



Ministry of Trade and Industry

Gideon Mmolawa

Chief Commercial Officer
Ministry of Trade and Industry

Competitive local enterprises will ensure their reinforced participation in the economy, creating jobs, wealth, reducing poverty and contributing towards Government's long-term objective of diversifying the economy.

The Private Sector Development Programme (PSDP) was designed to provide a systematic and coherent framework to promote the development and growth of the private sector. It has identified bottlenecks, interventions and milestones that will contribute towards establishing an enabling environment spurring entrepreneurial development; attracting foreign and domestic private investment and creating business opportunities.

The Private Sector Development Programme will provide guidance and tools for improving the competitiveness of Small, Medium and Micro Enterprises (SMME's). It will contribute to the diversification of the economy.

The Ministry of Trade and Industry, which is the supervising authority of the PSDP, anticipates impactful SMME intervention enabling them to spread their footprint into neighbouring countries.

Kgodiso is a Setswana word which means to *nurture or encourage growth*, and conveys our efforts to facilitate growth for the PSDP beneficiaries and the economy

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European Union

Hermann Spitz

Minister Counsellor,
Head of Cooperation,
European Union Delegation

The PSDP is key to the growth of Botswana's economy and arrives at a good time for the private sector under the Economic Diversification Drive. This programme will deliver a significant contribution to the strengthening of the competitiveness of a number of SMMEs in this country.

This will be achieved through value chain studies with respective action plans; increased access to markets and finance for enterprises and further improvement in terms of doing business.

The EU notes with satisfaction that what started off as a concept by the MTI and BOCCIM has evolved into a rather well- resourced programme with many engaged stakeholders fostering a conducive business environment for a receptive SMME community.

The EU expects for a successful implementation of the PSDP motivating additional interventions toward economic growth in Botswana.



Private Sector Transformation

Sid Boubekeur

Head of CDE Regional
Office Southern Africa

Due to the excellent collaboration between the public and private sector, the PSDP Botswana progressed in a favourable environment. I would like to express my gratitude to the Ministry of Trade and Industry, European Union Delegation, BOCCIM and MFDP for the support they provided during the preparation and start-up of the Private Sector Development Programme (PSDP).



PSDP Empowers Manufacturing

Manufacturing is one of the priority beneficiary areas of the PSDP. Great strides have been taken to capacitate SMMEs in this sector, to date.



Reviving Tourism

Botswana's tourism industry is one of the sectors that is set to benefit under the PSDP

Botswana Stakeholders Look Forward to Private Sector Transformation

I would like to express my gratitude to the Ministry of Trade and Industry, European Union Delegation, BOCCIM and MFDP for the support they provided during the preparation and start-up of the Private Sector Development Programme (PSDP).

I strongly encourage the public and private sector to fully utilize PSDP expertise, network, knowledge and experience for the expedition of this programme.

PSDP will strongly mobilise the public and private sector in order to upgrade the competitiveness of SMMEs both locally and regionally through tailor-made capacity building actions.

Parallel to enhancing SMMEs competitiveness, the Programme will also capacitate local service providers to ensure the sustainability of the PSDP.

The PSDP will assist a total of 100 companies, including Community Based Organisations (CBOs). The audits of these companies are under way and are foreseen to be completed by the end of November 2014.

Capacity building interventions will follow immediately and will continue until the completion of the Programme. The PSDP has partnered with ITC, Geneva, in implementing value chains in beef, tourism and horticulture.

The objective of the value chains is to support the main players through Public and Private Dialogue (PPD) and capacity building. Other value chains in emerging sectors such as honey and morula, piggery, poultry and dairy have also started.

Lastly, additional support has been received from Chanel Corporate Foundation to assist women entrepreneurs in capacity building domains such as business management, marketing, costing analysis, product quality and certification.





BOCCIM

Committed to Diversifying the Private Sector

Maria Machailo-Ellis

BOCCIM Chief Executive Officer

BOCCIM's primary role in the Private Sector Development Programme is that of monitoring and evaluation. Our vision for the Programme is that it will deliver on all programme result areas:

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

We believe the Programme will deliver on all result areas facilitating significant growth and contribution, by SMMEs, to the economy of Botswana.

We want to see SMMEs that deliver on their business objectives; that are competitive, access markets outside of the country and have the quality and high standards of products and services which will enable them to play in the wider world economy. We also foresee a situation where intermediary organisations will deliver better service to their members and clients. In that respect, one should mention the exercise that is taking place through the PSDP where BOCCIM is being restructured to become an apex body, to better represent the Botswana private sector.

BOCCIM will deliver on its mandate as an advocacy and lobbying body for the private sector, and work closely with associations as they represent the interests of their members in the public policy dialogue platform. What we will also see is an improvement of the business environment, which will make it more attractive for businesses to establish themselves and motivate aspiring entrepreneurs to partake in the economy translated into positive economic growth.

