



Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) and Ministry of Trade and Industry (MTI)

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Private Sector Development Strategy (PSDS)

2009 -2013

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Final Draft

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**Prepared by the PSDS National Team
with Technical Assistance from the Commonwealth Secretariat**

Table of Contents

Abbreviations and Acronyms	iv
Executive Summary	vi
Introduction	1
1.1 Background	1
1.2 Private Sector Development and Growth	1
1.3 Vision of the Private Sector Development Strategy	2
1.4 Mission Statement.....	2
1.5 Strategic Objectives	2
1.6 Purpose of the PSDS	3
1.7 Justification of the PSDS	3
1.8 Methodology	3
1.9 Organisation of the Report.....	4
Overview of the Economy and Situation Analysis	5
2.1 Population and Demographics Profile	5
2.2 Economic Performance	5
2.3 Foreign Direct Investment	6
2.4 Export Performance	6
2.5 Sector Performance	7
2.6 Socio-Economic Challenges	8
2.7 Business Climate.....	9
2.8 Trade Support Institutions.....	10
2.9 Trade Expansion	11
2.10 Productivity.....	14
2.11 Enterprise Development.....	14
The Strategy	15
3.1 The Focus of the Strategy	15
3.2 Cross Cutting Issues.....	35
3.3 Implementation Matrix	38
Implementation, Funding and Monitoring and Evaluation	52
4.1 Annual Operational Plans	52
4.2 Implementation Structures	52
4.3 Funding Mechanisms	53
4.4 Monitoring and Evaluation	54
 Appendix 1: List of Documents	 58
Appendix 2: List of Key Informants	59
Appendix 3a: List of Workshop Participants - Gaborone.....	60
Appendix 3b: List of Workshop Participants – Francistown.....	62
Appendix 3c: List of Workshop Participants - Maun	63
Appendix 3d: List of Workshop Participants - Kasane	64

Tables

Table 2.1: Key Economic Indicators for Botswana	5
Table 3.1: Summary of strategic objective (i) strategies and activities	19
Table 3.2: Summary of strategic objective (ii) strategies and activities	21
Table 3.3: Summary of strategic objective (iii) strategies and activities	23
Table 3.4: Summary of strategic objective (iv) strategies and activities	25
Table 3.5: Summary of strategic objective (v) strategies and activities	28
Table 3.6: Summary of strategic objective (vi) strategies and activities	30
Table 3.7: Summary of strategic objective (vii) strategies and activities	34
Table 3.8: Summary of strategic objective (viii) strategies and activities	38
Table 3.9: Proposed implementation (results) framework - 5 years	39
Table 4.1: Estimated Cost of Implementing the PSDS	54
Table 4.2: Evaluation Plan	55

Figures

Figure 2.1: FDI Inflow in US\$ Millions	6
Figure 2.2: Export Performance by Sectors (BwP Millions)	7
Figure 2.3: Export performance by destination (BwP Millions) in 2006	7

Abbreviations and Acronyms

AABWA	American and African Business Women's Alliance
ACP	African, Caribbean and Pacific
AGOA	African Growth and Opportunity Act
BAMB	Botswana Agricultural Marketing Board
BBCA	Botswana Business Coalition on AIDS
BDC	Botswana Development Corporation
BEAC	Business Economic Advisory Council
BECI	Botswana Export Credit Insurance
BEDIA	Botswana Export Development and Investment Authority
BEMA	Botswana Exporters and Manufacturers Association
BIDPA	Botswana Institute of Development Policy and Analysis
BNPC	Botswana National Productivity Centre
BOBS	Botswana Bureau of Standards
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
BOTA	Botswana Training Authority
BRC	Botswana Railway Corporation
BTC	Botswana Technology Centre
BURS	Botswana Unified Revenue Services
CDE	Centre for Development and Enterprise
CEDA	Citizen Entrepreneurial Development Agency
CITF	Construction Industry Trust Fund
CSO	Central Statistics Office
DBES	Department of Building and Engineering Services
DCEC	Directorate on Corruption and Economic Crime
DIA	Department of Industrial Affairs
DIT	Department of Information Technology
DPSM	Department of Personnel Services Management
DVET	Department of Vocational Education and Training
EAOB	Exporters Association of Botswana
EFZ	Economic Free Zones
FAP	Financial Assistance Policy
FDI	Foreign Direct Investment
FIAS	Foreign Investment Advisory Services
HIV/AIDS	Human Immuno Virus/Acquired Immuno Deficiency Syndrome
HLCC	High Level Consultative Council
ICT	Information and Communication Technology
IFSC	International Financial Services Centre
JV	Joint Venture
LEA	Local Enterprises Authority
MCST	Ministry of Communications, Science and Technology
MEWT	Ministry of Environment, Wildlife and Tourism
MFDP	Ministry of Finance and Development Planning
MOE	Ministry of Education
MOFAIC	Ministry of Foreign Affairs and International Cooperation
MTI	Ministry of Trade and Industry

MTR	Medium Term Review
MTS	Multilateral Trading System
MWT	Ministry of Works and Transport
NACA	National AIDS Coordinating Agency
NBC	National Business Conference
NDB	National Development Bank
NDP	National Development Plan
NEMIC	National Employment, Manpower and Incomes Council
NES	National Export Strategy
NFTRC	National Food Technology Research Centre
OP	Office of the President
OP-PRS	Office of the President - Public Reform Secretariat
PEEPA	Public Enterprises Evaluation and Privatisation Agency
PPADB	Public Procurement and Asset Disposal Board
PPPs	Public Private Partnerships
PSDS	Private Sector Development Strategy
R&D	Research and Development
RIIC	Rural Industries Innovation Centre
ROC	Registrar of Companies
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAIBL	Southern Africa International Business Linkages
SME	Small and Medium Enterprises
SMLE	Small, Medium and Large Enterprises
SMMEs	Small, Medium and Micro Enterprises
TRIPS	Trade Related Aspects of Intellectual Property Rights
TSI	Trade Support Institutions
UoB	University of Botswana
WAD	Women's Affairs Department
WIBA	Women in Business Association

Executive Summary

Background

The private sector development strategy is designed to provide a systematic and coherent framework to promote the development and growth of the private sector. It identifies the gains achieved thus far, the bottlenecks and interventions that will contribute towards establishing an enabling environment that will spur entrepreneurial development; attract foreign and domestic private investment while at the same time, create business opportunities. The strategy responds to the aspiration of Vision 2016 and the theme of the National Development Plan (NDP) 10, 2009-2016, currently under preparation. Vision 2016 aspires to achieve its targets through sustainable growth and a diversified economy with mining, agriculture, industry, manufacturing, services and tourism playing a leading role. The theme of NDP 10 is “*Creating the conditions for accelerated private sector growth in order to reach Vision 2016 targets*”. The government expects the private sector to lead the process for diversification of the economy, emphasising the central role of the private sector in driving future economic development and growth. The government, at the same time, recognises that the private sector needs strengthening for it to play this important role.

The PSDS was developed in a participatory process. Key stakeholders were consulted. Interviews were held with public and private sector organisations involved in private sector development. Four regional workshops were held in Gaborone, Francistown, Maun and Kasane to seek input from the business community. A strategy development retreat drawing participants from across key sectors of the economy was held to develop the vision, mission statement and strategies to guide the development and growth of the private sector.

The Vision of the Private Sector Development Strategy

The vision of the private sector in Botswana is “*A competitive and vibrant private sector driving a prosperous Botswana*”. The vision will be realised by pursuing the following strategic objectives:

- i) Promote and support the participation and visibility of the private sector in international markets
- ii) Promote effective participation of the private sector in the domestic market
- iii) Support the growth and graduation of the small and medium enterprises
- iv) Promote domestic and foreign investment for sustainable development .
- v) Improve productivity in the private sector
- vi) Support rationalisation and improvement of services provided by the trade support institutions (TSIs)
- vii) Promote and support improvement of the business climate.
- viii) Ensure that the private sector recognizes and addresses other government policies; gender mainstreaming, the youth, HIV and AIDS prevention and environment protection.

Situation Analysis

A situation analysis was carried out to identify the achievements, constraints and challenges in the development of the sectors. The situation analysis was guided by the four key pillars for private sector development and growth. These are:

- i) Trade expansion
- ii) Productivity
- iii) Trade support institutions
- iv) Business climate

There are trade expansion opportunities for development and growth of the private sector in Botswana. These include the expansion opportunities in the regional and international markets including SACU, SADC, EU and USA, where trade agreements have been signed with Botswana. Locally, there are opportunities to invest in beneficiation and value addition operations. The government has designed various schemes that give preference to the local private sector firms to supply goods and services to the government. The public-private sector partnerships being promoted by government provide opportunities for the private sector to invest in mega government projects. There are however, challenges and constraints to trade expansion including limited market information, limited range of products, uncompetitive products, gaps in trade facilitation, inward looking private sector, inward looking policies and low value addition. Other challenges are inappropriate skills, high cost of technology and a small domestic market.

Productivity is low in Botswana when compared to other middle income countries. Inappropriate work ethics, the education system, inappropriate skills, low investment in training, lack of training incentives and schemes were identified to be the main reasons for low labour productivity.

The government has put in place a number of institutions to provide enterprises with support services in the areas of training and mentoring, product development, quality improvement, market information and financial services. While it is acknowledged that a lot of progress has been made, a few challenges and constraints were identified. These are budgetary, staff, facilities and equipment constraints; coordination among the institutions, limited access to the services especially, in the rural areas and lack of awareness.

The Government of Botswana has taken several measures to improve the business climate leading to Botswana being compared favourably amongst countries that have attractive business climates. The latest measures under implementation were recommended by the FIAS study. However, infrastructure, crime, corruption, and the administrative, legal and regulatory framework were identified as areas that needed further attention to improve the business climate in Botswana.

The Strategy

The strategy focuses on the four priority areas and four cross-cutting issues. For each of the priority areas and cross-cutting issues, several strategies have been identified for implementation. They are summarised as follows:

Priority area 1: Trade Expansion

The strategies focus on promoting the participation and visibility of the private sector in regional and international markets, promoting participation of the private sector in the domestic market, supporting growth and graduation of the small and medium enterprises (SMEs) and promoting foreign direct investment (FDI), beneficiation and economic free zones (EFZs).

Strategies for supporting visibility in the international market are:

1. Improve availability and access to market intelligence
2. Exploit the market opportunities created through regional and international trade agreements
3. Improve quality of products and services of Botswana private sector firms
4. Improve trade facilitation
5. Improve the capacity of the private sector to take advantage of the multilateral trading system (MTS)

Strategies for promoting effective participation of the private sector in the domestic market are:

1. Strengthen public private partnerships
2. Promote citizens empowerment through excellence

Strategies for supporting the growth and graduation of small and medium enterprises are:

1. Reduce the cost of registration of small and medium enterprises
2. Establish private sector micro finance firms
3. Cluster small and medium enterprises for access to infrastructure, specialised facilities, equipment, services and utilities
4. Strengthen linkages between the small and medium enterprises and the large firms

Strategies for promoting domestic and foreign investment for sustainable development are:

1. Promote foreign direct investment
2. Implementation of economic diversification via foreign direct investment and citizen economic empowerment projects
3. Promote beneficiation
4. Support the development of economic zones

Priority area 2: Productivity

1. Invest in human resources development
2. Improve the work ethic and promote an entrepreneurial mindset
3. Improve the quality of services provided by private sector firms

Priority area 3: Trade Support Institutions

1. Rationalize the mandate of the trade support institutions
2. Establish an apex body of all sector associations
3. Improve public-private sector dialogue

Priority area 4: Business Climate

1. Complete, consolidate and sustain the gains from implementing the FIAS report recommendations
2. Set targets for company registration, work permits, licences, building plans and utilities' hook up
3. Promote efforts to combat crime
4. Strengthen capacity to prevent corruption
5. Improve infrastructure

Cross- Cutting Issues

1. Mainstream gender issues in the private sector
2. Support the implementation of the National Human Resources Development Strategy
3. Strengthen HIV/AIDS work place programs
4. Promote environmental protection

Implementation

Annual operational work plans shall be prepared by the PSDS coordination secretariat to operationalise this strategy. The annual work plans shall be prepared in consultation with the implementing partners and shall be approved by the national steering committee.

Implementation of the PSDS is multi-sectoral and shall require various structures in place at different levels of government, the private sector and development partners. It is recommended that:

- i) The High Level Consultative Council (HLCC) will provide leadership in implementing this strategy.
- ii) A National Steering Committee, which will be a subcommittee of the HLCC and comprising representatives from key private sector associations and core government ministries and agencies, shall be responsible for the delivery of the strategy results.
- iii) Sector Technical Committees be constituted to support the National Steering Committee and shall provide technical support to the implementers.
- iv) An appropriate private sector organisation such as BOCCIM should become the secretariat for PSDS. It is recommended that BOCCIM be restructured to be the apex body representing the entire private sector in the country. Such new role coupled with

the responsibility of coordinating the implementation of PSDS necessitates substantial upgrading of BOCCIM's capacity. For this reason an assessment of the required capacity and organisation review has been done and it is estimated that BwP 3.67 million will be required.

- v) Implementing partners shall be expected to integrate the interventions in their work programs.

Funding

It is recommended that interventions identified in this strategy be funded by the government, development partners and the private sector. A common basket will be established where funds to support the strategy interventions will be pooled. The funds will be managed by BOCCIM.

Monitoring and Evaluation

Monitoring and evaluation of the PSDS will be integrated into the existing implementation structures. The institutions managing and implementing this strategy will have M&E roles. They will provide information on the progress made in the implementation of this strategy within agreed timeframes for decision making at different levels. The PSDS coordinating secretariat will coordinate monitoring and evaluation.

Chapter One

Introduction

1.1 Background

Vision 2016 outlines the aspirations of the people of Botswana to the year 2016. On the economic front, a GDP per capita income of US\$ 8,500 in real terms is envisaged. An average annual growth rate of 6 % is expected to be maintained over the period. This level of growth rate is expected to be sustained by a very high level of investment, estimated at 41 % of GDP. Full employment is envisioned as well as eradication of poverty. The spread of the HIV virus will have been stopped, therefore eliminating new infections. These aspirations will be achieved through sustainable growth and a diversified economy with mining, agriculture, industry, manufacturing, services and tourism playing a leading role. The theme for the National Development Plan (NDP) 10, 2009- 2016 currently under preparation is *“Creating the conditions for accelerated private sector growth in order to reach Vision 2016 targets”*. The Government Keynote Policy Paper that is guiding the NDP 10 emphasises the central role of the private sector in driving future economic development and growth. The government recognizes that revenue from diamonds, currently contributing 50 % of government revenue, will continue to fall. Therefore, it is imperative that GDP growth rely less on government spending and more on the growth of the non-diamond private sector. This implies an increased emphasis on factors that will enhance private sector development and growth during the currency of NDP10.

1.2 Private Sector Development and Growth

Development and growth of the private sector is largely influenced by four key pillars; an enabling business climate, effective trade support institutions, trade expansion opportunities and high productivity. The amount of trade and investment flowing into a country is influenced by the level of confidence investors have in the business climate. The business climate on the other hand, is an outcome of several factors, including political stability, macro-economic stability, transaction costs, security of persons and property, reliability of infrastructure, stability in policy and consistency in its implementation, efficiency of the administrative, legal and regulatory framework and sound macro-economic management. Where these conditions are not met, investor confidence is low and both domestic and foreign investments are low. Though the business climate in Botswana is largely considered attractive,¹ issues concerning infrastructure, increasing level of crime, corruption and administrative, legal and regulations have been raised.

Another condition necessary for private sector development and growth is the existence of effective trade support institutions. Trade support institutions (TSIs) are necessary for capacity building, market information, product development, quality improvement and financial services support to private enterprises, which ordinarily, may not have access to these services on their own. The government has put in place such institutions to provide these services to the private sector. However, the need to review the mandates of the public trade support institution to remove overlaps, strengthen coordination and increase access to the services provided was identified.

¹Doing Business Report 2007, World Bank

Creating opportunities for trade expansion, both in the international and domestic markets, is a prerequisite for private sector development. This calls for deliberate measures to remove any trade barriers that prevent trade expansion. Inappropriate trade policies, laws and regulations can act as impediments to trade expansion. Trade regimes that are inward looking may result in concentration on traditional markets. Lack of innovative promotion initiatives leads to low penetration into new and emerging markets. Other barriers to trade expansion include cumbersome procedures, poor facilities and equipment, and delays in processing of documentation at trade facilitation agencies. This strategy underscores the need to expand the market for goods and services produced in Botswana.

