



Republic Of Botswana



## *PRIVATE SECTOR DEVELOPMENT BOTSWANA*

### *“Training on the EU-SADC Economic Partnership Agreement and International Trade Opportunities”*

*(BWP/1613/R02/GO)*

## *WORKSHOP REPORT*

*Botswana*

*21 March - 23 April 2017*



BUSINESSBOTSWANA



## Table of Contents

---

Table of Contents .....	2
Abbreviations And Acronyms.....	3
List of Tables and Figures .....	4
Executive Summary.....	5
Background .....	6
Introduction .....	7
Summary Presentations .....	8
Selebi Phikwe Workshop Report.....	15
ATTENDANCE AND QUESTIONNAIRE ANALYSIS: SELEBI PHIKWE .....	19
Palapye Workshop Report .....	24
8.3 ATTENDANCE AND QUESTIONNAIRE ANALYSIS.....	31
Gantsi Workshop Report.....	33
9.3 ATTENDANCE AND QUESTIONNAIRES .....	39
Lobatse Workshop Report .....	41
ATTENDACE AND QUESTIONNAIRE ANALYSIS .....	47
Conclusions .....	49
Proposed Action Plan .....	53
Implementation Matrix .....	55
Annexes.....	57

## **Abbreviations And Acronyms**

Table 1. Abbreviation and Acronyms

ACP	African, Caribbean, Pacific
AGOA	African Growth Opportunity Act
BB	Business Botswana
BEDP	Botswana Exporter Development Programme
BICA	Botswana Institute Of Chartered Accountants
BITC	Botswana Investment and Trade Centre
BIUST	Botswana International University Of Science and Technology
BMC	Botswana Meat Commission
BOBS	Botswana Bureau of Standards
BTP	Botswana Trade Portal
BURS	Botswana Unified Revenue Service
CBO	Community Based Organisation
DRC	Democratic Republic Of Congo
EDD	Economic Diversification Drive
EPA	Economic Partnership Agreement
EU	European Union
HS	Harmonised System
ISO	International Standards Organisation
MITI	Ministry of Investment Trade and Industry
National Vet Lab	National Veterinary Laboratory
NGO	Non Governmental Organisation
NSA	Non State Actors
PSDP	Private Sector Development Programme
SACU	Southren African Customs Union
SADC	Southern African Development Community
SAITEX	South Africa International Trade Exhibition
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
TDCA	Trade Development and Cooperation Agreement
TOR	Terms Of Reference
WTO	World Trade Organization
NAFTEC	National Food Technology Center

## **List of Tables and Figures**

Table 1: Abbreviation and Acronyms.....	page 3
Table 2: Attendance Analysis-Selibe Phikwe.....	page 19
Table 3: Attendance Analysis- Palapye.....	page 31
Figure 1: Status of Attendee-Ghanzi.....	Page 39
Table 4: Attendance Analysis-Ghanzi :.....	Page 39
Figure 2: Status of Attendee-Lobatse.....	Page 47
Table 5: Attendance Analysis Lobatse.....	Page 47

## **Executive Summary**

Business Botswana (BB)'s Private Sector Development Strategy (PSDP) office in partnership with the European Union (EU) Delegation to Botswana, Ministry of Investment, Trade and Industry (MITI) and the Southern African Development Community (SADC) secretariat organised the EU - SADC Economic Partnership Agreement (EPA) workshops on the following dates: in Selebi Phikwe 19<sup>th</sup> March, Palapye 21<sup>st</sup> March, Ghanzi 19<sup>th</sup> April and Lobatse 23<sup>rd</sup> April 2017.

The objectives of the workshops were to among others: Present the current status of the EU-SADC EPA covering topics such as:

- The SADC Trade Protocol, benefits of the EU SADC EPA, the EU Export Help Desk and the Rules of Origin. Other topics included the Customs Procedures, Technical Barriers to Trade, Botswana Export Promotion Programme and the Botswana Trade Portal.
- To facilitate a dialogue between the public and private sector entities involved in the export promotion and trade facilitation.

The aim was to capacitate or train the business community at each targeted location on the benefits and application of the EU SADC EPA. The presentations were from stakeholders such as Business Botswana, SADC Secretariat, Botswana Unified Revenue Service (BURS), Botswana Bureau of Standards (BOBS), the European Union Delegation to Botswana among others. The attendance was as follows: Selebi Phikwe 55, Palapye 56, Gantsi 52 and Lobatse 45. The workshops attracted diverse participants from private companies, non-governmental organisations, the media, parastatals and government.

EPA's were well received in the targeted locations of Selebi Phikwe, Palapye, Gantsi and Lobatse. The feedback from the workshops indicated lack of understanding of the application of rules of origin and how companies can benefit from the EU SADC EPA. The areas of concern were issues of ease of doing business such as acquisition of commercial and industrial land, acquisition of licenses, BMC monopoly stifling the growth of beef market locally and internationally, lack of engagement or consultation by the local intermediary organisations, lack of knowledge regarding where to start if one is interested to export. The other critical issue was EU SADC EPA presentations which were perceived too technical and hence the need to reduce them to layman's language. The Botswana trade portal was considered a good initiative and that it would help companies with leads and facilitate prompt delivery of information to the business community. There was concern that BOBS standards are expensive and not recognised internationally and could negatively affect access to SADC and EU market.

## **Background**

The SADC, EPA Group is a very diverse set of countries that brings together least developed countries (LDC's) Lesotho and Mozambique, together with middle to upper income countries such as Botswana, Namibia, South Africa and Swaziland. Prior to the negotiation and adoption of the EPA, least developed African Caribbean and Pacific (ACP) countries, including 5 SADC EPA countries that are the focus of the EU SADC EPA currently, already enjoyed duty and quota free market access to the EU for most of the products. The elimination of EU tariffs and quotas has not significantly improved the export opportunities for products from these countries.

The EPA offers unprecedented opportunities, going beyond the ambition of other trade agreements the EPA guarantees duty- free, quota –free access to the EU market for Botswana, Lesotho, Mozambique, Namibia, and Swaziland. South Africa will benefit from the new market access additionally to the Trade, Development and Cooperation (TDCA), that currently governs trade relations with the EU. The new access includes better trading terms for wine, sugar, fisheries products, flowers and canned fruits.

The EU will obtain meaningful new market access into Southern African Customs Union (SACU) which includes products such as wheat, barley, cheese, meat products, etc. The EPA has been construed so as to give asymmetric access to the partners in the SADC EPA region. Botswana, Lesotho, Mozambique, Namibia and Swaziland do not need to reciprocate the EU offer of 100% access. South Africa does not need to reciprocate the 95% access offered by the EU.

The broad objectives of the EU SADC EPA are to:

- (a) contribute to the reduction and eventual eradication of poverty through the establishment of a trade partnership consistent with the objective of sustainable development, the Millennium Development Goals and the Cotonou Agreement;
- (b) promote regional integration, economic cooperation and good governance thus establishing and implementing an effective, predictable and transparent regional regulatory framework for trade and investment between the Parties and among the SADC EPA States;
- (c) promote the gradual integration of the SADC EPA States into the world economy, in conformity with their political choices and development priorities;
- (d) improve the SADC EPA States' capacity in trade policy and trade related issues;
- (e) support the conditions for increasing investment and private sector initiative, and enhance supply capacity, competitiveness and economic growth in the SADC EPA States;
- (f) strengthen the existing relations between the Parties on the basis of solidarity and mutual interest. To this end, consistent with WTO obligations, the Agreement shall enhance commercial and economic relations, consolidate the implementation of the SADC Protocol on Trade and support a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them and reinforce, broaden and deepen cooperation in all areas relevant to trade

## **Introduction**

The EU signed an Economic Partnership Agreement (EPA) on the 10th June 2016 with the SADC EPA Group comprising Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland. Angola has an option to join the agreement in future. Botswana officially signed the SADC-EU EPA on the 10th June 2016, in Kasane. The EPA takes into account different levels of development of each partner. It guarantees Botswana, Lesotho, Mozambique, Namibia, and Swaziland duty-free, quota-free access to the European market. Furthermore, the agreement signed increases the flexibility of Southern African producers to put together products components from various countries, without the risk of losing their free access to the EU market.

The other six members of the Southern African Development Community region – the Democratic Republic of the Congo, Madagascar, Malawi, Mauritius, Zambia and Zimbabwe – are negotiating Economic Partnership Agreements with the EU as part of other regional groups, namely Central Africa and Eastern and Southern Africa.

Business Botswana, in partnership with the European Union and the Ministry of Investment, Trade and Industry, Southern African Development Community Secretariat (SADC), the European Delegation to Botswana organised SADC- EU Economic Partnership Agreement (EPA) workshops in Gantsi, Selibe Phikwe, Lobatse and Palapye. These workshops were conducted under the framework of the Private Sector Development Programme, which was launched on the 23 May 2013 in Gaborone, Botswana. These workshops were a second series of EU SADC EPA interventions that were undertaken last year 2016 in Francistown, Maun and Gaborone.

The objectives for organising EU-SADC EPA workshops are below;

- Present the provisions in the EU-SADC EPA and its annexes, relating to, among others, the Customs issues, Tariffs and non -Tariff Barriers, Quota Allocations; Rules of Origin, Technical Barriers to Trade and, Sanitary and Phytosanitary measures
- Provide Botswana's opportunity to participate in the SADC Regional Value Chain, as a step up to utilising the EU SADC EPA to access the EU market.
- Equip NSAs and SMEs on Export helpdesk, Export Promotion and usage of the Botswana Trade Portal
- Facilitate a dialogue between the public and private sector entities involved in the export promotion and trade facilitation
- Outline a list of tasks that SMEs and NSAs need to do in order to export to the SADC and EU market.

The following results were expected to be delivered as per the Terms of Reference(TOR) :

- Mobilize participants from the private sector, sector associations, trade unions, civil society, and non-governmental organizations.
- Achieve a minimum of 30 participants per workshop in target locations
- Action plan or implementation matrix of the Report Findings on EPA opportunities.

## **Summary Presentations**

### **6.1 SADC - Trade Protocol:**

The presentation was done by Mrs Boitumelo Sebonego who works at the SADC Secretariat. She expressed the growing need and commitment for the SADC region to negotiate and engage with the EU on matters of trade; emphasising that Botswana is part of the SADC region.

The SADC Trade Protocol provides a basis or rule of law for trade in the region. The protocol guides trade processes among the 15 SADC members; providing for the policies and implementation of measures to eliminate all forms of non-tariff barriers. An example was given where the Republic of Botswana had imposed a 1800 hours curfew on truck movement on the roads and the significant negative impact that curfew had on trade in the country and trade in the region as a whole.

She emphasised that it is important for Botswana to realise that the protocol articles speak to Botswana's development goals particularly on the pillar on poverty eradication. For example, Article 21 of the EPA talks about identifying trade investments and opportunities which are in line with Botswana's national plans and policies.

On the implementation of the protocol thus far, Botswana, along with other SADC countries, is urged to introspect on how much benefit has been gained and, what can still be benefitted and how to optimise these benefits.

It was noted that adequate inputs to grow trade is a pertinent one; type of skills, technology, capacity and capability, and the type of investments and innovations necessary to enhance Botswana's trade activities with the region.

