkages between SMMEs and large firms as well as with the government and design a programme to nurture the SMMEs.
5	1.5 Conduct awareness campaigns to promote environmental protection among SMMEs and CBOs
	Result Area 2: Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced
6	2.1 Conduct a review of the mandates and capacity of key private sector associations; design and implement a programme to support the establishment of or strengthen an apex body to coordinate the private sector in Botswana
7	2.2 Establish a web-based platform (Com4Dev) to promote networking and collaboration and to inform SMMEs on services that are offered by TSIs and BDSPs
8	2.3 Establish benchmarking learning platform centered on TSIs and BDSPs to inform management and allow information sharing and interaction
9	2.4 Conduct a study on the participation of women in the leadership of IOs and BDSPs and develop a capacity building programme to address challenges that hinder the involvement of women in governance structures
10	2.5 Conduct training of IOs in policy research and analysis as well as in effective lobbying and advocacy
11	2.6 Support BOCCIM in the implementation of the PSDS. Establish a web based performance monitoring and evaluation system for the PSDS and PSDP at MTI and the implementing institutions
	Result Area 3: Business environment for enterprises is improved. (Reduction of red tape and pilot on improved Access to financing by SMMEs)
12	3.1 Review the registration and tax compliance costs and procedures
13	3.2 Develop and implement an innovative trade finance scheme for SMMEs to provide access to finance solutions for women entrepreneurs
14	3.3 Support the development of the micro finance policy framework
15	3.4 Establish trade facilitation consultative group and provide capacity building services to its members
16	3.5 A review of implementation of the Foreign Investment Advisory Service recommendations will be done with a view to see areas that still need to be tackled to improve the investment environment
17	3.6 Conduct reviews of the labour laws to identify bottlenecks and recommend labour productivity improvement strategies
18	3.7 Conduct review of the import & export procedures

19. Complementary activities have been defined and included in the work plan to fill the gap in the programme logical framework.

1.8. RISKS AND ASSUMPTIONS

➤ Perceived Risks

20. The PSDP Logical framework well identified the risks involved in the implementation of this programme at result and project purpose levels.

21. The following are the main risks foreseen for the programme:

- The pace of implementing the PSDS continues to be slow (linked to Result Area 1)
- Intermediary Organisations and private sector players do not have the will to implement the programme (linked to Result Area 2)
- Government does not have sufficient financial and human resources to progress the implementation of PSDP (linked to Result Area 3)
- Lack of political will to implement the programme.

➤ Mitigation Measures

22. The Coordinating Unit recommends the following mitigation measures as appropriate to lower the risks. These will include;

- Periodic consultation with government ministries and intermediary organisations as part of the sensitization process to get their support to the programme in order to create an enabling environment for business development,
- Engage national institutions such as BEMA and LEA for capacity building throughout the implementation of the programme so that they take-up training materials and tools that will be developed by the programme under Result Area 1,
- Addressing at the Management Committee level issues that could slow down the progress in the implementation of the programme.

➤ Assumptions

23. The main assumptions in the Logical Framework Matrix are the following;

- No major crises (such as drought, war) to counteract effects of economic liberalisation.
- The global economy and Botswana avoid double dip recession.
- Support to the programme by Intermediary Organisations, Business Development Services Providers, Community Based Organisations, Development Partners, etc.
- Support of the programme from Government Ministries, parastatals, Intermediary Organisations, Community Based Organisations, Development partners and the private sector.

24. Remarks;

- Political risk: No major crisis is foreseen as per the good ranking of Botswana by international institutions and donors. During the inception phase, the Coordinating Unit noted a strong commitment of Government ministries and intermediary organisations, in particular, the Ministry of Finance, Development and Planning (MFDP), the MTI and BOCCIM.
- MTI to inform PSDP Coordination Unit on ongoing donors' initiatives on private sector development in order to seek synergies and complementarities.
- Use of past studies on value chains development carried out in Botswana: This should be a priority of PSDP.

2. PROGRAMME IMPLEMENTATION STRATEGY

2.1. OVERALL APPROACH

25. CDE as Executing Agency has set up a Coordinating Unit for the overall implementation of PSDP activities. The Coordinating Unit fully understands the importance of the private sector in the Botswana economy and the potential role this sector could play in fostering public-private partnership on the diversification of national economy.
26. Therefore, in order to achieve the three (3) main results areas of this programme, *a pragmatic and multi-pronged approach* has been adopted that builds upon the following pillars:
- (vi) *Use of CDE experience in private sector development* in ACP countries and in particular lessons learnt from the Southern Africa region where the private sector development concept is been replicated by CDE (Lesotho, Swaziland, Zimbabwe);
 - (vii) *Use of past experiences and studies done by government and donors on private sector development* (PSDP will take into account *work done in various thematic by the Government, agencies, donors and SADC Secretariat: MTI (EDD), LEA, Botswana College of Agriculture (BCA), BIPA*, (collect both quantitative and qualitative data on SMEs development issues and use a variety of methods such as literature reviews, key-informant interviews, stakeholder consultations, capacity needs assessment, workshops etc. in order to create a good understanding of SME baseline situation). The purpose is to rationalize the CA
 - (viii) *Valorisation of local expertise and know-how* for sustainability
 - (ix) *Re-organise the programme activities around a limited groups of activities* to ease the implementation process
 - (x) *Promote sound and effective collaboration* between the Coordinating Unit and the partners (EU Delegation, MTI; MFPD and BOCCIM) during the programme implementation

2.2. DETAILED DESCRIPTION OF METHODS AND ACTIVITIES

27. In this section we describe briefly the methods which will be used to achieve the expected results as mentioned in section 2.3.
28. Our approach to properly implement the programme is based on four phases:
- 5) Programme set-up (Inception Phase)
 - 6) Preparation Phase
 - 7) Programme Intervention Phase
 - 8) Programme Closure
29. At the strategic level, PSDP is promoting, whenever possible, the existing institutions in order to impart hands on training as well enhance the chances of continuation after the end of this programme. To this end, the Coordinating Unit is using the Management Committee members to anchor this programme in the broader context of PSDS and the EDD framework.
30. The project will be implemented by PSDP Team, not in isolation as a stand-alone initiative, but in close collaboration and coordination with on-going initiatives such as those supported by the EU, the SADC Secretariat, and the World Bank Group.

31. Based on broad consultations of key stakeholders and partners (See Matrix of stakeholder consultation in the Annex section), the Coordinating Unit will draw from the extended network of experts in the private sector development in Botswana who will provide regular inputs and guidance. Some of them have already been contacted and indicated interest for providing short term inputs as services providers in the form of firms or individual consultants.
32. The following is an illustration of the proposed approach for implementing the programme.

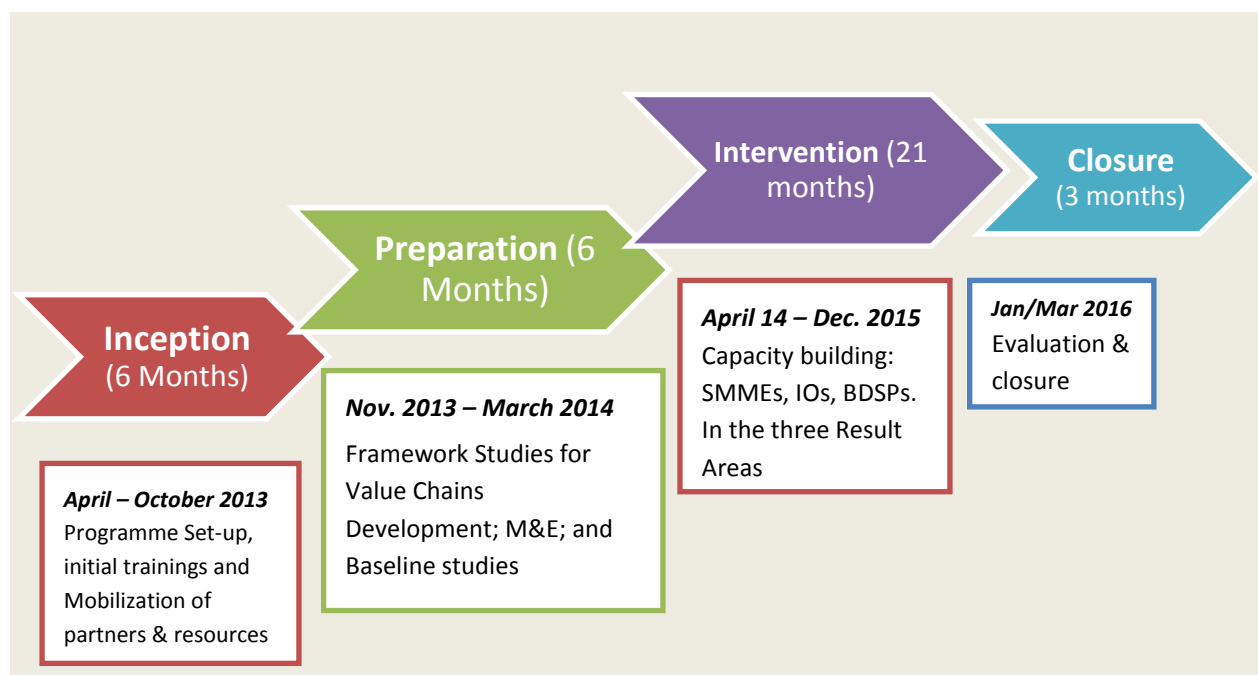


Figure 1: PSDP Implementation Approach

33. On October 2013, the programme entered in its Preparation phase. Since its official launch, a stream of activities and initiatives have followed, where a Women Entrepreneurship Development Programme funded by Chanel Corporate Foundation was officially launched on the 26th September 2013 to train, mentor and provide support to women owned companies. The 25th October 2013, marked yet another key setting where the PSDP, CDE, BOCCIM and other PSDP implementing stakeholders, met with Mr. Wouter Van Gulck, the General Manager of the Belgian Chambers of Commerce to discuss the prospects of partnership between BOCCIM and the Belgian Chambers of Commerce as well as networking with other European counterparts. The CEO at BOCCIM, Ms. Maria Machailo-Ellis, highlighted the mandate of the organisation which intends to play the role of an apex body that coordinates the private sector in Botswana. She expressed interest in foreseen partnership with the Belgian Chambers of Commerce with the view to improve the services rendered by BOCCIM to its members and increase its network outside SADC region. Other activities completed during the period concerned, in particular, the mobilization of PSDP partners, and the performance of early stage capacity building activities benefiting target groups; SMMEs and IOs.
34. The following section details the achievements as well as actions at the Inception Phase of PSDP.

2.3. INCEPTION PHASE (PROGRAMME SET-UP)

2.3.1. Activities Planned and Implemented: April – to October 2013

➤ 2.3.1.1 Setting-up of programme Coordinating Unit

This phase has been financed by CDE

35. The full Coordinating Unit team is made up of the following personnel;

- Programme team coordinator.
- Programme assistant
- Administrative Assistant
- Accounts assistant
- Driver and Logistic support staff

➤ **2.3.1.2 Set-up an Office for PSDP Coordinating Unit**

36. While waiting for MTI to provide the logistic needed for implementing PSDP, CDE is hosting the Coordinating Unit. PSDP Team benefits from CDE support from the start-up of the Programme (April 2013). This helps a lot in ensuring that the Coordinating Unit settle down quickly and start working on the programme.