Productivity is an important incentive to invest in a country. It is considered to be an essential indicator in the assessment of growth, not only of enterprises, but the economy as a whole. Low productivity has been identified as a bottleneck for the growth of the Botswana private sector. This strategic plan addresses labour productivity challenges facing Botswana.

A coordinated private sector is critical for its growth. For the private sector to take advantage of the improved business climate and utilise the incentives and opportunities created by government, its coordinating bodies and associations need to be strengthened

1.3 Vision of the Private Sector Development Strategy

A competitive and vibrant private sector driving a prosperous Botswana.

1.4 Mission Statement

To spearhead diversification, growth, and development of the economy through increased investments and productivity for the prosperity of the people of Botswana

1.5 Strategic Objectives

- i) Promote and support the participation and visibility of the private sector in international markets
- ii) Promote effective participation of the private sector in the domestic market
- iii) Support the growth and graduation of the small and medium enterprises
- iv) Promote foreign direct investment, beneficiation, joint ventures and development of economic zones.
- v) Improve productivity in the private sector
- vi) Lobby for effectiveness of services provided by the trade support institutions
- vii) Promote and support improvement of the business climate
- viii) Ensure that the PSDS recognizes and addresses other government policy; gender mainstreaming, the youth mainstreaming, HIV and AIDS prevention and environment protection.

1.6 Purpose of the PSDS

The private sector development strategy aims at stimulating the development and growth of the private sector in Botswana to play its role in socio-economic development. The strategy identifies interventions that will contribute towards establishing an enabling environment to spur entrepreneurial development and attract foreign and domestic private investment. Secondly, the strategy seeks to generate business opportunities for the private sector. This is achieved by identifying trade expansion opportunities in foreign and domestic markets, current constraints and the appropriate interventions to enable the private sector to access and exploit these opportunities.

1.7 Justification of the PSDS

Given the important role the sector plays and will continue to play in meeting Botswana's national socio-economic goals of sustainable growth, economic diversification, employment creation and poverty reduction, it is important that the constraints affecting its growth are identified and addressed systematically and in a coordinated approach. The PSD strategy is designed to provide a systematic and coherent framework to promote the development and growth of the private sector to play its role as the engine for growth development.

1.8 Methodology

The PSDS was developed in four phases; planning and mobilisation, situation analysis, design of the strategy and validation.

Planning and Mobilisation: An inception report was prepared by the consultants and approved by BOCCIM and COMSEC. The report outlined the objectives of the assignment, expected deliverables, methodology and the work plan. Key stakeholders to be consulted were identified and the reporting relationships were also outlined. The questionnaires and discussion guides were also developed in this phase. The project was officially launched by the Minister for Trade and Industry on January 16th, 2008 in Gaborone. The launch was followed by a one day kick-start workshop on the next day, January 17th, 2008 again in Gaborone. A national PSDS team was appointed to guide the process. Sector coordinators were appointed to consult with the sector stakeholders and prepare position papers on sector issues that needed to be captured in the PSDS.

Situation Analysis: Several documents were reviewed including national policy documents, study reports on private sector development and website based resources (see appendix 1). Key informants were identified and interviewed. In total, 40 organisations were identified for interviews. The organisations were selected from among relevant Government Ministries and Agencies, private sector firms and sectoral umbrella organisations (see Appendix2). The discussions were aided by a structured discussion guide. Four regional workshops were organised in and held as follows: Gaborone on 8th January 2008; Francistown on 19 February 2008; Maun on 25th February 2008 and Kasane on 27th February 2008. Participants for the workshops were selected from among the micro, small, medium and large private sector enterprises (see appendix 3a, 3b, 3c, and 3d). The objective of the workshops was to obtain input from the business community. Discussion guides were developed to guide the group discussions. The output was a list of constraints to private sector development and interventions that would address those constraints.

Strategy Design: A three day strategy development retreat was held in Maun on 23rd to 25th April 2008. Based on the situation analysis report prepared by the consultants, the participants crafted the vision, strategic issues, strategic objectives, strategies and activities. The participants were drawn from key stakeholders. The first draft PSDS was prepared and BOCCIM and COMSEC for comments. Comments from BOCCIM and COMSEC were incorporated to produce the draft PSDS for validation by the national symposium.

PSDS Validation: The final draft PSDS was validated by BOCCIM, COMSEC and the national symposium.

1.9 Organisation of the Report

The PSDS is presented in four chapters as follows:

<i>Chapter One:</i>	Introduction
<i>Chapter Two:</i>	Overview and situation analysis
<i>Chapter Three:</i>	The strategy
<i>Chapter Four:</i>	Implementation, resource requirements and monitoring and evaluation

Chapter Two

Overview of the Economy and Situation Analysis

2.1 Population and Demographics Profile

Botswana is a landlocked country with a land mass of 582,000 square kilometre. Its total population was estimated at 1.7 million people by 2006. Since 2006, it is estimated that the population growth has been declining at a rate of 0.4 % largely due to changing lifestyles (fewer children are preferred) and the HIV and AIDS pandemic.² The population is projected to continue declining to reach 1.6 million people in 2015. Of the 1.7 million people, 38.3 % are between the ages of 0-14 years, 57.9 % in the age group of 15-64 years and 3.8 % in the age group 65 and above years. This means that the majority of the population are at the economically productive age group of 15-64 years. Gender distribution is skewed in favour of the female population with the active age group of 15-64 consisting of a larger proportion of females.³

2.2 Economic Performance

Botswana has registered strong growth in last three decades years largely because of a vibrant mining sector, prudent management of the economy and political stability. With an estimated GDP per capita of US\$ 6,354 in 2007 and a real GDP growth rate of over 5 % on average since 1975, Botswana is one of the few Sub-Saharan African countries that have achieved middle-income status in a relatively short time. A GDP growth of about 4.5 % is projected in 2008 and is likely to be driven largely by the mining sector. Diamonds are by far the most important source of income and account for 74 % of total exports and 33 % of GDP. Other sectors contributing to GDP are meat and meat products, tourism, textile and services. The inflation rate ranged between 7 and 11.6 % over the last 5 years (2003 to 2007). Interest rate over the same period averaged 14.5 %.

Table 2.1 gives a summary of Botswana's economic performance and projections for the period 2004 to 2007.

Table 2.1: Key Economic Indicators for Botswana

Indicator Description	2003	2004	2005	2006	2007
GDP per capita in US\$	4,552	5,343	5,661	5,916	6,354
Real GDP (%change)	5.8	5.2	5.2	4.8	4.5
Inflation Rate	9.2	7.0	8.6	11.6	7.1
Interest Rate	14.25	14.5	14.5	15.0	14.5
Unemployment	23.8	23.8	23.8	23.8	23.8
Gross domestic investment (%GDP)	36.0	31.7	30.4	29.6	25.4
Real investment (% change)	6.4	4.2	3.8	4.0	4.1

Source: 2006 Botswana Rating Report.

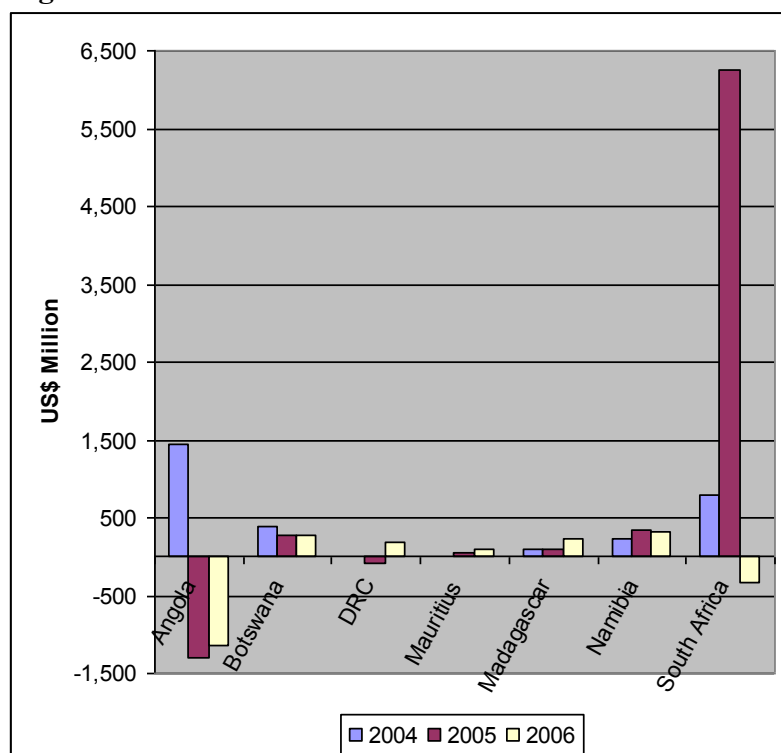
² UNDP 2006

³ Central Statistics Office, Population section website 2007

2.3 Foreign Direct Investment

Total foreign direct investment (FDI) stock has declined from US\$ 1,821 million in 2000 to US\$ 958 million in 2006 as a result of foreign investors moving their investments from Botswana and reduced inflow of new investments. There was a decline from an inflow of US\$ 391 million in 2004 to US\$ 274 million in 2006. FDI inflow to the South African Region shows a mixed trend. Figure 2.1 shows FDI trends since 2004.

Figure 2.1: FDI Inflow in US\$ Millions

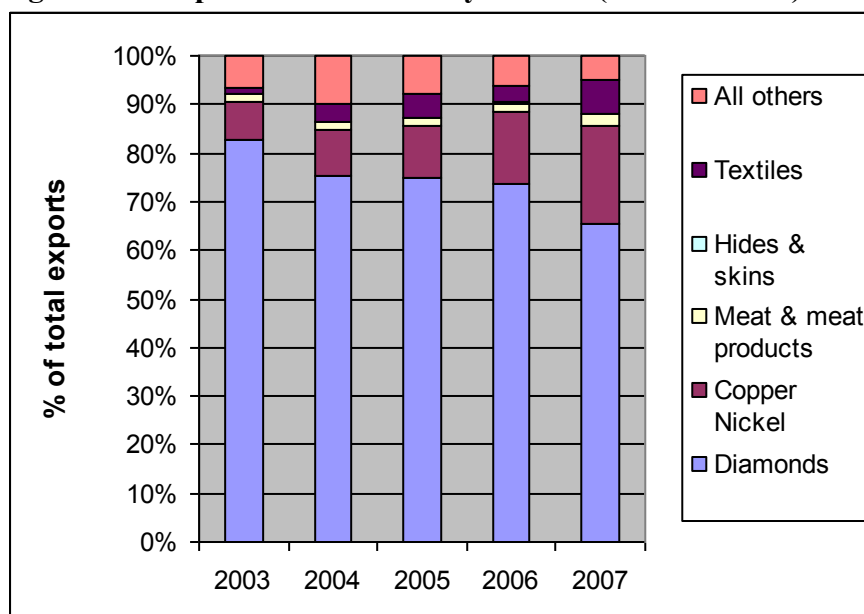


Source: Central Statistics Office

2.4 Export Performance

The mining sector is the main source of export earnings, contributing over 80 % of total exports. Diamonds alone account for over 74 % of the exports. It should, however, be noted that diamond exports as a percentage of total exports has been on a downward trend, declining from 83 % in 2003 to 74 % in 2006. Other exports are meat and meat products, which contribute 2 % and textiles - 3 %. Figure 2.2 shows the exports by sector.

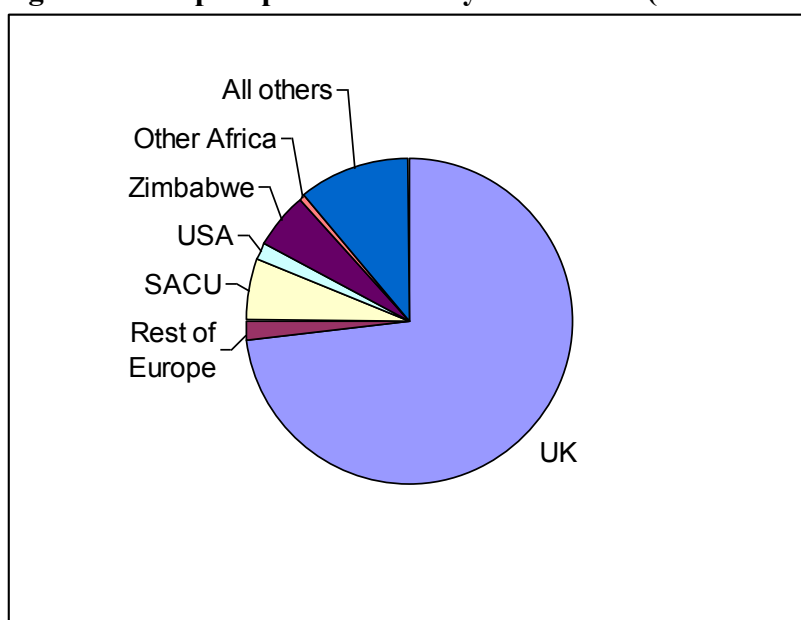
Figure 2.2: Export Performance by Sectors (BwP Millions)



Source: Central Statistics Office. 2007 Figures are provisional.

The major export destination for Botswana is the UK which accounts for 73 % of the export market. This is not surprising as diamonds, which account for over 74 % of the exports, are exported to the UK. Other market destinations are SACU - 6 %, Zimbabwe - 5 %, USA - 2 % and the rest of Europe - 2 %. With the advent of AGOA, the USA has emerged as an important potential market though so far, this has only attracted textile products.

Figure 2.3: Export performance by destination (BwP Millions) - 2006



Source: Central Statistics Office

2.5 Sector Performance

Table 2.2 provides a summary of the contribution of different sector to GDP and the constraints affecting the sectors development of the sectors. Vision 2016 identifies mining,

agriculture, manufacturing, tourism, and services as the key sector for a sustainable development. The private sector shall be expected to invest in these sectors and removing of the constraints will be a focus of the strategy.

Table 2.2: Sector percentage contribution to GDP

Sector	% of GDP	Constraints/Challenges
Mining	42.0	- Huge investment, - Lack of local skills - Appropriate technology.
General government	15.0	- Budgetary constraints - Efficiency
Trade, Hotels and Restaurants	10.5	- High utility costs - High transport costs
Finance	9.7	- Concentrated in major towns. - Limited products for SME - High costs
Construction	4.0	- Capacity constraints - Management skills - High construction costs
Transport	3.7	- High investment costs - Air transport monopoly
Manufacturing	3.5	- Limited raw materials - Low productivity - Relatively small market - High transport costs
Social and personal services	3.4	- High cost of utilities
Water and electricity	2.8	- High poverty levels
Agriculture	1.7	- Lack of sustainable strategies - Expensive technology - Water for irrigation
Tourism	N/A*	- High cost tourism
Information and communication technology	N/A*	- High cost

Bank of Botswana Report, 2007. *Not Available

2.6 Socio-Economic Challenges

Despite the impressive growth rate and prudent management of the economy, Botswana has several socio-economic challenges. Over-reliance on a narrow economic base (diamonds) exposes the country to international price fluctuations. The country's unemployment rate of 23.8 % in 2006⁴ is high and needs to be checked. Thirty percent of the population live below the internationally recognized poverty line of less than US \$1 per day. The rate of HIV/AIDS prevalence is also high, with 25 % of the population in age group 15-64 infected⁵. It is the desire of the government to address these challenges. Vision 2016 sets out the strategies and targets that need to be achieved. A diversification strategy will be pursued with mining, agriculture, industry, manufacturing, services and tourism playing a leading role. A real GDP

⁴ Central Statistics Office (2006) Preliminary 2005/6 labour force survey

⁵ UNAIDS Report 2006

growth rate of 6 % is envisaged. To support this growth rate, investment of 41 % of GDP is required. The country intends to achieve full employment by 2016.

2.7 Business Climate

Botswana's general business climate is considered mostly favourable. Ranked 51 out of 178 countries on the ease of doing business⁶, Botswana compares relatively well with other Southern African countries and middle income economies such as Mauritius and Malaysia. There are however, still more challenges that call for improvement in the administrative, legal and regulatory framework, security of persons and property, governance, corruption and infrastructure.

