

# KGODISO



The Newsletter of the Private Sector Development Programme



Sid Boubekeur (CDE), Maria Machailo-Ellis and Leta Mosienyane (Business Botswana)

## Foreword

Since inception, the Private Sector Development Programme (PSDP), made a number of achievements starting with a PSDP Coordinating Unit consisting of Batswana. The Program was launched with training of the Intermediary Organisations (IOs) on the diagnostic tool, so that they could better define the capacity building needs of SMMEs. Since then, the PSDP mobilized appropriate local and international consultants to upgrade the performance of the beneficiaries in different domains (business management; finance and costing; business planning and product quality) to better access finance and markets.

At this stage of the Programme, we are proud to note that some SMMEs have made significant strides in improving their management and operations. Some are building roadmaps for future sustainable growth, while others are reaping the benefits of having improved their sales and marketing strategies. Some beneficiaries that were once under serious financial distress are now reporting increased revenue growth with some reporting the first ever profits.

One of the major strengths of the PSDP is our partnership with IOs towards sustainable support of SMMEs. I take this opportunity to thank the PSDP main stakeholders, being the Ministry of Trade and Industry, the Ministry of Finance Development and Planning, the European Union Delegation and Business Botswana for their support and guidance.

With the mandate of the CDE coming to an end, we have been presented with the first ever opportunity of transferring the Programme to a local organization that represents the Botswana private sector, Business Botswana. Transition of the PSDP from CDE to Business Botswana is a key objective of the European Commission, encouraging programme execution by local organizations towards sustainable support of the private sector.

On behalf of the PSDP stakeholders and the PSDP Coordinating Unit, I wish Business Botswana fruitful success in the continued implementation of the PSDP.

*Sid Boubekeur*  
Head  
CDE Regional Office for Southern Africa

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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.





**Talitha Bertelsmann- Scott** - is an expert with the Particip/ Business Botswana PSDP Monitoring and Evaluation team.

## Value Chains in Botswana – Entry Points for Donor Support

**As part of a series on the capacitation of local businesses under the auspices of the Private Sector Development Programme (PSDP), Talitha Bertelsmann- Scott weighs in on the key areas for donors to assist in uplifting and stimulating the SMME sector in Botswana.**

Recent analyses of Small and Medium Enterprises (SMMEs) in Botswana highlighted focus areas for donor support to promote the growth of the SMME sector. This will go a long way towards the graduation of some SMMEs; seeing them become able to develop regional value chains that economists and policy makers covet for regional economic industrialisation and development.

The SMMEs interviewed all formed part of the PSDP coordinated and previously implemented by the Centre for the Development of Enterprise (CDE) for Southern Africa. The implementation function of the Programme is now moving to Business Botswana (BB). Close to a hundred SMMEs were identified for participation in the audit process which showed where they might be falling short, and where small interventions could give the beneficiaries the necessary skills and focus to overcome their business challenges. All the SMMEs interviewed showed remarkable benefit from the interventions- some moving from the brink of collapse to increased profit margins and turn-around in record time.

SMMEs could be categorised into three groups: those that were struggling with the enabling environment, like micro-financiers. Secondly, there were SMMEs at the brink of increasing their manufacturing activities. A third group included those that still need specific training without any access to such training opportunities in Botswana.

### The Enabling Environment

Regional value chain (RVC) development and industrialisation theory tells us that the enabling environment is critical to the establishment and growth of businesses in developing countries, as they lead to incorporation into

regional and global value chains (GVC). In line with this theory, the PSDP implemented a project, bringing together actors from the private sector as well as the government and regulators in Botswana in order to develop a micro-financing policy framework. On the face of it, the project was highly successful. Participation was broad and the level of engagement during the process high. Vigorous debate and a democratic process eventually led to a framework policy being drafted and placed on the desk of the Ministry of Trade and Industry for introduction to cabinet and eventual tabling in parliament.

SMMEs in the micro-financing sector were in agreement that this policy and its implementation are critical to the development of the sector, which would allow the lenders to develop more products that could give individuals, especially the unemployed youth, the boost to become entrepreneurs. Current lending products are predominantly based on payroll lending, which means that it excludes those that are most likely to start a small business.

