

Annex I: Description of the Action "Support to the implementation of the Private Sector Development Strategy of Botswana and the Economic Diversification Drive"

1. SECTOR CONTEXT

Historically, the private sector in Botswana has played a peripheral role in economic activity. The government plays a major role in business activity with Government institutions providing private sector development services such as training and mentoring, product development, market research and financial support. The public sector employs over 40% of the formal workforce.

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

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

It is the context of the above scenario that the Private Sector Development Strategy (PSDS) was conceived. The PSDS was developed through extensive consultations with various stakeholders and was launched at the height of global financial crisis in 2009. The PSDS is built on four priority areas, which are trade expansion, improving labour productivity, support to trade support institutions and improving the business climate. Four cross cutting issues which have a bearing on private sector development have also been identified and they are; gender, the youth, HIV and AIDS and the environment.

The main problems affecting the private sector in Botswana are:

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

SWOT Analysis of the Private Sector in Botswana

Opportunities	Threats
<ul style="list-style-type: none"> Strong economic performance with real GDP expected to average 6% in the medium term. (GDP is expected to rebound to 8.4% in 2010 from -3.7% in 2009) Good business climate ranking (World Bank November 2010), Botswana had an aggregate ranking of 52 out of 183 countries and is ranked number 3 in Africa behind Mauritius and South Africa. Good platform for trade expansion. Preferences to local suppliers for goods and services. PPPs being promoted by the Government. Prospects of trade in services under the Economic Partnership Agreement (EPA). 	<ul style="list-style-type: none"> Botswana is landlocked with a small domestic market (population of 1.7 in 2008 and a declining population growth rate). Decline in Foreign Direct Investment from US\$1,821 million in 2000 to US\$938 million in 2006 Exports dominated by the mining sector with diamonds accounting for 74% of exports.
Strengths	Weaknesses
<ul style="list-style-type: none"> Investment in beneficiation and value addition of primary products in the country. Investment by the government in the development of human resources Well-structured private sector associations with competent staff. Potential growth in some sectors such as agro and the Information and communications technology (ICT). 	<ul style="list-style-type: none"> Little support to the private sector resulting in lack of growth. Skills shortage. Lack of market information. Little resources put into Research and Development. Delays in quality and standards testing and high costs charged by Botswana Bureau of Standards. Overlapping activities by private sector associations.

A number of factors have changed since the since formulation of the PSDS and these include:

- Economic recovery post-recession and the global financial crisis;
- The economic diversification drive;
- Government procurement targeting small, medium and micro enterprises (SMMEs); and
- The growing importance of services sector.
- As a result of this a PSDS needs and capacity survey was conducted. This survey's executive summary has been inserted below.

2. PSDP IMPLEMENTATION NEEDS AND CAPACITY SURVEY

A needs and capacity assessment was undertaken as part of the preparatory activities carried out during the design of the programme. The survey findings are summarised below.

SMME Capacity Building needs:

The prioritised capacity building needs for SMMEs in Botswana are presented below as follows:

Capacity Building Intervention	SMME Capacity Building Needs	Priority ¹
Technical Assistance <ul style="list-style-type: none"> Regional and international market access Export value chain management Regional and international financial financing schemes access. E-business solutions to enhance competitiveness. Business environment hindrances removal 	Assist selected SMMEs to identify and utilise market opportunities created through regional and international trade agreements.	1
	Provide advisory services to selected SMMEs on export value chain management i.e. supply chain management, export quality management and packaging.	2
	Provide selected SMMEs with sustainable and adapted e-business solutions to enhance competitiveness and facilitate access to market intelligence for better bargaining power in export markets e.g. connecting them to powerful export oriented websites e.g. for Botswana Exporters and Manufacturers Association (BEMA).	3
	Assist selected SMMEs in the identification and accessing regional and international financing schemes.	4
	Assist selected SMMEs to identify unfair business practices by dominant players and how to advocate for their removal.	5
Mentoring & Coaching. <ul style="list-style-type: none"> Regional and international strategic partnerships. Local, regional and international competition. Quality Assurance 	Coach selected SMMEs to enter into and maintain regional and international strategic partnerships.	1
	Mentor selected SMMEs on how to compete effectively locally, regionally and internationally.	2
	Coach selected SMMEs on quality assurance schemes to ensure production of quality goods e.g. ISO certification.	3
On the job training (OJT) <ul style="list-style-type: none"> Productivity & Quality Business skills development. 	Train selected SMMEs on the OJT and how to continuously train their staff on productivity and quality improvement etc.	1
	Train selected SMMEs on; <ul style="list-style-type: none"> Budgeting and cost analysis skills. Effective operations and manufacturing. How to effectively access Citizen Entrepreneurship Development Agency (CEDA) financing it and how to manage it. 	2
Workshops / Seminars	Train selected SMMEs on competitiveness e.g. export packaging, export marketing and branding.	1