2.7.1 Administrative, Legal and Regulatory Framework

The Foreign Investment Advisory Services (FIAS) report by the World Bank of 2004, on administrative, legal and regulatory barriers to investment identified key issues that needed to be addressed and made recommendations to the government and stakeholders for implementation. The key issues that were identified are; access to land; site development; employment of expatriates; company registration; sector level licensing; industrial property; trade and customs procedures; and tax administration. The government adopted the FIAS report and in August 2004, commissioned the National Employment, Manpower and Incomes Committee (NEMIC) to coordinate its implementation. Consequently, as a first step, NEMIC requested the relevant ministries and parastatals to submit their strategies and action plan for the speedy implementation of these recommendations. These action plans were submitted to NEMIC in February 2005 and their implementation is in progress. Most of the recommendations have since been implemented while others are in progress. Access to land, site development and tax administration however featured as areas of concern to the private sector.

2.7.2 Security of Persons and Property

Crime is a concern to firms in Botswana and is considered one of the most important constraints to business growth. The direct costs associated with crime, such as loss of property, loss of lives and the cost of security, are relatively high in the country. According to the Botswana Investment Climate Assessment, the cost of crime to firms is estimated at about 0.6 % of sales. However, crime appears to be a regional problem, with the cost of crime in Namibia and South Africa being around 0.5 % of sales. In Malaysia, the cost of crime is less than 0.25 % of sales.

Constraints/challenges: Inadequate police stations countrywide, police officers, facilities and equipment; Lack of capacity to handle sophisticated crime; Poorly organised and trained private security firms.

2.7.3 Corporate Governance and Corruption

Although corruption is relatively low in Botswana, some firms regard it as an obstacle to their business. According to the Investment Climate Assessment report, around 25 % of small,

⁶ Doing Business 2008, World Bank

medium and large enterprises and 20 % of micro enterprises said that corruption was a serious problem. This is despite the establishment of an institutional and legal framework to address issues of good governance, corruption and economic crime such as the Directorate on Corruption and Economic Crime (DCEC), the Office of the Ombudsman and the Auditor General.

Constraints/challenges: Slow implementation of DCEC recommendations by ministries and other agencies; Limited staff; Lack of properly trained staff to handle complex investigations.

2.7.4 Infrastructure

Efficient and cost effective transport (road, air, rail and sea), telecommunications, energy and water systems are critical elements in the development of the private sector. Despite the gains that have been made in developing the infrastructure, there are certain issues that require interventions to enhance Botswana's competitiveness.

Road Transport: Road maintenance has continued to receive little attention and the condition of the roads is now a major concern to the business community. Movement of goods and services is taking more days than necessary thereby increasing the cost of transport.

Constraints/challenges: Inadequate allocation of resources for road maintenance; Slow processing and awarding of tenders; Limited use of PPPs; Slow project implementation rate.

Air Transport: Currently dominated by Air Botswana, air transport is unreliable and limited in routes.

Constraints/challenges: Air space restrictions; Limited service providers;

Telecommunications: Telecommunications coverage in Botswana is comparable to that of the other countries in the region but less than that of South Africa. It also fares poorly compared with Mauritius and Malaysia. Broadband subscriptions only number 0.10 per 100 inhabitants while the comparative figure for Malaysia is 3.49 per 100 inhabitants.

Constraint/challenges: Cost; Access to broadband; General coverage

Energy: The recent power supply crisis in South Africa has affected Botswana, resulting in unreliable power supply. As Botswana imports a larger proportion of its electricity from South Africa, this crisis is of concern to the private sector which relies on electricity for energy needs.

Constraints/challenges: Dependency on imported electricity; Poor service delivery; Costly energy services;

2.8 Trade Support Institutions

There are many trade support institutions in Botswana, both public and private, with varying mandates including providing enterprise development, quality and standards, trade information and promotion, trade finance and trade regulation services. The government established the Citizen Entrepreneurial Development Agency (CEDA) and the Local

Enterprises Authority (LEA) with the mandate of entrepreneurship development through training, mentoring and funding of local enterprises. Botswana Technology Centre (BTC), Rural Industries Innovation Centre (RIIC) and the University of Botswana (UoB) are mandated to assist private enterprises in product development. The mandate of the Botswana Bureau of Standards (BOBS) is to promote quality standards. The Botswana National Productivity Centre (BNPC) and National Food Technology Research Centre (NFTRC) were established to promote productivity improvement. Within the private sector, BOCCIM, BEMA, EAOB and private banks are available to support the private sector growth and development.

Despite this institutional framework, the private sector still complains of lack of support for growth. Areas identified include weak support to domestic firms to compete successfully in international markets and in this regard, provision of advisory services to help exporters is required. Secondly, market information is not readily available. Thirdly, there is little progress in innovation, little research and development and lack of product development. Fourthly, though quality of goods and services, especially for the export market, is critical to the private sector growth and development, the implementation of standardisation of products and services has been slow. Potential applicants for product certification are discouraged by delays experienced and high costs, as samples are often sent outside the country for testing.

Constraints/challenges: No clear strategic focus on key customers, products or programs; Inadequate staffing, equipment and facilities; Budgetary constraints; Lack of coordination among trade support institutions and overlapping activities; Weak private sector associations and poor collaboration between private sector and state sponsored institutions; Poor countrywide coverage and access; Lack of unawareness of existing support services and; High cost of services especially, the product quality certification costs charged by BOBS

2.9 Trade Expansion

The private sector has many opportunities for trade expansion. The opportunities exist both in the international and domestic markets. The section discusses these opportunities and proposes appropriate strategies to harness them in order to expand trade in Botswana.

2.9.1 International Trade

Outside export of diamonds to UK, Botswana's export markets are limited thus exhibiting a highly concentrated export product and market structure. The key objective of Botswana's trade policy is to diversify the economy as well as broaden access to markets for Botswana's products and services. Various trade agreements providing market access to the Southern Africa Customs Union (SACU), European Union market (ACP) and the United States of America (AGOA) have been signed. These opportunities have, however, not been fully utilized by the private sector. Exports to the SACU region are negligible compared to the imports. The AGOA list includes 6000 items that qualify for export but Botswana has only managed to export textiles and garments based items. This is mainly due to capacity constraints particularly with regard to compliance with quality and standards. There is also the limited support in giving local manufacturers international exposure and linking them with international buyers. Other factors are summarised here below.

Constraints/challenges: Poor market information; Limited range of products; Uncompetitive products; Poor trade facilitation; Inward looking private sector; Inward looking policies; Unexploited trade relationships with other countries particularly within the region and; Low value addition to primary produce.

2.9.2 Beneficiation/ Value Addition

In Botswana, as is the case with most other African countries, there is limited value addition/beneficiation to primary produce/raw minerals before exporting. Value addition is important as it increases the prices the products would fetch. For instance, hides and skins, and soda ash present opportunities for processing leather and leather products and glass but this does not take place because the private sector has not invested in value addition of these products. The National Business Conference discussed the issue of beneficiation in the 9th conference held in 2006 and resolved that there was need for a beneficiation strategy to guide the country.

Constraints/challenges: Lack of skills; Lack of information on beneficiation opportunities; High cost of technology; Small domestic market size and; Inadequate information on appropriate technology.

2.9.3 Foreign Direct Investment

Foreign direct investment (FDI) was a driving force in Botswana's rapid graduation from a least developed to a middle income country. However, for a number of years now, FDI stock and inflow has declined making a case for urgent strategies that would attract new investments. The decline in FDI is attributed to competition from South Africa, Angola and Mozambique, countries that have recently come out of conflicts and are now politically stable and offering alternative markets for investment. Restrictions on FDI also account for the decline in FDI inflow. The Ministry of Trade and Industry is in the process of developing the FDI strategy and legislation.

Constraints/challenges: Completion of FDI strategy and legislation; Restrictions on FDI and; Lack of culture of openness and inclusiveness.

2.9.4 Economic Free Zones

The idea of establishing economic zones in Botswana has been discussed in various fora before. EFZs have the potential to create employment, increase foreign earnings and attract FDI. In the 9th NBC, it was resolved that a study be conducted to establish the feasibility of EFZ in Botswana. The Ministry of Trade and Industry is conducting this study with support from COMSEC. The PSDS will support the study implementation of the recommendations.

2.9.5 Public Private Partnerships

The PPPs approach is now a key element of the government strategy for delivery of modern, high quality services and promoting of the country's competitiveness. This approach has been adopted for two reasons (i) to benefit from the dynamism, innovativeness and efficiency of the private sector in delivery of services to the public, and (ii) reduce the financial burden on government now evident. PPPs, by their nature, are complex and require sophisticated

procurement processes that have to be implemented through a dedicated institutional framework. Government, through the Public Enterprises Evaluation and Privatisation Agency (PEEPA), has developed policy guidelines and procedures for use in implementing PPPs. Towards this, government departments have been requested to identify and list all the services that can be outsourced with higher effective service delivery.

Constraints/challenges: Capacity within the GoB to implement PPPs; Lack of appropriate technology to implement projects quickly; Lack of commitment within the private sector to excel; Lack of partnerships among private sector firms; Small size of the private sector and firms and Lack of access to appropriate financing.

2.9.6 Preference Schemes

The government is the key consumer of goods and services supplied by the SMLEs. The government has put in place policies, institutional framework and incentives to provide opportunities to the private sector to exploit the domestic market including supplies to government. The Local Preference Scheme (LPS) and the Public Procurement and Assets Disposal Act provide incentives to stimulate private sector development. It is however noted that the private sector has not maximised on these opportunities. Where it has, the services provided have not been satisfactory. There are two major reasons for this; capacity and lack of regulation. PPADB would be vigilant to ensure those contracts are awarded to firms with capacity to deliver.

Constraints/Challenges: Capacity of local firms; Low utilization of the schemes; Abuse of the schemes and; Poor quality of services especially construction projects.

2.9.7 Participation in Mega Projects

The participation of the private sector in the mega projects such as those in mining are minimal. Most mega projects are undertaken by government instead of the private sector firms. For the Botswana economy to be in the hands of the Batswana, the private sector will have to participate fully through undertaking investing in mega projects.

Constraints/Challenges: Lack of finance; Underutilization of joint venture/strategic alliances; Small size firms and; Small stock market.

2.9.8 Trade Facilitation Agencies' Facilities and Equipment

Most international trade is routed through South Africa, Botswana being a landlocked country. Despite the improvement by the Department of Customs and Excise, the business community cited numerous frustrations while importing and exporting through South Africa ports. The FIAS report of 2004 also cited a number of problems in trade facilitation.

Constraints/challenges: VAT payments and delayed refunds; Consolidation of small consignments to be containerised; A high level of bond for goods passing through South Africa; Customs rules and regulations need to be integrated; Lack of one stop border posts; ; Limited working hour at the border posts; Services highly centralised; Inefficiency at GABCON and FRANCON.

2.10 Productivity

Labour productivity in Botswana of about US\$ 8,000 per worker is low compared to middle income economies such South Africa (US\$ 30,000 per worker) and Malaysia (US\$14,000 per worker)⁷. According to the Investment Climate Assessment Report, around 30 % of manufacturing firms reported shortage of skills as a major impediment to their operations. Less than 40 % of the manufacturing firms in Botswana provide firm-based training to their workers compared with over 60 % in South Africa and Mauritius.

Constraints/challenges: Poor work ethics; An education system that is not responsive to private sector development needs; Inadequately skilled labour; Low investment in training by the private sector; Lack of training incentives such as a training levy scheme; Unsupportive labour laws and; Non-involvement of the industry in education policy and programs and impact of HIV/AIDS.

2.11 Enterprise Development

Government policy on SMMEs was developed and adopted in 1999 to provide a policy framework for the development of SMMEs in Botswana. The SMME Policy identifies specific programs and initiatives of government in support of SMME development and the institutional arrangements needed for the co-ordination, implementation and follow up of the policy. The SMME policy is an integral component of the government's strategy for industrial development, and is consistent with the goals and objectives of the Ninth National Development Plan and Vision 2016. In addition, the Small Business Act of 2003 established LEA and the Small Business Council to facilitate enterprise development.

Constraints/challenges: Rigorous formalisation process; Poor access to infrastructure and utilities; Lack of differentiation in awarding of tenders; Lack of clear definitions and classifications; Outstanding bureaucratic delays in issuance of trade licences; Slow registration with the PPADB.

⁷ World Bank, 2007. An Assessment of the Investment Climate in Botswana, Vol. I and II.

Chapter Three

The Strategy

3.1 The Focus of the Strategy

The strategy interventions focus on four priority areas and four cross-cutting issues. The four priority areas are trade expansion, productivity, the trade support institutions and business climate. Private sector development is supported by trade expansion opportunities, high productivity, effective trade support institutions and an enabling business climate. The constraints and challenges in each of this priority area were identified in chapter two on situation analysis. These constraints and challenges need to be addressed through appropriate interventions. Similarly four crosscutting issue; gender, the youth, HIV and AIDS and environment have a bearing to private sector development. This chapter outlines the interventions that will be put in place.

3.1.1 Priority Area 1: Trade Expansion

Whereas the government has taken measures to create trade and investment opportunities for the private sector, both in the international and domestic markets, the response has been slow. The participation and visibility of Botswana private sector firms and products in international markets is considerably limited considering the value of exports and range of products. This low visibility has been attributed to, among other factors, low exploitation of market opportunities created through the regional and international trade agreements that the Government of Botswana has negotiated; the limited access to and/or lack of market intelligence, low quality products, narrow export product range and challenges faced by the private sector in the movement of goods across borders.

The government has put in place preference schemes intended to provide incentives to the local private sector firms to participate effectively in doing business with government. The government is promoting public-private partnerships in infrastructure development and management. Manufacturing firms have been given a tax incentive intended to stimulate establishment of manufacturing industries. The government policy is to promote value additions to Botswana produce before export. All these are opportunities available to the private sector.

Strategic Objective 1: Promote and support the participation and visibility of the private sector in international markets

The objective is to increase exports by the private sector. Focus of the strategy is on improvement of access to market intelligence, developing technological and human resource capacity to improve product quality, expansion of product range, improvement of trade facilitation and strengthening public-private partnerships.

Strategy 1: Improve availability and access to market intelligence

The private sector has cited lack of market intelligence as one of the bottlenecks of accessing foreign markets. It is expected that most of the market information should be available at the Ministry of Trade and Industry, BEDIA, BOCCIM and sector associations. The market information available is not up to date and it is often not relevant to the private sector. There

is a need to improve the quality of the market information to facilitate the private firms' entry and penetration into international markets.

Key activities

- i) *Conduct 3 surveys on the private sector market intelligence needs:* This is to ensure that information collected is relevant to the strategic market information needs of the private sector. This survey should also specifically identify the type of information required by different sectors and how this information should be packaged and disseminated.
- ii) *Develop and maintain 3 updated databases of market intelligence:* Different organisations collect different types of market intelligence. Therefore several databases shall be developed by different organisations according to their mandates. MTI should develop a database on trade policies and trade agreements, and potential foreign markets including required products; BEDIA should house a database on export volumes and destinations; BOCCIM, together with sector associations, should develop databases of exporters, potential foreign buyers and potential partners in foreign markets. The organisations should ensure that the data is updated on a quarterly basis. The National Committee on Trade Policy and Negotiations (NCTPN) should be an ideal vehicle to review such information in its quarterly meetings to ensure that it is being gathered and updated. A sub committee specifically for this purpose should be established within NCTPN.
- iii) *Conduct one sensitisation workshop for entrepreneurs on market information annually:* Currently, the market intelligence available is not well utilised by the private sector partly because the private is not aware of where to find the information and the information itself is not packaged appropriately. The databases proposed under this strategy should be highly publicised and accessible to the private sector through the web.
- iv) *Establish and continuously update at least 4 trade resource centres at MTI, BEDIA, BOCCIM and sector associations:* These resource centres should have the capacity to research, process, package and update trade databases regularly and disseminate information to the private sector.
- v) *Involve the local private media in dissemination of trade information.* The private sector and MTI should agree on periodic substantive trade information briefs to be sent out to the media houses for publication. The private sector associations shall seek ways of assessing the effectiveness of local media in this dissemination and sponsor an award for best trade information coverage. The private sector will clearly explain the expectations to the media.

Strategy 2: Exploit the market opportunities created through regional and international trade agreements

The Government of Botswana has negotiated several trade agreements including AGOA, SADC and SACU and is in the process of negotiating the EPAs with EU. These trade agreements have created opportunities for the private sector to penetrate SADC, USA and EU

markets. However, exports by Botswana's private sector to these markets remain relatively low.