From a donor perspective, the project was highly relevant, was effectively and efficiently implemented and yet the impact is zero. Should donors, therefore, get involved in government processes where the outcomes are uncertain or is there value in the exercise in and of itself? In the interests of better understanding and strengthening the value chains, value chain studies elaborated under the PSDP provide a comprehensive analysis of challenges, opportunities and pragmatic recommendations which could be implemented in the short term by the public and private sector. Among these are the diversification of products, effective marketing, branding and packaging. This could be achieved together with the upgrading of the management capacity of the producers and negotiation of commercial agreements with distribution networks.

The proposed action plan can be used by Government, Intermediary Organizations and sector associations to effectively develop the value chain, impacting positively on new investment and employment while building the capacities of institutions and human resources that supports it.

### Nascent Manufacturers

The small manufacturing sector remains the Holy Grail for small, developing countries. Many successful developing economies, like the Asian Tigers, built their development trajectory on manufacturing. In South Africa, unions focus exclusively on this sector and see it as delivering 'real' jobs to the unemployed youth sector of its economy. Similar aspirations exist throughout the region.

The PSDP intervened in a few small SMMEs that have been adding value to products imported to Botswana from the East via South Africa. T-shirts are embroidered and printed in Botswana for corporate clients and tourists. The interventions have shown the high growth potential for these SMMEs but questions remain whether producing t-shirts in Botswana would be a cost-effective way to expand these businesses.

The export markets exist in neighbouring Namibia and Zambia and the companies can be competitive here, even without the added manufacturing of t-shirts at home. It remains unclear whether there would be an added advantage to reintroduce this capacity to Botswana; how price competitive would they be considering initial lay-out costs and labour prices in the country? More analysis needs to be done, but capacitating these SMMEs are a good point of focus for the Government of Botswana and donors active in the field. A real regional value chain could come about with a small but targeted intervention.

### Skills Training

A final group of SMMEs found themselves in a position where they urgently needed additional training which was not available in Botswana. Whereas businesses that pay VAT can benefit from access to free training in Botswana up to a certain level of their VAT contribution, this benefit does not extend beyond the borders. Seeking training in South Africa becomes prohibitively expensive, curtailing the growth potential of these SMMEs.

A company interviewed here was one of the few independent bakeries in Botswana and whilst it has shown good growth since it started- even more so since the PSDP intervention. Its growth potential now hinges on the chefs being trained on a broader range of baking skills and products. Again, potential markets exist in other towns in Botswana, as well as export markets in neighbouring Namibia and Zambia with input import from South Africa, but without the necessary skills training, it is unlikely that this SMME will continue to grow. Again, a small, targeted donor intervention could unlock the development of this regional value chain.

## Conclusions

The work that the PSDP initiated is far from complete. Donors and agencies of the Botswana government looking for good foundations on which to build regional value chains should perhaps look here and continue to work with Business Botswana to further develop the already identified, audited and capacitated SMMEs to now help them unlock further growth in the region. Opportunities abound, the answer lies in targeting the micro-level directly.



**Kagiso Koyabe** - SME Development Expert, Private Sector Development Programme (PSDP).

## Emerging Opportunities Through the Implementation of Value Chains

**Under the framework of the Private Sector Development Programme, value chain studies were undertaken in the Leather, Dairy, Poultry, Piggery, Goat as well as the Horticulture sectors to analyze the potential of these sectors to assist in the diversification of the economy, as well as to identify bottlenecks and areas that require action from stakeholders to improve the performance of the sectors.**

In the interests of better understanding and strengthening the value chains, the studies elaborated under the PSDP provided a comprehensive analysis of challenges, opportunities and pragmatic recommendations which could be implemented in the short term by the public and private sector. Among these are the diversification of products, effective marketing, branding and packaging. This could be achieved together with the upgrading of the management capacity of the producers and negotiation of commercial agreements with distribution networks.

### Horticulture

The Horticultural value chain study identified the lack of good farming practices covering a wide range of technologies, know-how, management systems, distribution networks and financial record keeping as some of the main challenges facing the growth of the sector. The study identifies the fluctuation in production volumes and price increases as some of the major risks impacting sustainability in the sector. Although principally caused by seasonal and weather fluctuations, the variations in production volumes are magnified by the lack of implementation of crop plans and coordination of production between farmers and the distribution networks. This leads to in turn oversupply of some products and shortages of others, leading to large price variations and wastage.