### **6.2 Benefits of the EU SADC EPA**

Mrs Boitumelo Sebonego shed light on the content of the Cotonou agreements in relation to the current EPAs. She indicated that Botswana is also part of the African, Caribbean and Pacific (ACP) Group of States community, which was party to the Cotonou agreement signed with the EU then, covering the areas of trade, development cooperation and political dialogue.

Botswana, being a member of SADC, is party to the EU-SADC EPA, which are a revision of the shortcomings of the Cotonou Agreement, and are developmental in outlook. The Cotonou



Agreement is being viewed as non-complaint and non-reciprocal in nature. The EU-SADC EPA was signed in June 2016. The SACU group (5 countries) ratified the agreement. Angola still has an option to join the group.

It was reported that SADC, ESA, EAC and Central Africa economic blocs negotiated these EPAs with the EU. The EPA outlines both financial and non-financial cooperation such as technical support. The issue of capacity building at both national and operational (organisational) level was emphasised in the general implementation of the EPAs. For the process to be successful, local implementation plans should link into national implementation plan which should feed regional implementation plans.

With particular focus on Article 7 of the EPA – aimed at sustainable development in line with the Cotonou provisions – the speaker highlighted the role of the private sector as being critical in implementing and guiding the EPAs. The parties of the agreement have the right to regulate trade within its boundaries and to protect their political - economic areas. Furthermore, the EPAs are not imposed on any member state – adherence is voluntary.

We need to realise that trade in itself is not a solution to economic imbalances but it does need to be supported by a healthy environment for trade.

### **6.3 Rules of Origin, Customs Procedures and Technical Barriers to Trade**

The presentation was made by Mr John Taylor , Trade Counsellor, EU Delegation to Botswana. He discussed the question ‘Why do we have rules of origins?’ and cited traceability, foundation and provision of guidelines in determining originating goods. The rules of origin ensure that the right country receives benefits under the EPA agreement.

Mr. Taylor explained the criteria defined in the EPA that would determine product origin. An annex listing products and the corresponding rules that apply to determine origination was demonstrated and explained to participants. The rules included local content percentage determination, tariff classification and other industry specific rules, e.g. those specific to the textile industry.

The speaker also showed an excerpt of rules of origin, extracted from the EPA agreement; explaining the rules of origin in each classification, and how to read the HS codes. He explained the rules of origin according to the excerpt, pointing out the 4<sup>th</sup> column classification which gives alternative rules to qualify a product as originating.

He gave an example of the origination of a dress. Under previous agreements, there was a double transformation requirement (i.e. the cotton itself had to be grown locally, made into yarn and then turned to fabric). The new agreements have simplified the requirement reducing it to a single transformation requirement e.g. the fabric can be imported into the country, then cut and tailored

in the country, the dress qualifies as a Botswana originating dress. Such easing on rules of origin now allow a greater opportunity compliance to the EPA conditions in obtaining origination status.

Another example was morula jam, to further explain the concept of transformation and cumulation (under Chapter 13) detailing content requirement: Sugar as an input imported for production cannot exceed 30% of final product. So, in order to make Botswana originating jam, considering Botswana does not grow and make any sugar, the sugar should be obtained from one of the partner countries to the EPA agreement.

The speaker defined cumulation as the process of obtaining origin using material from the region. He extensively explained the various forms of cumulation that are in compliance with the EU SADC EPAs. He indicated that cumulation could be diagonal and bilateral. He explained that the EPA does allow for extended cumulations, providing for materials to be imported from other African countries, even if they are not part of the SADC EPA agreement. Other conditions and circumstances that can also be negotiated under extended cumulation, though not firmly in the agreement – the possibility of such negotiations has been provided for. He added that cumulation of processing is also allowed as prescribed in the EPA.

The origin protocol also includes numerous other provisions such as principles of territoriality and non- alteration, importation by instalment, accounting segregation and derogations. The need for proof of origin when importing into the EU was emphasised.

## **6.4 On the Rules Origin Protocol**

Mr Taylor emphasised that it is important to safeguard the market access benefits that the EPA provides. This is managed by proofs of origin. When goods are imported into EU, a proof of origin is required. The EU has further simplified the compliance requirements to include smaller scale or low value goods exporters. There are a few ways in which proof of origin can be obtained.

- a. If a BURS customs approved exporter is exporting goods valued less than EUR1,000.00, the commercial documents may simply state the product is Botswana originating
- b. A non-approved exporter / new to exporter with a small consignment (less than P60,000 in value), may not need a proof of origin certificate, simply state on the invoice its originating from Botswana.
- c. The use of movement certificate EUR.1
- d. And in some cases goods are exempt from proof of origin documents (personal luggage and non-commercial goods e.g. marketing samples, of value lower than EUR500).

The national customs authorities are mandated with the task of the management and verification of proofs of origin. If the receiving authority in the EU is doubtful of the origin, they request BURS for an inspection to verify the origination of goods.

## **6.5 EU Export Helpdesk**

On the Export helpdesk, Mr Taylor explained that it is an online tool that provides information about exporting to the EU. It is both country and product specific. A brief demonstration of how the help desk works was using excerpts of the website was made. Mr Taylor warned participants that is complicated as seen in the rules of origin, it allows entry to the market in the EU and participants can get assistance within the EU Export helpdesk . The EU Export helpdesk website [www.exporthelp.europa.eu](http://www.exporthelp.europa.eu)

## **Administration of Rules of Origin for the EU SADC EPA**

The presentation was made by Ms. Shudah Letsweletse, Senior Customs Officer at BURS, Customs Division(HQ). She explained the mandate of BURS as being to assess and collect taxes and to manage the borders on behalf of the Botswana government; supporting the implementation of the trade agreements Botswana is a party of such as SACU ,EFTA, AGOA, SACU MERCOSUR etc.

BURS is prepared and ready to implement the EPA. It has already released rates and schedules for goods exported under the EPAs as from January 2017. The tariff book is also currently being amended. In addition, the e-tariff rates have already been amended to accommodate the EU-SADC EPA.

The speaker expressed the importance of the rules of origin in that it ensures a form of assurance that allows goods from Botswana to enter the EU market without hindrance and to benefit from relaxed tariff and non-tariff barriers.

The process of exporter registration with the BURS was explained, as was the implied expectations from the applicant and compliance rules to the agreement under which the export is being carried out.

Under the EU SADC EPA, BURS will require an exporter to obtain a proof of origin certificate of the goods through an intensive verification process. This process may include an assessment of the exporters manufacturing process (procurement to production), manufacturing capabilities and capacity, physical tour of the factory and any other production audit that may be necessary to confirm the origination of the goods.

The speaker further explained the features of an authentic certificate of origin, usually bearing particular signature and an authorised verification seal/stamp. (Ref: Article 20 of Protocol 1: A certificate of origin can only be issued by customs officials). In some countries, a Chamber of Commerce may issue such a certificate.

A post verification of a proof of origin may be carried out where there is doubt from authorities in the importing country or as part of a routine check from either party. A detailed explanation of the post verification process was given.

The record keeping protocol requires documents to be kept for at least 3 years. This is important as the customs authorities from either market, exporter or importer, may need to routinely check compliance to the EPA requirements by document inspection.

## **6.6 World Trade Organization and Technical Barriers To Trade**

A presentation by Ms Keolebogile Segomelo Director Standards at Botswana Bureau of Standards (BOBS), focused on the World Trade Organization(WTO) and Technical Barriers to Trade (TBT) ; and how these relate to the EU-SADC EPA.

The objective of the WTO / TBT agreement is to facilitate trade; to increase knowledge and common understanding for acceptable trade practices that create a conducive and stable business environment. There are three main components to the WTO / TBT agreement: standards, technical regulations and conformity assessment procedures.

The EU-SADC EPA's main objective is to enhance cooperation as a region on an international trade level. This agreement is asymmetrical, meaning it recognises that the partners are at different levels of development and therefore acknowledges the need for technical capacity building. There are also guiding principles for this partnership: transparency and its mechanisms (consultation, notification and information exchange).

The EU SADC EPA countries are ready implements the agreement in line with requirements of the TBT. The established TBT structures which support quality assurance through the standardization of measures in the region are in place. An example was given of the existing Act being in need of review particularly on legal metrology e.g. speed traps.

Emphasis was put on the TBT stakeholders' committee and the importance to include input from the business community to drive the agenda forward (successful compliance to the EPA). In demonstrating how critical a role the business community plays in the success if the EU-SADC EPA, the speaker urged businesses to incorporate elements of quality control in their business and operational plans.

The institutions that facilitate the exchange of information: notification authority (Department of International Trade) and national enquiry point (BOBS) are at hand to assist the business community.

## **6.7 The Botswana Trade Portal**

Mr Moabi Phia , BITC (Export Promotion) Manager Trade Portal presented on the Botswana Trade Portal. He emphasised that Botswana is strategically positioned in the Southern region and it can attract substantial market for every 500-km radius. It is inconsequential how small our population is. The key is how to access this immediate and substantial market regional market. Hence BITC has the mandate of taking potential exporters through the export preparation towards success in external markets. The export process was explained and considerations such as trade barriers, both financial and non-financial were mentioned.

It is important for trade knowledge to reside with the business community and not just in the Parastatals and Government because of the importance of international trade. Generally, when the participants at the workshop were questioned whether they exported before, many had experienced importing of goods and the majority had not engaged in the export process. Furthermore, not all participants were aware of the processes and procedures that lead to successful exporting.

The presenter stressed that every time there is an export order, there is competition in terms of market entry and supply. So, issues of turnaround time and pricing become critical, including in areas such as business processes and regulations from external agencies such as Government departments and Parastatal organisations.

The Botswana Trade portal simply addresses the procedures, documents and processes one must adhere to in order to successfully export. There is a process to follow for every product movement in every country. Background work with the World Bank (towards the development of the portal) lasted months, collating trade information from related Government departments, formulating procedures and flow charting the trade process. The Botswana Trade Portal therefore becomes the central authoritative centre of reference for trade inquiry and provides clarity to the trade process.

BITC shown the map for targeted export missions for the year following their market surveys. E.g. SAITEX in South Africa, Zimbabwe Trade Fair, export promotion missions to Namibia, FACIM in Maputo, Mozambique, Zambia International Trade Fair, Malawian Trade Fair, Democratic Republic of Congo (DRC), Angola and Mauritius; as well as the German Trade Fair for precious stone exhibitor. BITC pays for the export of samples, exhibition space and arranging one on one meeting at the exhibition on behalf of companies. Travel and accommodation costs are borne by the participant.

Botswana Trade Portal video was played to demonstrate the usage of the portal which is also available on their official website. The portal has a wide community of users as displayed by the

statistics shown by the interactive map: these are freight forwarders, customs officers, clearing houses, transporters and definitely the general public / entrepreneurs. The presenter encouraged the participants to register onto the portal with assistance from experts such as Mr Olefile from BITC.

Participants were taken through the benefits of the trade portal and its deliberate simplicity in use and access. Inquiries and requests made through the Botswana Trade Portal carry a 3-day turnaround time. The official website address is <[www.botswanatradeportal.org.bw](http://www.botswanatradeportal.org.bw)> .

## **Selebi Phikwe Workshop Report**

### **7.1 Brief Economic Background**

Selebi-Phikwe and the surrounding region had a total of 35,000 households at the time of the 2011 population and housing census, and a total population of 121,000 of this, Selebi-Phikwe has 16,000 households and a population of 49,000. The majority of the population depends on BCL Copper Nickel Mine which directly supports a substantial proportion of the households in Selebi-Phikwe and the surrounding region through employment – perhaps 15% of the total.