Key activities

- i) *Carry out three studies to establish the core non-tariff barriers that have hindered Botswana companies from penetrating the regional and international markets:* The results of the study should be used to develop strategies that would remove existing bottlenecks to penetrating these markets.
- ii) *Hold one private sector sensitisation workshop on products Botswana has a comparative advantage in to produce for export to SACU, SADC and EU:* The private sector, through market intelligence, will assess products that are suitable for various international markets and which can be produced in Botswana competitively. The private sector should invest in the production and export of these products. The National Export Strategy (NES) has identified these products to include leather and leather products, textiles and garments, arts and crafts, jewellery, and meat and meat products.
- iii) *Hold one private sector sensitisation workshop on products admissible under AGOA that Botswana has the comparative advantage to produce:* Up till now, Botswana has only exported textiles and garments to the USA market under the AGOA arrangement. The list of products admissible under AGOA contains other products that Botswana could produce and export. The private sector should identify those products that it has capability or can build capacity to produce at a competitive cost. Capacity constraints that impede production and exportation of more products shall be investigated. Local and development partner institutions shall be identified to build the appropriate competencies (e.g. skills, standards) to enable more products to enter the USA market.
- iv) *Establish strategic alliances in regional and international markets:* strategic alliance can be an effective entry strategy to regional and international markets for the Botswana private sector. Private firms should identify products that Botswana has a comparative advantage in and seek alliances with foreign firms to market these products. Key products that can be immediately focused on are meat and meat products. The private sector associations, MTI, LEA and BEDIA shall deliberately court for potential joint venture partners. In the case of SMMEs, these can be sought from the region. Southern African International Business Linkages (SAIBL) will be approached to support such a program.
- v) *Organise two trade fairs annually to promote the products and services in the targeted markets:* The private sector should identify strategic markets where Botswana products should be promoted and organise trade fairs for this purpose. To make the trade fairs more meaningful and beneficial, participants should be given necessary assistance to participate.
- vi) *Trade representative/Attaches:* Reintroduce attaches in strategic countries and trading blocks to promote Botswana products

- vii) *Develop and implement appropriate export trade finance schemes:* This scheme should assist private firms, especially SMEs, to produce and export products to foreign markets. Export trade requires large capital outlay and also tends to tie up substantial working capital, which makes SMEs not to sustain their cash flows. The proposed scheme should be structured to support the cash flow requirements of SMEs. The local banks should be challenged to be more involved in availing tailor-made packages for local enterprises.

Strategy 3: Improve quality of goods and services of Botswana private sector firms

Botswana's products have to compete effectively in international markets. Competitiveness is a function of quality, cost and delivery. Private sector firms in Botswana should be encouraged to seek quality certification for their products. The firms should also produce quality products at a cost that makes them price competitive.

Key activities

- i) *Conduct one sensitisation workshop for manufacturers and services producers through workshops on quality standards and improvement:* BOCCIM shall partner with BOBS to sensitise private sector firms on quality standards to improve quality of products.
- ii) *Strengthen product quality testing facilities:* BOCCIM shall lobby government to provide funding required by BOBS to establish testing facilities so as to reduce sample testing costs.
- iii) *Develop and implement a three year product quality and public safety awareness media program:* More public awareness to sensitize the public about BOBS and the need to buy and deal in certified products/services.

Strategy 4: Improve trade facilitation

Botswana requires efficient movement of goods across borders for its export trade to flourish. Currently, Botswana relies on South Africa for export and import of goods. The private sector experiences challenges in movement of goods across borders. This strategy recommends the following actions to improve trade facilitation:

Key activities

- i) *Lobby for speeding up of integration of custom rules, regulations, procedures and transport rules in the region:* There is need to integrate documentation requirements, customs rules and regulations, improve consolidation processes for small consignments, speed up VAT payments and refunds and improve transport facilities within SACU. BOCCIM shall work closely with the MTI and other relevant authorities in Botswana and SACU member states to speed up resolutions to these issues.
- ii) *Establish one stop border post at all entry points:* One stop border post reduces the time spent in clearing goods across borders thus facilitating international trade

and reducing costs incurred by the private sector. In addition the working hour would be extended to 24/7.

- iii) *Set up a corridor within SACU:* BOCCIM shall lobby government to seek UNCTAD's technical assistance towards improving the functioning of the Maputo Corridor (Trans Kalahari Corridor).to make it more friendly for intra-SACU trade.
- iv) *The development of the Walvis Bay plot should be expedited.* This should cut costs for goods coming from the western side and also provide an alternative to the current single dependence on RSA Durban route. It is estimated that there is over a week's travelling time for a ship to cover the distance around the Cape from the Atlantic to Durban. It is almost equidistance from Walvis Bay and Durban to Gaborone.

Strategy 5: Improve the capacity of the private sector to take advantage of the multilateral trading system (MTS)

The private sector firms need to take advantage of the opportunities created by the multilateral trading system by understanding the rules of MTS.

Key activities

- i) *Conduct one training workshop for the private sector on the MTS rules annually:* BOCCIM will collaborate with the MTI and development partners to develop programs to train the private sector on the MTS rules.
- ii) *Involve the private sector in negotiations at bilateral, regional and multilateral levels:* The private sector should be part of the negotiating teams participating in all negotiation forum.

Table 3.1: Summary of strategic objective (i) strategies and activities

Strategic objective 1: Promote and support the participation and visibility of the private sector in international markets			
Strategies	Activities	Lead institution	Collaborating institutions
1: Improve availability and access to market intelligence	1: Conduct 3 surveys on the private sector market intelligence needs	MTI	BOCCIM, BEDIA, LEA,BEMA
	2: Develop and maintain 3 updated databases of market intelligence	MTI	BOCCIM, BEDIA, LEA,BEMA
	3: Conduct 1 sensitisation workshops for entrepreneurs on market information annually	MTI	BOCCIM, BEDIA, LEA,BEMA
	4: Establish and continuously update at least 4 trade resource centres at MTI, BEDIA, BOCCIM and Sectoral Associations	MTI	BOCCIM, BEDIA, LEA,BEMA
	5: Involve the local private media in dissemination of trade information	MTI	BOCCIM, BEDIA, LEA,BEMA
2: Exploit the market opportunities created through regional and	1: Carry out 3 studies on the core non-tariff barriers that hinder Botswana companies from	MTI	BOCCIM, BEMA

Strategic objective 1: Promote and support the participation and visibility of the private sector in international markets			
Strategies	Activities	Lead institution	Collaborating institutions
international trade agreements	penetrating the foreign markets		
	2: Hold 1 private sector sensitisation workshops on products that Botswana has a comparative advantage to produce for export to SACU, SADC, EU and AGOA annually	BEDIA	BOCCIM, BEMA,MTI
	3: Organise at least 2 trade fairs to promote the goods and services in targeted foreign markets	BEDIA	BOCCIM, BEMA,MTI
	4. Trade representative/Attaches	MTI	BOCCIM, BEDIA
	5: Develop and implement appropriate export trade finance schemes	MFDP	BOCCIM, BEMA,MTI
3: Improve quality of products and services of Botswana private sector firms	1: Conduct 1 sensitisation workshop for manufacturers and services producers on quality standards and improvement annually	BOBS	BOCCIM, MTI,BEMA
	2: Strengthen product quality testing facilities	BOBS	BOCCIM, MTI,BEMA
	3: Develop and implement a three year product quality and safety public awareness media program	BOBS	BOCCIM, MTI,BEMA
	4 Subsidise certification	BURS	BOCIM, MTI,MFDP
4: Improve trade facilitation	1: Lobby for speeding up of harmonisation of custom rules, regulations, procedures and transport rules in the region	BURS	BOCIM, MTI
	2: Establish one stop border post at all entry points	BURS	BOCIM, MTI
	3: Finalise the development of the Walvis Bay plot	BURS	BOCIM, MTI
5: Improve the capacity of the private sector to take advantage of the multilateral trade system (MTS)	1: Conduct a 1 training workshops for private sector on the MTS rules annually	MTI	BOCCIM, BEMA, BEDIA
	2. Involve the private sector in negotiations at bilateral, regional and multilateral levels	MTI	BOCCIM

Strategic Objective II: Promote effective participation of the private sector in the domestic market

Strategy 1: Strengthen public private partnerships

Public private partnerships increase investment opportunities for the private sector. This strategy involves the private sector partnering with government in the implementation of huge projects. The government has opened its doors to public private partnerships as a strategy for increasing private sector involvement in the economy. However, government officers have not built adequate capacity to manage and implement this approach. The private sector's capacity to partner with government is also limited.

Key activities

- i) *Establish guidelines for public private partnerships:* There is a need for guidelines on how projects shall be identified and how the private firms to partner with government shall be selected. The guidelines should also set out regulations for such partnerships.
- ii) *Train public officers on management and implementation of PPP projects:* Government officials must be trained on the implementation of the public private partnerships guidelines.
- iii) *Sensitise the private sector on public private partnership guidelines:* PEEPA with the assistance of BOCCIM should organise sensitisation programs on the PPP guidelines for the private firms.

Strategy 2: Promote citizens empowerment through excellence

It is now established that the way the citizen empowerment policies have been implemented has not achieved the intended objective of promoting entrepreneurship. Instead they have inhibited the private sector to develop the capacity to compete effectively. The policies promote negative work ethic; wealth distribution and they are mainly inward looking. This strategy seeks to promote citizen empowerment based on excellence. The strategy supports and build on the on-going government initiatives.

Key activities

- i) *Support government initiative to restructure Citizen Empowerment policies:* The restructuring should recommend specific ways in which these policies can promote competition.
- ii) *Sensitise the private sector to accept competition:* BOCCIM shall develop a program to sensitise private firms and individual entrepreneurs to embrace competition.

Table 3.2: Summary of strategic objective (ii) strategies and activities

Strategic objective 2: Promote effective participation of the private sector in the domestic market			
Strategies	Activities	Lead institution	Collaborating institutions
1: Strengthen public private partnerships	1. Establish guidelines for public private partnerships	OP	BOCCIM, MTI, PEEPA
	2. Train public officers on management and implementation PPP projects	OP	BOCCIM, MTI, PEEPA
	3. Sensitise the private sector on public private partnership guidelines	OP	BOCCIM, MTI, PEEPA
2: Promote citizens empowerment through excellence	1. Support government initiative to restructure Citizen Empowerment policies	OP	BOCCIM, MTI, PEEPA
	2. Sensitise the private sector to accept competition	OP	BOCCIM, MTI, PEEPA

Strategic Objective III: Support the growth and graduation of SMEs

Strategy 1: Reduce the cost of registration of SMEs

The cost of registration was mentioned as one of the constraints hampering development and growth of SMEs. Most SMEs fail to register because the process is costly and time consuming. The Botswana Investment Climate Assessment reports that when microenterprise managers were asked why they believed some firms did not register, they mentioned the time required and burdensome registration procedures. SMEs that are not registered are unable to access essential services such as loans and utilities. Lack of data also hampers planning for provision of services to support the SMEs. The cost of registration should be reviewed to encourage the SMEs to register and formalise their operations.

Key activities

- i) *Review the cost of registration:* This should be made affordable to encourage SMEs to register. The procedures should be also be simplified.
- ii) *Decentralise the registration offices to district level:* A numbers of SMEs have not registered because accessing the registration services is difficult due to distances or cost of travel. Registration offices should be established in the districts.

Strategy 2: Establish private sector micro finance firms

Statistics reveal that 15 % of the SMEs in Botswana are unbanked; 74 % of SMEs are initiated from the proprietor's personal savings or loans from family or friends, 13 % from loans with commercial banks and only 9 % from government initiatives aimed at promoting the growth of the SME sector⁸. It is evident that SMEs have difficulties accessing financial products from commercial banks because they are unable to meet the bank requirements.

Key activities

- i) *Develop a policy framework for micro financing:* A policy framework that focuses on creating an environment for the development of micro financing firms is urgent. The Small Business Council should drive this activity.
- ii) *Develop a micro finance Act:* Legislation for the regulation of micro finance institutions will be drafted and enacted.

Strategy 3: Cluster SMEs for access to infrastructure, specialised facilities, equipment, services and utilities

It is estimated that 80 to 85 % of the SMEs do not survive beyond 5 years of their establishment⁹. One of the reasons for this is lack of access to and costly infrastructure,

⁸ Enterprise Banking Group: Botswana small and medium enterprises under-banking market research, August 2008

⁹ Enterprise Banking Group: Botswana small and medium enterprises under-banking market research, August 2008

facilities, equipment and utilities. It is now recognised that the strategy to overcome this challenge is to cluster SMEs so that provision of these services is made possible.

Key activity

Establish sheds supplied with basic infrastructure and utilities in major towns and settlements. LEA shall spearhead the establishment of the sheds.

Strategy 4: Strengthen linkages between the SMEs and the large firms

Linkage between the SMEs and large firms is an effective vehicle for the growth and development of the SMEs. The large firms provide a market for goods and services produced by the SMEs and at the same time promotes transfer of skills. This strategy aims at strengthening these linkages. The strategy shall build on the buyer-seller initiative between MTI and BOCCIM.

Key activities

- i) *Sensitise large firms to procure goods and services from SMEs:* Large firms need to appreciate their role in supporting the SMEs to grow and mature to large firms. BOCCIM will develop a program that sensitises the large firms to accept and proactively engage in doing business with the SMEs.
- ii) *Organise a forum to promote closer business linkages between SMEs and large firms:* A forum that brings together the SMEs and large firms for mentoring shall be organised.
- iii) *Establish an association of SMEs:* This association shall assist in forming connections between SMEs to develop joint bids for projects. This shall enhance SMEs linkages between the large and small firms.

Table 3.3: Summary of strategic objective (iii) strategies and activities

Strategic Objective 3: Support the growth and graduation of the SMEs			
Strategies	Activities	Lead institution	Collaborating institution
1: Reduce the cost of formalisation of the SMEs	1. Review the registration costs and tax compliance	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC
	2. Decentralise the registration offices to district level	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC
2: Establish private sector micro finance firms	1. Develop policy framework for micro financing	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC
	2. Develop micro finance ACT	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC
3: Cluster SMEs for access to infrastructure, specialised facilities, equipment, services and utilities	1. Work with LEA to increase sheds supplied with basic infrastructure and utilities in major towns and settlements:	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC
4: Strengthen linkages between	1. Sensitise large firms to procure	LEA	BOCCIM,

the SMEs and the large firms	goods and services from SMEs		BEMA,BIDPA, CBOs, DIA, DOC, ROC
	2. Organise a forum to promote closer business linkages between SMEs and large firms	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC
	3. Establish an association of SMEs	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC

Strategic Objective IV: Promote domestic and foreign for sustainable development.

This strategy aims at addressing the bottlenecks to flow of investment to Botswana, with emphasis on promoting FDI, beneficiation and development of economic zones.

Strategy 1: Promote FDI

- i) *Support the finalisation and implementation of the FDI strategy and legislation:*. The Ministry of Trade and Industry has indicated that this strategy will be ready by the end of 2008. FDI has the potential to create opportunities for private sector FDI has the potential to create opportunities for private sector investment and BOCCIM shall lobby for the finalisation and implementation of the strategy and legislation.
- ii) *Private sector to be involved in the FDI drive:* The private sector shall drive the implementation of the FDI strategy once it is in place. This shall involve the government working with private sector to promote Botswana as destinations for investment.

Strategy 2: Implementation of the Economic Diversification via FDI and Citizen Economic Empowerment Project

Key activities:

- i) *Mobilisation and Project Management:* Mobilisation and calculation of potential empowerment of Purchasing Power and detail project planning
- ii) *Localisation of Supplies Project:* The intervention is to increased local participation in Mining and Public supply chain
- iii) *Citizen Economic Empowerment Charters Project:* Charters shall be developed in 5 key Sectors and implemented over 5 years
- iv) *Revival of Buy Botswana:* This intervention aims at increasing demand for Botswana products to achieve self sustainable operations

Strategy 2: Promote beneficiation

Beneficiation offers opportunities to the private sector to invest in the key sectors of the economy. The government supports beneficiation as one of the strategies to diversify, create employment opportunities and increase export earnings. This strategy seeks to take advantage of the opportunities available in engaging in beneficiation.