37. The CDE support to the logistic for PSDP should be considered on short term.

38. MTI already provided the offices and the car for the Programme. It is expected to finalize MTI contribution by provision if possible, by end November 2013, of furniture, computer, printer, photocopier, and provision for stationery.

39. **Delegated Staff:** The Coordination unit has also elaborated a framework for seconded staff to PSDP following meetings with MTI, BOCCIM and EU Delegation. The document has been circulated for comments to MTI and BOCCIM. The TORs are based on EU, CDE and Government of Botswana best practices for secondment of staff to other organizations. They have been adopted by MTI Human Resources department and BOCCIM. BOCCIM delegated staff is in place since the last week of October 2013.

➤ **2.3.1.3 Promotion and Visibility**

➤ **Participation to Europe Day**

40. The objective was to promote the private sector through exhibition of SMMEs products and materials from Botswana Intermediary Organisations. The EU day was hosted by the EU Delegation to Botswana and SADC on the 16th May 2013.

41. The event mobilized 350 participants from EU Embassies and representation in Botswana, Government of Botswana ministries, Botswana Intermediary Organisations, SADC ambassadors, financial organizations, and exhibiting SMME's involved in Argo Processing, leather & textile, arts & crafts, manufacturing and tourism to showcase their products.

➤ **PSDP Official Launch**

42. In preparing for the launch event, a PSDP task force was set up. The task force was made up of representatives from (Ministry of Trade and Industry, Ministry of Finance and Development Planning, European Union Delegation, Centre for the Development of Enterprise, Botswana Confederation of

Commerce Industry & Manpower). It discussed and prepared all logistic aspects for the launch including agenda, press release, and speeches for the key speakers and invitation of participants.

43. The PSDP was officially launched on the 23rd May 2013, in Gaborone, Botswana. The official launch brought together 100 participants from the Ministry of Trade and Industry, Ministry of Finance and Development Planning, Ministry of Foreign Affairs and International Cooperation, EU Delegation to Botswana and SADC, CDE management, Public/Private sector stakeholders from Botswana, Financial Institutions, and Regional Developmental institutions. The event was covered by the media (Sunday Standard, Botswana Guardian, Botswana Gazette, GabzFM).
44. Note: EU Day and PSDP Official Launch provided very good visibility to stakeholders of the programme: Government ministries and agencies, EU Delegation, and CDE.

➤ **Recent Communication and Visibility Actions**

45. **Radio Show:** On the 24th October 2013, a delegation team consisting of Ms. Pauline Monare (MTI), Mr. Norman Moleele (BOCCIM) and Mr. Malaki Monyamane (CDE-PSDP) presented the PSDP on Radio Botswana 1. The aim of the radio participation was to inform the public on the PSDP start-up, its objectives and the partners to the implementation. In addition, it was to promote and publicize the PSDP call for Expression of Interest. The discussion was recorded and played on the 3rd November 2013, 12:10 hrs, A Matlhong Programme.
46. **TV Show:** On the 31st October 2013, Ms. Pauline Monare (MTI) and Mr. Norman Moleele (BOCCIM) presented the PSDP live on the Botswana Television. The TV show complemented the radio participation in order to reach a larger number of audiences. The aim was to explain MTI and BOCCIM's involvement under PSDP and also inform the viewers on the PSDP call for expression of Interest. The TV show was broadcast on the Breakfast show at 06:30 hrs.
47. **Government Commitment:** In addition to these recent communication and visibility actions, the Government of Botswana showed a strong support to PSDP. The 4th November 2013 State of the Nation Address by His Excellency Lieutenant General Seretse Khama Ian Khama, the State President appreciated that the PSDP is one of the many partnerships entered into by the Government with international organisations to enhance local businesses' competitiveness. He reiterated that "The European Union is helping to enhance the productive capacity of about 100 local enterprises with the Private Sector Development Programme, including women under the Women Entrepreneurship Development Programme."

➤ **2.3.1.4 Collaboration with International Cooperating Partners**

48. The Contribution Agreement recommended seeking complementarities and synergies with other EU support programmes and other donors willing to support private sector development including women in business.
49. Therefore CDE in collaboration with MTI and BOCCIM has started collaboration with International Trade Centre (ITC-Geneva), and other EU support programmes such as CTA, Bizclim, COLEACP, TBT Programme and DG TRADE (Export Help Desk) in order to establish a practical platform for complementarities and synergies which will add value to the PSDP actions.
50. In the framework of PSDP implementation, collaboration is anticipated between BITC and ITC on trade/export strategy related issues. BOCCIM is in contact with ITC in order to discuss initiatives on market intelligence information system development. BITC export development programme has been submitted to ITC for consideration. These activities are not foreseen in the Contribution

Agreement. However, they are included in the updated workplan as the result of consultations with PSDP partners.

51. Following the official launch, a meeting took place between the World Bank, CDE, and PSDP Coordinating Unit in order to discuss synergies and complementarities for supporting the private sector in Botswana. Another meeting is foreseen with the World Bank in order to define possible joint actions on Result Area 3 of the Programme.

➤ **2.3.1.5 Capacity Building of Partners through training workshops**

52. To speed up the strengthening of programme partners, PSDP has planned early stage capacity building workshops for the period of June to October. Two workshops have already been delivered for different audiences.

a) Procurement workshop, June 2013

53. The training was conducted by CDE Procurement Officer on 11 June 2013. It was mainly motivated by the need to create a climate for transparency and accountability ensuring that one procurement strategy be applied in all organizations involved with PSDP.
54. Organizations represented were the MTI, BOCCIM, BITC, WIBA, LEA, BEMA, HATAB, as well as the PSDP support staff.
55. Botswana institutions were trained on CDE financial and administrative procedures which follow EDF procedures (tender, call for proposals, selection of candidates... etc.)

b) SME Audit tools workshop, August 2013

56. A training of trainer's workshop on SME Audit/diagnosis was held from the 5 - 9 August, 2013 in Gaborone. The SME Audit tool is used in strategic management, marketing, production, operation, environmental management, and organizational structure.
57. The training workshop is designed to build the capacity of IOs and service providers to carry out an enterprise diagnosis in order to assess SME capacity building needs. During the workshop, two audit study cases were carried out. Four companies were audited during the training sessions (in the following sectors: Leather; agro-added value products, tourism, and manufacturing). The representatives of IOs which participated to the workshop and the manager of the audited companies clearly mentioned the pertinence and usefulness of CDE Audit tools. For more details, please see the Press releases in the Annex Section.
58. The following is the summary of the two (2) early stage capacity building actions which were financed by CDE while waiting for the launching of the first activities of PSDP.

Table 6: First Training Arranged by CDE to Support PSDP Capacity Building Action

Name of Training	Dates of Training	Number of participants	Names of Institutions that attended
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Capacity Building Workshop on Procurement	11 th June, 2013	11	<ul style="list-style-type: none"> • MTI • BOCCIM • BITC • WIBA • LEA • BEMA • HATAB • CDE
Private Sector Development Programme: Tools for SME audit	5-9 August, 2013	14	<ul style="list-style-type: none"> • MTI • BOCCIM • BITC • WIBA • LEA • BEMA • HATAB • BIDPA • BIH • BNPC • BOBS • PEEPA

c) Competitiveness Enhancement Programme in Agro-Industries, September 2013

59. The workshop was held in Gaborone Botswana from 26 to 27 September 2013 in Gaborone. The aim of this 2 day workshop was to develop and enhance the consulting capacity in key stakeholders in Botswana.
60. The overall theme of the workshop was developing and enhancing consulting capacity in key support stakeholders in Botswana- leading to a focus on building competitiveness in Agro-food SMEs. The workshop earned an overall customer satisfaction rating of 82 %.
61. The intention was to build consulting competences in SME support institutions. The 2 day course was a train the trainer course. It was facilitated by ACE international consultants. The facilitators were on product diversification and marketing, quality control and process improvement, and business planning and financial management.

Table 7: Last Training Arranged by CDE to Support PSDP Capacity Building Action

Name of Training	Dates of Training	Number of participants	Names of Institutions that attended
Competitiveness Enhancement Programme in Agro-Industries	26 - 27 September 2013	11	<ul style="list-style-type: none"> • MTI • BOCCIM • BITC • CEDA • WIBA • LEA • BEMA • HATAB • BOBS • BNPC • Decisive aggregates • Organisational Life Focus

d) Planned workshop for Monitoring and Evaluation training: November/December 2013

62. This workshop will be carried out in close collaboration with MTI, and IOs involved on the programme namely; BOCCIM, BITC, LEA, Citizen Entrepreneurial Development Agency (CEDA), Botswana Exporters and Manufacturers Association (BEMA), Botswana Bureau of Standards (BOBS), Botswana National Productivity Centre (BNPC), Hospitality and Tourism Association of Botswana (HATAB), Botswana Tourism Organisation (BTO) and Botswana Innovation Hub (BIH).
63. M&E tools will be critical for all the organisations involved to determine baseline situation, and to follow-up and measure the progress of their activities.

➤ **2.3.1.6 Support to BITC through Global Expo Botswana 2013**

64. Global Expo Botswana is a multi-sectoral exhibition hosted and managed every year in November by Botswana Investment and Trade Centre (BITC) as mandated by the Ministry of Trade and Industry of the Republic of Botswana. It is a business landscape favorable for economic diversification.
65. PSDP is assisting BITC to facilitate the participation to Global Expo of about ten (10) including European institutions and companies specialized in sectors considered under EDD that include agribusiness, tourism, industry, textile, ICT, energy, construction and financial services. The institutions/companies interested in forming partnership with Botswana's companies can benefit from support by PSDP. The support is to facilitate meetings between European organisations with Botswana private and public sector, and with local financial institutions and commercial banks (CEDA, FNB, Bank Gaborone, Stanbic bank; Standard and Chartered Bank, etc.).
66. The programme played a critical role in prepared a comprehensive brochure both in English and French to inform European enterprises located in South Africa and Botswana as well in Europe on opportunities offered by Global Expo. A briefing meeting was hosted in September 2013 to inform a number of European managers that have been contacted to attend this important exhibition.
67. A complementary support to BITC will be provided to facilitate meetings with potential partners on trade and investment promotion.

➤ **2.3.1.7 Recruitment of short-term, interns and junior experts**

68. In the undertaking of PSDP, the Coordinating Unit will have the following support;

- 1 short-term expert for a total duration of 3 months on EU budget. This duration could be extended for another 3 months depending on PSDP needs.
- 2 junior experts to be recruited on short term basis (minimum 12 months) depending on PSDP needs.
- 2 interns.

69. Note: All support staff including interns and junior experts are foreseen in the contribution agreement

a) Short term-expert

70. A process for the recruitment of a short term expert has been successfully conducted by PSDP Coordinating Unit. Six (6) national experts submitted their applications. Three were shortlisted and interviewed according to CDE rules and procedures.