Following the provisional closure of the BCL mine in October 2016, Government has developed a strategy to revitalise Selebi Phikwe region, whose main elements are: agricultural production and related value chains; tourism and related services; and establishing the region as a Special Economic Zone, focusing on renewable energy generation, green technology, and Information Communication Technology. Meanwhile, short term interventions have been put in place that are already being implemented, which include the establishment of a SPEDU land bank for potential investors.

Key economic activities include steel fabrication plant from scrap metal, horticulture processing plant, BCL mine, Fisheries project, Letsibogo Dam (Tourism), Garments and clothing manufacturing companies, Hotel and tourism facilities are some of the current economic activities in the region. Opening Remarks, Q & A's and Vote of Thanks

**Opening Remarks:** The session was officially opened by the Vice President of Business Botswana (North), Mr Palalani Moitlhobogi. Mr Palalani is also the managing Director of a very successful consultancy in Selebi Phikwe. The company deals with secretarial and accounting services.

The closing remarks were delivered by Mr Ramogoma Kaisara, the Operations Manager at NAPRO. NAPRO is a processing plant of horticulture produce with products such as tomato sauce and other pickled vegetables.

## **STAKEHOLDER DISCUSSIONS: SELIBE PHIKWE**

### **7.2.1 Questions and comments on SADC Presentation on EPAs**

Theme: Are these agreements useful to those at the ground / what benefits are seen?

Q1. The agreements are meant to benefit the region. So, we should accept them. My comment and question: I want to sound simple. Since the demise of BCL we have seen such similar workshops, talking about various issues like this today. How would we know ..... if we are to explore this market in Europe, how do we know what their needs are? I have seen our websites and I see our number

one import is fuel, our number one export is diamond etc. now, here in Phikwe, we are small businesses and we are told there are opportunities for us. And we import even simple things like milk, cheese from Europe... so how do we know what their demands or wants are?

**Ans:** On issues of how to know what Europe wants, the response was that the trade and development committee which is a joint committee between SADC and EU has the mandate to ensure the implementation of the agreement. The committee was charged to prepare TORs even in so far as planning for the first ministerial engagement.

On the second part of the question, Mr Taylor responded by asking why with all the cattle in Botswana do we not milk any cows? He indicated that these are opportunities to develop industries and value chains if explored.

Q2. Again, same question – what can we fabricate for those abroad? Do we have the expertise or product to enter into their market? I think this is the depth we should be talking about especially after the demise of BCL.

**Ans:** The response was: How do we move forward? By continuous dialogue with partners (EU/SADC), addressing issues as they arise. Also, providing technical support and other forms of support would ensure producing for the EU market. Mr Taylor advised that we also need to look at our rules of origin within Africa itself.

Q3: How are these agreements going to be affected by BREXIT? The UK is a major player in the EU, how will it be affected after Brexit?

**Ans:** Brexit – it is happening. That on the 29th of March the UK is launching their procedure for exit within 2 years. But in the short term, this changes nothing with the EU-SADC EPAs. All the cooperation mechanisms in EPA will remain the same. Currently almost all beef exports into the EU go through the UK. However, very little is changing in the short term. Other channels may open up for beef routing. But what is important is that when the UK leaves the EU, there will be two markets. It will be up to the Governments to start negotiations with the UK. So, its departure has very little bearing to the EPAs.

**Ans:** Brexit is an evolving issue. As we negotiated, we proceed with the EPA as it stands. As Brexit proceeds, they too are working on their part. The EU-SADC EPA is the first agreement in Africa to actually operationalise hence it's a benchmark on its own. So, we need to observe and redefine our role as Brexit evolves. The EU is also committed; therefore, we should be holding all partner countries to be also committed. That is also reflected in the EU delegation participation at this time.



Q4: We are also from fabrication and construction industry. The problem here in Botswana, even the big companies in Palapye ..... they are bringing in technology and manpower from overseas. They always say the quality of goods in Botswana is not good and the manpower is also not good. So how can the EU help to improve the quality of manpower and products here in Botswana, in order to compete in the EU market? And even if we give good quality service or workmanship, the buyer always targets a lower price without considering the quality. How can this be addressed?

**Ans:** Presentations by BOBS, EU Delegation will address issues of quality and those of the needs of the European market.

### **7.2.2 Stakeholder discussions on the Rules of Origin**

Q1: It's just a comment. These rules of origin, I think we understand but we can only get to know them in details only when we start exporting and experiencing them. At this stage, it's just information about how goods are considered to be fully or partially original. These are questions we used to have but now that's clarified.

**Ans:** the above was acknowledged as a comment.

Q2: As clothes manufacturers, we get our material from South Africa. We don't make fabric but we buy the fabric. Material roll from South Africa and then manufacture clothes and apparel from here. Does this make our clothes originating from Botswana?

**Ans:** I will start with the fabric, what clothes are you making? It sounds like the clothes you are making are originating because a sufficient process is being done here. If you are bringing in already cut pieces from South Africa, the input may not be sufficient for origination. So always show as proof of origin the fabric roll.

Q3: We manufacture tomato sauce and vegetable purees. We use vegetables here in Botswana. We started off as a very small project and intend to grow with time and only source local veggies. When the time is right for us to get into exports, I think, only then, we can really look at the information we have today, the HS codes, rules of origin and quality issues.

**Ans:** The above was appreciated as a comment.

Q4: Which way, for example in engineering, if we want to produce goods maybe for France, how can the EU and Business Botswana help us manufacture in accordance to French requirements?

**Ans:** the answer was that, on SPS from policy perspective, the EU has undertaken a study and it can be accessed through Business Botswana.

### **7.2.3 Stakeholder discussions on the TBT Agreement by BOBS**

Q: You have given detailed discussion on standards and the importance of engaging with institutions such as BOBS and other authorities to help us appreciate standards vs price and cost. Another challenge is inappropriate structures we have to adopt or at least change in order to spur on adoption of standards.

Q: It seems that in the light of the BCL saga, farming is being taken up as the next best alternative for former mine employees.

Q: I am looking for clarity with regards to BOBS. I see local companies preferring other country standards vs BOBS.

Q: We have been BOBS certified since 2009. We are in business consultancy and I urge my fellow businesses to keep standards. We just need standardization: The process helps to maintain the service offering. Please embrace standards.

**Ans:** The above questions and comments were answered as follows: Many use external standards but I think it's because of lack of information or baseless perception. Only on rare occasions does BOBS develop its own standards for example in the case of the Kgalagadi Sand Blocks. As indicated earlier, standards are voluntary and not mandatory. BOBS is not a regulator; it only facilitates trade.

### **7.2.4 Stakeholder discussions on the Botswana Trade Portal**

Q1: I think a 3-day turnaround time is just too long. Other countries are responding in 24 hours. Though it's a good development. And the issue of 'this page is unavailable' should also be done away with.

**Ans:** Yes, but there are changes to be done to accommodate the new information. On the turnaround...we say 3 days for those cases which information may not be immediately available. But for what is already there, we give an immediate response.

Q2: Is the EPA uploaded on the portal?

**Ans:** No, not as yet. But we can take it up with our partners and consider making it available.

Q3: This is a good initiative, but are people aware of it? I would advise that they take the portal as wide as they can, including peripheral groups, community based organisations and micro businesses.

**Ans:** no comment

## **ATTENDANCE AND QUESTIONNAIRE ANALYSIS: SELEBI PHIKWE**

**7.3.1 Table 2: Attendance Analysis-Selibe Phikwe**

Private Sector	30	55%
NGO/CBO	0	0%
Media	5	9%
Parastatals	9	16%
Government/stakeholders	11	20%
TOTALS	55	100%

The training workshop in Selibe Phikwe had 30 attendants from the private sector equivalent to 55% of the total attendance. 20% of participants were government departments and other stakeholders. The 9% of media includes 4 newspapers and 1 radio station.

### **7.3.2 Questionnaire Analysis**

The overall attendees were satisfied with the workshop both on the total satisfaction with the content of the workshop from the 23 questionnaires and the satisfaction with the design used for the workshop.

### **7.3.3 Question 1. Total satisfaction with the design of the workshop**

On the first part of the presentation, it is shown that most people were satisfied with the content of the workshop. The first part of question 1 shows 30% people very satisfied meaning that they were well informed about the objectives of the workshop. The second part of question 1 having 48% people being satisfied indicating that the workshop objectives were clear to them. This means that presentation about the workshop was well communicated to the participants.

However, we have 22% people saying the workshop did not live up to their expectations. Another 22% was dissatisfied indicating that the workshop was not relevant to their job. We also have a large number of participants being neutral or average on Q 1.3 and Q1.4.

#### **7.3.4 Question 2. Satisfaction with the design used for the workshop**

65% of the people were satisfied with the key note address.

74% were satisfied with the participant's introductions.

74% were satisfied with the presentation from speakers

70% were saying the activities stimulated their thinking and learning

65% say the activities gave them sufficient practise and feedback

65% were happy with the pace of the workshop

26% were neutral on the whether the time allocation of tasks was appropriate and another 35% were neutral on the satisfaction with the planning process for the next steps

## **Palapye Workshop Report**

### **8.1 Brief Economic Background**

The total population of the Serowe/Palapye Sub District was 181,092 in 2011 which is a 19.2 percent increase from the 2001 count of 151,950. Serowe and Palapye are the largest villages with populations of 52,831 and 29,565 respectively, thereby contributing a combined 54.5 percent of the Sub District's population. The two villages experienced positive intercensal growths between 2001 and 2011 of 0.9 and 3.3 percent respectively. As an emerging industrial growth area, Palapye recorded an overall growth of 39.0 percent compared to 9.2 percent for Serowe.

### **8.2 STAKEHOLDER DISCUSSIONS: PALAPYE**

#### **8.2.1 Opening Remarks**

The workshop was officially opened by the Botswana International University of Science and Technology (BIUST) Vice Chancellor, Professor Otlogetswe Totolo.

#### **8.2.2 Questions and comments on SADC Secretariat Presentation on EPAs**

Q1: Why was the truck movements introduced? Can they be selective depending on the load? And we should also consider the impact on our roads which are narrow.

**Ans:** On truck movement restrictions. The reality is that as a developing country, we do not have the desired infrastructure though we want goods to move – it is in our economic interest. One country may not manage on their own and one needs to appeal to other countries for mutual benefit. We need to acknowledge one another's interest to move goods across the region. Works of mutual benefit; considering how we can build infrastructure together and ensure products reach the furthest destination. We need to consider how we can build, facilitate and upgrade transport corridors of trade.

**Ans:** Can we consider being selective [truck movement]? Yes, it is possible but remember, Botswana has opened up for free flow of trade. This is where your voice as an operator comes in -remember you will also be affected as you travel through other countries so we need to be careful not to create an unintended barrier.

Q2: We welcome the liberalisation of the region and the economic integration. But we have some serious challenges in the region (SADC) of land ownership issues and these impact on businesses. In all these agreements, it is never mentioned how this issue impacts on trade or how we can overcome these challenges. In some areas, the land ownership issues are a causal problem in so far as xenophobia is concerned. If I want to trade in the Congo or South Africa, issues of land are still present. So, I would like the presenters to appreciate the issues of land.

**Ans:** Yes, land is an issue, trade cannot work outside land. It is fundamental. Policies cannot be retracted; they can only be enhanced.