The sector's strength lies mainly in the production of naturally grown fresh fruit & vegetables, without the use of artificial additives which is a niche for the local, regional and international markets. Nevertheless, there are many opportunities to improve the horticulture value chain performance starting with allocation of larger farming areas with modern irrigation techniques, appropriate production technologies and increased qualification of management and staff.

This is the condition to attain competitive pricing and negotiating commercial and viable partnerships with larger distributors, setting the backdrop for a more efficient and profitable sector that can reduce the country's current over-reliance on imports and thus improve employment creation in the sector.

### Dairy

During the investigation into the dairy sector study, one of the key areas proposed is the establishment of a National Dairy Production and Marketing Institution that would facilitate the provision of effective service of lobbying, products development, training and marketing support. It is expected that through the improvement of these areas, the benefits of dairy consumption as well as the growth of its local consumption will be realized. In addition, the study provides comprehensive guidelines that can be used to better structure the dairy value chain through capacity building in research, technology and vocational training, as well as the development of a national dairy policy.

### Poultry

The study on the comprehensive analysis of challenges and opportunities of the poultry value chain recommended the development of a national poultry strategy in order to increase the demand of poultry meat products. The action plan presents some key interventions, among them, the elaboration of practical tools in order to upgrade the capacity of poultry in the management, operations and commercial domains.

In addition, the diversification of processing beyond simple cuts; the development of smallholder poultry production; effective marketing, branding and packaging of poultry products have been identified as short to medium term interventions that would contribute to the marketability of poultry products but will also provide local producers the necessary leverage to be competitive. This could be achieved together with the upgrading of the capacity of the Botswana Poultry Association.

### Piggery

The piggery sector study highlights immediate interventions, among them the commercialization of the primary pig segment through the establishment of breeding farms, the up-scaling of micro farms and the establishment of more slaughtering facilities. Furthermore the study encourages the increase



in commercial agreements between the farmers and commercial networks, to ensure profitability and assist with the implementation of quality system best practices.

Clearly defined actions require the mobilization of stakeholders to effectively implement it in order to facilitate investment, generate employment while building the capacities of entrepreneurs to grow their enterprises and compete in an open market economy.

### Goat

The goat sector study emphasizes the development and commercialization of the sector through various recommendations, among them the establishment of market structures; identification of the key public and private stakeholders which will play a leading role on the upgrading of the different actors of the value chain (farmers, distributors, retailers etc).

This includes encouraging contract farming of production between supermarkets and small scale farmers, as one of the ways to facilitate the commercialization of the goat sector. The implementation of the action plan will impact positively on key structures of the value chain while building the capacities of institutions and human resources that support it.

### Leather

The leather sector study emphasizes pragmatic initiatives which could be implemented in the short term. The most important outcome of the study is a defined action plan, which could be executed by public and private stakeholders. One of the key actions proposed is to encourage the increase in collection and recovery rates of hides/skins in Botswana, by developing a national pricing mechanism or scheme, as well as the establishment of an effective leather processing Institution and Trade Association.

The leather sector study provides recommendations that can be considered alongside other national initiatives to ensure the sustainable long term development of the sector as a key economic contributor and agent of employment creation.

The value change studies can be found at the following website  
[www.bots.psdpmande.org](http://www.bots.psdpmande.org)



## Beef Sector Value Chain Support Started

**Following the beef value chain analysis and development that was conducted under the framework of PSDP with the assistance of the International Trade Centre (ITC), an action plan was developed and validated by key stakeholders during the Public Private Dialogue meeting held in November 2014 during the Global Expo.**

Six projects were identified for implementation which included management tools for commercial farmers, technical tools for upgrading communal farmers, upgrading capacity of farmers associations, SMMEs sensitisation on Foot and Mouth Disease, and assistance to the Botswana National Beef Producers Union to establish a fully functional Secretariat and benchmarking tours of individual farmers. Out of the six activities, two have been completed whilst the other two are still ongoing. The remaining two are foreseen to be started in February 2015. The activities that are already being implemented are management tools for commercial farmers, technical tools for upgrading communal farmers, upgrading capacity of farmers associations and SMMEs sensitisation on Foot and Mouth Disease. It should be noted that without strengthening the capacity of individual farmers, the beef sector cannot thrive as the sector is wholly dependent on them.