71. The short term expert will assist PSDP Coordinator in the following duties:

- Assistance to the preparation of Term of Reference (TOR) for value chain and clustering.
- Assistance to the elaboration of the terms of reference of the first actions of PSDP (during the briefing meeting the Coordinator will provide four (4) Terms of Reference to be prepared on priority actions).
- Assistance to the collection of list of growth potential SMMEs from IOs, merging the lists into a comprehensive database with regards to product, sector, location and size.

72. The list of activities to be carried out for this assignment could be adjusted if need be and the selected expert would have to undertake complementary tasks at the request of PSDP Team.

b) Junior experts

73. Following the call for expression of interest for the recruitment of junior experts for PSDP Botswana, CDE received 44 CVs, after which 11 CVs were shortlisted. Six (6) candidates were interviewed on 19 and 21 August 2013. Three evaluators, from MTI and BOCCIM, and PSDP Coordinator were invited to participate to the interviews which were aimed at selecting potential junior experts.

74. The programme will recruit two junior experts with the main objective to capacitate them in the view to be absorbed by public or private sectors. Their responsibilities are as follows: to assist the Coordinating Unit in mapping SMMEs, IOs, BDSPs and financial institutions; support PSDP in the implementation of M&E system as well as consolidating the database of SMEs and experts.

75. The junior experts are expected to start in October 2013. Interviews have been completed in August 2013. One junior expert will be working closely with CEDA on access to finance. The second junior expert will work on Result areas 1 & 2 depending on PSDP needs.

c) Interns

76. The 2 interns recruited by CDE were fully involved in the preparation of workshops, trade fairs, conferences, missions of entrepreneurs, and Global Expo. For the future, PSDP will use the service of only one inter. His support could be extended to other PSDP activities when appropriate. Other tasks will be provided depending on PSDP work plan and activities. The 2 previous interns have left PSDP in September 2013 to pursue their carrier with financial institutions involved in private sector development.

2.3.2. Complementary actions to PSDP

- **Women Entrepreneurship Project funded by CHANEL Corporate Foundation**

77. In the framework of PSDP, CHANEL Corporate Foundation is participating to PSDP actions with a budget of 358,000€ to support women entrepreneurship development (WED) in Botswana. The WED component of PSDP aims to facilitate access for women developing business in two main sectors; manufacturing (art craft and textile, food processing) and services (ICT, tourism).
78. The WED component is being implemented in partnership with WIBA, the department of Gender Affairs, BOCCIM, BEMA, LEA and HATAB. Several meetings were held with the stakeholders for women in business to discuss SSMEs application form for the beneficiaries.
79. Around 90 women lead SMMEs have send application for WED. The selection of 35 SMMEs took place in September 2013. The audit of selected SMMEs including the needs assessment is underway by WED project team in close collaboration with BITC.
80. The launch of the WED was held on the 26th September 2013. Prior to the launch, on the 25th September 2013, there was a “Women, the face of Botswana’s business landscape” seminar. The seminar involved 35 selected innovative and growth potential women-lead businesses from Manufacturing (Art & Craft, Textile, Leather, Agro Processing), Services (ICT and Tourism), and Waste Management. Moreover, the seminar mobilized key note speakers from Ghana, Kenya and South Africa who are recognised as successful women entrepreneurs.
81. In the framework of WED programme, Women in Business Association (WIBA) collaborated with Orange Botswana to select two innovative women led projects for supplying Orange clients with manufactured corporate gifts. WIBA assisted Orange to distribute the call for proposal to its network. The selection process for the beneficiaries took place end of September 2013. The two selected projects are foreseen to get technical assistance under the WED programme. Other possible collaboration with Orange will be discussed with the view to assist the selected 35 women led entrepreneurs for WED programme under telecommunication services.

2.3.3. Participation to the Management Committee meetings

82. A number of Management Committee meetings were planned and held since the launching of PSDP. These include:
 - Management Committee meeting of 24 June 2013
 - Retreat meeting of the Management Committee of 02 July 2013
 - Management Committee meeting of 24 July 2013
 - Management Committee meeting of 28 August 2013
 - Management Committee meeting of 11 October 2013
 - Retreat meeting of the Management Committee of 16 October 2013
83. The Coordinating Unit of PSDP ensured the preparation and the secretariat of the Management Committee meetings. The minutes of the previous meetings are in the Annexes Section.

2.3.4. Preparation of the Inception Report

84. The PSDP Coordinating Unit started the preparation of Inception Report by mid-August as a supporting document for the Management Committee meeting planned on 28 August 2013. The Inception Report has been commented by the Management Committee during its meetings of October and an updated version has been prepared taking into consideration comments and inputs from its members.
85. Activities conducted for the preparation of this Inception Report include, but not limited the following points;

➤ **Discussion with MTI, BOCCIM and CDE Regional Office Southern Africa**

86. This action aimed to get a better understanding on the broader context within which the programme has to deliver its outputs as well as on the linkages between the PSDP objectives and the Private Sector Development Strategy and the Economic Diversification Drive. PSDP Coordinating Unit received important documents and insights from MTI, BOCCIM and CDE.

➤ **Desk Work**

87. The Programme Coordinator familiarized itself with crucial documents such as the Contribution Agreement including Annex 1 related to PSDP Implementation Work Plan and Budget 2013-2016, PSDP Draft Manual Procedures, Private Sector Development Strategy, Economic Diversification Drive Medium to Long-Term Strategy 2011-2016, Botswana: Towards a New Economic Strategy, etc.

➤ **Preliminary Review of the baseline studies**

88. The country baseline reports on private sector development were also collected and reviewed with the aim of getting a broader overview of the challenges involved in all the priority sectors to determine the level of effort that will be required to define and adopt the best implementation approach for PSDP.

➤ **Consultations with PSDP key partners**

89. An important part of the preparatory work done by the Coordinating Unit from July to August in preparation of PSDP technical activities was undertaken consultations of project implementing partners as well as key beneficiaries, in particular Government ministries and intermediary organisations targeted by the programme: MTI, BOCCIM, BITC, WIBA, LEA, BEMA, HATAB, BIDPA, BIH, BNPC, BOBS, and PEEPA.
90. The purpose is to explain the implementation approach adopted by PSDP Coordinating Unit with respect to the Contribution Agreement and the need to define a workable roadmap which activities and milestones are understood by all. This initial consultation was also organized in view to seek their support and to gather information that are critical to define the terms of reference for the studies to be undertaken during the first year taking into consideration the reality on the ground.
91. The visits allowed the implementation team to identify the priorities of key beneficiaries partners as well as area on collaboration to achieve the common goal of supporting SMMEs development in selected sector using the added-value and expertise already available in Botswana. A summary of the consultative meetings held from July to mid-August could be seen in the Annexes Section.

➤ **Development of Terms of Reference for PSDP first actions**

92. The activities discussed above have accumulated the development of a number of Terms of reference for the first calendar year of PSDP. These include the following:
- (i) *Term of reference for the development of PSDP Monitoring and Evaluation System in the framework of PSDS including baseline study*
 - Development of the M&E framework and system
 - Training of the BOCCIM, MTI, IO's, and business development service providers staff
 - Follow-up of the implementation of the developed M&E system
 - (ii) *Term of reference for PSDP Communication and Visibility Plan*
 - Definition of the objective, target groups and expected results to allow the preparation of the Communication plan by a service provider

- Definition of communication activities
- Definition of indicators of achievements
- Definition of resources needed

(iii) Term of reference for Value Chain Analysis and Development (on-going activity)

- Confirmation of the relevance of the proposed value chains to be studied
- Characterization of the actors in each of the value chains
- Identification of problems in accessing current and potential markets
- Definition of solutions to remove the bottlenecks
- Definition of capacity building priority actions
- Preparation of plans of actions for the development of the target sectors

93. Other Terms of reference and actions for the first year are foreseen to be completed in the coming weeks with the support of the short term expert. These include;

- 1) The preparation of concept notes to launch the partnership between PSDP and respectively BizClim, COLEACP/EDES, and TBT (Trade Barrier and Tariffs) Programme
- 2) Preparation of consolidated SMEs/CBOs/BDSPs database using appropriate software.

2.4. PREPARATION PHASE

2.4.1. Activities to be undertaken from October 2013 to March 2014

94. The second most important Phase in the implementation approach consists of the preparation phase. This means that the Coordinating Unit together with PSDP implementation partners (MTI, and BOCCIM) will launch the framework studies for which service providers are sought.

➤ 2.4.1.1 Undertaking Monitoring and Evaluation (M&E) Study

95. The selection of a service provider for implementation of monitoring and evaluation framework system is foreseen for Mid-November providing a successful tender.

96. The activities related to M&E as discussed above will be undertaken from December 2013 to March 2014 and culminate in the preparation of two deliverables: (i) Development of the M&E Plan and (ii) Capacity building tools for formal training of BOCCIM staff. The Coordinating Unit will have to adjust the TOR or group activities to make the budget more attractive to services providers.

➤ 2.4.1.2 Performing Baseline Study or SMEs Audits/Diagnostics

97. In parallel to M&E study, a service provider will be hired to undertake SME audits/diagnostics. Experts specialized in SME audits will be tasked to assess the current situation of SMMs, IOs and CBOs to determine their strengths, weaknesses and also conduct training needs assessment to design a capacity building plan tailored to the needs of final beneficiaries. This will be based on sample of SSMEs, CBOs and IOs.

➤ 2.4.1.3 Undertaking Value Chains Analysis and Development Studies (Component 1)

98. This assignment will start as soon as an agreement is signed with ITC Geneva as the main implementing institution. Although the Contribution Agreement foresees partnership with ITC; the Centre should demonstrate interest and commitment for results with PSDP Botswana. The assignment will be for a total of 9 man-months for 3 selected value chains development to be completed in five months following the signature of the Grant contract.

99. At this stage and following analysis of work done on Value Chains and based on the potential of SMEs/CBOs, the Management Committee approved to working on ten value chains including 3

structured value chains; Beef, Horticulture, and tourism and 7 emerging value chains, namely; Leather, Dairy, Goats, Piggery, Poultry, Honey and Marula, Honey. Other support will concern SMEs in specific sectors, namely; ICT; Construction (building materials) and Public Works (road maintenance and water maintenance). The list of value chains / sectors could be updated if need be.

100. “Value Chain analysis Development” should pave the way for efficiency in the implementation of PSDP interventions. To that end the Coordinating Unit has envisaged an alternative scenario consisting in creating a specific component that will group the above activities. If no agreement is reached with ITC a tender for recruitment of a service provider will be launched for all value chains analyses. The rationale for proposing to group all value chains under a framework study is to make the budget more consistent and attractive for services providers.