Q2a: Secondly, finance. Yes, governments may have incentives to support the business sectors. But finances are still constraints. Very few institutions control issues of finance or impact policy. How can we overcome this so that we can be more involved in the EU arrangements?

**Ans:** Land issues and income tax – these will have an impact on trade. But when a government is negotiating with a third party, each government wants to remain sovereign. So, I urge members to lobby governments and seek resolve. About finance, the EPA has a very firm pillar on development, the EU is fully committed to Botswana and the rest of SADC. And there are a number of instruments being developed to address financing. They are under development. This is upon governments to engage with the EU.

**Ans:** At CEDA we are there to assist local entrepreneurs in business start-ups (P500 – P30M). Most of the entrepreneurs do not have the required security. For applications of P4M or less, you can still be assisted at the discretion of management. Other organisations like BDC also assist with funding.

Q2b: With regards to EU itself, I know that South Africa had a challenge in the poultry sector. The industry has been overtaken by chicken imported from the United States of America, and is killing the South African chicken industry there. The impact will be greater in weaker countries.

**Ans:** The issue of dumping chickens in South Africa is being resolved with the USA. The EU has been informed about the resolution measures. And every country affected, particularly in the SACU, should speak out.

**Ans:** Dumping: when I hear about chickens being dumped in South Africa. I think we need to be very sure of the facts. If you were to accuse a country of dumping, it should be justified under the trade rules. At this point, the reality is that South Africa has imposed dumping duty on chickens from the EU. On the chickens coming from the USA... it is possible that this means that South Africa is unable to produce enough for local demand.

There are mechanisms in place in Botswana to protect infant industries and vulnerable industries.

Q3: We have come across challenges; as a local manufacturer, one sources nearly 90% of inputs from other SADC countries but on application for an export permit, we are required to have sourced at least 75% of the raw material locally ie Botswana. How can we overcome this as Botswana because we do not have any industry or raw material suppliers?

**Ans:** BURS Commented: In the Botswana and Zimbabwe bilateral agreement, it's not 75% to source locally, it is at 25% local content requirement, which can include utilities and wages. We do acknowledge that we do not have extensive locally available raw materials.

Q4: I would like to talk about the land issues. We have a problem. Some of the rentals are very expensive. So, if you get into rentals, like I rent at P 6000, this is very heavy... I am unable to plan ahead, worrying about where to get money to pay the bill on time. I try to seek funds but it is very difficult. If I go to Zimbabwe, for example to Jairos Jiri, they run enterprises to support their financial needs. We [NGOs in Botswana] need to also get empowered and learn how to sustain ourselves and also to start income generation projects. We also need funds, transport, and other resources to run ourselves. Right now, I am operating from my home in Palapye, our offices are in Gaborone. So, I am asking for assistance.

**Ans:** On the SOS appeal from the NGO: let us work together to address some of our shortfalls.

Q5a: I appreciate the EPA and its benefits. But what mechanism is in place to give the relevant stakeholders the systems that come with the EPA. For example, if you are at a border and you are dealing with someone who has no idea what the EPA is about, even when you are knowledgeable of what can be done. What are the mechanisms in place to involve such stakeholders to ensure that the EPA and implementation is well managed at the lower level?

**Ans:** Government has been trying since 2000 to bring people to the table to engage with the business sector; engagement with the BITC, CEDA, Business Botswana and other groups. The EU-SADC EPA agreement recognises cooperation in the supply side competitiveness in the market.

**Ans:** Mechanisms are in place to manage EPA benefits particularly by customs [BURS]: we do have awareness workshops with the customs officers at all borders. We are also organising other workshops targeted at our customs officers about the EPAs and its benefits so that they are empowered to assist adequately at the borders.

Q5b: secondly, what are the mechanisms in place to protect us from the effects of the EPAs. E.g. many truck move right through the country and deliver very little in Botswana or other market. Is there a mechanism to protect this market?

Q5c: Thirdly, what are the benefits directly to the business man on the ground?

**Ans:** This workshop is part of benefitting. Secondly, we [Business Botswana] have partnered with BITC in the development of an exporters awareness course. It's a short course, 2 hours to talk about exporting,

there is a 2nd phase and 3rd phase which now address the planning for export and successful exporting. These courses start in April 2017 . Also, BITC has a Botswana Exporter Development Programme, feel free to enquire and access the program.

**Q6:** When this agreement was made, did they consider that our local taxes are different? Also, most of the SADC countries rely only on minerals. Was there any research to consider the anchors of country economies?

**Ans:** On minerals: there were thorough reviews on resources in the region. Now that the agreement has been signed, we are constantly working to figure out how to strengthen the implementation. This is why it is important for the business sector to recognise its role and contribute to the implementation phase of the EPAs.

**Q7a:** CEDA, security and the youth – if CEDA really wants security on loan, we should have a policy that states that anyone who reaches 45 years in government should retire and make way for the youth. Then CEDA would serve the 45 year olds who have accumulated security, rather than youth who have nothing at all.

**Q7b:** Training of workers - this is about BQA and BURS. BQA wants SME's to pay out of pocket in advance and then BQA would refund the SMEs from the training levy fund later after the training. Also, the very government departments call for services from Europe and USA, when there are so many service providers in-country. The very government is preaching local empowerment and business development stifles the environment i.e. source locally; BQA should train locally and be more proactive.

**Q8:** The problem in Botswana is the 'ease of doing business environment'. For example, mid last year we heard of the ESP project, so we bought a plant in Tutume and called a meeting with the VDC with the hope of partnership, which, in principle, we all agreed to get into partnership. In the second meeting, the council retracted to say we have no business talking to the VDC. The VDC did not want to obtain a mining license. Then the company had to apply for it themselves. We wrote letters to which there was no response for 7 months. So even us locals as investors, have a hard time supporting other businesses. We have reached a point where we are considering importing sand from Zimbabwe.

We went to CEDA, CEDA consulted BOBS and BOBS made a recommendation to CEDA regarding our product; and our application was rejected because BOBS offered a business opinion to CEDA. We are now the only calibration company in Botswana accredited by the SADC accreditation board. So, it's not about whether we can get money or not, it's the business environment which is stifling.

**Ans:** Response by BOBS: I do not think this is the environment to communicate the grievance of being turned down by CEDA due to BOBS. All I can say is that our main objective as BOBS is to support trade.



Q9: Business environment in Botswana is a bit flat. We have so many workshops and activities running to support the business sector. So many have been trained but where are these businesses today? E.g. Bots 50 was aimed at disseminating funds to activities. Money was disseminated, how and where? no one is really taking accountability for these things. A lot of money is being spent but with no impact to show.

**Comment from Participant:** before we look beyond our border, we need to take care of our home. Our environment should be conducive enough to support competitiveness such as standards, record keeping and other good business practices.

### 8.2.3 Questions and comments on Rules of Origin

Q1: Can the cumulation include packaging?

**Ans:** There is no reference to packaging particularly, but it needs to significantly add to the process. Unless the packaging has a good value and was made in country. But the origins very clearly state that the packaging on its own does not qualify for origin.

Q2: How do we certify origin for honey in Botswana?

**Ans:** It is a bit complicated. For the EU, you need to satisfy the SPS requirements. SPS requirements are additional to the rules of origin.

Q3: For the rules of origin, if I want to export a product and then instead of importing it, I get it from someone locally who also bought it from outside, does this become originating?

**Ans:** It is possible but it requires a certificate of origin on the raw material. It is upon the business or supplier to prove or convince BURS of the origination of materials.

**Request from Participant:** Just asking that the Rules of Origin presentation be emailed to us as this is very important. Also, expressed that the fact that Botswana has a low population should not be a trade deterrent. We are planning to go to India as a group of women to establish trade in fabric.

#### **8.2.4 Questions and comments on BURS and BOBS presentations**

**Q1:** On BURS, registration process for exports. Previously Mr. Taylor was worried about the exploitation of this by non- EU-SADC EPA partners. It is a challenge when a company comes in as a non- EU-SADC EPA investor, is there time frame and for how long is this valid?

**Ans:** BURS comment on the question of the registration process – it is not a lengthy process provided all documents required are submitted. The turnaround time is 2-3 days. The usual problem is the non-compliance with documentation requirement. Secondly, we want to guard a situation where factories are set up and try to claim preference in trade, that's why we come in to check your factory to validate and confirm originality of goods.

**Q2:** Directed to BOBS. The standards we are talking about, what mechanism is there to protect a small business, to facilitate it to growing into the standards we are looking at? Also, when talking about environmental protection issues in terms of allowing goods coming into the country...what is the process of waste management programme after the lifespan of the product that they have sold us?

**Ans:** As for the vulnerability of the small business – perhaps we need to carry out a root cause analysis to see why we are failing ...is it the lack of regulation or is it the lack of enforcement of standards? We are failing because we do not embrace quality issues at the level of inception of the business.

**Ans:** On waste management- the Government has established agencies such as Department of Waste Management and that of Environmental Protection who are responsible for this. BOBS only provides the tools for regulation.

**Q3:** It pertains to countries being jittery and wanting to be out of the EU, how does that affect the EU?

**Ans:** Brexit is not on the agenda today. But yes, I understand on March 29, this year, the UK is formally asking to leave the EU. But I do believe no other member is leaving the EU. Even if the UK leaves, it has very little impact on this agreement. Botswana has a very specific export configuration, with all goods going into the UK before going to other EU countries. So, the government now has to redefine this arrangement. The priority for Botswana is to increase exports and diversify exports.

**Q4:** A request to BURS – communications to your office is a huge problem. Please when you are implementing new systems and stuff, please can you find other channels to communicate effectively to the business sector.

**Ans:** On communication with BURS and e-services – I can say that BURS was using the radio, newspapers and Television to communicate about the e-services. Most information is made public on Botswana Television,

Q5: I want to know about honey, is it BOBS who certifies the honey or NAFTAC?

**Ans:** There is a national standard that has been developed for honey. It is a voluntary standard. But that standard; because honey is food, the Ministry of Health and Wellness will shortly be in charge of regulation of foods. In the meantime, BOBS can assist in the testing and certification.

Q6: We are talking about standards but sometimes we produce goods of a higher quality than products in the shop. How does this get justified? Then also, in the pricing for standards and compliances at BOBS and PPADB, have they thought of aspiring and small businesses being able to afford such fees?

**Ans:** Standards being required from small companies while Choppies has its way. Standards are voluntary and market driven. It is the clients who demand them, it is not a law. So be aware that it is the market who wants them and that standards apply to everyone. If clients want standards, you need to comply. It is all a choice. In other countries consumerism is developed that is why standards are upheld.

**Comment from Participant:** The ISO standards and all that is available is there to guide us into international competitiveness. From experience, I think the minimum standard we should strive for is the BOBS 9001. Buy a copy (less than P200, about P180) and familiarize yourself with it before you get certified with BOBS. Let us get those standards, BOBS can train us. We can even apply standards without getting certified or trained, they help one stay competitive. We got our first accreditation in 2011, giving evidence that we are complying to the international standards (technically and management wise). I am encouraging my colleagues to strive for standards certification.

**Comment from Participant:** as a training company and BQA accredited. We also can train on BOBS standards.

**Response to comment by BOBS:** BOBS is not an accreditation body. So, the speaker is attesting to competence. BOBS is about standards compliance. This does not guarantee that staff is competent. But when we come in as BOBS ISO 9001, it is to say that your management systems are in compliance with the management system standard. Our training is at a fee.