Key activities

- i) *Conduct beneficiation studies to identify investment opportunities that exist within the different sectors.* The information shall be made available to the private sector. For every opportunity the private sector associations will consult internally and present a formal response of how they can respond to the opportunity either alone or with JV partners from outside the country.
- ii) *Lobby for providing incentives to prospective investors in projects that promote beneficiation.*

Strategy 3: Support the development of economic zones

- i) *Support the study on the feasibility of Economic Free Zones (EFZs/Economic Processing Zones (EPZ):* EFZ/EPZ have been found to be vehicles for economic diversification. Ministry of Trade and Industry with the support of the COMSEC is conducting a study to establish the feasibility and viability of EFZ/EPZ in Botswana. BOCCIM shall support the study
- ii) *Establish industrial parks to produce products identified for SACU, EU, SADC and USA markets:* The private sector in Botswana has a huge SME segment and few large manufacturing firms. Majority of the firms, therefore, have limited capacity to engage in export trade on their own. The proposed industrial parks will provide necessary infrastructure to support SMEs to produce for export markets.

Table 3.4: Summary of strategic objective (iv) strategies and activities

Strategic objective 4: Promote domestic and foreign investment for sustainable development.			
Strategies	Activities	Lead institution	Collaborating institution
1. Promote the FDIs	1: Finalise and implementation of the FDI strategy and legislation	BEDIA	BOCCIM, MTI
	2: Private sector to be involved in the FDI drive	BEDIA	BOCCIM, MTI
2. Implementation of the Economic Diversification via FDI and Citizen Economic Empowerment Project	1. Mobilisation and Project Management	BNPC	BEDIA, BOBS, LEA, CEDA
	2. Localisation of Supplies Project	BNPC	BEDIA, BOBS, LEA, CEDA
	3. Citizen Economic Empowerment Charters Project	BNPC	MTI, BOCCIM
	4. Revival of Buy Botswana	BNPC	BOCCIM
3. Promote beneficiation	1: Conduct beneficiation studies to identify investment opportunities that exist within the different sectors.	BEDIA	BOCCIM, MTI
	2: Lobby for providing incentives to prospective investors in projects that promote beneficiation.	BEDIA	BOCCIM, MTI
4. Support the development of economic zones	1: Support MTI to finalise the study on the feasibility of Economic Free Zones (EFZs/Economic Processing Zones (EPZ	BEDIA	BOCCIM, MTI
	2: Establish industrial parks to produce products identified for SACU, EU, SADC and USA markets	BEDIA	BOCCIM, MTI, MoLH

3.1.2 Priority Area 2: Productivity

Low productivity has been identified as a bottleneck to the growth of the Botswana private sector. The unavailability of adequately trained and skilled staff, and poor work ethics have been identified as critical constraints contributing to low productivity of private sector firms. The FIAS report also identified lack of trained and experienced staff as one of the reasons for late completion of projects by the private sector, especially in the construction industry. Several factors contribute to the challenges facing the private sector in acquiring skilled staff. There seems to be a mismatch between the training offered by tertiary institutions and the needs of the private sector. There is low investment in training and lack of training incentives such as a training levy scheme. Labour laws are unsupportive to labour productivity and industry does not participate in influencing the education policy.

Strategic Objective V: Improve productivity in the private sector

This objective is to build on the measures so far taken to improve productivity, including the setting up of the vocational training levy and the private firms' human resources training initiatives.

Strategy 1: Invest in human resources development

This strategy aims to implement interventions that shall promote investment in human resource development such as training levy, human resource development policies and programs, and participation of industry in the development and implementation of the education policy.

Key activities

- i) *Establish an institutional framework for implementation of the vocational training levy scheme:* An effective institutional framework shall be put in place to implement the vocational training levy scheme. The institutional framework should be led by the private sector. BOCCIM and sector associations shall work closely with the MTI and other relevant authorities in developing this institutional framework.
- ii) *Develop human resources development legal framework, policies and programs:* Medium and large private sector firms should develop long term human resources development programs aimed at continuously upgrading the skills of their staff. The sector should set benchmarks of the percentage of revenue that should be invested in staff development and training. The programs should also include internship schemes for orienting new graduates to enable them gain required experience. BOCCIM shall work closely with BOTA to lead the process of encouraging firms to develop industry specific training approaches.
- iii) *Hold a tripartite forum for dialogue of training needs between government, training institutions and industry:* This dialogue will ensure that training institutions are providing training that is relevant to industry needs.
- iv) *Conduct two reviews of the extent of utilization of existing skills development institutions:* Use of existing institutions such as the Department of Vocational

Education and Training (DVET) and Construction Industry Trust Fund (CITF), BNPC and BOBS is low and ways to improve this are needed.

Strategy 2: Improve the work ethic and promote entrepreneurial mindset

The BEAC report has elaborated at length the challenges posed by the mindset of most Botswana and reiterated the need to develop an entrepreneurial and hard working culture. This strategy addresses this concern.

Key activities

- i) *Conduct two reviews of the labour laws to identify bottlenecks and recommend labour productivity improvement strategies:* The laws shall be reviewed to identify and repeal inappropriate labour laws. The revised labour laws and regulations should promote and reward hard work and high performance.
- ii) *Develop and implement an entrepreneurship public education program:* A private sector driven public education program aimed at promoting a change of mindset among the general population and mainly the youth shall be developed and implemented. This program shall promote a change of mindset to foster hard work and cultivate an entrepreneurial attitude among the youth. It will constitute radio and TV programs, development and dissemination of appropriate IEC materials and educating the youth during public fora at all levels. The program shall also reward successful youth entrepreneurs.

Strategy 3: Improve the quality of services provided by private sector firms

The completion rate of projects by the Botswana private sector firms has been low. One of the areas that has experienced low project completion rates is the construction industry. Government projects in this industry are not delivered on time by most local firms. Constraints leading to the low rate of project completion include limited knowledge on project management, poor financial management and difficulties in enforcing contractual penalties. The government also has limited capacity to complete project specifications, adjudicate tenders, and supervise performance.

Key activities

- i) *Develop a system for black listing firms which fail to deliver on contracts:* Firms that do not deliver on their contracts within the agreed timeframe should be black listed.
- ii) *Conduct training on project management for local contractors and government staff:* Local contractors shall organise and train their staff on project management to promote effective management of contracts.
- iii) *Develop and implement an award scheme for private sector excellence in customer service:* Starting at local level business councils and sectors all the way to the national level, a system shall be established to identify and recognize those who excel in service provision. This could even provide a basis for presidential awards. Similarly, the private sector associations in liaison with the consumer

affairs department and procurement authorities shall regularly name and shame those providing poor customer services. In particular, all ongoing government projects will be regularly published showing progress vis-a-vis agreed timelines.

Table 3.5: Summary of strategic objective (v) strategies and activities

Strategic objective 5: Improve labour productivity in the private sector			
Strategies	Activities	Lead institution	Collaborating institutions
1: Invest in human resources development	1: Establish an institutional framework for the implementation of the vocational training levy scheme	MOE	DPSM,BPNC,BOCCI M,BEMA,OP-PSR,BOTA
	2: Develop human resources development policies programs	MOE	DPSM,BPNC,BOCCI M,BEMA,OP-PSR,BOTA
	3: Hold tripartite forum for dialogue of training needs between Government, training institutions and industry	MOE	DPSM,BPNC,BOCCI M,BEMA,OP-PSR,BOTA
	4: Conduct 2 reviews of the extent of utilization of existing skills development institutions	MOE	DPSM,BPNC,BOCCI M,BEMA,OP-PSR,BOTA
2: Improve the work ethic and promote entrepreneurial mindset	1: Conduct 2 review of the labour laws to support to identify bottlenecks and recommend labour productivity improvement strategies	BOCCIM	Vision council, BPNC, OP-PRS
	2: Develop and implement an entrepreneurship public education program	BOCCIM	Vision council, BPNC, OP-PRS
3: Improve the quality of services provided by private sector firms	1: Develop a system for black listing firms which fail to deliver on contracts	PPADB	BOB, MTL,BOCCIM
	2: Conduct training on project management for local contractors and government staff	PPADB	BOB, MTL,BOCCIM
	3: Develop and implement an award scheme for private sector excellence in customer service	PPADB	BOB, MTL,BOCCIM

3.1.3 Priority Area 3: Trade Support Institutions

Trade support institutions are critical to private sector development. They provide services such as training, product development, quality improvement and financial services to private sector firms. In Botswana, there are many small and medium firms that benefit from these services which, otherwise, would be very expensive to access from private sector providers. The government has put in place institutions to support the growth of the private sector through providing these services. The key institutions in place include BEDIA, LEA, CEDA, BOBS and BNPC, all geared towards promoting business in Botswana. Through these institutions, among other measures, the government has provided incentives to the private sector, through various schemes. Services provided by these institutions need to be rationalised to remove overlaps, improve coordination and service utilization. The strategy aims to support the rationalisation of the mandates and services provided by these institutions, currently being undertaken by the PEEPA.

Strategic Objective VI: Support rationalisation and improvement of services provided by the TSIs

The objective seeks to ensure that the services provided by the trade support institutions achieve the desired impact and that the private sector firms utilise the services they provide effectively. The objective will be achieved through four strategies supported by a series of activities.

Strategy 1: Rationalize the mandates of the trade support institutions

The services provided by these institutions are not well coordinated and organisations' mandates overlap, to some extent. The interventions shall focus on identifying and removing the overlaps

Key activities

- i) *Conduct a review and harmonise the mandates of public trade support institutions:* The mandates shall be reviewed to establish effective coordination among these institutions and to align their mandates in tandem with the needs of the private sector.
- ii) *Develop and implement a need driven capacity building package for trade support institutions:* The capacity of the rationalised institutions shall be reviewed and strengthened. The capacity development shall be driven by the needs of the private sector.
- iii) *Develop and implement a plan to decentralise the TSI services:* The trade support institutions do not have institutional presence in all the major urban areas and therefore SMEs in some areas have difficulties accessing their services. These institutions shall evaluate the need for their services countrywide and select appropriate areas to establish their institutional presence.

Strategy 2: Establish an apex body of all sector associations

BOCCIM is currently the body coordinating the private sector. There are also sectoral associations focusing on sector specific issues. There is a need for a private sector umbrella or apex body with a clear structural framework that effectively links with the sectoral associations and represents all sectors effectively.

Key activities

- i) *Restructure BOCCIM to play the role of the private sector apex body:* An apex body with strong institutional and legal framework shall be set to coordinate the private sector. The establishment of this body shall require an in-depth review of the current coordination mechanism for the private sector. The restructuring of BOCCIM to play the role of the apex body is an urgent priority.
- ii) *Conduct a review of the mandates and capacity of private sector associations:* Sectoral associations play a key role in addressing sector specific issues. These associations should have adequate technical capacity to drive sectoral issues. The mandates and capacity of these institutions shall be reviewed with the objective of

rationalising their mandates and developing a plan to improve the capacity for each association. This review shall also establish mechanisms for sustainable funding of these associations. BOCCIM shall lead this review and capacity development process.

Strategy 3: Improve public - private sector dialogue

The private sector is a key partner in development. It should therefore, effectively participate in policy formulation processes. The private sector participation in policy dialogue shall be through coordination bodies (BOCCIM) and its sectoral associations. The High Level Consultative Council (HLCC) and the National Business Conference (NBC) provide the fora for public private sector dialogue.

Key activities

- i) *Represent private sector in policy formulation processes:* BOCCIM and sector associations shall identify policy formulation forums and processes that they should participate in. The NBC shall be strengthened to solicit views of private sector firms and make representations to government for inclusion in the policy formulation process.
- ii) *Represent private sector in budget formulation:* BOCCIM and sector associations shall lead the private sector in developing proposals on budget formulation to be presented to the MFDP.
- iii) *Hold quarterly private sector dialogue meetings:* Sector associations shall organise quarterly meetings between the private sector and relevant ministries to review challenges facing the private sector and seek solutions. BOCCIM will continue to organise the annual National Business Conferences.

Table 3.6: Summary of strategic objective (vi) strategies and activities

Strategic objective 6: Support effectiveness of services provided by the Trade Support Institutions			
Strategies	Activities	Lead Institution	Collaborating Institutions
1: Rationalize the mandate of the trade support institutions	1: Conduct a review and harmonise the mandates of public trade support institutions	OP-PRS	MTI, MFDP,BOCCIM CST
	2: Develop and implement a need driven capacity building package for trade support institutions	OP-PRS	MTI, MFDP,BOCCIM CST
	3: Develop and implement a plan to decentralise the TSI services	OP-PRS	MTI, MFDP,BOCCIM CST
2: Establish an apex body of all sector associations	1: Restructure BOCCIM to play the role of the private sector apex body	MTI	AGs, LEA, BOCCIM, Sector institutions
	2: Conduct a review of the mandates and capacity of private sector associations	MTI	AGs, LEA, BOCCIM, Sector institutions
	3: Develop the institutional framework for establishing representative and legitimate private sector associations	MTI	AGs, LEA, BOCCIM, Sector institutions
3: Improve public-private sector dialogue	1: Represent the private sector in public policy formulation dialogue fora	MTI	AGs, LEA, BOCCIM, Sector institutions
	2: Represent the private sector in the budget formulation processes	MTI	AGs, LEA, BOCCIM ,Sector institutions

	3: Hold quarterly private sector dialogue meetings	MTI	AGs, LEA, BOCCIM, Sector institutions
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3.1.4 Priority 4: Business Climate

Infrastructure, crime, corruption, and the administrative, legal and regulatory framework were identified as areas that needed further attention to improve the business climate in Botswana. In terms of infrastructure, priority is on the maintenance of the road network. Currently, the government budget allocated for road maintenance is low, there are delays in tender adjudication and completion of awarded contracts and the quality of work is unsatisfactory. Crime rate, on the other hand is on the increase forcing the business community to incur additional costs to do business. Crime prevention is affected by an inadequate and ill-equipped police force and influx of refugees. Corruption is now a major concern in Botswana further reducing the attractiveness of Botswana as an investment destination. Though the government has implemented the FIAS report addressing the administrative, legal and regulatory environment, there is need to address the issues. The PSDS identifies appropriate interventions to address the constraints that have been identified.

Strategic Objective VI: Lobby for improvement of the business climate

The Government of Botswana has taken several measures to improve the business climate leading to Botswana being compared favourably against countries that have attractive business climates. The latest measures under implementation were recommended by the FIAS study. The NEMIC committee was put in place to implement these recommendations. This strategy shall support the implementation of outstanding FIAS recommendations. In addition, the strategy shall build on the gains made by government to provide infrastructure, provide security of persons and their property, and to curb corruption. The private sector has identified further improvement of the infrastructure, crime, corruption and administrative, legal and regulatory processes that should be addressed as measures for continuous improvement of the business climate. These are the areas the government should further focus on. Secondly, the private sector, on its part, identified ways in which it should maximize on the improved business climate. These are actions that the private sector shall take to increase its output.

Strategy 1: Complete, consolidate and sustain the gains from implementing the FIAS recommendations.

While it is noted that most of the FIAS report recommendations on the administrative, legal and regulatory framework have been implemented, there are concerns with regard to access to land, site development, sector licensing and tax administration. Further, there is need for continuous monitoring of the actual performance and sustaining the standards that have been achieved. This strategy seeks to complete, consolidate and sustain the gains made in the administrative, legal and regulatory environment.

Key activities

- i) *Conduct a situation assessment to identify weak areas and uncompleted FIAS recommendations and implement:* BOCCIM shall work with NEMIC to conduct an assessment to establish the status of all the recommendations and follow up.

- ii) *Further to the FIAS report, conduct a regulatory guillotine.* Although addressed by the new trade act, there are still unnecessary licensing requirements that need to be abolished. Similarly a review of the operations of the district and sub district licensing committees shall be conducted to investigate the appropriateness of the requirements, with a view to dropping all unnecessary demands.

Strategy 2: Set targets for company registration, work permits, licenses, building plans and utilities' hook-ups

Countries that have managed to improve and sustain an enabling business climate have set targets which they have achieved and sustained. Botswana needs to follow the same route to establish itself as a leading business destination. Standards and targets for company registration, licensing, work permits, approval of development plans, utility hook-ups among other parameters need to be set and achieved. The strategy proposes activities that will be undertaken to establish and sustain agreed targets.