¹ Priority 1 is the highest

Capacity Building Intervention	SMME Capacity Building Needs	Priority ¹
<ul style="list-style-type: none"> Export value chain management. Business skills development. 	Train selected SMMEs on; <ul style="list-style-type: none"> Export quality and supply chain management. Project proposal development to support credit applications. Effective negotiating skills. Business stewardship principles e.g. utilization of business credit obtained and advocacy and lobbying. 	2
Benchmarking / Learning Visits Practical learning of regional and international best practice by learning visits.	<ul style="list-style-type: none"> Assist selected SMMEs to undertake benchmarking visit/s to learn regional and international best practice vis a vis SMME competitiveness and productivity. 	1

2.1. SMME Support Institutions Capacity Building Needs.

The prioritised capacity building needs for institutions that are supporting SMMEs in Botswana are as follows:

SMME Support Institution	Capacity Building Need	Priority
BOCCIM	Support to Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) to have the capacity towards the implementation of the Private Sector Development Strategy.	1
	Assist BOCCIM to establish sector desks that would deal directly with sectors and strengthen priority sectors.	1
	Develop the capacity of the Women in Business Association under BOCCIM in order to make it an effective association with the ability to adequately represent its membership.	1
	Develop the capacity of BOCCIM to make the organization an Apex Body as indicated in the private sector development strategy.	1
	Coach identified BOCCIM personnel on carrying out research and economic policy analysis on internal and international trade, project management, sector co-ordination and SMME development.	2
	Assist in the identification and establishment of a mechanism for assessing and reporting the impact of services provided to members and train BOCCIM personnel on it.	2
	Train selected BOCCIM members on how to skilfully engage with government and development partners on technical issues.	2
BEMA	Provide technical assistance to BEMA to build trade and export database.	1
	Sponsor some expert retirees to be attached to BEMA for a period of time to work on specialist projects identified by BEMA.	2
	Assist BEMA to lobby and negotiate with the relevant authorities with a view to manage the cost of manufacturing and exporting in Botswana.	3
	Assist BEMA to market its services to exporters and manufacturers not currently BEMA members.	4

SMME Support Institution	Capacity Building Need	Priority
	Assist BEMA to negotiate with BOCCIM to take over all the exporting and manufacturers that are in BOCCIM's database with BEMA paying back to BOCCIM a percentage of the subscription fees of those that are so transferred. BEMA is a member of BOCCIM and so an agreement can be worked out. This will increase the BEMA member's subscription base.	5
Hospitality and Tourism Association of Botswana (HATAB)	Assist HATAB to develop a strategic plan to think through how they can deal with the human and financial constraints they face.	1
	Assist HATAB to develop a performance management system.	2
Botswana Training Authority (BTO)	Assist BTO with technical expertise to assist it to "think outside the box" vis a vis how to do more to assist the community based organizations given the current budgetary limitations.	1
National Development Bank (NDB)	Enter into a memorandum of understanding with Local Enterprise Authority (LEA) and CDE to influence the NDB members' capacity building.	1
Ministry of Trade and Industry (MTI)	Assist MTI with technical expertise to enhance its capacity to manage the PSDS.	1
BOBS	Assist BOBS to enter into strategic alliances with organizations already decentralized to negotiate and work out the modalities of how, BOBS' services can reach the rest of the country without it establishing offices countrywide.	1
Botswana National Productivity Centre (BNPC)	Provide technical assistance to BNPC and other assigned Parastatals to find synergies between PSDS and EDD work vis a vis capacity building of the Botswana private sector.	1
	Assist BNPC with technical expertise to assist it to "think outside the box" vis a vis renewal of itself in the face of dwindling government financial support in order to effectively support SMMEs	2
	Assist BNPC to extend the BNPC-Japanese productivity centre programme focused on carrying out "kaizen" and other productivity interventions at the company level to selected SMMEs.	3
CEDA	Assist CEDA with technical expertise to negotiate and look deeper in the relationship with LEA and how it can be arranged for the benefit of their mutual clients i.e. SMMEs	1
	Coach CEDA'S mentors on effective mentoring.	2
LEA	Pilot project on accreditation (training certification) with CDE	1
	Capacitate LEA consultants who are accredited by Botswana Training Authority (BOTA) and Botswana Bureau of Standards (BOBS).	2