➤ **2.4.1.4 Design Communication and Visibility Plan**

101. The communication and visibility strategy is a corner stone of PSDP. Consultation is undergoing to build a comprehensive strategy based upon both CDE Visibility Guidelines (Form GEN10) and EU Communication and Visibility Manual. The selected service providers will be a national communication agency tasked for the implementation of PSDP communication and visibility strategy and plan, working closely with CDE, MTI and BOCCIM.
102. If possible, the majority of the experts involved in the Preparation Phase will be drawn from Botswana or the region to build the country’s long-term capacity and to reinforce the sustainability of the programme.

2.4.2. Other Activities Foreseen

103. In addition to the above actions, and more importantly, the programme Coordinating Unit will be engaged in the implementation of the following:
- Finalization of three requests for mobilization of EU/ACP programmes and instruments
 - SMME’s diagnosis under the Women Entrepreneurship Development Project
 - Support to SMMEs in the dairy sector to participate to International Trade Fair⁴. The reports of the participants are in Annex 10.

2.5. INTERVENTION PHASE

2.5.1. Activities to be Undertaken from April 2014 to December 2015

104. The core activities of PSDP will be implemented during the Intervention Phase starting early April 2014 for a total duration of 21 months. This phase will allow deploying of the whole package of activities that will lead to the main results foreseen by the Contribution Agreement.
- **2.5.1.1 Capacity Building Actions for SMMEs and CBOs (Component 2)**
105. The main activities foreseen by PSDP to build the capacity of SMMEs and CBOs are as follows:
- Develop training plans for the short, medium and long term needs
 - Elaborate training programmes and manuals composed of practical modules
 - Finalise training programmes, manual and associated modules
 - Finalise training programme & material for the training of trainer’s course.
 - Deploy capacity building actions for the selected beneficiaries (100 SMMEs).

⁴ PSDP Botswana supported 3 SMMEs in the dairy sector to attend the 9th African Dairy Conference and Exhibition which was held 24-26 September 2013 in Zimbabwe. African Dairy Conference and Exhibition (ADC&E) is a platform established in 2005 to stimulate intra-regional trade in dairy and dairy products by linking up suppliers of technologies, solutions and knowledge with the consumers of the same for purposes of enhancing competitiveness in the regions dairy sector.

106. The capacity building tools developed under the Preparation Phase will be piloted in selected sectors: manufacturing including agro-industries, tourism; construction and public work (Water maintenance with Botswana Water Utilities, and road maintenance), and ICT.
107. As the Value Chain Analysis studies cover only two priority sectors, namely agro-industries, tourism, for the remaining sectors (ICT and Construction and Public works), PSDP will provide direct assistance to enterprises involved in CDE previous programmes such as water and road maintenance programmes or efficient energy management programme in Botswana. These enterprises will be considered in order to build their capacity and valorize the outputs of previous support to local SMEs.
108. After the pilot phase and based on the findings of the Value Chains Development study, capacity building methodologies and tools will be institutionalized and continue to be implemented using task team involved in the pilot. The country capacity building task team will be used to enhance the capacity of value chains key actors through an appropriate action plan.
109. The success stories and lessons learnt related to capacity building of PSDP final beneficiaries will be documented through progress reports, minutes on meetings as well as mission and workshop reports. These lessons will be presented to the Management Committee and the Government of Botswana and shared through the programme website and communication / visibility actions.
- **2.5.1.2 Strengthening the Capacity of IOs and BDSPs (Component 2)**
110. Based on the same approach and after the completion of baseline studies (audit/diagnostic of intermediary organisations), the selected service provider will develop a capacity building programme tailored to the need of IOs and BDSPs including materials to be used for the training of trainer's course.
111. As above, the capacity building actions benefiting IOs and BDSPs (Result Area 2) will be carried out by experienced team of experts through workshops and training seminars to be agreed upon with PSDP, MTI and BOCCIM. The service providers will propose a planning for short term and mid-term training courses on various topics of need for SMEs Intermediary Organisations.
- **2.5.1.3 Enabling Environment for Business Development (Component 3)**
112. The intervention to build an enabling environment for business is linked to Result Area 3; (Business environment for enterprises is improved). This is the Area where PSDP is foreseeing involvement of international partners such as the World Bank, the ITC, the SADC Secretariat and the ACP/EU instruments and programmes, in particular, the TBT Programme to remove technical barriers to trade and DG Trade (Export Helpdesk).
113. The activities to be deployed are detailed in the Work Plan below (Section 3). These include but not limited, the following:
- Review of the registration and tax compliance costs and procedures
 - Implementation of an innovative trade finance scheme for SMMEs to facilitate access to finance
 - Support the development of the micro finance policy framework
 - Establishment of trade facilitation consultative group and capacity building
 - Review of implementation of the Foreign Investment Advisory Service recommendations
 - Review of the labour laws to identify bottlenecks and recommend labour productivity improvement strategies
 - Reviews of import and export procedures

114. The registration and tax compliance costs for SMMEs will be reviewed. This could result in the creation of a single window for the creation of enterprises. A programme will be implemented to provide innovative access to finance solutions for SMMEs focusing on women and young entrepreneurs.
115. Undergoing consultations with MTI will allow PSDP team to define the final list of activities to be carried out during the Intervention Phase where PSDP technical assistance is needed.
116. It is envisaged to undergo consultations with MTI that will allow PSDP team to defining the final list of activities to be carried out during the Intervention Phase where PSDP technical assistance is needed.

3. PROGRAMME IMPLEMENTATION PLAN

3.1. WORK PLAN

117. The proposed Logic of Intervention by PSDP team was developed after external and internal consultations with key stakeholders and CDE Regional Office in its capacity of Executing Agency. The two blocs of activities displayed below aims to compare the initial list of activities to the one proposed by PSDP to ease the programme implementation. Complementary activities based on gap analysis and stakeholder consultation are included in the proposed Work Plan. It is important to note that some activities have been included in the workplan based on discussion with key stakeholders but are not covered in the Contribution Agreement. They are highlighted in *italics* in the Table.

Table 8: Comparison of PSDP Initial Logframe and Proposed Intervention Logic

Contribution Agreement List of Activities	Proposed Logic of Intervention by PSDP team
Result Area 1: Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened, in a selected number of economic sectors	COMPONENT 1: Value Chain Analysis and Development for SMMEs in a selected number of economic sectors
1.1 Conduct training workshops and provide onsite mentoring and coaching to a select group of SMMEs to build expertise in key business subjects	<i>1. Review of previous studies and proposals for selected value chains development (Beef, horticulture, and tourism)</i>
1.2 Design and implement a quality improvement programme for SMMEs. Conduct annual sensitization workshops for manufacturers and service providers on quality standards	<i>2. Elaboration of Roadmaps (Action plans) to capacitate actors in selected value chains (beef, horticulture and tourism by ITC) & (dairy, leather, piggery, poultry, marula and honey by other) incl. Baseline information on SMMEs and IOs</i>
1.3 Design and implement an export focused entrepreneurship development programme and in particular support women owned SMMEs to participate in international trade	<i>3. Feasibility study for the development of Market Intelligence Information System (MIIS)</i>
1.4 Organise a platform to promote closer business linkages between SMMEs and large firms as well as with the government and design a programme to nurture the SMMEs	<i>4. Assist BITC to implement Export Development Programme</i>
1.5 Conduct awareness campaigns to promote environmental protection among SMMEs and CBOs	<i>5. Capacity building need assessment of PSDP beneficiaries including IOs and MTI</i>
Result Area 2: Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced	COMPONENT 2: Capacity Building and Sensitization of SMMEs, CBOs, IOs and BDSPs
2.1 Conduct a review of the mandates and capacity of key private sector associations; design and implement a programme to support the establishment of or strengthen an apex body to coordinate the private sector in Botswana	6. Capacity building and sensitization of SMMEs & CBOs (group trainings on quality and export, individual coaching and mentoring, on quality, standards and productivity, etc.) (Linked to RA 1 - Activities 1, 2, 3, & 4)
2.2 Establish a web-based platform (Com4Dev) to promote networking and collaboration and to inform SMMEs on services that are offered by TSIs and BDSPs	7. Promote environmental protection among SMMEs and CBOs through awareness campaigns (Linked to RA 1 - Activity 5)
2.3 Establish benchmarking learning platform centered on TSIs and BDSPs to inform management and allow information sharing and interaction	8. Improve networking of IOs and SMMEs (Linked to RA 2 - Activities 2 & 3)
2.4 Conduct a study on the participation of women in the leadership of IOs and BDSPs and develop a capacity building programme to address challenges that hinder the involvement of women in governance structures	9. Establish BOCCIM as an apex body of all sector associations (Linked to RA 2 - Activity 1) and Support BOCCIM in the implementation of the PSDS (RA 2 - Activity 6)
2.5 Conduct training of IOs in policy research and analysis as well as in effective lobbying and advocacy	10. Conduct a study on the participation of women in the leadership of IOs and BDSPs and develop a capacity building programme to address challenges that hinder the involvement of women in governance structures (Linked to RA 2 - Activity 4)
2.6 Support BOCCIM in the implementation of the PSDS. Establish a web based performance monitoring and evaluation system for the PSDS and PSDP at MTI and the implementing institutions	11. Conduct training of IOs in policy research and analysis as well as in effective lobbying and advocacy (Linked to RA 2 - Activity 5)
Result Area 3: Business environment for enterprises is improved. (Reduction of red tape and pilot on improved Access to financing by SMMEs)	COMPONENT 3: Creating an Enabling Environment for Enterprise Development
3.1 Review the registration and tax compliance costs and procedures	12. Assist MTI to enhance its capacity to manage the PSDS and EDD including capacity building of a Trade Consultative Group within MTI (Linked to RA 3 - Activity 4)
3.2 Develop and implement an innovative trade finance scheme for SMMEs to provide access to finance solutions, with particular attention for women entrepreneurs	13. Support the development of the micro finance policy framework (Linked to RA 3 - Activity 3)
3.3 Support the development of the micro finance policy framework	14. Develop and implement an innovative trade finance scheme for SMMEs to provide access to finance solutions with

	particular attention for women entrepreneurs (Linked to RA 3 - Activity 2)
3.4 Establish trade facilitation consultative group and provide capacity building services to its members	15. Review the registration and tax compliance costs and procedures (Linked to RA 3-Activity 1)
3.5 A review of implementation of the Foreign Investment Advisory Service recommendations will be done with a view to see areas that still need to be tackled to improve the investment environment	16. A review of implementation of the Foreign Investment Advisory Service recommendations will be done with a view to see areas that still need to be tackled to improve the investment environment (Linked to RA 3 - Activity 5)
3.6 Conduct reviews of the labour laws to identify bottlenecks and recommend labour productivity improvement strategies	17. Review labour laws, identify bottlenecks, recommend labour productivity improvement strategies (Linked to RA 3 - Activity 6)
3.7 Conduct review of the import & export procedures	18. Conduct review of the import and export procedures (Linked to RA 3 - Activity 7)
Programme Management	Programme Management (Same as in the left column) and Complementary Actions
1) Set-up PSDP Management Committee	1) Build the Database of SMMEs eligible to PSDP intervention
2) Partnership/stakeholders briefing mission	2) Assist BITC for Global Expos
3) Updating PSDP work plan and budget	3) Formulate Proposals to EU programmes and instruments (TBT; COLEACP/EDES; Export Helpdesk; BizClim)
4) Set up PSDP web portal	4) Organise Benchmarking visits for SMMEs in selected sectors
5) Monitoring and Evaluation of PSDP	5) Review PSDP indicators in line with PSDP objectives, budget and work plan
6) Dissemination of programme results (communication and visibility plan)	6) Set up or support SMMEs Business Centres to assist SMMEs on accounting and tendering

118. The outcome of this exercise is a programme that is structured around three (3) technical components as follows which are consistent with the adopted implementation strategy.