Key activities

- i) *Develop benchmarks to best practice for provision of services on areas identified:* BOCCIM shall work with the relevant government ministries and agencies to benchmark with best practice.
- ii) *Develop and implement a system for monitoring performance of the public sector in the areas identified:* BOCCIM shall work with the ministries and agencies to put in place a system to track and report on actual performance. BOCCIM shall monitor the performance and follow up variances with the individual ministries and agencies.
- iii) *Update records on companies operating in the country:* There is lack of updated information on details about companies operating in Botswana This activity aims to address this gap

Strategy 3: Promote efforts to combat crime

It is now accepted that crime is impacting negatively on decisions to invest in Botswana. Investors have to spend some of their resources on security measures, including hiring private security firms for personal security and that of their property. This strategy proposes appropriate interventions to address crime. It is noted that although matters of security are complex and fall under the purview of government, the private sector can play a role.

Key activities

- i) *Lobby for increase of the number of police stations countrywide, the ratio of the police to the population and facilities and equipment required by the police for effective performance:* BOCCIM will lobby the relevant authorities to intensify security services in the country. The objective will be to increase police visibility and prevent crime.

- ii) *Encourage the private sector to support in community policing:* Community policing is an effective way of preventing crime. The strategy to prevent crime involves the police working with communities in sharing information. It is noted that already, the private sector is involved in programs with the police at districts. The private sector can be instrumental in organising awareness campaigns, providing facilities such as satellite police stations and telephone booths to facilitate close and fast contact. In addition, the business community can play a role by investing in surveillance equipment such as CCTV, as is the practice in most countries. BOCCIM shall sensitize the private sector to participate in this intervention.
- iii) *Establish standards for private sector security firms:* Security services by private firms need to be improved, especially training of the guards provided by the firms. BOCCIM shall work with the relevant authorities in government to set standards to be adhered to by private security firms.
- iv) *Establish public private sector security review committee:* BOCCIM work with the relevant government authorities to establish a public private sector security committee that brings together the security arms of government and the private sector associations to regularly review the security situation and implement interventions that guarantee security to the business community.

Strategy 4: Strengthen capacity to address corruption

For a long time Botswana has been reputed as one of the few countries with a low corruption index. This has indeed been one of the key strengths of Botswana as an investment destination. In recent years however, corruption incidents have increased and it is now a major concern. Though Botswana has developed legislation to manage this vice, it nevertheless persists and involves both the public and private sector. Increase in corruption incidences is attributed to institutional loopholes that promote corruption, lack of adequate and well trained staff, lack of education and awareness programs.

Key activities

- i) *Collaborate with DCEC to develop and implement education and awareness programs in the private sector:* BOCCIM shall work closely with DCEC to educate the private sector against engaging in corruption. This shall involve implementation of education and awareness programs through media, electronic and workplace programs.
- ii) *Assist public institutions to strengthen organisational systems to prevent corruption;* Corruption is in most cases aided by weak organisational systems that facilitate corruption. DCEC shall include as one of its activities, to identify weaknesses and advise organisations on how to eliminate them.
- iii) *Train DCEC staff to acquire adequate skills to investigate corruption cases:* DCEC shall recruit and continuously train the staff to handle complex corruption cases.

Strategy 5: Improve infrastructure

The private sector has identified road network, air transport and energy as posing challenges to business. This strategy aims at lobbying the government and the private sector to invest more on supply and reliability of these services.

Key activities

- i) *Lobby for increased allocation for road maintenance:* BOCCIM shall lobby the government to increase budgetary allocations to road maintenance.
- ii) *Collaborate with BEDIA to attract investment in the energy sector:* The intervention aims at generating domestic electricity.
- iii) *Lobby government for privatisation of the utility organisations:* This intervention is considered necessary to improve service delivery especially in hook-up of electricity, telephones and water. It shall also reduce costs of utilities.

Table 3.7: Summary of strategic objective (vii) strategies and activities

Strategic objective 7: Lobby for improvement of the business climate to attract investments and trade			
Strategies	Activities	Lead institution	Collaborating institutions
1: Complete, consolidate and sustain the gains from implementing the FIAS recommendations.	1: Conduct 1 situation assessment to identify weak areas and any uncompleted recommendations and implement	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA,BOCCIM, BEDIA,BOBS
	2: Further to the FIAS report, conduct a regulatory guillotine	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA,BOCCIM, BEDIA,BOBS
2: Set targets for company registration, work permits, licences, building plans and utilities' hook up	1: Develop benchmarks for best practice in provision of services in the areas identified	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA,BOCCIM, BEDIA,BOBS
	2: Develop and implement a system for monitoring the performance of public sector in provision of services identified	MTI	NEMIC, ROC, Consumer affairs, DIT,DIA, BOCCIM, BEDIA,BOBS
	3 Update records on companies operating in the country	MTI	ROC
3: Promote efforts to combat crime	1: Lobby for increase of the number of police stations countrywide, the ratio of the police to the population and facilities and equipment required for effective performance:	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS
	2: Encourage the private sector to support community policing.	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS
	3: Establish standards for the private sector security firms.	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS
	4: Establish public private sector security review committee	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS
4: Strengthen capacity to prevent corruption	1: Collaborate with DCEC to develop and implement education and awareness programs	DCEC	PPADB, AG,BOCCIM,TI
	2: Assist public institutions to strengthen organisational systems to prevent corruption	DCEC	PPADB, AG,BOCCIM,TI
	3: Train staff to acquire adequate skills to investigate corruption cases	DCEC	PPADB, AG,BOCCIM,TI

5: Improve infrastructure	1: Allocate additional funding for maintenance of roads, streamline tenders process	MFDP	BOCCIM,MWT
	4. Collaborate with BEDIA to attract investment in the energy and water sectors	MFDP	BOCCIM,BEDIA
	5. Lobby government for privatisation of the utility organisations	MFDP	BOCCIM, PEEPA

3.2 Cross Cutting Issues

The government prioritises gender mainstreaming, prevention and control of HIV and AIDS, mainstreaming of youth issues and environmental protection in its development plan. The PSDS strategy will support the government endeavours to achieve these priority objectives.

3.2.1 Gender Mainstreaming

Despite women constituting 52 % of the population in Botswana, gender issues are not well mainstreamed in the private sector. Women have been constrained from participating fully in economic development due to socio-cultural factors, lower levels of education and skills training. Some practices in the private sector can be perceived as discriminatory. The Investment Climate Assessment surveys found that female workers are less likely to receive any training as they are viewed as having a high risk of exiting the labour market. Female workers also earn 20 to 30 % less wages than their male counterparts. There are very few women in key decision making positions in the public or private sectors. As women constitute a large proportion of the population, they play a key role in the national development process and should be visible in enterprise development. The PSDS must therefore, identify their needs and address them.

3.2.2 HIV and AIDS

Botswana suffers from one of the highest HIV and AIDS prevalence rates in the world. The Botswana AIDS Impact Surveys (BAIS) estimated the national prevalence rate be 17.1 % in 2004 for persons aged 18 months and older. The economic impact of HIV and AIDS is significant. It affects the private sector through reduced labour force, caused by absenteeism or unavailability of skilled workers, or through lower productivity, caused by sick workers. There is a combined effort by the government and the private sector to reduce the impact of HIV and AIDS.

3.2.3 The Youth

The youth form a large proportion of the population (estimated at 36 % in the 1991 census) and must participate in national development. Their needs must be identified and integrated in the PSDS strategy.

3.2.4 The Environment

Botswana recognizes the need to use natural resources efficiently, equitably and in a sustainable manner for future prosperity. In this regard depletion of water resources, overuse of woodlands and yield products, pressure on wildlife, pollution, waste and sanitation and climate change are the main challenges facing the sector. Of interest to the private sector is

the Environmental Impact Assessment Legislation which was approved in April 2005. It is mandatory that each development project be subjected to a preliminary environmental impact assessment at formulation stage to determine its likely environmental impact and the need for a detailed EIA or otherwise. Guidelines for the implementation of the Act are being developed. Although the enactment of the EIA legislation is a welcome development to the private sector, there are challenges to the implementation and enforcement of the law. These include; lack of institutional capacity to coordinate sector environmental responsibilities, a widely held notion that EIA process will be costly and potentially delay implementation of projects due to conflicting and fragmented environmental related pieces of legislation.

Strategic Objective VIII: To ensure that the PSDS recognizes and addresses other government policy

The objective of this strategy is to support the government in achieving policy priorities on gender, youth, HIV and AIDS and the environment. The participation of women in the private sector is one way of empowering women and promoting gender equality. It is critical that women entrepreneurs participate effectively in business given the gender based obstacles that they face. The participation of the youth in the private sector as entrepreneurs is also a key factor in sustaining the expansion of the sector. This strategy also addresses the impact of HIV and AIDS on private sector productivity. The following proactive steps will be taken to promote women and youth entrepreneurs and mitigate the impact of HIV and AIDS on the private sector and promote protection of the environment.

Strategy 1: Mainstream gender issues in the private sector

Very little progress has been achieved in mainstreaming gender issues in the private sector. The private sector has not developed any programs for gender concerns neither does it generate disaggregated data to show gender information. This strategy aims at mainstreaming gender issues within the private sector.

Key activities

- i) *Collect and submit disaggregated data and information on gender:* WIBA shall work with BOCCIM and the private sector associations to develop a mechanism for collecting and submitting data to the relevant authorities.
- ii) *Implement the national framework for gender mainstreaming:* The private sector shall implement the national framework.

Strategy 2: To inculcate the entrepreneurial culture in the youth

The government has identified the need to develop skills and acknowledged human capital as the most important asset. The National Human Development Strategy identifies several initiatives that have been put in place to improve the quality of vocational skills, enlarge the curricula to be more responsive to the need of the industry and to expand opportunities for gaining work experience. Lack of an entrepreneurial culture is said to be one of the causes of poor private sector performance in Botswana. Development of an entrepreneurial culture will be achieved by training the youth to embrace it at an early age and practice it as they grow.

Key activities

- i) *Introduce entrepreneurial education at all levels of education:* The education curriculum shall be reviewed to introduce entrepreneurial education in primary, secondary and tertiary education.
- ii) *Introduce competition programs that reward youth who excel in entrepreneurial leadership:* Suitable programs for in-schools and out-of-school activities shall be introduced at national, regional and district levels to recognize those who excel in entrepreneurial activities. Existing programmes such as Junior Achievement Botswana (JAB) and the Junior Chambers shall be made more attractive by increasing the level of recognition and rewards being accorded. More private firms should also be encouraged to introduce programmes that support entrepreneurship. Currently company, Kalagadi Breweries has such a programme
- iii) *Improve the Out of School Youth grant:* The grant shall be continuously reviewed and adjusted to meet the needs of the youth who are engaged in enterprise.

Strategy 3: To reduce the impact of HIV/AIDS on socio-economic development

The private sector relies on government programs on prevention and care of those infected and affected. There's need for the sector to contribute as HIV/AIDS prevention and control requires a multi-sectoral approach.

Key activity

Establish and implement results driven HIV and AIDS work place programs: BOCCIM shall work with BBICA to assist private firms to develop and implement HIV and AIDS work place programs. The two institutions should also collaborate in monitoring HIV and AIDS in the private sector firms. The Botswana Business Coalition on Aids has so far made efforts to introduce Aids awareness and responsiveness in the private sector. Limited resources however hinder its outreach.

Strategy 4: Promote environment protection

The strategy aims to support government policy for environmental protection. The private sector recognises that for sustainable national development the environment must be conserved. The private sector shall promote implementation of the national environment policy and strategy.

Key activity:

Organise sensitisation workshops for private sector: BOCCIM will collaborate with the ministry of tourism, environment and wildlife to organise workshops to sensitise the private sector on the national environment policy and strategy.

Table 3.8: Summary of strategic objective (viii) strategies and activities

Strategic objective 8: To ensure that the PSDS recognizes and addresses other government policy			
Strategies	Activities	Lead Institution	Collaborating institutions
1: Mainstream gender issues in the privates sector	1: Collect and submit disaggregated data and information on gender	OP	WAD,WIBA,AABWA,LEA,CEDA
	2: Develop and implement a national strategy for supporting women entrepreneurs	OP	WAD,WIBA,AABWA,LEA,CEDA
2: Support the implementation of the National Human Resources Development Strategy	1: Support the introduce entrepreneurial education at all levels of education	OP	MOE,BOCCIM
	2: Develop and implement programs that reward youth who excel in entrepreneurial leadership	OP	BOCCIM,MOE
	3: Strengthen the implementation of the Youth Fund	OP	BOCCIM,MOE
3: Strengthen HIV/AIDS work place programs	1: Establish and implement results driven HIV and AIDS work place programs	OP	BBCA
4: Promote environment protection	1: Organise sensitisation workshops for private sector	MTEW	BOCCIM

3.3 Implementation Matrix

The implementation matrix showing priority area, strategic objectives, strategies and activities is shown on Table 3.9. The matrix also shows the implementing partners, timeframe and estimated cost of the activities. The lead institutions shall be responsible for the delivery of the strategy they are assigned. They will however assign some of the activities to collaborating institutions.

Table 3.9: Proposed implementation (results) framework - 5 years

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
Strategic objective I: Promote and support the participation and visibility of the private sector in foreign markets													
1: Improve availability and access to market intelligence	1: Conduct 3 surveys on the private sector market intelligence needs	MTI	BOCCIM, LEA, BEMA	3 surveys									1.0m
	2: Develop and continuously update 3 databases of market intelligence	MTI	BOCCIM, BEMA	3 up to date and functional databases									1.0m
	3: Conduct 1 sensitisation workshop for entrepreneurs on market information annually	MTI	BOCCIM, BEMA, BIDPA	5 sensitisation workshops									0.5m
	4: Establish and continuously update at least 4 trade resource centres at MTI, BEDIA, BOCCIM and Sectoral Associations	MTI	BEDIA, BEMA, Sector associations	4 up to date and functional and accessible resource centres									0.1m
	5: Develop and implement 3 TV documentaries on targeted foreign markets annually	MTI	BEDIA, BOCCIM	15 TV documentaries									1.0m
2: Exploit the markets opportunities created through regional and international trade agreements	1: Carry out 3 studies on the core non-tariff barriers that hinder Botswana companies from penetrating the South African market	MTI	BOCCIM, BEDIA, BEMA	3 studies									0.5m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
	2: Hold 1 private sector sensitisation workshops on products that Botswana has a comparative advantage to produce for export to SACU, SADC, EU and USA annually	BEDIA	MTI,BOCCIM, BEMA,AABW A	5 sensitisation workshops									0.5m
	3: Organise at least 2 trade fairs to promote the products and services in targeted foreign markets	BEDIA	BOCCIM, MTI, BEMA, LEA	10 trade fairs in foreign markets to be selected									10.0m
	4. Introduce trade attaches	MTI	BOCCIM	10 countries have attaches									10.0m
	5: Develop and implement appropriate export trade finance schemes	MFDP	BOCCIM, BECI, LEA	1 financial scheme implemented over 5 years									100.0m
	5: Establish strategic alliance with international firms	BEDIA	Private sector	3 alliances annually									0.5m
	6: Support implementation of branding Botswana	BEDIA	Private sector	new markets									18.0m
3: Improve quality of products and services of Botswana private sector firms	1: Conduct 1 sensitisation workshop for manufacturers and services producers on quality standards and improvement annually	BOBS	BOCCIM, MTI, BEMA, LEA, CSO	5 sensitisation workshops based on data collected through the monitoring system									0.5m
	2: Strengthen product quality testing facilities	BOBS	MFDP, MTI	Capacity development in year 2									100.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
	3: Develop and implement a three year product quality and safety public awareness media programme	BOBS	BOCCIM, BOBS	Awareness media program in year 2									1.0m
	4: Subsidize certification costs	MFDP	BOBS, BOCCIM, BEMA	Certifications costs reduced									0.1m
4: Improve trade facilitation	1: Lobby for harmonisation of custom rules, regulations, procedures and transport rules in the region	BURS	DIT, BEDIA, DBES, MOFAIC, MFDP, PPADB	Customs, rules and regulations harmonised									0.5m
	2: Establish one stop border post at all entry points	BURS	DIT, BEDIA, DBES, MOFAIC, MFDP, PPADB	One stop border post finalised by year 2									5.0m
	3: Finalise the development of the Walvis Bay plot	BURS	DIT, BEDIA, DBES, MOFAIC, MFDP, PPADB	Alternative port									50.0m
5: Improve the capacity of the private sector to take advantage of the multilateral trade system (MTS)	1: Conduct 1 training workshop for private sector on the MTS rules annually	MTI	MTI, BEDIA BEMA	1 training workshop									1..0m
	2 Involve the private sector in negotiations at bilateral, regional and multilateral levels	MTI	BOCCIM	20 percent of each team comprise private sector									1.0m
													302.2m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
Strategic objective II: Promote effective participation of the private sector in the domestic market													
Strategy 1: Strengthen public private partnerships	1.Establish guidelines for public private partnerships	OP	BOCCIM, MTI, PEEPA	Guideline									0.1m
	2: Train public officers on management and implementation PPP projects	OP	BOCCIM, MTI, PEEPA	Staff trained									1.0m
	3: Sensitise the private sector on public private partnership guidelines	OP	BOCCIM, MTI, PEEPA	1 sensitisation workshop									0.1m
2: Promote citizens empowerment through excellence	1: Review the citizen empowerment policies:	OP	BOCCIM, MTI, PEEPA	Revised CE Policy									1.0m
	2: Sensitise the private sector to accept competition	OP	BOCCIM, MTI, PEEPA	1 workshop annually									0.2m
													2.4m
Strategic Objective III: Promote the growth and graduation of the SMEs													
1: Reduce the cost of formalisation of the SMEs	1: Review the registration costs and tax compliance	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	Reduced cost									1.0m
	2: Decentralise the registration offices to district level	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	District offices									10.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
2: Establish private sector micro finance firms	1: Develop policy framework for micro financing	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC	Policy									0.1m
	2: Develop micro finance ACT	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC	Act									0.1m
3: Cluster SMEs for access to infrastructure, specialised facilities, equipment, services and utilities	1: Work with LEA to increase sheds supplied with basic infrastructure and utilities in major towns and settlements:	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC	Shed in 5 towns									100.0m
4: Strengthen linkages between the SMEs and the large firms	1:Sensitise large firms to procure goods and services from SMEs	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC	5 workshops									0.5m
	2: Organise a forum to promote closer business linkages between SMEs and large firms	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC	Annual workshop									0.5m
	3: Establish an association of SMEs	LEA	BOCCIM, BEMA,BIDPA, CBOs, DIA, DOC, ROC	SME association									0.025m
													112.225 m
Strategic objective IV: Promote foreign direct investments, beneficiation, joint													