### 8.2.5 Questions and Comments on the Botswana Trade Portal

Q1: I have a small business. Where can I get assistance to know more about the export of bricks... and what about the standards, what do they want? Again, this donkey business, last time it was sold at P500 when the Chinese enquire about it but this is too little. I am asking that all of us should not do this, that is accept , a low price for a donkey.

**Ans:** Bricks are exported. And we have worked with companies marketing bricks. BOBS can answer the standards part.

**Ans:** I think BITRI is the best institution to approach because they are the ones involved in innovations, technology and development of new materials. SADC presenter made reference to the new standards on the Kalahari sand bricks. BOBS can only come in after a product is fully developed in order to check if it complies to the standards.

**Ans:** On donkey meat: Presenter read out a donkey enquiry from Hong Kong. There is a problem with import permits as Hong Kong does not issue import permits. Therefore, now, he is given an alternative remedy when BITC steps in requesting a letter that can come from an authority. The veterinary department in Botswana will then issue a clearance letter meeting slaughter and other conditions that will result in a Health certificate that can facilitate the export.

Q2: I would like to appreciate the portal. But I did not get the earlier information. If you get an enquiry from USA ,for example, what happens afterwards? What is the process after the enquiry?

**Ans:** Our Botswana Trade Portal main issue is to disseminate and share information about the export process. However, at BITC, we have various market data bases from which we extract information to answer enquiries. Also remember that we are only agencies with no interest in being an intermediary – so we do not engage in any business transaction. We were in Mozambique last year sitting with Marine Trading who said we do not want to deal with Botswana companies because they had a negative impact. So, we try not to get involved, though sometimes we step in in a very limited way.

Q3: I understand that for those of us in bee farming, for example, in order to successfully get into export market, we need to improve our production, get standards, and so on. Last year there was a workshop for EU EPA for Asian markets. Some of those standards were about US\$ 500.00 per standard, now if we are to meet all these requirements to get into the global market, it can be difficult and financially challenging.

## **8.3 ATTENDANCE AND QUESTIONNAIRE ANALYSIS**

**8.3.1 Table 3: Attendance Analysis -Palapye**

Private Sector	32	57%
NGO/CBO	9	16%
Media	0	0%
Parastatals	5	9%
Government/stakeholders	10	18%
TOTALS	56	100%

The private companies were over half of the total attendants and NGOs and CBOs were well represented. The Parastatals were well represented and those who support entrepreneurship such as LEA and CEDA were present. SPEDU which was set to diversify the economy of Botswana from Mining also came to attend and are looking to export their products to the outside market.

### **8.3.2 Question 1**

Generally the people were satisfied with the content of the workshop.

70% of the attendants are saying they were well informed about the objectives of the workshop and another 70% say the objectives were clear to them.

78% of the attendants say the workshop lived up to their expectations

56% are saying the content is relevant to their job and 22% were average on this matter

### **8.3.3 Question 2**

At the Palapye workshop people were generally satisfied with the design used for the workshop.

74% were satisfied with the key note address and 70% are satisfied with the participant's introductions.

78% were satisfied with the presentations from speakers. 74% said the activities stimulated their thinking and learning. 56% say the activities gave them sufficient practice and feedback. 78% felt the pace of the workshop was appropriate. 59% felt the time allocated to tasks was appropriate.

52% are satisfied with the planning processes for the next steps.

## **Gantsi Workshop Report**

### **9.1 Brief Economic Background**

The total population of the district was estimated at 43,355 in 2011 which was increase of 30.7 percent from the 2001 count of 33,170. The largest village is the district headquarters of Ghanzi village which is home to (16.276)37.5 percent of district inhabitants. Other villages with significant population are Charleshill with 3,791 and Ncojane with 2,573. In terms of population distribution, the only sizable (37.5 percent and 11.8 percent respectively) population concentrates are found in Ghanzi and localities with no affiliation (farms). The majority of the settlements in the sub district have a population of less than 1,000 people. Overall, the area is sparsely populated with an average density of 0.37 persons per square kilometre.

GHANZI – 19<sup>th</sup> April 2017: Opening Remarks, Q & A's and Vote of Thanks

*Welcome Remarks were delivered by Mr Seby Jose, Business Council Chairperson of the South-Central*  
The workshop was officially opened by Mr Kabelo Lerothodi who is the Branch Manager for CEDA in Gantsi. And the vote of thanks was given by Mr Victor Mphafe- Branch Manager, LEA

### **9.2 STAKEHOLDER DISCUSSIONS: GHANZI**

#### **9.2.1 Questions and comments on SADC Presentation on EPAs**

Q1: There is a problem between farmers and the authorities. BMC has no input in what we need. Is there any forum through which we can channel our concerns about the monopoly of the BMC?

**Ans:** On farmers and BMC monopoly- it is a national issue, embracing it in the national structure. The government is negotiating ways to resolve this problem, the process is ongoing. But here we are emphasising the relieved quotas.

Q2: I was looking at the objectives of the EU-SADC EPA and one of them was good governance, and competitiveness. But it seems like the agreement objectives are not addressing corruption?

**Ans:** On corruption - we are dealing with fair trade, sustainable development and poverty reduction.

Q3: Sometimes when we get things from South Africa, you find maybe the charges or price of goods and related trade charges are not right or the content received is not ok, how do we go around addressing the issue of wrong goods coming in?

Ans: How do we deal with issues of wrong products coming in when we are trading - This is a good forum to talk about this. Because then governments can sit and discuss these negative issues of trade.

Q4: The presentation is very technical. What has been put in place to ensure that the average person and companies can benefit from the agreements? What is there to link us to the EPAs?

Ans: Technical level of presentations - whichever business one is in, we are now at the implementation stage, meaning that whatever is produced, meeting quality standards can now be sold to the EU quota free and under reduced tariffs.

Ans: On linking products with the market: these are some of the initiatives which require us to think about what we want, defining our roles and making a contribution with regards to what you can do. It calls for attention on implementation plans and export plans.

Ans: answering on what has been put in place to ensure we can take advantage of the EPAs? This question reflects the purpose of the workshop which is to understand that we need to receive benefit from it. If you are a farmer producing vegetables, one can come and even sell them to Finland, for example. BITC, BOBS and MITI are all there to help you in the areas you are lacking in to ensure you are able to send those veggies to Finland.

Q5: There are rules with this EPAs, are we going to have agents to ensure that the companies or traders are in compliance with the rules that are in place?

Ans: I work in the Ministry and I have heard all of you. MITI wants to work for and with people. Other countries we work with, as well as ourselves need to meet certain requirements and conditions for good trade so we all need to comply to certain conditions. Addressed the issue of linking companies to trade process, that can be through value chain development and ensuring all parties play their role in business.

Q6: I still feel my question is indirectly not answered? Is there any other way to take the matter up with BMC monopoly? BMC is a barrier because they have conditions which prohibit local producers to sell, let alone export. If we feel that BMC is helping us facilitate our sales, no problem, but is there another way we can sell our product outside BMC?

**Ans:** On BMC we do know it's an issue, but be assured that there are ongoing negotiations for resolve between the Ministry of Agriculture, Ministry of Investment, Trade and Industry, BMC and other stakeholders.

**Ans:** My concern is that perhaps some participants may not understand what we are saying here. When we live in a family like the SADC region, it's important for us to penetrate or enter into other markets in our region, there is support or agencies from BOBS, and so on, to help us be ready to export to countries. On the BMC issue, he explained what issues need to be complied to in order to be able to successfully benefit from BMC. BMC has a role to play in that they buy local product and ensure that all Botswana beef is quality and exportable to other markets.

Q7: How is the EU SADC EPA different from the AGOA we have?

**Ans:** On the difference between EU-SADC EPA and AGOA – these are very different agreements. In AGOA the Americans gave us preferential treatment in trade for our products. But this one is about SADC and the EU, reaching tariffs and quotas that are favourable.

Q8: I would like to refer to capacity and the skills ...my concern is that maybe.... we have local agents like LEA and CEDA, we would not be able to take advantage of the EPA because they lack the skill and capacity to upgrade us ie businesses into industrialisation. We don't have a diversity of business ideas. For example, if I go to LEA or CEDA with a business idea and ask them to capacitate me to carry on that business idea, ...any requirement or service I would want or need to pursue the idea, will carry financial implications. But for one to put up a good proposal to take to CEDA, you need market surveys, bills of quantity, Environmental Impact Studies ...all this needs money. This negatively impacts on SMMEs. So, we are unable to take advantage of the EPAs because we are not skilled enough at that level.

**Ans:** On capacity building - from my understanding, there is need for us as LEA and other stakeholders to do more in terms of imparting entrepreneurial skills to all. I think we have enough capacity in terms of business advisory and information, through resource centres, market reports etc. there are some hindrances such as high service costs – these are financial hindrances not skills issues. We do have a policy advocacy unit in LEA which addresses issues such as these. We try to ensure that the business environment is conducive for success. Unfortunately, there are some requirements that do need to be followed.

Q9: Here in Ghanzi, about 80% of us are involved in beef production. And the BMC conditions are not favourable. And for business start-ups, CEDA is not always knowledgeable about meats. I think BMC and CEDA should get together to make a smoother process.

**Ans:** we need to know HOW to take advantage of the EPAs, so this is a good forum for the same. At the end of it, it's up to the company or trader to decide if they want to export to Europe.

**A special address** was given by Ms. Phingie Motshusi of Business Botswana regarding the farmers and the BMC monopoly. She announced that there would be a meeting the next day, on the 20th April in



Ghanzi, 8:00 am. This is a demonstration of the efforts the government is making to address the mentioned existing issues.

### **9.2.2 Stakeholder Discussions On the Rules of Origin**

**Q1:** there are lots of enterprising Batswana who are interested in business partnerships with foreign nationals in trade. We are going to face a situation where we want to source inputs from cheaper Asia and having a basic process in Botswana just enough to qualify it as a Botswana originating good.

**Ans:** a country negotiates new trade deals, and all of a sudden many countries are trying to take advantage of it – this is common. If they come in only to house processed goods and bringing them in to Botswana for minimal process, this is not what the agreement is here for. Each product has a rule to satisfy. In addition, Article 9 talks about operations that are always considered to be insufficient e.g. packaging.

It does put Botswana in a good position if the rules are applied properly. If people are obtaining origin on minimal requirement, it nearly a waste of time because this EPA long term objective is not just about access but to attract the foreign investor and to develop meaningful industry.

**Q2:** I have a question regarding livestock. If I have to declare the origin of the calves, which were bred from female which were fertilized with imported semen, what is the calf's origin?

**Ans:** Botswana. I would consider that calf as wholly obtained. People talk about cattle feed which is highly imported from SA. This is irrelevant under the EPA agreement.

The cow is still wholly obtained from Botswana. EU is looking for authentic, environmental friendly product. If you have cows naturally fed versus those in the feedlot for up to 90 days, these are more attractive to the EU market as the authenticity is in the taste coming from the organically fed animal. He noted that when beef comes from Botswana to Europe, it is not very well marketed. There is a need for trademarking and branding. If an international level brand can be developed, it would be more attractive on the market.

**Q3:** From this presentation, it means we can have more products for us to export, if I am to get raw material from sister countries or acquire partially processed goods, I can finalize them here and be able to export. It's just an appreciation for the rules in the EPA.