- All the activities related to value chain analysis as well as market intelligence feasibility study and assistance to BITC to implement the Export Development Programme are grouped under **Component 1**.
- **Component 2** is made of all training activities that, in the Contribution Agreement, are associated to any activity of the 3 Result Areas to ease the implementation. Having a component dedicated to capacity building of SMMEs/CBOs and IOs/TSIS will bring consistency in PSDP implementation. They capacity building interventions will be designed based on the findings of Value Chain Analyses and tailored to the need of each target group. For SMMEs and CBOs, it will be: group training and individual coaching/mentoring (for quality and standards, market access, product development and packaging, competitiveness enhancement, access to finance; business plan preparation, market intelligence, etc.). For IOs and TSIs, PSDP will assist in preparation of Strategic Plans, implementation and monitoring of action plan, trade expansion and market access and lobbying and membership service delivery.
- The last group of activities are put under **Component 3**. They are similar to Result Area 3 activities which aim to build an enabling environment for enterprises development. PSDP will be collaborating closely with MTI in the following areas just to mention a few:
 - ✓ Facilitation of conducive business environment for enterprises
 - ✓ Stream line the procedures and review the cost of doing business
 - ✓ Improved access to trade
 - ✓ Support the establishment of a micro finance policy framework
 - ✓ Performance monitoring and evaluation system for the business environment in Botswana.

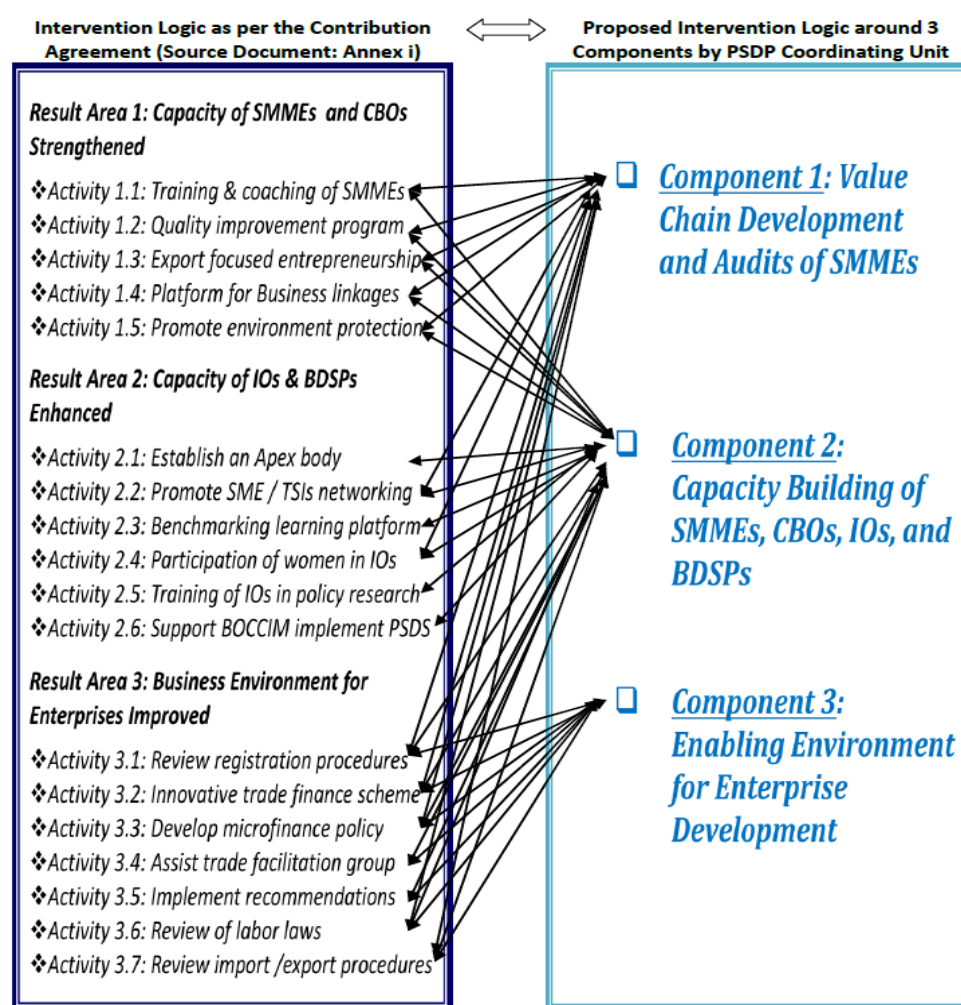


Figure 2: Proposed Group of Activities for PSDP Implementation Plan

Component I - Value Chains Development in Selected Sectors

119. This component is made of the following main activities:

- Analysis of selected groups of value chains in the following sectors: Agro industries and Tourism
- Baseline information on SMMEs (audits/diagnostics of SMMEs) and IOs
- Capacity building need assessment of PSDP beneficiaries (SMMEs; CBOs, and IOs)
- Development of Market Intelligence Information System

120. Most of the activities foreseen for **Component I** above have been included to bring consistency in the implementation process between PSDP list of activities as per the Contribution Agreement and the EDD Medium to Long Term Strategy.

121. Related to the development of sectors and sub-sectors, the Strategy presented at the National Business Conference, 15th October 2012 by MTI outlined the following key points:

- Value Chains Development
- Formation of clusters for business linkages & sector associations
- Implementation of sector specific interventions.

122. The Coordinating Unit took the decision to start the implementation with the review of “value chains Analysis” studies done by Government ministries and agencies as well as by other development partners in Botswana. This will be done by either ITC in close collaboration with LEA, BIDPA, and BCA or by a competent service provider to be selected through appropriate procedures.

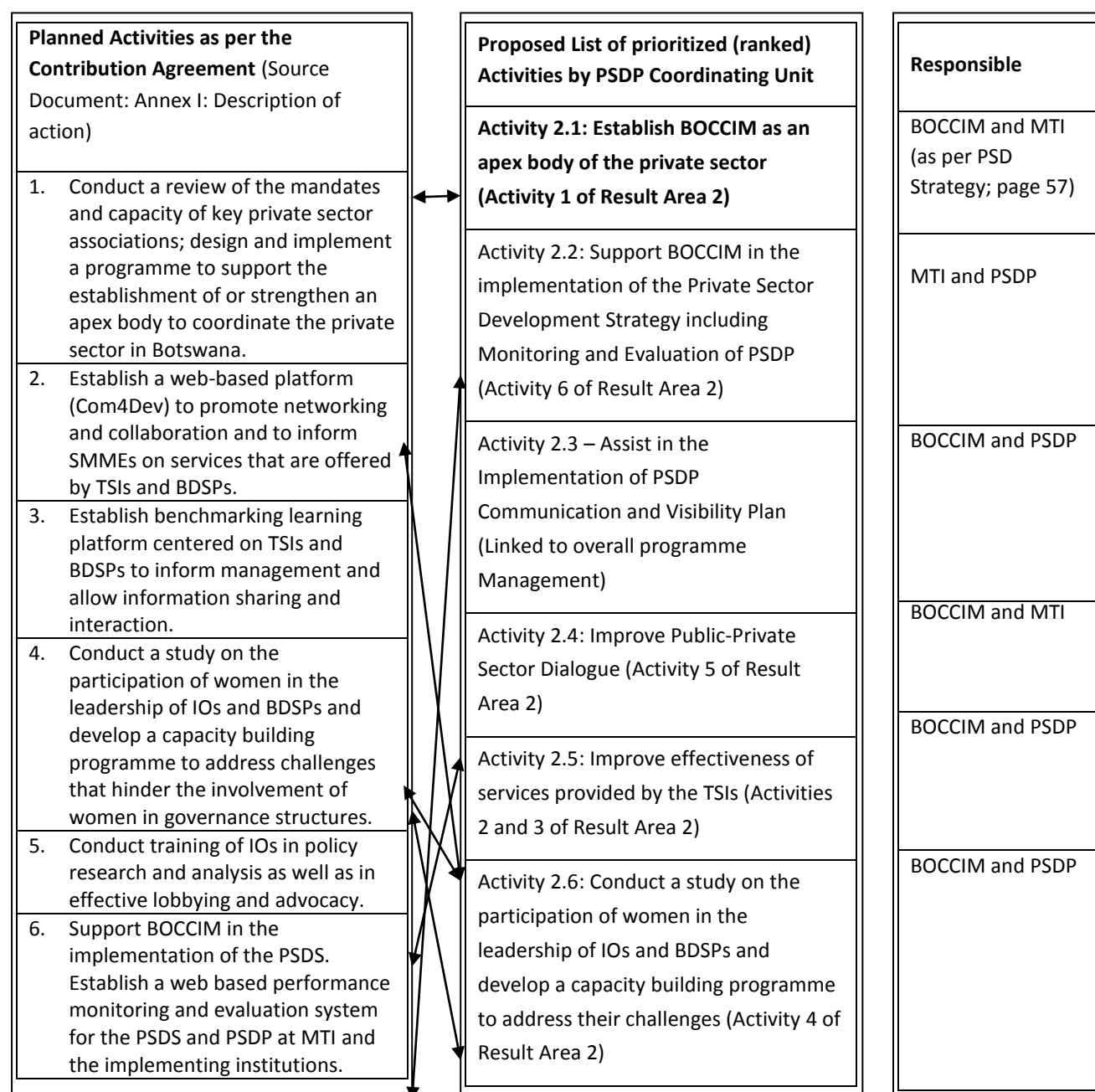
Component II – Capacity Building in the three Results Areas (SMMEs, CBOs, IOs, BDSPs)
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- Build the capacity and sensitization of SMMEs & CBOs (group trainings on quality and export, individual coaching and mentoring, etc.)
 - Promote environmental protection among SMMEs and CBOs through awareness campaigns
 - Improve networking of IOs and SMMES
 - Establish BOCCIM as an apex body of all sector associations
 - Women participation in governance structures of IOs
 - Conduct training of IOs in policy research and analysis as well as in effective lobbying and advocacy.
123. All the activities related to capacity building of SMMEs, CBOs and IOs have been grouped under **Component II**. The purpose is to launch a tender to select a unique service provider to do capacity building intervention under PSDP. This approach is consistent with the strategy foreseen which is to avoid micro-management of a dozen contracts.
124. It is worth noting that all the activities related to capacity building as indicated in the Contribution Agreement have been considered under this component.