The PSDP activities are processes that are continuous in nature, towards improving business in Botswana. What should also be recognised is that the PSDP is only doing a part of what needs to be done to improve Botswana's economy and business in the country. Within the framework of the PSDP, there will be model SMMEs that non-beneficiary businesses—businesses that were not in the programme—can emulate towards their development. IOs and BDSP will also be able to leverage beneficiary IOs and BDSP as a benchmark towards their improved services delivery and to the benefit of the private sector as a whole.

Ministry of Finance and Development Planning Supports the Private Sector



Kgangmotse Kgangmotse

Chief Economist (Development Cooperation)
Ministry of Finance and Development Planning

The role of Ministry of Finance and Development Planning (MFDP) is to oversee the overall implementation of the PSDP as per the Financing Agreement on Empowerment of Non-State Actors in Botswana of which MFDP is the custodian of.

Our Ministry's vision is for the government of Botswana through the Ministry of Trade and Industry, to achieve the Programme's objectives.

The Programme seeks to empower SMMEs and strengthen the capacity of bodies like BOCCIM. When SMMEs are empowered both financially and in business skills, the quality of production and services rendered will increase for better access to the market.

This will eventually reduce the number of imports and possibly increase exports, thus deploying a good net export balance. It is our desire to see SMMEs become large enterprises, which will also help the private sector in Botswana to grow. The economy should not be heavily dependent on Government but rather be private sector led.

That will then ease the burden government has on development, because a mature private sector implementing projects through Private Public Partnerships (PPPs) will be advantageous, leveraging resources from the private sector.

This Programme will assist SMMEs to contribute in future to the nation's Gross Domestic Product as well as to the Gross National Product.



Beef Value Chain Development

The PSDP is well under way with the empowerment of the agri-business sector, with an audit of the local beef value chain.

The beef value chain analysis was undertaken in order to elaborate a comprehensive road map for improving the competitiveness of the local beef industry.

PSDP assessed the entire value chain, with the vision that Botswana's beef industry become a highly recognized producer associated with premium quality meat, targeting high value markets.

The recommendations cut across the value chain, including processing, production and support services; building Botswana beef as a brand in order to increase export capacity, strengthening livestock associations, implementing pilot farming schemes, and strengthening the services of the Department of Veterinary Services. The recommendation also covers the development of a market intelligence information system in this sector.

One of the first actions foreseen is a public and private dialogue meeting which will mobilize public and private sector entities involved in the beef industry. The meeting will produce a concrete action plan supporting the beef farmer and producers associations which will benefit via best practices from Southern Africa and the European Union.

Furthermore, the meeting will also sensitize donors and financing institutions on supporting components of the Action Plan in partnership with PSDP.

Several topics will be discussed during this event including beef export market trends and Botswana's performance; restructuring the beef value chain for competitiveness and best farming and beef processing practices.

Market Access for Morula and Honey

PhytoTrade Africa, a trade association of natural products in Southern Africa conducted an opportunity study for the development of honey and morula products for local and export markets.

An audit was conducted with the key players, which took into consideration product throughput, cost of production, market demand and price competitiveness as well as an assessment of technology enhancements and factory throughput to meet demand.

Several recommendations were put forward, including the establishment of a morula oil processing plant between Palapye and Francistown. It was also recommended to link natural product manufacturing to the tourism market, which would be an innovative way to add value to both sectors.

Empowerment of Intermediary Organisations (IOs) and SMMEs for sustainability

SME diagnostic tools focus on deep analysis of the management, operation, market and financial issues faced by SMMEs. The tools provide a good platform for identifying the weakness and strength of SMMEs in order to build an action plan for improving the competitiveness of the enterprises.

To date, the PSDP has trained a total of 60 local IO staff from BOCCIM, BITC, BIH, BNPC, CEDA, BIDPA, LEA and HRDAC. The training is an example of the PSDP's 'hands-on' approach to uplifting and capacitating the private sector.

The participants audited local businesses according to several indicators including strategic management, management and leadership, marketing and sales, finance, quality management, human resources, technological innovation, all in the context of a business environment analysis. Vincent Akue, training workshop facilitator, said, "It is all about productivity. At the end of the day, we need to know the strengths of the businesses; areas where they are doing well, and areas for improvement. There must be growth in terms of revenue, reduction of costs, human resources development and productivity. When you combine them, the business becomes more competitive in the market."



The above mentioned Botswana intermediary organisations have been mobilized to undertake the diagnosis of 70 SMEs and 30 Micro enterprises including CBOs selected to benefit under the PSDP. The process commenced in July 2014 and is expected to be finalized by the end of November 2014 paving the way for SME capacity building interventions.

Working with the local intermediary organizations has boosted the sustainability of the tool because all the organizations that are currently involved in the diagnosis work with SMEs in their different capacities and mandates.