Q4: When hearing about goods into Europe, the emphasis is on organic; Organic means it really grows and matures in the natural environment. I think maybe we might be losing value on our cows or being robbed because organic beef is costlier than taking our stock to feedlots. We need to review this.

**Ans:** my understanding is that it should be labelled as organic. I am not sure of the full certification process. But in so far as moving all export cattle through feeding lots – this is the practice – cattle for export go through feedlots before being processed for export through BMC.

### 9.2.3 Stakeholder Discussions on the BURS presentation

Q1: My observation is that Botswana has a lot of paperwork requirements for importing. Some people also feel Botswana is asking for too much information. Is there anywhere that we can address the Botswana import information requirement on the form?

**Ans:** On checking and clearing goods for export, BURS does not want a situation where exporters do not gain clearance into the EU. It sets a bad picture for the country. So, the regulations may be tedious but we want good products of Botswana origin going into the EU.

**Ans:** On turnaround time: our standards say application for approval as an exporter under SADC EPA should take 5 working days. As for declaration processing, this should take no more than 4 hours.

Q2: What are the standards set for people who are bringing things to Botswana like the sub-standard things that come into Botswana; do we have the same privilege to export such sub-standard things?

**Ans:** Standards set for exporting countries: we follow international standards. We don't just accept sub-standard products in Botswana.

**Ans:** When the EPA negotiations were taking place, BURS was part of the negotiating team so we are knowledgeable on the contents of the EPAs. So it was advised that we all get familiar with the agreement and its requirements. The mandate is with BURS under the Ministry of Finance. However, when it comes to opening of doors and trade facilitation, this was given to MITI.

**Ans:** emphasised that BURS is a partner, particularly at the implementation level. No product shall leave this country without complying with BURS conditions, EPA rules and other regulation.

#### 9.2.4 Stakeholder Discussions on the Botswana Trade Portal

Q1: Since you started with the trade portal, do you have any statistics showing the increase of trade?

**Ans:** Statistics as a direct result of the portal - this portal was launched only in January 2016. We have been working with the Export Development Program and every year we have been setting targets, for example, how much revenue comes in. So the portal comes in as a result of BITC export revenues. What we have is an export figure and is a direct consequence of the export development activities of BITC clients.

Q2: I observe this is very informative. But somehow we need to see how this can benefit the end user, especially in the areas far like ours. Most developments are concentrated in the urban areas, we need developments to come closer to here so that we can take advantage of them.

**Ans:** to benefit from the portal, you do not need hefty development structures. It only requires an internet connection and a connecting device. But we do understand the concern.

Q3: How do I benefit from the EPA as a service exporter or someone who has a service as a product?

**Ans:** How do we export services? We have been trying to work on this from 2006. We were faced with issues of fairness, transparency and beneficial. Mode of export of services is facilitated by the internet. For more information, you can contact Department of International Trade in the MITI.

At the end of the workshop, companies were called upon to register as users on the Botswana Trade Portal.

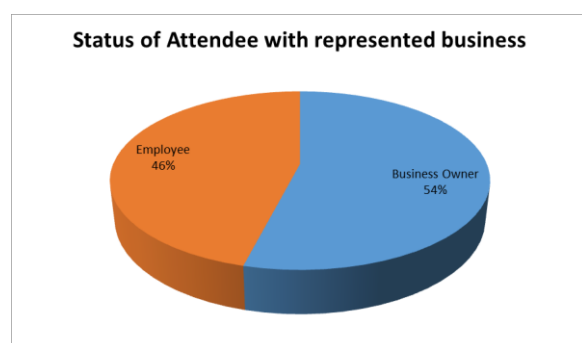
## **9.3 ATTENDANCE AND QUESTIONNAIRES**

**9.3.1. Table 4: Attendance Analysis- Ghanzi**  
**Classifications**

Private Sector	28	54%
NGO/CBO	10	19%
Media	1	2%
Parastatals	3	6%
Government/stakeholders	10	19%
TOTALS	52	100%

Total number of attendees was 52 people from various sectors and organizations as shown above. However, the questionnaire attempted and collected back were only 24. This is due to the fact that some attendees did not attempt the questionnaire and some left with the questionnaires unfilled as most people left after lunch before the questionnaire administration

**9.3.2 Figure 1. Status of Attendee-Ghanzi**



The majority of attendants were business owners in Gantsi with the capacity to make organizational decisions to venture into exports and benefit from the EPAs. However as shown above there was also a significant number of employees from various companies or organizations.

### **9.3.3 Question 1**

The overall attendees were satisfied with the content of the workshop as shown above.

75% was satisfied that they were well informed about the objectives of the workshop.

65% are satisfied and saying the workshop objectives was clear to them.

67% of the people say the workshop lived up their expectations.

21% of the people were satisfied while a significant number which is 19% chose to be average which translates to the fact that workshop content might have not been relevant to their job.

#### **9.3.4 Question 2**

In Ghanzi, no people were dissatisfied with the key note address. 38% of the people were average while 63% people were satisfied with the Key note address.

79% of the people were satisfied with the participant's introductions. Another 79% was satisfied with presentations from speakers.

71% say the activities stimulated their thinking and learning.

A large number of 33% chose to be average on when asked if the activities gave them sufficient practice and feedback. On the same question 54% of the people were satisfied.

58% were satisfied with the pace of the workshop while 42% were average on the matter.

63% felt the time allocated to tasks was appropriate while 29% were average.

## **Lobatse Workshop Report**

### **10.1 Brief Economic Background**

The 2011 Population census puts Lobatse at 29007 people.

The economy of Lobatse migrated from agro-based industries to manufacturing and tourism industries, companies like the Lobatse Clay Works, Can Manufacturing, Milk processing plant, Ostrich farming, Botswana Meat Commission are the main economic activities. There are a

Through the Department of Animal Health and Production, the ministry operates the Meat Inspection Training Centre which is based in Lobatse. The Training Centre is designed to provide training courses for technicians of developing countries who, upon return to their various stations or countries, should be able to adopt improved methods of meat inspection and meat technology.

### **10.2 STAKEHOLDER DISCUSSIONS: LOBATSE**

Welcome Remarks were delivered by Mr Norman Moleele, the Director PSDP Business Botswana and the Official Opening was performed by Mrs Ontlametse Ward, the Deputy Permanent Secretary, Ministry of Investment, Trade and Industry. Key Note Address was delivered by The EU Ambassador to Botswana, Mr Baum.

#### **10.2.1 Questions and comments (on SADC Presentation on EPAs)**

Q1: I just want to appreciate the workshop and thank the Ambassador and DPS for being here with us. I'm glad the EU recognises that we are all not on equal footing to take advantage of the EPAs and that there is provision for capacity development for the private sector and its participants. It is commendable in the fact that the PSDP was concentrating on a few of us, if you consider how far the PSDP assistance went. This series of workshops alone has reached close to 300 people. If the program has considered looking at the cluster model to develop linkages to strengthen delivery of products to the EU. Maybe the capacity coming should consider the cluster model as this will allow further reach. Glad to hear the EU is here to stay as a partner.

**Ans:** it is true that the EU has been helpful in developing entrepreneurs but we need to also look at clusters and value chains. And the resources cannot allow us to tackle all the problems but this would be strategic. But we want to continue our support to small companies and entrepreneurship cannot be done in isolation. Hopefully at the end of the year we should be clearer on how to continue cooperation towards entrepreneur support.

Q2: Being in morula processing, I see this is interesting and this country should put work into it. So many business opportunities and employment can be created in morula processing. I have a range of products from food to cosmetics. I want to ask – I am looking into export market, but where do I start? I am clueless about upscaling the business. Who do I look to? How do I start?

**Ans:** Today we have the Deputy Permanent Secretary (DPS), the Ambassador and they would help with answers. I remember I said that the Morula owner will be happy as there is a touch on Morula a bit in my presentation.

**Ans:** to the lady processing Morula ... after the break we will provide some technical information but the EU office will be open and we can talk you through what is offered by the EU market. At the end of the day, you are business people and we are civil servants. So, we can only facilitate the process and not do it for you. I will talk about rules of origin. It will be a first step. Talking about technical requirements but I will explain it later.

**Ans:** It was the first time for me as DPS to hear Boitumelo's presentation. Yes, we have the goods to take to the EU. Where do we start? We need to consider the low hanging fruit. What do we have in Botswana that we can quickly export to the EU? I thought maybe we should align strategies in this way as a business community. Just as the government identifies ready opportunities through instruments like AGOA. If you can supply America market, then you can supply the EU market. So, strategies are key. Because so far, I observe, that we need to become basic e.g. the cluster development...one individual cannot maintain the supply, consistency and quality required. So where do we start? MITI is available and we have the BITC which is mandated with export development and making companies export ready.

Q3: I would also like to thank you for the workshop. Some of us are not trained in anything. I just retired from government, my interest is in skills and technology transfer – what sectors will you be looking at? I am also interested in more information about the tourism sector.

**Ans:** On tourism - I cannot really say much. But the service sector is a very important input to trade. The SADC information pack has all information regarding the services. It has captured success stories, how it is in collaboration with the EU, has come up with achievements. Instruments and special meetings on skills and technology transfer are part of the SADC pack.

Q4: In the process, I was wondering if the Ambassador is not considering to work with agents such as the Botswana Innovation Hub. I have been there and I have seen a lot of innovative projects and I feel they too can benefit from what the program is offering.

**Ans:** I said there are to be national implementation plans and strategies and this is how the member states would inform of the needs. So, these comments are information for the Botswana national strategies. Following the value chains, it is to be supported in implementing the strategy and value chain issues as part of NDP 11. It is my mandate as SADC; we also have BTC, LEA, BURS and other facilitating mechanisms; as well as financing mechanisms (CEDA).

**Ans:** On the need for collaboration with Botswana Innovation Hub, we would need to consider some questions like what is its capacity? Does it need to also be supported? Yes, we are happy the agreement is there. There are challenges raised. Let us define and dialogue how we want to define our strategies. Not just the EU but also diversify into other markets.

### 10.2.2 Stakeholder Discussions on the Rules of Origin

Q1: In the case of food processing, if you have some ingredients come in from SA, will the Botswana end product be originating?

**Ans:** Anything that comes in from elsewhere, if there is more than minimal, then its Botswana origin.

Q2: Product labelling - how do we label origin on the product?

**Ans:** What I present here is not what you declare on labels but on customs documents. Remember Rules of Origin are artificial rules in the EPAs to access EU market.

Q3: So, who calculates the input components?

**Ans:** You have to satisfy BURS and convince them that the product is Botswana originating. Just be aware that in principle, you can cumulate with inputs from many countries. In order for cumulation rules to be implemented, certain structures or tools need to be put in place.

Q4: Enterprises not VAT registered here in Botswana .... will they be expected to pay VAT in Europe?

**Ans:** Essentially when you export into the EU, the importer has to satisfy the customs officials, they will be liable for taxes. This is not really a concern for the exporter unless you are coming into the country with the product on your person.

Q5: this is helpful for a holistic approach to clusters in terms of local material acquisition. In most cases, we do source inputs from outside. Problems arise when we are faced with sourcing material where labels are removed. For instance, SISMO does not show where fabrics are brought from. But this is no longer a complication as we can demand where our inputs are originating from.

**Ans:** this was understood as a comment

### 10.2.3 Stakeholder Discussions on the Botswana Trade Portal

Q1: The main challenge in registering with BITC for assistance is that they have a P1 million turnover requirement. If you talk about Global Expo, the cost is still prohibitive for start-ups. It sounds easier than done. From experience, I benefited only in that I enhanced my brand.