Component III – Enabling Environment (to be implemented in collaboration with MTI)

- Assessment (Stream line the procedures, review the cost of doing business; etc.)
 - Assist MTI with technical expertise to enhance its capacity to manage the PSDS
 - Assist BITC to implement Export Development Programme (EDP)
 - Trade facilitation ; access to trade finance
 - Investment environment; establishment of a micro finance policy framework
 - Review labour laws, identify bottlenecks, recommend labour productivity improvement strategies
 - Conduct review of the import & export procedures.
125. Component III summarizes the activities to be undertaken according to the Contribution Agreement to build an enabling environment for enterprise development. In addition, a limited number of activities related to partnership with EU instruments and programmes have been added as they contribute to reinforce the capacity of MTI and BITC in implementing PSDS.
126. More detail can be seen below on how the Activities related to Results Areas 2 and 3 have been re-organised and articulated to meet PSDP objectives, based on the assessment of PSDP, PSDP and other relevant documentation including findings of stakeholder consultation.

LOGIC OF ACTIVITIES - RESULT AREA 2 (SERVICE DELIVERY OF TARGETED INTERMEDIARY ORGANISATIONS (IOs) AND BUSINESS DEVELOPMENT SERVICE PROVIDERS (BDSPs) IS ENHANCED)



LOGIC OF ACTIVITIES – RESULT AREA 3 (BUSINESS ENVIRONMENT FOR ENTERPRISES IN ENHANCED) (RESPONSIBLE: MTI)

List of Activities as Per the Contribution Agreement of PSDP (Source Document: Annex I – Description of the Action)

(Note: Result Area 3 is composed of 7 activities as per the C.A.)

- 3.1 Review the registration and tax compliance costs and procedures
- 3.2 Develop and implement an innovative trade finance scheme for SMMEs to provide access to finance solutions for women entrepreneurs
- 3.3 Support the development of the micro finance policy framework
- 3.4 Establish trade facilitation consultative group and provide capacity building services to its members
- 3.5 A review of implementation of the Foreign Investment Advisory Service recommendations will be done with a view to see areas that still need to be tackled to improve the investment environment
- 3.6 Conduct reviews of the labour laws to identify bottlenecks and recommend labour productivity improvement strategies
- 3.7 Conduct review of the import & export procedures

Proposed Work Plan by PSDP Coordinating Unit
(Component 3 – Improved Business Environment for Enterprises)

Work Package 1

- 3.8 Needs Assessment for **Trade** Related Training and Technical Assistance (Activity added based on MTI needs)
- 3.4 Capacity building of Trade Facilitation Consultative Group (*Short term consultant for needs assessment and recommendation of Action Plan*)

Work Package 2

- 3.3 Support the development of the micro **finance** policy framework with MFDP
- 3.2 Develop and implement an innovative trade finance scheme for SMMEs to provide access to finance solutions for entrepreneurs
(*Short term consultant for assessment and recommendation of Action Plan*)

Work Package 3

- 3.1 Review the registration and tax compliance costs and procedures
- 3.5 A review of implementation of the Foreign Investment Advisory Service recommendations will be done with a view to see areas that still need to be tackled to improve the investment environment
- 3.6 Conduct reviews of the labour laws to identify bottlenecks and recommend labour productivity improvement strategies
- 3.7 Conduct review of the import & export procedures
(*Call for Proposals/Tender to recruit a Service provider*)

- Work Package 4:** Collaboration with EU/ACP Programmes and Instruments (Activity added)
- 1) Business climate improvement (BizClim)
 - 2) Capacity building of MTI staff on export*

* Based on meeting between PSDP and MTI held 12 Nov. 2013

Explanation: The list on the left is made up of Result Area 3's main activities while the display on the right hand side shows the proposed work packages by the Coordinating Unit through which the Result Area 3 activities and additional activities based on consultation with MTI will be implemented.

The work package on the right is proposed based on the following:

- **Trade Issues: Needs assessment and capacity building** of the Trade Facilitation Consultative Group which is already in place (**Work Package 1 – Execution Year 1**)
- **Assessment of financing mechanisms and recommendation: Micro-finance Scheme** to be further developed with CEDA and other partners including the European Investment Bank (EIB) (Grouped Activities 3.2 and 3.3 under **Work Package 2 for Year 1**)
- **Review of business environment:** (Grouped Activities 3.1, 3.5, 3.6 and 3.7 under **Work Package 3**. Execution at the beginning of Year 2).
- **Collaboration with EU/ACP Programmes and Instruments:** It will ensure collaboration between the MTI and ACP-EU Instruments and programmes (Export Helpdesk, BizClim, etc.) for technical assistance to reinforce MTI's capacity to create an enabling environment for enterprise development (Execution Starts **Year 1**).

3.1.1. First Year Work Plan (April 2013 – March 2014)

127. The current section includes activities grouped in a practical manner to facilitate implementation, performance periods, and responsible parties for each activity. Table 4 and Table 5 below summarize the planned activities for both Inception and Preparation phases. The programme will use Tender procedure to select a service provider for the above activities.

Table 9: Work Plan for the Inception Phase (April – October 2013)

Actions	Period		Responsible	Output
	Start	End		
Programme Set-up (Inception Phase)				
PSDP programme Launching	March 2013	May 2013	CDE / MTI / BOCCIM	PSDP official launch
Set-up Coordinating Unit	May 2013	June 2013	CDE RFO/SAF	Recruitment of PSDP team Office space allocated Logistics (pending)
Preparation and updating annual work plan and budget	July 2013	August 2013	PSDP	Updated Work Plan Updated Budget
Preparation of the TOR and Tender for Monitoring and evaluation system for the PSDS	July 2013	September 2013	PSDP / BOCCIM	Tender dossier finalized for the selection of service provider
Preparation of the TOR and Tender for PSDP Communication and Visibility Plan	July 2013	September 2013	PSDP	Selection of service provider completed
Request for funding joint actions with BizClim	July 2013	September 2013	PSDP	Request finalized
Request for funding a joint action with COLE-ACP/EDS	July 2013	September 2013	PSDP	Request finalized
Request for funding joint actions with TBT Programme	July 2013	September 2013	PSDP	Request finalized
Support to participate in International Trade Fairs	July 2013	September 2013	PSDP	Selection of SMMEs
Preparation of the TOR and Tender for Design and set-up of PSDP web portal	August 2013	October 2013	PSDP / MTI /BOCCIM	Activity merged with M&E to increase the budget in order to attract service providers
Preparation of the TOR and Tender for Web based performance M&E system for the PSDS and PSDP at MTI and BOCCIM	August 2013	October 2013	PSDP / MTI /BOCCIM	Tender dossier finalized for the selection of service provider
WED programme Launching	September 2013	October 2013	CDE / PSDP/ WIBA / BOCCIM/ HATAB / BEMA / Gender Affairs	WED official launch completed

Table 10: Work Plan for the Preparation Phase (November 2013 – March 2014)

Actions	Period		Responsible	Output
	Start	End		
Programme Preparation Phase				
Design Monitoring and Evaluation system for the PSDP in the framework of PSDP	November 2013	March 2014 (Phase 1)	PSDP	Functional M&E System in place to support Private Sector Development Strategy
Baseline Study (Audit of SMMEs and IOs) for the PSDP	November 2013	March 2014	PSDP	Comprehensive diagnostic of current situation of SMMEs and IOs (strengths, weakness, capacity needs assessment)
Value chains analysis and development	December 2013	March 2014	PSDP	Ten value chains and sectors are identified to be strengthened - Mapping of value chains actors; Identify bottlenecks and preparation of Roadmaps (action plans) for capacitate SMMEs and IOs; Training manual and modules;
Market Intelligence Information System (feasibility study)	December 2013	March 2014	PSDP / BOCCIM	Feasibility study for Market Intelligence System completed
Design PSDP Communication and Visibility Plan	October 2013	March 2014	PSDP	PSDP communication and visibility Plan completed and ready to implement
Design and set-up of PSDP web portal	November 2013	March 2014	PSDP / MTI /BOCCIM	Web portal set-up at the implementing institutions
Design web based performance M&E system for the PSDS and PSDP at MTI and BOCCIM	November 2013	March 2014	PSDP / MTI	Web based performance M&E system set-up at MTI and BOCCIM
Design a performance M&E system for business environment in Botswana	November 2013	March 2014	PSDP / MTI	An M&E system for business environment in Botswana accessible for investors
Support to early stage capacity building activities for Result Areas 1, 2 & 3 (including delegated staff)	November 2013	March 2014	PSDP / MTI / BOCCIM	Capacity of PSDP partners (MTI and BOCCIM) is enhanced

3.1.2. Second and Third Year Work Plan (April 2014 – March 2016)

128. The following is the Work Plan as foreseen by the Coordinating Unit for the Intervention Phase that will start April 2014 for 21 months.

Table 11: Work Plan on Capacity Building for the Intervention Phase (April 2014– December 2015)

Actions	Period		Responsible	Output
	Start	End		
Capacity Building and Sensitization of SMMEs, CBOs, IOs and BDSPs				
Build the capacity and sensitize SMMEs & CBOs (group trainings on quality and export, individual coaching and mentoring, etc.) (Linked to Result Area 1. Activ. 1.1, 1.2, 1.3, 1.4)	April 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	At least 100 SMME’s and CBOs from the private sector, including women companies trained on management, operation (including on quality, standards and certification)
Promote environmental protection among SMMEs and CBOs through awareness campaigns (Linked to Result Area 1. Activ. 1.5)	September 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	Private sector companies (particularly SMMEs) trained in environmental protection activities
Improve networking of IOs and SMMEs (Linked to Result Area 2. Act. 2.2 & 2.3)	April 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	A network of IOs and Trade Support Institutions (TSIs) is established and number of private firms use the network services
Establish BOCCIM as an apex body of all sector associations (Act 2.1) and support BOCCIM in the implementation of the PSDS including ensure M&E of PSDP (Linked to Result Area 2. Act 2.6 and M&E)	April 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	Restructuring of BOCCIM as an apex achieved in the timeframe of the programme BOCCIM assisted by a service provider in implementing PSDS including ensuring proper Monitoring of PSDP
Women participation in governance structures of IOs (Linked to Result Area 2. Act 2.4)	n/a	n/a	n/a	This activity is implemented under WED Programme funded by Chanel Corporate Foundation
Conduct training of IOs in policy research and analysis as well as in effective lobbying and advocacy (Linked to Result Area 2. Act 2.5)	September 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	Training programmes, manuals and modules for capacity building of IOs in policy research and analysis as well as in effective lobbying and advocacy

n/a: not applicable

Table 12: Work Plan on Enabling Environment for the Intervention Phase (April 2014– December 2015)

Actions	Period		Responsible	Output
	Start	End		
Enabling Environment for Enterprise Development				
Assist MTI with technical expertise to enhance its capacity to manage the PSDS	April 2014	December 2015	PSDP / MTI / Service Provider	Technical assistance and training of MTI staff involved in the implementation of PSDS
Trade facilitation; access to trade finance (Linked to Result Area 3. Act. 3.2 & Act. 3.4)	April 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	Trade facilitation Advisory Group is set up and the its members trained and are fully operational and effective
Investment environment; establishment of a micro finance policy framework (Linked to Result Area 3. Act. 3.3 & Act. 3.5)	April 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	Micro finance policy framework is established and is operational Training programmes, manuals and modules for capacity building on access to finance Workshops / training seminars for SMMEs on how to accessing finance with local financial institutions
Assessment (Streamline the procedures, review the cost of doing business; etc.) (Linked to Result Area 3. Act. 3.1)	April 2014	September 2014	PSDP / MTI / Service Provider	Procedures for registration of SMMEs and cost of doing business are reviewed and recommendation provided to MTI
Assist BITC to implement Export Development Programme (EDP)	April 2014	December 2015	PSDP / MTI /BOCCIM / Service Provider	Technical assistance and training of BITC staff involved in the implementation of EDP
Review labour laws, identify bottlenecks, and recommend labour productivity improvement strategies (Linked to Result Area 3. Act. 3.6)	April 2014	September 2014	PSDP / MTI / Service Provider	Report on labour laws and recommendation to remove barriers and improve labour productivity Workshop material to build the capacity of MTI. IOs and SMMEs

129. The overall 3-year planning of PSDP activities is in the Annexes Section.

3.2. MAJOR MILESTONES

130. The measure of success will be done through the attainment of major milestones in execution of the programme. These milestones are presented together with the expected reports. It is important to note that the activity schedule is slightly different from that developed in May 2013 at the launching of the programme.