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
ventures and development of economic zones													
1: Promote FDI	1: Finalise and implementation of the FDI strategy and legislation	BEDIA	BOCCIM, MTI	FDI strategy									0.1m
2.. Implementation of the Economic Diversification via FDI and Citizen Economic Empowerment Project	1. Mobilisation and Project Management	BNPC	BEDIA, BOBS, LEA, CEDA	Developed by end of year 1 and implemented over 4 years									7.5m
	2. Localisation of Supplies Project	BNPC	BEDIA, BOBS, LEA, CEDA	Increased local participation in Mining and Public supply chain									13.5m
	3.Citizen Economic Empowerment Charters Project	BNPC	MTI, BNPC	Charters developed in 5 key Sectors implemented over 5 years									4.2m
	4. Revival of Buy Botswana	BNPC	BEDIA, BOBS, LEA, CEDA	Self sustainable operation									8.4m
3: Promote EFZ	1: Conduct a study on the feasibility of EFZ	BEDIA	BOCCIM, MTI	Report on EFZ									0.1m
	2: Establish industrial parks to produce goods identified for the SACU, EU and USA market			Industrial parks									50.0m
4: Promote beneficiation	1: BOCCIM will collaborate with BEDIA and sector associations to support beneficiation studies to identify investment opportunities that	BEDIA	BOCCIM, MTI	4 studies - 1 for each selected sector									0.8m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
	exist within the different sectors.												
	2: Lobby for providing incentives to prospective investors in projects that promote beneficiation.	BOCCIM	BEMA, BOTA	Incentives in place by end of year 2									0.1m
													84.6m
Strategic objective V: Improve productivity													
1: Invest in human resources development	1: Establish an institutional framework for the implementation of the vocational training levy scheme	MOE	DPSM,BPNC,B OCCIM, BEMA,OP-PSR, BOTA	Institutional framework finalised by year 2									0.1m
	2: Develop human resources development policies programs	MOE	DPSM, BPNC, BOCCIM, BEMA,OP-PSR, BOTA	Programme in place by end of year 1									0.1m
	3: Hold tripartite forum for dialogue of training needs between Government, training institutions and industry	MOE	DPSM,BPNC,B OCCIM, BEMA, OP-PSR, BOTA	1 Dialogue forum held annually									0.5m
	4: Conduct 2 reviews of the extent of utilization of existing skills development institutions	MOE	DPSM,BPNC,B OCCIM, BEMA, OP-PSR, BOTA	2 reviews									0.5m
2: Improve the work ethic and promote entrepreneurial mindset	1: Conduct 2 review of the labour laws to support to identify bottlenecks and recommend labour productivity improvement strategies	BOCCIM	Vision council, BPNC, OP-PRS	2 reviews									0.2m
	2: Develop and implement an entrepreneurship public	BOCCIM	Vision council, BPNC,	1 programme covering 3 years									0.2m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
	education program		OP-PRS	in place by end of year 1; next programme developed in year 4									
3: Improve the quality of services provided by private sector firms	1: Develop a system for black listing firms which fail to deliver on contracts	PPADB	BOB, MTI, BOCCIM	System in place and functional by end of year 1									0.1m
	2: Conduct training on project management for local contractors	PPADB	BOB, MTI, BOCCIM	4 training - 1 Training held annually									0.5m
	3: Develop and implement an award scheme for private sector excellence in customer service	PPADB	BOB, MTI,BOCCIM	Award scheme operationalised annually									0.5m
													2.7m
Strategic objective VI: Improve effectiveness of services provided by the Trade Support Institutions													
Strategies	Activities												
1: Rationalize the mandate of the trade support institutions	1: Conduct a review and harmonise the mandates of public trade support institutions	OP-PRS	MTI, MFDP, BOCCIM, MCST	1 review									0.025m
	2: Develop and implement a need driven capacity building package for trade support institutions	OP-PRS	MTI, MFDP, BOCCIM, MCST	Continuous capacity building of 4 institutions									4.0m
	3: Develop and implement a plan to decentralise the TSI services	OP-PRS	MTI, MFDP, BOCCIM, MCST	Plan in place by end of year 1 and implemented for 2 years									10.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
2: Establish an apex body of all sector associations	1: Restructure BOCCIM to play the role of the private sector apex body	MTI	AGs, LEA, BOCCIM, Sector institutions	Restructuring completed by end of year 1									1.0m
	2: Conduct a review of the mandates and capacity of private sector sectoral associations	MTI	AGs, LEA, BOCCIM, Sector institutions	1 review completed									0.5m
	3: Develop the institutional framework for establishing representative and legitimate private sector sectoral associations	MTI	AGs, LEA, BOCCIM, Sector institutions	Capacity development of at least 5 sectoral associations implemented									0.1m
3: Improve public- private sector dialogue	1: Represent the private sector in public policy formulation dialogue for a	MTI	AGs, LEA, BOCCIM, Sector institutions	At least 3 policies in a year									0.1m
	2: Represent the private sector in the budget formulation processes	MTI	AGs, LEA, BOCCIM, Sector institutions	Annually									0.1m
	3: Hold quarterly private sector dialogue meetings	MTI	AGs, LEA, BOCCIM, Sector institutions	Quarterly meetings									1.0m
													16.825 m
Strategic objective VII: Improve the business climate to attract investments and trade													

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
1: Complete, consolidate and sustain the gains from implementing the FIAS recommendations	1: Conduct 1 situation assessment to identify weak areas and any uncompleted recommendations and implement	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA, BOBS,	1 assessment									0.2m
	2: Further to the FIAS report, conduct a regulatory guillotine	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA, BOBS	Completed by year 2									1.0m
2: Set targets for company registration, work permits, licences, building plans and utilities' hook up	1: Develop benchmarks for best practice in provision of services in the areas identified	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA, BOBS	Completed by end of year 1									1.0m
	2: Develop and implement a system for monitoring the performance of public sector in provision of services identified	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA, BOBS	System in place and functional by end of year 1									0.5m
3: Promote efforts to combat crime	1: Lobby for increase of the number of police stations countrywide, the ratio of the police to the population and facilities and equipment required for effective performance:	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	5 new stations increased by end of year 1									40.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
	2: Encourage the private sector to support community policing.	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	Sponsorship continuous									10.0m
	3: Establish standards for the private sector security firms.	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	Standards in place									0.2m
	4: Establish public private sector security review committee	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	End of nyear 1									0.5m
4: Strengthen capacity to prevent corruption	1: Collaborate with DCEC to develop and implement education and awareness programs	DCEC	PPADB, AG, BOCCIM, TI	End of year 1									0.1m
	2: Assist public institutions to strengthen organisational systems to prevent corruption	DCEC	PPADB, AG,BOCCIM, TI	Continuous capacity building									0.1m
	3: Train staff to acquire adequate skills to investigate corruption cases	DCEC	PPADB, AG,BOCCIM, TI	Training to be continuous and needs driven									0.1m
5: Improve road maintenance	1: Allocate additional funding for maintenance of roads	MFDP	BOCCIM,MW T	Increased budget									100m
	2: Streamline tender awards	MFDP	BOCCIM, MWT	Tender issued in time									0.1m
	3: Black list non-performing contractors	MFDP	BOCCIM, MWT	List									0.1m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
	4. Collaborate with BEDIA to attract investment in the energy sector	MFDP	BOCCIM,BEDIA										
	5. Lobby government for privatisation of the utility organisations	MFDP	BOCCIM, PEEPA	Achieved over 5 years									
													153.9m
Strategic objective VIII: To ensure that the PSDS recognizes and addresses other government policy													
1: Mainstream gender issues in the private sector	1: Collect and submit disaggregated data and information on gender	OP	WAD,WIBA, AABWA, LEA, CEDA	Completed by end of year 1									0.025m
	2: Develop and implement a national strategy for supporting women entrepreneurs	OP	WAD, WIBA, AABWA, LEA, CEDA	Developed by end of year 1 and implemented over 4 years									5.0m
2: Support the implementation of the National Human Resources Development Strategy	1: Support the introduce entrepreneurial education at all levels of education	OP	MOE,BOCCIM	Support provided continuously									100.0m
	2: Develop and implement programs that reward youth who excel in entrepreneurial leadership	OP	BOCCIM, MOE	Programme developed by end of year 1 and implemented over 4 years									1.0m
	3: Strengthen the implementation of the Youth Fund	OP	BOCCIM, MOE	Youth fund implemented									1.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					2009				2010	2011	2012	2013	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution *	Collaborating institutions*										
3: Strengthen HIV/AIDS work place programmes	1: Establish and implement results driven HIV and AIDS work place programmes	OP	BBCA	Programme implemented over 5 years									1.0m
4: Promote environmental protection	1: Organise annual sensitisation workshop	MEWT	BOCCIM	Annual workshop									0.5m
TOTAL													108.525 m

Chapter Four

Implementation, Funding and Monitoring and Evaluation

4.1 Annual Operational Plans

Annual operational work plan shall be prepared by the PSDS coordination unit to operationalise this strategy. The annual work plan shall be prepared in consultations with the implementing partners and will be approved by the national steering committee.

4.2 Implementation Structures

Implementation of the PSDS is multi-sectoral and shall require various structures in place at different levels of government, private sector and the development partners.

4.2.1 The High Level Consultative Council (HLCC)

The PSDS is a high profile strategy that shall impact on the lives of Batswana. It will require the participation of most government institutions, private sector associations, firms and development partners. The interventions identified in the strategy shall be integrated in the National Development Plan 10 currently under preparation. In addition the interventions shall be part of the ministries' annual work plans and will be budgeted for in the annual estimates for allocation of resources. Similarly government agencies responsible for implementation some of the interventions identified in this strategy will plan for and allocate adequate resources. The private sector and development partners will be expected to support the strategy with resources. Leadership will be provided by the HLCC. The establishment of the HLCC may require firmer legal foundation preferably through legislation so that it could have greater legal mandate.

4.2.2 The National Steering Committee (NSC)

The National Steering Committee which shall be a sub-committee of the HLCC, shall be provide guidance to the implementation of the PSDS. The committee shall comprise membership from the private, public, development partners and civil society. The members will include the; BOCCIM, BEMA, EAOB, Office of the President, Ministry of Finance and Development Planning, Ministry of Trade and Industry and one development partner. The NSC shall meet semi-annually to review progress in implementation of the PSDS and give guidance as necessary. The NSC shall be supported by the sector forums committees to provide technical support.

4.2.3 The Sector Technical Committees (STC)

Sector technical committees shall be constituted for each key sector of the economy; mining, agriculture, tourism, manufacturing, construction, ICT, financial services. Membership to the

STC shall be drawn from the sector associations, the sector ministries, Sector agencies, development partners, civil society organisations, and local government authorities. The representatives shall be technical people with demonstrated sector experience. The role of the STC shall be responsible for approving the annual operational plans and to follow-up implementation of the activities identified in the PSDS as pertains to that sector. The STC shall also be identifying emerging issues within the sector and recommending actions to the NSC for intervention.

4.2.4 Relevant Ministries and Agencies

A number of the interventions identified in the PSDS shall be implemented by Ministries and other government agencies. It is expected that the ministries will mainstream these actions by including them in their work plans allocating the necessary resources including human resources and fund. It is also expected that ministries/agencies shall monitor the implementation of these activities and report to the STC. Core ministries and agencies in implementation of the PSDS include Office of the president, Ministry of Finance and Development Planning, Ministry of trade and Industry, Ministry of Works and Transport, Ministry of Local Government, Ministry of Agriculture, Ministry of Lands and Housing, Ministry of Science, Communication and Technology and Ministry of Labour. A cooperative formula shall be agreed on at the onset so as to avoid unnecessary delays where certain things require interventions that go beyond the mandate of the ministry substantially handling a specific issue of private sector development such as land and permits.

4.2.5 The Private Sector

This shall be a private sector driven strategy. Most of the activities are to be implemented by the private sector through their trade associations. The strategy is developed against a context where the private sector performance is under scrutiny. The private sector shall therefore be expected to champion the ideals of the strategy to ensure that it deliver on its targets. The sector is expected to demonstrate commitment on the basis of which other partners shall respond. In this regards the commitment of BOCCIM and the sector associations shall be tested. Restructuring of the private sector associations including BOCCIM is proposed in PSDS to ensure its success.

4.2.6 The PSDS Coordinating Secretariat

BOCCIM shall coordinate implementation of the PSDS interventions. BOCCIM shall provide logistical support to the NSC and the STC. It is expected that BOCCIM shall set up a PSDS coordination secretariat within its structures. The secretariat will be responsible for coordinating the preparation of the PSDS annual operational work plan. The secretariat shall be provided with adequate staff, logistics and funding to coordinate implementation of the PSDS.

4.3 Funding Mechanisms

It is expected that a common funding basket shall be established to support implementation of the PSDS. The fund shall receive contributions from the GoB, development partners and the private sector. The fund shall be managed by BOCCIM. BOCCIM will be soliciting funding from all these groups.

4.3.1 The Government of Botswana

The government ministries and agencies shall implement some interventions identified in the PSDS. It has been proposed that these interventions shall be mainstreamed within the ministries/agencies' annual work plans. Generally ministries/agencies will be expected to fund the interventions from the annual budgets. However ministries/agencies may access the common fund basket where the interventions are not provided for in the budget allocations.

4.3.2 The Private Sector

The private sector firms shall support these activities through contributions to the common basket.

4.3.3 The Development Partners

The development partners shall be called upon to support most of the interventions that are earmarked for the private sector. BOCCIM and most of the sector associations lack the necessary resources and shall most likely not be in a position to raise adequate funds to support these interventions. It is this gap that the development partners will be approached to fill.

Table 4.1: Estimated Cost of Implementing the PSDS

Strategic Objective	Estimated cost in BwP (m)
Promote and support the participation and visibility of the private sector in international markets	302.2
Promote effective participation of the private sector in the domestic market	2.4
Support growth and graduation of the small and medium enterprises	112.225
Promote foreign direct investments, beneficiation, joint ventures and development of economic zones.	84.6
Improve labour productivity in the private sector	2.7
Support effectiveness of services provided by the trade support institutions	16.825
Lobby for improvement of the business climate	153.9
Ensure that the PSDS recognizes and addresses other government policy priorities on gender, the youth, HIV and AIDS and the environment.	108.525

4.4 Monitoring and Evaluation

Monitoring and evaluation of the PSDS shall be integrated into its implementation structures. The institutions managing and implementing this strategic plan will have M&E roles. They shall provide information on the progress made in the implementation of this strategy within agreed timeframes for decision making at different levels.