The key findings of the projects indicate that the beef sector has potential in Botswana because it is one of the preeminent in the world- mainly due to the excellent quality of the breeding stock, the extensive and natural nature of the grazing system and lack of any veterinary products used in the production system.

On the other hand it was noted that profitability within the beef sector is currently low, and performance compares unfavourably with many of the international beef producing competitors. Hence, a number of key areas under the beef industry were highlighted as those that need immediate attention, which included among others the management and organisational practices on the farm which looked at breeding, feeding, identification and traceability, finance and accounting methods and general livestock record keeping.

The farmers underwent training where they were taken through fundamental aspects such as where the beef farming sector is in Botswana in relation to the rest of the world, the importance of management and record keeping and sensitised on how to effectively run their business in order to yield positive returns. With regard to the associations, it has been realised that the general conditions of our associations are weak. This is mainly due to their financial weakness, which arises from a low penetration of membership among the farming population and the financial hardships common among beef farmers at present. The members of associations have been trained on how to effectively run them with the assistance of the Irish Cattle and Sheep Association (ICSA) together with the local expert on Foot and Mouth Disease.

Following the assistance that has been provided, action items have been given to farmers and associations to improve on the areas that have been identified. To date, there is progress being made and we are happy that the associations in Ngamiland have resolved to form one regional association that will work effectively to accommodate the interests of farmers.



**By: Mpho Ntshese**

PSDP Seconded Officer from Ministry of Trade & Industry



Malaki Monyamane  
(PSDP) Programme Officer

## European Expertise for Upgrading the Production and Marketing Techniques in the Textile Sector

The textile sector, as a specialisation field for women-led companies, benefited from a needs assessment for improving their competitiveness. Individual coaching commenced for selected companies and it was evident that many SMMEs did not operate with a design process or strategy; the designs mainly come from the manager, usually in the form of a hand-made sketch.

Managers were assisted on how to improve the present design of products with a production plan for growing volumes and defining pricing more accurately. Furthermore, the SMMEs were advised to look for a Botswana identity through best use of local materials like wood, leather, stones, vegetative/tree products, metal, semi-precious stones, and other materials found in the country. This will ensure and highlight the uniqueness of each product.

The Programme will continue to assist selected companies to work on bettering their communications by setting up a website/blog for the promotion of their products; reorganising their workshops and creating a customer friendly area; establishing a production schedule (monthly/weekly planning) and defining a clear brand name and image. An action plan was designed for the companies with recommendations which were implemented by the SMME managers themselves. Recommendations of the action plans were implemented by the companies in collaboration with the experts and CDE. These include assistance in the preparation of business plans, record keeping and accounting.

To strengthen their technical skills, fashion and design experts Cindy Gizard (France) and Giada Pagano (Italy) conducted a training workshop at the end of November 2015. The workshop focused on production and marketing techniques in the textile sector. Participants were able to partake in a business case study which included mood boards/collection plan, creation process, and steps of production and marketing strategy. The case study broadened their minds in production costing as well how to position their business in the market in light of their competitors.

## Fruitful partnership between OCAAT, Botswana and BJO Formation, France

A partnership agreement was signed in June 2015 between Oodi College of Applied Arts and Technology (OCAAT, Botswana) and Formation Bijouterie Joaillerie (BJO Formation, France). The agreement will facilitate student and lecturer exchanges between the two institutions as a way of instilling capacity and skills transfer between the two institutions.

OCAAT provides vocational training on jewellery design and manufacturing. The college is part of the Botswana Technical Education Programme, a national qualification awarded by the Ministry of Education and Skills Development. OCCAT prepares the students for gemmology and stone setting, jewellery design & processing and business development in the jewellery sector.

BJO Formation (France) belongs to "Les Ecoles Françaises de la Bijouterie-Joaillerie". It is one of the most important and recognized French schools for the design and manufacturing of luxurious jewelry with high exposure in international markets. The courses delivered by experienced lecturers include technical skills on drawing jewellery, stone setting, polishing, engraving and setting trends in the jewellery industry. BJO Formation provides up-to date workshops and facilities for a complete learning, from the technical gestures to the most modern design technologies.

As a start-up, OCAAT finalized the selection of two students, Gaone Otsile and Barulaganye Oratile who left for Paris at the end of October 2015 for two weeks' practical training at BJO Formation on jewellery design and manufacturing. The students exchanged their skills with their counterparts at BJO Formation with the view to ameliorate their artifacts. In addition, the two students will take the opportunity to represent Botswana by using local raw materials in their products.