131. The reporting requirements are summarized in the Table below.

Table 13: Reporting requirements and Milestones

Report	Main content	Milestone for the delivery of the outputs	
1) Programme set-up Reports	Draft work-plan and associated budget, Record of the Official launching ceremony; Note of project communication and visibility strategy, Management committee meeting minutes; early stage actions TORs, draft manual of procedures, project management structures, etc.	3 rd Month	June 2013
2) Inception Report	Methodology, scopes of work, detailed work plan, associated budget against activities, and work breakdown structure to help in monitoring of progress. Progress achieved so far in the implementation of PSDP.	5 th Month	August 2013
3) M&E System for PSDP Report	Indicators for measuring the progress of PSDP as well as the impact of the interventions at SMME, IO and Government ministries levels	12 th Month	March 2014
4) SMMEs & IOs Baseline Study Report	Highlighting of the baseline situation in a sample of SMMEs and IOs in relation to the needed capacity to promote private sector in Botswana	12 th Month	March 2014
5) Value Chain Analysis and Development Report	Final report on value chains analyses including action plan for PSDP interventions to remove bottlenecks and strengthen value chains actors and champions	12 th Month	March 2014
6) Training programmes and Manuals	Reports on capacity building training programmes and training manuals for strengthening SMMEs, CBOs, IOs and Ministry.	12 th Month	March 2014
7) Reports on Interventions to strengthen SMMEs and CBOs	Final reports of PDSP interventions related to capacity building actions conducted by PSDP for the benefit of SMMEs and CBOs aiming to strengthen capacity and competitiveness of SMMEs and CBOs	12 th Month 24 th Month	March 2014 March 2015
8) Reports on Interventions to strengthen IOs	Final reports of PDSP interventions related to capacity building actions conducted by PSDP for the benefit of IOs and BDSPs	12 th Month 24 th Month	March 2014 March 2015
9) Reports on technical assistance to MTI and BOCCIM	Final reports related to technical assistance provided to MTI and BOCCIM by PSDP in the implementation of PSDS and the creation on an enabling environment	12 th Month 24 th Month	March 2014 March 2015
10) PSDP Annual Reports (Progress reports and M&E reports)	Annual reports summarizing activities carried out by the Coordinating Unit & Programme implementing partners, programme outputs during the period considered; Issues faced, and recommendation to ease programme implementation. M&E reports of PSDP.	12 th Month 24 th Month 36 th Month	March 2014 March 2015 March 2016
11) Mid-term Report	Independent review of the Project - report summarizing progress achieved by PSDP and recommendations.	18 th Month	Sept. 2014
12) Final Report	Final report including a section on lessons learned throughout the implementation of the Project	36 th Month	March 2016

3.3. INDICATORS OF SUCCESS LINKED TO THE THREE RESULTS AREAS

132. Result Area 1 Indicators

- At least 100 SMME's from the private sector, including women companies trained on management, operation (including on quality, standards and certification) in order to be more competitive in the local, regional and international market;
- 10 value chains are identified and strengthened;
- Subcontracting/outsourcing activities from the public to the private sector increased;
- Greater private sector involvement in environmental protection activities;

133. Result Area 2 Indicators

- An apex private sector coordinating structure is in place and is operational and contributing to policy dialogue;
- Number of private firms using TSI services increased;
- Membership satisfaction surveys show that respondents are happy with the quality of service provided.

134. Result Area 3 Indicators

- Procedures for registration of SMMEs are made faster and less cumbersome;
- Increased number of SMMEs registered for tax purposes;
- Financial products targeting SMMEs introduced;
- At least 30 SMME's are accessing finance ;
- Micro finance policy framework is established and is operational;
- Trade facilitation Advisory Group is operational and effective.

135. The above indicators are not all SMART⁵. PSDP Coordinating Unit is proposing that the Management Committee holds a special session (retreat meeting) to discuss the way forward to make these indicators specific, measurable and adapted to the conditions of PSDP implementation. The Final Report of the Inception Phase will then be updated accordingly.

3.4. ORGANISATIONAL STRUCTURE OF PSDP

3.3.1. Management Committee

136. The organisational structure for PSDP Botswana includes a Management Committee mandated by the Government to supervise the implementation of the programme. More detail on the programme structure could be seen in the Annex Section.

137. The Management Committee is chaired by the Ministry of Trade and Industry. Members at senior level include EU Delegation, National Authorizing Officer (NAO), CDE, MTI, BOCCIM and IOs. The Management Committee meets on a monthly basis for;

- Overall policy guidance and support to the programme;
- Ensure the compliance of the PSDP implementation with both the Contribution Agreement and the Financial Agreement;
- Discuss and approve ex-ante the work plan and activities proposed by the Coordinating unit.

⁵ SMART: Specific, Measurable, Achievable, Relevant and Time-bound

138. The draft Term of Reference of the Management Committee to be agreed by the members in their meeting of August 2013 is in the Annex. The agenda and minutes of the Management Committee meeting are prepared by Coordinating unit. For more detail about the deliberations of the Management Committee, please see Annex Section.

3.3.2. Coordinating Unit Duties

139. The Coordinating Unit is in charge of managing PSDP under the following duties;

Prepare Manual of Procedures, Annual Work plan and Budget <ul style="list-style-type: none"> • Prepare and update the manual of procedures • Prepare and update the programme work plan including budget to be submitted for approval to EU Delegation, CDE, and MTI
Propose evaluation committee members (tendering and call for proposals)
Market Consultation/Tendering <ul style="list-style-type: none"> • Preparation and submission of market consultation dossier to the Executing Agency • Elaboration of contract for the successful bidder (service or grant contracts) to be approved and signed and by Executing Agency • Follow-up on activities of awarded contract.
Assistance to the implementation of capacity building activities <ul style="list-style-type: none"> • Development of database and selection of experts to implement the programme activities • Coordinating all activities to mobilise financial resources in support of SMMEs
Report monthly to the Executing Agency <ul style="list-style-type: none"> • Prepare and present on-going activities (technical and financial reports)
Communication and Visibility <ul style="list-style-type: none"> • Promotion of PSDP to media, Public and Private sector stakeholders e.g. Brochures, newsletters and magazine articles
Process payments of expertise and other service suppliers <ul style="list-style-type: none"> • Keep records of all financial transactions under the Programme
Monitoring and Evaluation <ul style="list-style-type: none"> • Assistance to the Executing Agency and BOCCIM on the monitoring and evaluation tools of the programme • Implement an Exit strategy.

3.5. PROCUREMENT PROCEDURES FOR THE SELECTION OF SERVICE PROVIDERS

140. CDE as the Executing agency for PSDP uses five different ways of procuring services as follows;
- (vi) award of contract after one single offer, value \leq € 20,000
 - (vii) award after a competitive market consultation (at least three offers), value $<$ € 300,000
 - (viii) international restricted tender for large and complex service contracts, value \geq € 300,000
 - (ix) multiple year framework contract, signed with qualified service providers who can then bid following a call for specific services , value of specific services $>$ € 20,000 and $<$ € 300,000 (per specific assignment within the framework of the contract)
 - (x) negotiated procedure for exceptional cases (as defined in the CDE Administrative and Financial Procedures)

➤ Single Offer

141. The single offer may be used when the contract value, excluding reimbursable costs, does not exceed €20,000.

➤ **Market consultation (simplified procedure)**

142. A market consultation with at least three offers is used when the expected contract value, excluding reimbursable costs, is less than € 300,000. In this procedure, The Coordinating unit should obtain at least three offers that are administratively and technically compliant. The offer with the 'best value for money' is selected.

➤ **International restricted tender**

143. The international restricted tender is applied for service contracts \geq € 300,000. The procedure may also be applied to smaller but highly technical contracts where wide publication of needs is needed to attract bidders. The procedure consists of two phases: 1) the selection phase leading to the establishment of the shortlist, and 2) the award phase leading to the attribution of the contract.

➤ **Framework contract**

144. CDE has sector programmes that regularly lead to consulting needs of a similar nature (e.g. agro-food industries, green energy). CDE also has crosscutting consulting needs, such as access to finance, access to markets, enterprise diagnostics and business planning. Finally, CDE often uses translation and legal services.

➤ **Negotiated procedure**

145. With the prior agreement of the Director, CDE may use the negotiated procedure. The centre negotiates directly with one or more service providers of its choice to award the contract. Due to its specific nature, there are no pre-set procedures and documents for the negotiated procedure. However, many of CDE forms may be useful.

146. All procedures in service procurement involve the prior establishment of a shortlist, which is a key decision in the procurement process. In the single offer, market consultation or negotiated procedure, the shortlist is prepared by the Coordinating Unit and approved by the Head of Regional Office, or the project evaluation committee along with the PA. For more details on Procurement at PSDP, please consult the programme ***Manual of Procedures***.

4. BUDGETS

4.1. BUDGET FOR THE OVERALL PROGRAMME

147. The budget repartition is subject to vary depending on (i) the importance of the activities to be carried out, (ii) their grouping for tender or call for proposal and (ii) the results of the consultation with PSDP partners and key stakeholders.