4.4.1 Key Elements of Monitoring and Evaluation of PSDS

- (i) *Development of operational plans:* The PSDS Coordination Secretariat shall develop detailed annual operational plans for implementing this strategy. The operational plans will include details activities and specific benchmarks to be achieved within the year. The plans shall be developed using a consultative approach involving key stakeholders.
- (ii) *Development of an M&E system:* The PSDS Coordination Secretariat shall develop an M&E system to measure the outputs and outcomes of this strategy. This system will operationalise the M&E plan for the PSDS.
- (iii) *Six monthly reviews of the implementation of the PSDS:* The PSDS Coordination Secretariat will be tasked with monitoring progress in the implementation of the PSDS by the institutions tasked with various activities. This monitoring will focus on activity implementation and achievement of specific outputs. The PSDS secretariat will receive progress reports from each institution and convene NSC meeting for reviewing progress.
- (iv) *Periodic reviews of the PSDS:* The PSDS will be reviewed annually to include emerging issues. The review will take place either within the framework of the National Business Conference or a different stakeholder forum can be organized for this purpose. A mid term review of the PSDS will take place in the third year of the strategy's implementation. This will be a comprehensive review that will focus on the outcomes and impact of the strategy.
- (v) *Evaluation of the PSDS Outcomes:* An evaluation of the PSDS will be conducted at the end of the five year implementation period to determine whether the desired outcomes were achieved. Table 4.2 gives a summary of the indicators that will be used to carry out the assessment. Before implementation starts the PSDS coordination secretariat will conduct a survey to establish the baseline for each indicator and set appropriate targets.

Table 4.2: Evaluation Plan

Strategic Objective	Strategies	Responsible	Indicator
<i>Priority area 1: Trade Expansion</i>			
1: To support the participation and visibility of the private sector in foreign markets	1: Improve availability and access to market intelligence	BEDIA	Number of private sector exporters
	2: Exploit the markets opportunities created through regional and international trade agreements	BEDIA	Volume of Botswana exports to regional and international markets
		BEDIA	Volume of Botswana exports to the USA market
		BEDIA	Number of Botswana export products
	3: Improve quality of products and services of Botswana private sector firms	BOBS/ BOCCIM	Number of private sector firms with ISO

Strategic Objective	Strategies	Responsible	Indicator
			certification
	4: Improve trade facilitation	BURS	Number of days taken to complete cross border procedures
	5: Improve the capacity of the private sector to take advantage of the MTS	MTI	Number of private sector exporters
2: Promote effective participation of the private sector in the domestic market	1: Strengthen public private partnerships	OP	Number of public private partnerships
		OP	Number of projects implemented through public private partnerships
	2: Promote citizens empowerment through excellence	OP	Number of citizen firms operating
3: Promote the growth and graduation of the SMEs	1: Reduce the costs of registration and tax compliance SMEs	LEA	Number of SMEs registered
	2: Establish private sector micro finance firms	LEA	Number of financial products targeting SMEs
		LEA	Number of SMEs accessing financial products
	3: Cluster SMEs for access to infrastructure and utilities.	LEA	Volume of SMEs trade turnover
		LEA	Number of large firms outsourcing services or product development to SMEs
4: Promote FDIs, beneficiation, joint ventures and EFZs	1: Promote FDIs	BEDIA	Number of foreign investors
	2: Promote EFZ	BEDIA	Number of EFZ set up
	3: Promote beneficiation	BEDIA	Number of processing industries
Priority area 2: Productivity improvement			
5: Improve labour productivity	1: Invest in human resources development	MOE	Number of staff trained under the vocational levy
		MOE	% of firm revenue spent on training
	2: Improve the work ethic and promote entrepreneurial mindset	MTI	Input output ratio

Strategic Objective	Strategies	Responsible	Indicator
	3: Improve the quality of services provided by private sector firms	MTI	Rate of project completion
Priority area 3: Trade Support Institutions			
6: Improve effectiveness of services provided by the TSIs	1: Rationalize the mandates of the trade support institutions	MTI	Number of private sector firms utilising TNS services
	2: Establish an apex body of all sector associations	MTI	Private sector coordinating structure in place
	3: Strengthen the capacity of the sector associations	MTI	Number of private sector firms utilising sector associations services
	4: Improve public- private sector dialogue	MTI	Number of private sector policy positions adopted
Priority areas 4: Improvement of Business Climate			
7: Improve the business climate to attract investments and trade	1: Implement the FIAS report recommendations	MTI	Number of private sector firms registered
	2: Benchmark the factors that influence doing business in Botswana	MTI	Volume of FDI
	3: Promote effort to combat crime	OP	Number of reported crime cases
	4: Strengthen capacity to prevent corruption	DCEC	Number of corruption cases
	5: Improve road maintenance	MWT	Number of roads maintained

Appendix 1: List of Documents

1. A Strategy for Economic Diversification and Sustainable Growth; BEAC Report September 2006.
2. Cluster Development Study and Progress Work by DIA and UNDP.
3. Community Based Rural Development Strategy.
4. Companies Act, 2003; Act No. 32 of 2004.
5. Companies Regulations, 2007.
6. Competition Policy
7. Copyright Act
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10. Foreign Investment Advisory Service. 2004. "Further Improving the Regulatory and Procedural Framework for Encouraging Private Investment." International Finance Corporation and the World Bank: Washington DC. Summary Report.
11. High Level Consultative Committee Minutes
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17. National Development Plan 9; 2003/04-2008/9: Ministry of Finance and Development Planning.
18. National Strategy for Poverty Reduction
19. Policy on Small Medium and Micro Enterprises. Government Paper No 1 of 1999
20. Privatisation Master Plan
21. Public Procurement and Asset Disposal Regulations, 2006
22. Republic of Botswana, 2007. National Export Strategy. Draft report.
23. Republic of Botswana: A Framework for a Long Term Vision for Botswana.
24. Small Business Act, 2003; Act No. 7 of 2004
25. Small Medium and Micro Enterprises Task Force Report, April 1998
26. State of the Nation Address by His Excellency Mr. Festus G. Mogae, President of the Republic of Botswana on the Opening of the 4th Session of the 9th Parliament; "Achievements, Challenges and Opportunities", 5th Nov. 2007, Gaborone.
27. Vision 2016, Towards Prosperity for All. September 1997.
28. World Bank, 2007(a). An Assessment of the Investment Climate in Botswana, Volume I: Main Report.
29. ----- 2007(b). An Assessment of the Investment Climate in Botswana, Volume II: Detailed Results and Econometric Analysis.
30. ----- 2007(c). Doing Business 2008, Botswana.

Appendix 2: List of Key Informants

1. American African Business Women Association
2. Bankers Association
3. BAU (& BCPA) - Botswana Agricultural Union.
4. Botswana Confederation of Commerce, Industry and Manpower
5. Botswana Council of Non-governmental Organisations
6. Botswana Development Corporation
7. Botswana Export Credit Guarantee Insurance Company
8. Botswana Export Development and Investment Authority
9. Botswana Exporters and Manufacturers Association
10. Botswana Institute of Development and Policy Analysis
11. Botswana Meat Corporation
12. Botswana National Productivity Centre
13. Botswana Technology Centre
14. Botswana Tourism Board
15. Botswana Training Authority
16. Centre for Development of Enterprise (CDE)
17. Debswana (and Debswana Supply Chain Management)
18. Department of Consumer Affairs – Licensing
19. European Union Mission
20. HATAB
21. Local Enterprise Authority
22. Ministry of Agriculture
23. Ministry of Communications, Science and Technology
24. Ministry of Education
25. Ministry of Environment, Wildlife and Tourism
26. Ministry of Finance
27. Ministry of Home Affairs
28. Ministry of Lands and Housing
29. Ministry of Local Government
30. Ministry of Trade and Industry
31. Ministry of Youth and Culture
32. National Development Bank
33. Public Enterprises Evaluation and Privatisation Agency
34. Public Procurement and Asset Disposal Board
35. Registrar of Companies
36. Rural Industries Innovation Centre
37. SADC
38. Small Business Council
39. The HUB
40. United Nations Development Programme
41. University of Botswana
42. Women in Business Association

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Appendix 4: Summary of PSDS National Symposium and other Comments and Actions .

Source	Comment	Action/Response
Preamble to NS	All previous comments by BOCCIM and COMSEC to be incorporated in revised PSDS	This is now achieved in the final draft.
	Review the cost of implementing activities in consultation with the responsible agencies.	Where possible this has been done, however it has not been possible to obtain absolute amounts because the agencies consider their budgets to be internal affairs personal to their operations; there were confidentiality issues to consider. The two private sector associations involved, ie BOCCIM and BEMA have both indicated their dire capacity states and for BOCCIM a capacity assessment exercise is being done. BEMA has disclosed that they too need similar assistance as the association has little financial backing. For the state-sponsored TSIs it has been proposed that the cost elements be looked at in the context of the respective agencies' budgets for the coming year.
	Indicate clear short term and medium term measure of the BOCCIM capacity report	The final draft report of August 2008 addresses this concern
National symposium Floor	The PSDS should have the force of law for its effective implementation.	It is proposed that The HLCC be given legal mandate.
	Productivity improvement should not be restricted to Labour productivity. Other factors of production should be covered and elaborated.	Originally capital productivity was included but it was decided by the PSDS national team that labour was what is critical
	The Consultants should attempt to explain why the flow of FDIs into Botswana is not consistent with the excellent business environment the country has enjoyed as reported in the past issues of the Global competitiveness reports	Section 2.9.3 explains this inconsistency clearly
Group one- Vision and Productivity	Vision should be reviewed in line with the national vision and good practice.	The PSDS is aligned to the national vision 2016 “towards prosperity for all”
	Productivity improvement should include the changing of mindsets of the people. This is, perhaps the single most important attribute and efforts must be made towards its	See strategic objective V, strategy 2 ,activity ii.

	attainment.	
	HR development need to be emphasized.	See strategic objective V, strategy 1.
	There is need to review Labour laws and regulations.	See strategic objective V, strategy 2, activity i
	A recommendation to develop “Champions” or “Role models” should be incorporated in the strategy document.	See strategic objective V, strategy 3, activity iii
	Removal of red tape should be a priority strategy.	Strategic objective VII highlighted the areas where there are remaining regulatory impediments to private sector growth. and proposes interventions
	Botswana must inculcate a culture of “mentoring”.	This is addressed under SMME development.
Group two-Trade expansion	The report must identify clearly the business opportunities which the private sector can exploit.	Strategic Objective I strategy 2 activities ii and iii identifies specific opportunities to be exploited and are borrowed from the NES
	The private sector should be involved in trade negotiations at bilateral, regional and multilateral levels.	See strategic objective I, strategy 5 activity ii
	Trade representatives should be reintroduced in strategic countries and trading blocks.	Agreed and new activity vii of strategy 2, strategic objective I introduced
	Trade negotiations teams must be broadened to include Private sector, Universities, Research institutions and the Civil society.	Strategic objective I, strategy 5 activity ii
	The roles of key players in strategy implementation must be clearly defined. What does collaboration mean?	The implementation matrix addresses this concern and defines collaborating institutions
	Trade agreements must be legalized.	This should be addressed administratively
	Local knowledge/technology should be patented.	
	Traineeship and skills upgrading must be strengthened.	Addressed in the PSDS. Strategic objective V strategy 1
Group three-Trade support institutions	The private sector should be invited to accompany the President on his foreign missions for networking.	This should be addressed administratively
	Data collection, collation and dissemination must be channelled to the private sector through the TSIs.	Addressed in priority area 1, Strategic objective 1.
	Implementation areas must be clearly prioritized.	The implementation plan has done this, however the final plan of action will determine the ultimate order.
	Appointment of Board members of TSIs should be on merit and not through “old boy/girl” network.	This should be addressed administratively

	SMEs should be brought on board on the NBC.	This should be addressed administratively
Group four- Strategic objectives 1-4	An additional strategy should be “To promote a demand driven strategy”.	
	Strategic objective no.2 should be no.1 and vice versa.	The future of the Botswana private sector lies in exploiting the international market as the local market is small. We are better off prioritising the international market interventions
	“Visibility” in the domestic market is not mentioned.	Strategic objective is on visibility: “promote effective participation of the private sector in the domestic market”
	Strategic objective no.3-Some SMEs might want to remain the way they are-as SMEs!The objective should be “To support the growth and sustainability of SMEs”.	In the long run it is desirable that the SMEs graduate to large enterprises. Let us retain the strategic objective the way it is
	Strategic objective no 4-Nothing is said of domestic and cross border investments. Support is given to foreign businesses at the expense of local players. The objective should be “To promote domestic and foreign investments, Economic zones for sustainable diversification”.	Agreed and the strategic objective recasted
Group five- Strategic objectives 5-8	Strategic objective no 5-Situation analysis lacks context. The situation analysis should articulate the issues so that the PSDS can be understand from this context.	Section 2.10 articulates the contextual issues leading to the strategic objective
	The private sector is not involved in vocational training.	Strategic objective V, strategy 1, activity 1 addresses the concern
	There should be a legal framework for private sector involvement in HR development.	Agreed and incorporated in strategic objective V, strategy i, activity ii
	The PSDS should clearly define the country’s competitiveness.	
	The PSDS should promote a productivity mindset.	Strategic objective V, strategy 2 addresses this concern
	The government must start demanding the highest quality of services from its own enterprises.	This is already in progress
	The demand for better services should not only be restricted to the Construction sector but must extend to all other sectors.	Ibid.
	PEEPA should be mandated to implement productivity	This should be addressed administratively

	improvement.	
	Strategic objective 6-The management of BOCCIM should get concerned why new private sector organizations are being formed. They should review the level, quality and range of services they are giving to their members.	This is addressed in the BOCCIM organisational review and capacity report.
	Strategic objective 8-How have gender, youth and HIV been mainstreamed in the PSDS?	Strategic objective viii, outlines the strategies to mainstream gender, youth and HIV/AIDS concerns
Group six-Strategy implementation and funding	HLCC should be the main driver of the PSDS implementation. The PSDS should not recommend a new structure for its implementation.	Chapter Four reviewed to address this concern
	BOCCIM should be a lead agency in PSDS implementation but working under the auspices of the HLCC.	PSDS recommends BOCCIM but with caution not to interfere with people's freedom of association.
	BOCCIM capacity assessment report should address how BOCCIM can provide leadership at PSDS implementation.	Addressed in the BOCCIM capacity report .
	The implementation matrix must ensure that there is no conflict between implementing agencies.	To be addressed within the operational plans.
	The PSDS must recommend how the private sector can sustain the strategy implementation.	PSDS clearly states that the private sector on its own cannot sustain the strategy. It calls for partnerships with GOB and donor agencies.
	Capacity building within all implementing agencies must be the first priority of the PSDS implementation.	PSDS reflects similar sentiments.
	Little mention is made on fighting crime and yet this has serious implications on PSDS implementation.	This is addressed. priority 4: strategy 3.
Way forward	HLCC should provide overall leadership of PSDS implementation.	Chapter four recasted to reflect this.
	The PSDS should to the extent possible utilize existing structures. HLCC and GICO must be used before new ones can be conceived.	As above.
	BOCCIM must get PSDS into NDP10 to ensure resources	PSDS being incorporated into NDP10.

	for implementation are made available.	
	PSDS should be a “living” document that should inform the various initiatives and be reviewed regularly.	The PSDS calls for regular reviews (6-monthly) and revision to reflect changing dynamics. See implementation plan.
	To play its right role of an apex private sector body, BOCCIM must be strengthened.	BOCCIM capacity assessment being done as part of the PSDS exercise.
	Government dominance in the running of institutions must be changed.	PSDS emphasizes the need for stronger PPP.
	The small businesses are not taking advantage of existing trading opportunities. The PSDS should explore the area of building success stories through deliberate support to SMEs.	This is addressed in the SMME section.
Earlier Comments from COMSEC	All comments/inputs must be produced as annexure to the PSDS	Done. See Appendix 4
	Obtain agreement with all organisations indicated as lead agencies and others that will play a critical role	Done. The details of specific involvement not finalised at this stage.
	Provide footnotes on the implementation matrix to explain the roles of lead institutions and collaborating institutions to ensure that there is clarity	See section 3.3
	Confirm the costs with BOCCIM	BOCCIM capacity assessment to provide indication.
	Show actual years on the timeframe	See Figure 3.9
	Clarify the numbers in the implementation boxes	Modified for clarity. See figure 3.9