This partnership is expected to accommodate students from BJO Formation to OCAAT, and also lecturer's exchange between the two institutions in 2016. It will help talented and motivated students from Botswana strengthen their skills in the jewellery sector with the view to meet the requirements of the industry. This innovative project is in line with the Government's strategy and its commitment to developing vocational and technical training.



Participants during the fashion and design workshop with consultants.

## Lebang Setso Leather Designer and Crafters in Paris

As part of the interventions in the PSDP, in partnership with the Chanel Foundation and the Women Entrepreneurship Development (WED) Programme, Lebang Kolagano, co-founder of Lebang Setso leather crafters was invited to undergo a benchmarking mission to Paris, France between the 9<sup>th</sup> and 14<sup>th</sup> of October 2015.

Kolagano's mission included the attendance of the Chanel Corporate Foundation seminar, benchmarking with established leatherworks companies, engaging in skills transfer exercises and seeking out partnership opportunities. Kolagano was enthused as she spoke about her experiences in France; she got the opportunity to visit fashion houses such as Louis Vuitton, Marc Jacobs and Chanel- as well as meet with their leather suppliers and ruminates on the possibilities for partnerships and supplies in Botswana.

The mission began with Kolagano attending the 2015 Chanel Corporate Foundation Seminar. The objective of the seminar was to bring together beneficiaries from different NGOs across the globe and Chanel Foundation staff under one roof to give feedback on progress, share knowledge and to network. The different training sessions were on: knowledge management, gender development and evaluation. "I attended the first workshop on knowledge management, which taught us the importance of keeping data and information in systems that are efficient and can easily flow from one department to the other."

Kolagano learned that in order to grow her business, she would have to transform her systems in all areas, including production and administration, and work out a functional easy flow of information from one department to the other. Kolagano was also able to glean knowledge from the way in which different leather crafters run their workshops. "All in all, it was a great opportunity to gain expertise, network, form relationships and learn better ways to manage my workflow and space. I learnt that I really need to get organised in all areas both production and administration and work out a functional easy flow of information from one department to the other," she said.

The capacitation was by no means a 'one-way' exercise. Kolagano realised that the design and production of leather bags and accessories in the West tends to be prescribed, governed by international fashion trends, which means that the designs from different fashion houses end up looking quite similar. Leather crafters and designers were interested in Kolagano's treatment of her leather bags, and in the way in which she executed her stitching. She was able to share key elements of her design and production process with them, as well. "I asked whether I have to change my style in order to fit in with their aesthetic, and they said that by no means is that necessary. They also said that they are also tired of seeing the same old designs, so they need challenging bags. This is why they also need to travel and see things that are different from what they produce."

In closing, Kolagano said that it is also very critical that we know and really understand our target market and work hard to maintain it. "I was given an example of a workshop that handcrafts and does only maximum of 5 bags per month and is able to cover all overheads and make profit because she knows her market and is making exclusive custom made designs."

## Creations of Africa Grows with Private Sector Development Programme

As an entrepreneur, I have learned that flexibility is critical to all aspects of my business throughout all divisions and departments. We, at Creations of Africa have firmly met these criteria with our in-house screen-printing, embroidery and manufacturing facilities and exceptional service to a diverse and discerning clientele.

We were privileged to be selected as one of the beneficiary companies under the PSDP in mid- 2014. As any small to medium company, we faced numerous challenges every day, trying to turn a favorable profit in an economic constraint market with competitors increasing everyday is probably the hardest challenge we were facing.

An audit of our company was run by the Botswana National Productivity Centre (BNPC) shortly after we were chosen as a beneficiary of the Programme. Our company was analyzed in all aspects and processes of our business operation, and key areas were selected where interventions would take place. Not only has that made us aware of our shortcomings, but assisted us in realizing the importance of the smaller aspects of our processes in order to put us above our competitors.