**Ans:** On Global Expo costs - I am limited in what I can promise as most of this is not in my control. I could maybe direct this concern to the relevant officials.

**Ans:** About the P1Million requirement – I am not clear about this. The department which I am from does not require a P1million requirement. This is not required to access our interventions. However, we do carry out due diligence on investors coming in. We usually only require a profile from local companies to satisfy registration.

Q2: I didn't know about the P1Million turnover requirement, but I am a member of BITC and was in Namibia in the last few weeks. Unfortunately, I do need help from Mr Moabi Phia. I found a client but I could not give him my samples. He was supposed to pick them at the Botswana Embassy in Namibia, but the BITC courier had a problem. I was told the consignment was at the embassy, I told the client and when he was supposed to pick the goods, he was told he would be called back. After 4 weeks, my samples are still here in Botswana! Now I'm losing a substantial client. So please, look into that.

**Ans:** I am slightly disappointed – I was expecting an accolade for the presentation. To the gentleman regarding the samples, we need to address this issue urgently at the office.

#### **10.2.4 Stakeholder Discussions on the BURS presentation**

Q1: Some of us are already exporting to EU, like BMC is already exporting. Do we still have to go through the export registration process?

**Ans:** On BMC already exporting, need to re-register? Please approach the BURS office nearest to your location to find out whether the rule satisfied then (under Cotounou) or if you need to re-register under the new EPA.

Q2. How easy is it for BURS to address the rest of the industry? All of us are regulated by other authorities, would it not be advisable to collaborate with other such agents who may offer value in terms of the workflow comprehension?

**Ans:** On collaboration- we have 5 regional offices. Registration is not only done in Gaborone but in all BURS offices. We are currently working on a single window system where all agencies involved in the registration interact so by the time you go to BURS, you do not have to do the whole process again.

Q3: Those manufacturing are sometimes represented by others or exporter individuals, how does this process affect the manufacturers when represented by a separate export individual?

**Ans:** As for the factory visit: some exporters are not manufacturers. If you want to be registered as an exporter, you need to get consent from the manufacturer. If the manufacturer is already registered, the exporter registration becomes simpler.

**Ans:** South Africa which has been trading with the EU under their former arrangements, with effect from 10th October 2016, that old agreement lapsed. So even South Africa comes under the new EPA. Details of the process can be obtained from MITI.

Q4: There seems to be apparent duplication of activities. While we appreciate BURS giving a final stamp, there could be other people like BOBS who can assist in giving the authority. We have different competencies in different disciplines, so maybe BURS could seek to foster some partnerships to win the country. So many regulations that are scattered all over the place.

**Ans:** The authority to prove origin is with BURS. The mandate to build capacity is in BOBS. The quoted protocols are part of the agreement.

Q5: My question is about railway sidings and warehousing, are they still existing?

**Ans:** I am not from that department so I cannot make a statement on that.

#### **10.2.5 Stakeholder Discussions on the BOBS presentation**

Q1: I am in the food industry and I know my products have to be tested. What is the difference between testing at NFTRC and BOBS? What other testing do I need to do?

**Ans:** we have structures; these are testing centres all over the country. But we need to improve on collaboration in all these efforts. There is so much duplication, you will find that the National Food Labs, BOBS and NFTRC are all testing for water and this could be too much for our small industry. We could also consider that our competencies could be improved.

Q2: I came up with a board game and it's a conceptual product. I faced two challenges: no one to package for me and secondly, I visited twice and I found out that for my product there are no facilities to test the board game. But instead offered accreditation of my services.

**Ans:** Have you tried Botswana Qualifications Authority (BQA) ? Response: I have already tried BQA to no avail.

**Participant response( BMC):** at some point, you need to realise that your product is in the gaming area and this is a non-existent space in Botswana. Like for us, dealing with beef, I had to find out from elsewhere what standards apply to me. The enquirer mentioned that BQA, does not really apply as her game is more like scrabble and monopoly. The product branded Botswana and take pride in the indigenous product.

**Ans:** BOBS representative -I would like to add on to the BMC participant. I think the product or game is more of a service so we can certify the tangible product or the management system. When the product is new, a standard may not be available so we can refer you to other standards bodies. When a standard is not there, you can simply request for it and BOBS will search for that standard. No need to panic as we will find it.

**Ans:** Consider the example of how there was no standard for the Kalahari sand product and how BOBS developed one.

Q3: I have a few products which I would like certify. First, there is no need in learning about certifications if you do not have the standards for my products to begin with. And as a small businessman these certification services are expensive, even in South Africa – the service is expensive.

**Ans:** There are many laboratories, even world class, but some of these are not accredited. Even BOBS is trying to get theirs tested, and it has been years trying. There is no single country which is able to test all products brought before it. We can send products as far as Canada for testing because of testing capacity. Sometimes you may meet a less knowledgeable person in terms of standards and may be told the process is impossible or the like but it is our job to ensure we disseminate information.

## **ATTENDACE AND QUESTIONNAIRE ANALYSIS**

### **10.3.1 Attendance**

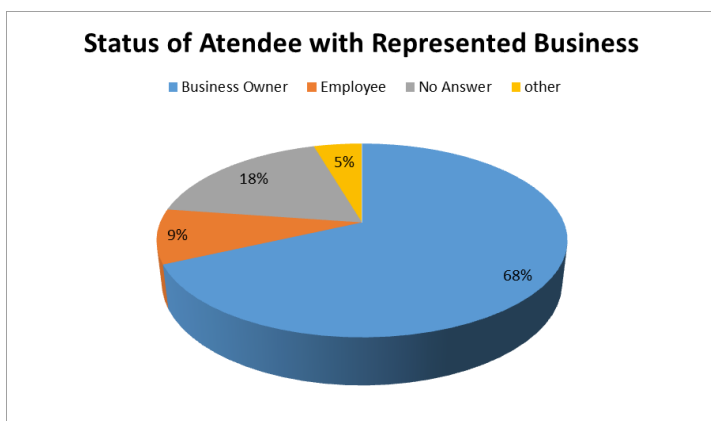
In Lobatse we had a total of 45 attendees and only 21 collected questionnaires.

Table 5. Attendance Analysis Lobatse

Private Sector	29	65%
NGO/CBO	2	4%
Media	1	2%
Parastatals	1	2%
Government/stakeholders	12	27%
TOTALS	45	100%

The attendance shows that the majority of participants were from the private sector followed by the government stakeholders.

### **10.3.2 Figure 2 Status of attendee with represented Business-Lobatse**



The business owners were larger in number at 68% of attendants being owners of the companies represented. 18% did not answer the questionnaires on this part.

### **10.3.3 Question 1**

81 % are satisfied and were well informed about the workshop objectives. There was no dissatisfaction on this matter as indicated above.

The attendees are also satisfied and say the objectives were clear to them 81%. There was no dissatisfaction on this issue also.

81% were satisfied and said the workshop lived up to their expectations.

90% say the content was relevant to their jobs.

#### **10.3.4 Question 2**

76% of the people were satisfied with the key note address and there were none dissatisfied.

67% were satisfied with the participant's introductions.

86% were satisfied with the presentation from speakers while 5% was dissatisfied.

90% say the workshop activities stimulated their thinking and learning.

71% say the workshop gave them sufficient practice and feedback.

86% say the pace of the workshop was good.

76% are happy with time allocation of tasks and 57% were satisfied with the process for the next steps. 43% decided to be average on this matter.

## **Conclusions**

The following are the conclusions drawn from the workshops:

### **11.1 Selebi Phikwe workshop**

#### **11.1.1. SADC Trade Protocol**

1. The participants were happy and welcome the training workshops since they would benefit the Selebi Phikwe region. While acknowledging the benefits to be derived from the EPA, the participants were uninformed about the requirements of the EU market in relation the agreement.
2. Small businesses were concerned that they predominantly import almost all the raw material outside the country thus confirming difficulties in capacity to competitively export in the region let alone EU market.
3. Lack of expertise and high quality products is an impediment to taking advantage of the export markets especially the SADC and EU market.

#### **11.1.2 Benefits of EU SADC EPA**

1. Participants believed that Brexit would have the potential to undermine the positive free trade provisions of the EU SDAC EPA .
2. There was concern regarding lack of sophisticated technology to produce high quality goods coupled with unskilled manpower and low productivity in the manufacturing industry. This would render access to markets challenging due uncompetitive products and prices.
3. The business community emphasised the need for EU to continue assisting Botswana to improve skills needed for the industry address issues of quality to facilitate access into SADC and EU markets.

#### **11.1.3 Technical Barriers To trade**

1. The adherence to quality standards was acknowledged as a key to competitiveness. However, a concern was raised that there are many standards bodies working in silos thus confusing the business community with different standards requirements. Examples were cited such as BOBS, Ministry of Health, National Vat Lab, NAFTEC etc.
2. There was concern that BOBS does not have internationally recognised standards and in some instances no standards for certain products at all. This lack of capacity leads to businesses opting to use external bodies to certify their products.

#### **11.1.3 Botswana Trade Portal**

1. The Portal was well received as a good initiative. The participants suggested that it should be introduced to different groups such as disadvantaged communities, community based organisation and micro businesses.

#### **11.1.4 Rules of Origin Customs, Customs Procedures**

1. The participants affirmed that they understood the rules of origin, however, more needs to be done to clarify details. The EU SADC EPA were welcome as an information sharing platform.
2. The participants acknowledged that companies will consider exporting once they digested and internalised the requirements and procedures for exporting taking into account quality improvements on export products.

3. A concern was raised regarding stringent EU requirements which the participants were not aware of. More information dissemination across the country is needed.

## **11.2 Palapye Workshop**

### **11.2.1 Rules of Origin: Botswana Customs, SADC and EU**

1. There was concern regarding Botswana traffic laws which prohibit movement of commercial trucks at certain times of the day hence impacting negatively on trade.
2. SADC as an economic block was acknowledged as it brings economic integration. However, land ownership in SADC countries was singled out as a constraint to economic integration. Therefore it should be addressed when agreement are negotiated to allow foreign direct investors to own land for production.
3. Access to finance was considered as an impediment to starting and expanding businesses hence prohibiting companies to produce and take advantage of free access markets.
4. Imports from developed countries such as EU and USA were perceived to be injurious to underdeveloped and developing economies industries. The imports were said to be cheap and of low quality thus qualifying as dumping and stifling growth of local businesses.
5. The local content requirement on manufactured goods was considered a hindrance to acquiring an export permit. This is because most of the raw material are imported.
6. Training and information dissemination should be extended to customs Officials manning the borders to facilitate smooth implementation of SADC Trade protocol and EU SADC EPA.
7. On negotiating trade agreements, participants advocated for research to be undertaken to inform potential exportable products for SADC and EU markets. Otherwise agreements would continue benefiting commodities such as beef and diamonds.
8. Government should consider retiring civil servant reaching 45 years of old and fund them to start businesses as opposed to funding the youth who do not have the collateral required by lending institutions.
9. Government was encouraged to buy local goods and services to empower local businesses.
10. Ease of doing business in Botswana is still a hindrance to success of businesses. Local Authorities and Central Government still take their time to assist with licences and respond to requests by the business community.
11. BURS was encouraged to improve their communicating channels with the business community particularly when introducing new programmes and systems.