Women-Led Businesses Transformed Under Women Entrepreneurship Development Programme



Chanel Corporate Foundation Visit to Botswana

Local women business owners got the opportunity to showcase their wares and network under the PSDP

The Women Entrepreneurship Development (WED) Programme identified 30 women-owned businesses with growth potential in order to assist them with their respective problematic areas over a three year period. These areas include business management, business planning, and standardisation leading to certification.

BITC finalized the diagnostic of the companies in August 2014. The PSDP is currently using the findings towards the procurement of services to address the identified gaps-marketing related challenges, financial management and quality control-facilitating turnaround strategies.

WED capacity building interventions started in July 2014. Two (2)

experts from the Businesswomen's Association of South Africa (BWASA), Rehema Isa and Samali Bosa facilitated a Business Management Training workshop recognized by the International Labour Organisation (ILO) Small Business Programme.

WED participants received intensive, tailor-made training on adapting respective business visions towards increased and tangible growth and returns.

WED will facilitate tailor-made advisory services to women led enterprises with the aim of improving their competitiveness, facilitating access to markets and access to finance focusing on the manufacturing and service sectors. The next training workshop, business plan preparation, will take place at the end of October 2014.

The stakeholders of the WED programme include Women in Business Association (WIBA), the Department of Gender Affairs, the Hospitality and Tourism Association of Botswana (HATAB), the Botswana Exporters and Manufacturers Association (BEMA); and, the Botswana Confederation of Commerce, Industry and Manpower. The programme has also collaborated with key Business Service Development Providers (BSDPs) including the Citizen Entrepreneurial Development Agency (CEDA) and the Botswana Bureau of Standards (BOBS).



Women share their experiences of the WED training workshop

BOCCIM Transforms into Apex Body for Private Sector Benefit



In order to make a meaningful impact to local businesses, BOCCIM is to undergo transformation to become an apex body to better serve respective members and the greater private sector community.

A consultative workshop was held to discuss the roadmap towards BOCCIM's transformation into an apex body and the results of the workshop were presented by a Belgian Chambers of Commerce consultant.

The consultant considered the organisational, legal and financial aspects of transforming BOCCIM into an apex body.

An action plan is in place to update BOCCIM's administrative and financial structure towards improved sustainability allowing BOCCIM to better serve its members in the areas of capacity building and cross cutting issues in consultation with respective associations.

The first capacity building interventions for assisting BOCCIM into APEX body will start in November 2014.

Trade Facilitation Stakeholders Meeting

In May 2014, The National Committee on Trade Policy and Negotiations (NCTPN) conducted a consultation meeting to discuss and augment the Trade Support Action Plan. In a global economy that is fast becoming borderless and networked, Botswana's Trade Policy sits at the heart of the move towards economic diversification and a more vibrant private sector.

The NCTPN was set up in 2004 in order to improve stakeholder consultation and inter-ministerial coordination. The Action Plan was devised by the PSDP which introduced a number of recommendations.

These included trade negotiations training sessions for officers; the implementation of effective monitoring and evaluation systems in order to observe trade flows and trends; the identification of possible anomalies in trading patterns and to conduct consultative process with the private sector to report conceptual or operational flaws. Additionally, the PSDP recommended the improvement of analytical research in trade related areas and in international trade statistics. Finally Botswana needs to benefit from the WTO Agreement on Trade Facilitation and SADC Trade Protocol's Article 25 on competition policy.



Financial institutions Collaborate on Micro-Finance

PSDP is facilitating the first steps for a regulatory policy framework for micro-financing.

The PSDP is a catalyst for creating an enabling business environment in Botswana. In June 2014, a workshop on developing a policy framework for micro financing took place in Gaborone. The main objective of the workshop was to review the remarks and suggestions of stakeholders and validate them for inclusion in the regulatory policy framework for micro-financing in Botswana.

The framework will form the basis for the Micro-finance Act, the legal document which will create an enabling environment for Micro Financing Institutions (MFIs) in Botswana.

The framework is exhaustive; it includes regulations on non-prudential regulation, which focuses on the respective business conduct. It applies to licensed financial institutions and registered financial service providers. Non-prudential regulation governs reporting and disclosure requirements.

The framework also speaks to prudential regulation, which governs the financial soundness of licensed financial institutions, in order to prevent financial system instability and avoid losses to deposits held by depositors who are not experienced investors.



The framework took Botswana's current legal and regulatory framework into consideration, including Non-Bank Financial Institutions Regulatory Authority (NBFIRA) acts and regulations. It was recommended that MFI's align themselves with international best practice in order to contribute to private sector development.

For more information please contact:

Centre for the Development of Enterprise
cdesaf@cde.int

Exponential Building | Plot 54321
Central Business District
Private Bag 00148 Gaborone
Tel: +267 319 1230 | Fax : +267 319 1271
Website: www.cde.int