148. All amounts are in Euro.

Table 14: Approved Budget for PSDP (EDF 10th)

RESULT AREA	PROPOSED CONTRIBUTION AGREEMENT AMOUNT	PROPOSED IMPLEMENTATION AMOUNT YEAR 1 (April 2013 – March 2014)	PROPOSED IMPLEMENTATION AMOUNT YEAR 2 (April 2014 – March 2015)	PROPOSED IMPLEMENTATION AMOUNT YEAR 3 (April 2015 – March 2016)
1	937 000	327 950 (35% of proposed contribution agreement amount)	515 350(55% of proposed contribution agreement amount)	93 700 (10% of proposed contribution agreement amount)
2	488 500	122 125 (25% of proposed contribution agreement amount)	268 675(55% of proposed contribution agreement amount)	97 700(20% of proposed contribution agreement amount)
3	432 500	129 750 (30% of proposed contribution agreement amount)	216 250(50% of proposed contribution agreement amount)	86 500 (20% of proposed contribution agreement amount)
ITC as implementing partner	195 000	36 075 (19%)	94 725 (48%)	64 200 (33%)
Total: Result Areas	2 053 000	615 900	1 095 000	342 100
Other Expenses	Amount (Euro)			
BOCCIM as implementing partner for internal evaluation of programme	90 000	50 000	20 000	20 000
Communication/Visibility	55 000	16 000	20 000	19 000
Support costs for running of the project	22 000	12 000	5 000	5 000
Contingencies	80 000	25 000	40 000	15 000
Total: Supporting Costs	247 000	103 000	85 000	59 000
Sub-Total		718 900	1 180 000	401 100
Grand Total	2 300 000			

4.2. PSDP BUDGET PER GROUP OF ACTIVITIES

149. The following is the budget for planned activities according to the proposed Logic of Intervention by the Coordinating Unit as per Section 3.1.

150. The following table and diagram show budget repartition per activity/component.

Table 15: Proposed Budget as per PSDP Implementation Plan

Activities/Components	Year 1	Year 2	Year 3	Sub-Total
Monitoring & Evaluation of PSDP in the framework of PSDP	€ 100 000	€ 40 000	€ 20 000	€ 160 000
Structured Value Chain Analysis and Development (beef, horticulture and tourism) / Market Intelligence Information System Project Proposal	€ 150 000	€ 0	€ 0	€ 150 000
Assistance to BITC on Export Development Programme	€ 45 000	€ 0	€ 0	€ 45 000
Emerging Value Chain Analysis and Development (leather, dairy, goats, piggery, poultry, honey and marula)	€ 210 000	€ 0	€ 0	€ 210 000
Capacity Building of SMMEs, CBOs and IOs	€ 36 000	€ 593 000	€ 516 500	€ 1 145 500
Supporting the creation of an Enabling Environment for Enterprises	€ 176 500	€ 150 000	€ 106 000	€ 432 500
Support costs of PSDP	€ 53 000	€ 65 000	€ 39 000	€ 157 000
Total	€ 770 500	€ 848 000	€ 681 500	€ 2 300 000
Ratio	34%	37%	30%	100%

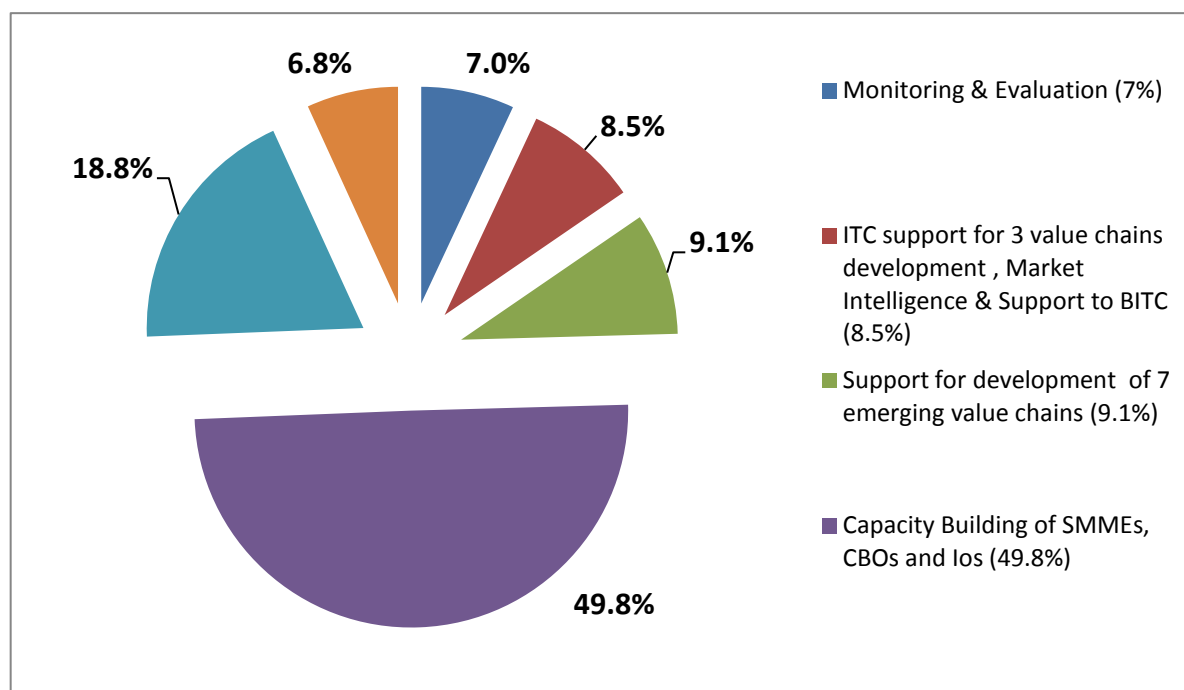


Figure 3: Budget Allocation per Component – EU Funding

4.3. BUDGET FOR PSDP COORDINATION

151. The following is the budget for the Coordinating Unit. All amounts are in Euro.

Table 16: Budget for the Coordination of the programme (CDE Contribution)

#	Type of Cost	PSDP budget						
		Unit costs (updated as per the financial offer)	COMMITTED year 1 -2012 budget (9 Months)	COMMITT ED- Year 1 2013 budget (9 Months)	COMMITT ED Year 2 (2013 budget (12 Months)	TO BE COMMITTE D year 3 (2014 budget) (12 Months)	TO BE COMMITTE D year 4 (2014 budget) (3 Months)	Overall Total (as per financial offer)
1	Human Resource							
1.1	Programme Coordinator	9,800	88,200	-	98,000	98,000	9,800	294,000
1.2	Programme Assistant	2,000	18,000	-	24,000	24,000	6,000	72,000
1.3	Finance Officer	1,200	-	10,800	14,400	14,400	10,400	50,000
1.4	Administrative Assistant	1,000	-	9,000	12,000	12,000	8,000	41,000
1.5	Driver	600	-		4,200	7,200	2,800	14,200
	Total Human Resource		106,200	19,800	152,600	155,600	37,000	471,200
2	Relocation Costs							
2.1	International travel			1,500	1,500	-	1,500	3,000
2.2	Relocation costs				4,900		4,900	9,800
	Total Relocation Costs	-	-	1,500	6,400	-	6,400	14,300
3	CDE Promotion of PSDP Events/ Logistics				6,297	-	-	6,297
4	Miscellaneous			3,599	2,000	2,000	500	8,099
	OVERALL TOTAL		106,200	24,899	167,297	157,600	43,900	499,896

SUMMARY	2012 budget	106,200 euro	Already committed under CDE 2012 operations budget
	2013 budget	24,899 euro	Already committed under the CDE 2012 budget
	2013 budget	167,297 euro	Already committed under the CDE 2013 budget
	2014 budget	157,600 euro	Planned
	2014 budget	43,900 euro	Planned
	Total	499,896 euro	Total allocated

4.4. BUDGET FOR WOMEN ENTREPRENEURSHIP DEVELOPMENT

152. The following is the budget for Chanel Corporate Foundation project executed by CDE.

Table 17: Budget as per WED project funded by Chanel Corporate Foundation

Yearly Budget

N°	TYPE OF COST	UNIT	Unit Cost (Euros)	Qty	Total Cost	Chanel Foundation
1	HUMAN RESOURCES					
1.1	Contracted experts fees					
1.1.1	International Expert -Access to markets	man/month	12,000	3	36,000	36,000
1.1.2	International Experts - Processing and Quality Improvement	man/month	12,000	10	120,000	120,000
1.1.3	Local experts - Management Improvement and Human Resource	man/month	2,500	5	12,500	
1.1.4	Local Expert-Intermediary Organization/Community based Organization	man/month	2,500	5	12,500	
1.1.5	Local Expert -Access Finance	man/month	3,000	6	18,000	18,000
1.1.6	Local Expert -ICT	man/month	3,000	6	18,000	18,000
1.2	Cost of beneficiary company's staff allocated to the project					
1.2.1	Project Officer	man/month				
1.3	Cost of partner company's staff allocated to the project					
		man/month				
	TOTAL 1				217,000	192,000
2	PER DIEMS AND OTHER FIXED COSTS					
2.1	Per diem for external experts					
2.1.1	International Expert -Access to markets	night	150	60	9,000	9,000
2.1.2	International Experts - Processing and Quality Improvement	night	150	180	27,000	27,000
2.1.3	Local experts - Management Improvement and Human Resource	night	75	60	4,500	
2.1.4	Local Expert-Intermediary Organization/Community based Organization	night	75	60	4,500	
2.1.5	Local Expert -Access Finance	night	75	110	8,250	8,250
2.1.6	Local Expert -ICT	night	75	110	8,250	8,250
2.2	Per diem for beneficiary company's staff allocated to the project					
2.2.1	Country	day	55	300	16,500	16,500
2.3	Per diem for partner company's staff allocated to the project					
2.3.1	Botswana	night	184	15	2,760	2,760
2.4	Telecommunications and mail	month	200	36	7,200	
2.5	Office supplies and consumables and other miscellaneous cost	month	100	36	3,600	
	TOTAL 2				91,560	71,760

Budget as per WED project (contd.)

3	REIMBURSABLE COSTS					
3.1	Transport costs for external experts					
3.1.1	International Expert -Access to markets	man/month	1,300	3	3,900	3,900
3.1.2	International Experts - Processing and Quality Improvement	man/month	1,300	5	6,500	6,500
3.1.3	Local experts - Management Improvement and Human Resource	man/month	250	3	750	
3.1.4	Local Expert-Intermediary Organization/Community based Organization	man/month	250	3	750	
3.1.5	Local Expert -Access Finance	man/month	250	3	750	750
3.1.6	Local Expert -ICT	man/month	250	3	750	750
3.2	Transport costs for beneficiary's staff allocated to the project					
3.2.1	Botswana	trip	25	300	7,500	7,500
3.2.2		trip				
3.3	Transport costs for partner's staff allocated to the project					
3.3.1	Botswana	trip	2,500	5	12,500	12,500
3.4	Other reimbursable costs					
3.4.1	Participation to European Trade fair		2,000	10	20,000	20,000
3.4.2	Communication and Promotion		750	8	6,000	6,000
3.4.3	Group Training Seminars		850	15	12,750	12,750
	TOTAL 3				72,150	70,650
4	Total of all eligible costs (1+2+3)				380,710.00	334,410.00
5	unforeseen cost (3 percent)*				11,421.30	11,421.30
6	Total eligible costs (4+5)				392,131.30	
7	Management Cost				58,819.70	
8	GRAND TOTAL				450,951.00	345,831.30

ANNEXES

(See separate report)

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