### **11.2.2 Botswana Trade Portal**

1. The Trade portal was encouraged to be able to answer queries relating to standards, exportation of products and indicative prices of goods.

## **11.3 Gantsi Workshop**

### **11.3.1 EU SADC EPA and SADC Trade Protocol**

1. The BMC monopoly was the thorny issue that the workshop participants wanted to resolved. The participants were concerned that the BMC monopoly prohibit farmers to grow and export to lucrative markets such as EU and SADC.
2. It was advised that the EU SADC EPA should embrace good governance and address issues of corruption affecting trade.

3. The presentation were considered to be too technical for the ordinary man and they should be presented in a lyman's language.
4. LEA and CEDA were perceived to be ill equipped to help Botswana industrialise hence the two organisations would fail to assist the businesses to take advantage of the EU markets.
5. Gantsi was confirmed as the home to 80% of beef producers and the region should be afforded favourable conditions by BMC
6. It was suggested the the EU SADC EPA should incorporate service oriented businesses and train beneficiaries how they can benefit.

#### **11.3.2 Rules of Origin**

1. The workshop participants said they are ready to form partnership with foreign direct investors. They welcome the cumulation concept which allows for sourcing of raw material from anywhere in the world.
2. The participants indicated that they import semen to improve their cattle and were happy to know that calves born through that process would qualify as a wholly originating product.
3. Botswana customs processes were perceived to have a lot of paper work when companies want to export and therefore there is need to review and cut done on paper work.

#### **11.3.4 The Botswana Trade Portal**

The trade portal was well received as a tool that would benefit business particularly far places such as Gantsi.

### **11.4 Lobatse Workshop**

#### **11.4.1 SADC Trade Protocol and EU SADC EPA**

1. The EU was encouraged to continue with capacity building programmes here in Botswana. The PSDP should consider cluster approach to business and create linkages which would facilitate chances of breaking into the EU market.
2. Participants said they were uninformed about the EU market and praised the workshop as informative and would open opportunities with potential job creation.
3. Sectors and list of potential products should be provided and communicated to the business community.
4. Services industry such as Tourism should be included in the EPA.

#### **11.4.2 Rules of Origin**

1. The participants wanted clarity regarding ingredients and labelling in relation to origin of product. It was explained that they would not qualify as originating products.
2. The concept of cumulation was appreciated as it allows raw material to be sourced from anywhere in the world.
3. Companies already exporting the EU wanted to exempted form re –registering as exporters to EU.
4. BURS was encouraged to collaborate with other inspectorate agencies to speed up assessments of production processes and products. This would Fasttrack the issuance of the Export Permit.
5. Manufacturing companies should be allowed to engage manufactures' representatives as exporters and should permit to use the EUR 1 export permit.



#### **11.4.3 Technical Barriers to Trade**

1. BOBS and NAFTEC testing services were perceived to be duplication of roles and they need to work together.
2. Certification of products by BOBS was perceived to be too expensive and a review of fees downward would be welcome.
3. There was concern that BOBS failure to have standards for some products is frustrating.

#### **11.4.4 The Botswana Trade Portal**

The Global Expo exorbitant participation fees were perceived to be a discouragement to small businesses in their effort to market their products

## **Proposed Action Plan**

Action	EPA Issues
EU	<ul style="list-style-type: none"> <li>• Continue with PSDP to capacitate business community</li> <li>• Incorporate services sector in the EPA's such as Tourism.</li> <li>• Presentation content should be tailor made to the target region and augmented by local examples which participants can relate to.</li> </ul>
Business Botswana	<ul style="list-style-type: none"> <li>• PSDP should cover Industry skills training to improve productivity</li> <li>• More days for the workshop-two days is proposed</li> <li>• Some topics are perceived to be too technical to participants , the use of laymans language would be welcome.</li> <li>• Use different communication media such as videos during presentation.</li> <li>• Workshops should be continued across the country to disseminate EPA information</li> <li>• Review traffic law prohibiting movement of trucks at certain times of the day to encourage speedy delivery of goods</li> <li>• Research exportable products for the EU market</li> <li>• Encourage Government to buy local goods and services to assist companies to grow and possibly start exporting</li> <li>• BMC monopoly should be discussed and done away with so that the farmers can be allowed export their live cattle and beef.</li> <li>• BIDPA should be invited to the workshops to present on potential export sectors</li> <li>• Consider translation services where participants are not conversant with the use english language</li> <li>• Consider holding workshops at Kgotla meetings to reach out to a wider population.</li> <li>• Invite BMC procurement department to the workshop particularly Gantsi region where there are unresolved issues with cattle farmers.</li> <li>• Invite BITRI, Land Boards and Immigration officials to the workshops</li> <li>• Circulate soft copies of presentation to participants for further reading.</li> <li>• Commit to workshop starting times and presenters should observe time allocated for presentation.</li> </ul>
MITI	<ul style="list-style-type: none"> <li>• Address access to finance for small businesses. Security requirements was considered a challenge for small businesses.</li> <li>• Address ease of doing business issues such as issuance of licenses</li> </ul>
BOBS	<ul style="list-style-type: none"> <li>• Training in product quality and product certification was poposed by at the workshops</li> <li>• Certification bodies were encouraged to hamonize their certification requirements eg BOBS and NAFTEC</li> <li>• BOBS is urged to come up with internationally recognised standards</li> <li>• Address dumping of cheap imports into Botswana</li> <li>• BOBS should consider reducing certification fees which are precieved to be exorbitant.</li> </ul>
BURS	<ul style="list-style-type: none"> <li>• Reduce local content on locally manufacured goods because most raw materials are imported.</li> <li>• Train customs officials at the borders on SADC Trade protocol and EU SADC EPA to facilitate smooth implementation of the agreements</li> <li>• BURS was advised improve communication with the business community when introducing new programmes and on-line services.</li> </ul>

	<ul style="list-style-type: none"> <li>• Reduce customs procedures to cut down on a lot of paper work which discourages small aspiring exporters.</li> <li>• Exempt existing exporters to EU from re-registering for the new EPA</li> <li>• Manufactures representatives should be allowed to aquire Export Permits and export to the EU on behalf of manufacturing companies.</li> </ul>
BITC	<ul style="list-style-type: none"> <li>• Build local capacity on small companies and help them to export</li> <li>• Botswana trade portal should incorporate quiries relating to standards, exportation of products and indicative prices.</li> </ul>
SADC Secretariat	<ul style="list-style-type: none"> <li>• Address land ownership by business to encourage investment and creation of industry.</li> <li>• To address corruption affecting trade in SADC</li> <li>• Use laymans language when presenting information on rules of origin to the local business community where english is not well understood.</li> <li>• List potential sectors and products for SADC and EU markets</li> </ul>

## Implementation Matrix

EPA ISSUES	Initiatives	TIME FRAME			IMPLEMENTATION LEVEL		
		S	M	L	MITI	NSA	SME
Increase chances Access to EU SADC Market	Increase efforts to attract manufacturing companies from EU and SADC to Botswana to boost chances of fast tracking taking advantage of the agreements		⇒	⇒	x		
Unavailability of a pool of products for the EU SADC markets	Conduct Market Intelligence and Research potential products for the EU market. Use BIDPA, BITC and other research institutions.	⇒			x		
Create awareness of potential products for EU and SADC	Produce products catalogue with HS codes and upload it into the BB, BITC, LEA websites and the Botswana Trade portal.	⇒	⇒		X		X
Address issue of one stop information center	Set up National Enquiry Points specific to EPA's including other bilateral agreements with other countries		⇒		x	x	
EU SADC EPA awareness campaign	Introduce publicity awareness through print and electronic media	⇒			x	X	
Lack of knowledge of available market opportunities and how to find them	Participate in business workshops, attend trade fairs and exhibitions, affiliate to business associations such BB, sector specific associations	⇒				X	X
Limited use standards to produce quality products	Apply to certify processes and products certification with BOBS and other accreditation bodies	⇒	⇒	⇒			X
SME limited expertise, capacity and industry skills	Register for PSDP with BB and BITC Exporter development programme, LEA and consider attachments to sector specific mentors	⇒					X
Buy local goods	Apply for EED certificates,	⇒				X	X

	register with Botswana Trade Portal and PPADB						
Inadequate consultations from authorities	Continue business dialogue through workshops, business roundtables and sector specific Pitso's	⇒			x	X	X
Failure by companies to benefits in EPA	Introduce Evaluation and Monitoring of EU SADC EPA		⇒	⇒	x		
Improve ease of doing business issues	Review legal and regulatory framework and monitor implementation.	⇒	⇒	⇒	X	X	X
Limited support from trade intermediary organization support	NSA and SMME should register their profiles with BITC, BB, EDD, PPADB, and other sector associations.	⇒				X	X
Restrictive traffic law on movement of trucks after 1800hours on weekends	Review and amend traffic laws impeding smooth flow of trade			⇒	X		
Difficulty in access to finance	SMME and NSA should familiarize themselves with requirements of lending institutions lending working capital and asset financing	⇒				X	X
Low productivity and challenges of EPA by border officials	Train customs, immigration and police officials on EPA. Include clearing agencies at the Borders in the EPA training.	⇒	⇒	⇒	x	X	
Cluster Development	To improve Economies of scale and business linkages		⇒	⇒	x	x	x
Uninformed business community about SADC, EU and other bilateral agreements	Conduct press releases, design information manuals in layman's language, use electronic and print media to communicate with business and other stakeholders	⇒			x	x	
Demand side constraints eg Beef	De-monopolize BMC and open up SADC and EU markets		⇒	⇒	x	x	

The key to (S/M/L)

1. Short Term:     **< 3 years**
2. Medium Term:   **3-5 years**
3. Long Term:      **6-7 years**

This is based on the Government budgeting process cycle and project implementation. These initiatives also took into consideration the need for policy review or enactment of new policies where applicable.

## **Annexes**

**Annex 1A:** Programme- Selebi Phikwe,

**Annex 1B:** Programme-Palapye

**Annex 1C:** Programme-Gantsi,

**Annex 1d:** Programme-Lobatse

**Annex 2A:** Presentation-EU

**Annex 2B:** Presentation-SADC

**Annex 2C:** Presentation-BITC

**Annex 2D:** Presentation-BOBS

**Annex 2E:** Presentation-BURS

**Annex 3A:** List of Participants- Selebi Phikwe

**Annex 3B:** List of Participants-Palapye

**Annex 3C:** List of Participants- Gantsi

**Annex 3D:** List of Participants- Lobatse

**Annex 3A:** Welcome Remarks and Official Opening Speech-Selibe Phikwe

**Annex 3B:** Closing Remarks-Selibe Phikwe

**Annex 3C:** Official Opening Speech-Palapye

**Annex 3D:** Closing Remarks-Palapye

**Annex 4A:** Welcome Remarks-Ghanzi

**Annex 4B:** Official Opening -Ghanzi

**Annex 4C:** Closing Remarks-Ghanzi

**Annex 4D:** Welcome Remarks -Lobatse

**Annex 5A:** Official Opening -Lobatse

**Annex 6A:** Evaluation Form Sample

**Annex 6B:** Evaluation Form Result- Selibe Phikwe,

**Annex 6C:** Evaluation Form-Palapye

**Annex 6D:** Evaluation Form-Ghanzi

**Annex 6E:** Evaluation Form-Lobatse

**Annex 7:** Sample folder

**Annex 8:** Sample name tag