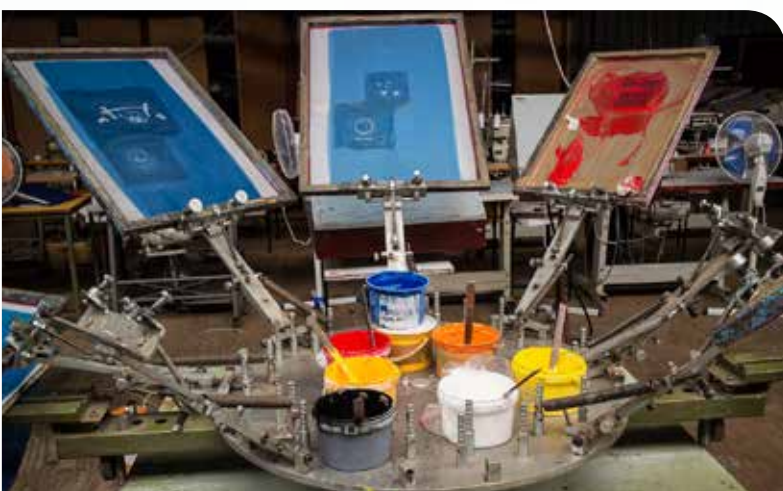
Through 2015 together with assistance from experts provided by the Programme, interventions in our production, sales, accounting departments and operation processes of our business took place. Breaking down the production process and recording all its processes, figures and data made sure that we could retrieve the correct and detailed productivity and performance of our team. Addressing areas of low productivity and limiting faults has given us the opportunity to provide a quality and satisfying service. We are now striving towards international standards complying with the Quality Management System (QMS) ISO 9000. Which redirects Public Sector, Private sector and Parastatals back to purchase or order from local companies.



Lebang Kolagano  
Co-founder of Lebang Setso Leather Crafters



Training and motivation of our sales representatives is one of our key interventions. Spending a considerable amount of time, effort and money into training and assessing our sales team contributed towards leading them to a more confident and assured manner to satisfied our customers' needs. Documenting our company vision and mission statement enables our team at Creations of Africa to work towards a common goal and share the same passion in our day to day activities. Although the Programme is still ongoing, we are extremely focused to utilize all information and assistance that we have already acquired into continuously growing our company to greater strengths. Not only to focus on a profitable turnover but making sure that all our fundamental elements are kept in place. Growth is high on our priority list, which I am confident will distinguish us from our competitors and continue to strengthen us to pursue greater opportunities. We would appreciate continues interventions and support from the PSDP to get Creations of Africa nationally recognized and put confident back in to local purchasing companies keep buying Botswana.



## PSDP THROUGH THE EYES OF MONITORING AND EVALUATION

This article gives an overview of the initial steps that have been taken to evaluate the Private Sector Development Program (PSDP). The work has been undertaken by a joint team of the Business Botswana (BB) M&E unit and Particip, an international consulting firm which was contracted to work with BB to develop a Monitoring and Evaluation Framework and System for the Private Sector Development Programme.

Evaluation of the PSDP has only just commenced with most of the evaluated activities completed in recent months. The evaluation exercise will continue and it is worth pointing out that different views from other beneficiaries might emerge as we go along.

The PSDP has been under implementation for the past 18 months.

The Programme is expected to strengthen the competitiveness of SMMEs and Community Based Organisations (CBOs) as well as Intermediary Organisations (IOs) and sector associations to ensure their contribution to the diversification of the economy.

In the framework of the PSDP, Business Botswana is responsible for Monitoring and Evaluation (M&E) of the program. A Web Based Monitoring and Evaluation Framework and System has been developed and it is in place to facilitate the M&E process. This system is a practical tool for reviewing performance and ensuring that project objectives are met and achieved on time.

Since the implementation of the PSDP, at least 12 activities across all result areas have been successfully completed and these have been the areas of initial focus for evaluation. The aim of an evaluation is to determine the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability. It must be noted though that it is too early to conduct an impact evaluation of the program since implementation of most of the interventions of the PSDP have just been completed.

Initial steps to undertake evaluations on completed activities have started. The purpose of these evaluations was to determine whether the PSDP has made any impressions on the beneficiaries who span across the 3 component areas of the program which are: SMME competitiveness, enhancement of service delivery and improvement of the business environment.

Interviews were conducted on a one-on-one basis with beneficiaries from each of the result areas above in order to obtain a broad outlook of the impressions created by the PSDP. Interviewees shared their experiences and opinions following their interactions with service providers in relation to the PSDP interventions. No visits have been made yet to the individual businesses or IOs that were selected for interview. All the interviewees were selected randomly from the database of the beneficiaries of the PSDP.

Generally, those interviewed beneficiaries expressed deep appreciation for the interventions made by the PSDP thus far. Some, especially in the SMMEs sector, reported positive and visible improvements in their businesses, growth in turnover, profit and employment, all of which are part of the goals of the PSDP. Interesting testimonies have also been made whereby there is a general improvement in confidence of running a business by some. As the adage goes to say that "there is light at the end of the tunnel!"

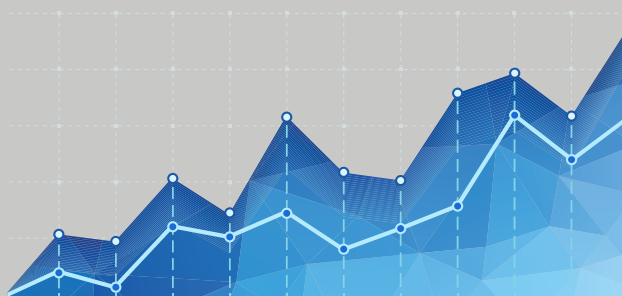
Intermediary Organisations who have benefited from the Programme are also showering accolades on the PSDP. IOs and Business Development Service Providers (BDSPs) were trained in the use of a Diagnostic Tool to audit enterprises with a view to determine areas of intervention by the PSDP. They were then allocated a number of businesses to audit, prepare a report and submit it to the program. Other IOs were given the task of making the necessary interventions. During the interviews, they indicated that the experience gained from implementing some of the tasks they were allocated has given them valuable experience which will help them to deliver better services to their clients in future. Their major concern was however on the length of time it took for the interventions to be rolled out. This sentiment is shared by the SMMEs as well.

For those enterprises that were going to benefit from an improved

business environment, there has been a mixed reaction to the intervention by the PSDP. While they are very happy about the process that was followed to address the subject of their interest, their major concern is that there has since not been any signs that show whether the policy intervention will happen. On this they suggest that Business Botswana should take a leadership role to pursue the adoption of a policy interventions when these are proposed by private sector. For this to be successful, there is need to engage with the Ministry of Trade and Industry more.

**In the process of interviewing the various beneficiaries of the PSDP, areas of improvement from the evaluations to inform strategies for the next phase were identified and some of these are highlighted as follows:**

While the PSDP interventions have brought about positive change for a lot of the enterprises interviewed, there is a general observation that the time was too short to make a big impact. It was suggested that a longer period should be provided. A positive development on the part of the SMMEs is that they would be willing to share some of the costs related to these interventions in future.



SMMEs would like to be assisted beyond the interventions they have so far received under the current PSDP. Having been equipped with the necessary skills and knowledge of their businesses, as well as gained confidence, the next step would be expansion and growth. This area would be the next logical step for enterprises and that is where they will need a lot of hand holding.

IOs and BDSPs agree that the SMME Diagnostic tool was very effective. However the number of days taken to perform a diagnosis seems to be a challenge and it was suggested that the number of days needs to be reduced. As for the BDSPs, it was suggested that following conducting diagnosis, they should thereafter do the interventions which normally range from mentoring, group training and individual coaching.

In conclusion, this initial evaluation suggests that the PSDP is making a difference. It was a relevant intervention and its effectiveness is being felt by some of the SMMEs who have been assisted. The delays experienced between the audits and the interventions have exposed a degree of inefficiencies in the program. These should be avoided in the future. With some of the beneficiaries reporting visible improvements at this stage, it is a good prospect for positive impact. Some IOs have been trained on the Diagnostic Tool and utilising it, while others will

adapt it to their requirement, expertise has now been entrenched locally.

There are a number of improvements that are required which would increase the impact of the program for the better. Such improvements form part of a bouquet of lessons learnt which will be consolidate to provide a guide when preparing for future programs.



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Friends of BOCCIM

The PSDP is an initiative of the Government of Botswana, represented by the Ministry of Trade and Industry (MTI) and the Ministry of Finance and Development Planning (MFDP), in partnership with the European Union (EU). The Programme is supported by the Centre for the Development of Enterprise and Business Botswana. The Programme is expected to capacitate SMMEs and CBOs by strengthening their value chains, improving access to finance and the ease of doing business as well as enhancing women's entrepreneurship.