2.2. SMME Support Institution's Capacity Building Cross Cutting Issues.

The crosscutting capacity building needs for SMMEs support institutions in Botswana are recommended as follows:

Cross Cutting Need	Description
Effective Information Dissemination	Train the SMME support institutions on effective information dissemination to SMMEs.
Performance Monitoring System	Develop web-based performance monitoring systems for all the SMME support institutions.

CDE-BOCCIM-BEMA- BEDIA (Botswana Export Development and Investment Authority) concept paper recommended cross cutting Issues.	Trade information, trade finance, quality management, trade promotion and national branding, enterprise development, export packaging and institutional strengthening
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2.3. Criterion for Choice of Sectors to Focus On in the Capacity Building Programme

Based on the literature review as well as the findings of the survey, the recommended criterion is as follows:

- Botswana Government policy and areas already identified i.e. the sectors should be in line with the Botswana Government identified six focal sector popularly known as hubs.
- Sectors that are exporting or have a potential to export.
- CDE's area of expertise so as to bring in the regional and international expertise.

Following this criterion the recommended sectors for the capacity building programme² to consider in order of priority are as follows:

Sector	Rationale	Priority
Manufacturing including agro industries	Potential to make meaningful impact by targeting SMMEs that are exporting and or have a potential to export.	1
Tourism	Government of Botswana chosen area of focus.	2
Construction & Public Works	CDE has experience from elsewhere in the Africa Caribbean Pacific region (ACP).	3
ICT	Government priority.	4

3. LESSONS LEARNT AND COMPLEMENTARITY

3.1. Lessons Learnt

- There are problems in addressing all Non-State-Actors (NSAs) under one umbrella as defined in the Cotonou Agreement.
- There is limited communication and coordination among the different Business Development Service Providers (BDSP).
- There is limited capacity of intermediary organisations.
- There is lack of knowledge about services being offered by the different institutions.
- Support to the private sector has to be synchronised with the private sector development strategy.

² Usage of the term programme simply refers to a number of collective activities that are addressing a common thematic area.

- f) Capacity building and skills development has to be looked at from a broader perspective beyond the focus on formal training and workshops but also to look at mentoring, exchange visits, technical studies and reviews, coaching and on the job training.

3.2. Complementary Actions

There are some private sector support programmes in the region but they are not specifically for Botswana as the country is regarded as a Middle Income Country. The CDE has its regional office in Botswana but its means to support the private sector in Botswana are limited. The CDE together with the Ministry of Trade and Industry, BOCCIM, BEDIA, BEMA, CEDA, LEA and Botswana International Financial Services Centre (IFSC) have elaborated a project proposal to support the implementation of the PSDS under what is now defined as the Private Sector Development Programme (PSDP). Botswana has benefited from the deployment of a trade policy analyst under the Trade Com 'hubs and spokes' initiative. United Nations Industrial Development Organization (UNIDO) has indicated its intention to include Botswana in their Regional Supplier Benchmarking Programme dealing with among other issues capacity building and investment promotion.

The African Development Bank, in conjunction with the Government of Botswana, is developing a UA 632 000 project to build the capacity of the Public Enterprises Evaluation and Privatization Agency through transaction support, training and assistance in preparing a citizen empowerment policy.

The PSDP will ensure that it builds up and complements all these current as well as any new initiatives that are directed at building the capacity of the private sector.

4. DONOR COORDINATION

Specifically, no development partners are providing support to the implementation of the PSDP. It is envisaged that the Ministry of Finance and Development Planning (MFDP) through the National Authorising Office (NAO) will play a key role in donor coordination. The MTI is expected to lead donor coordination in all activities that are related to building the capacity of the private sector and in this regard, it is expected that a donor coordinating forum will be set up to ensure regular exchange of ideas and experiences related to the implementation of the PSDP. Mapping of donors actively supporting the PSDP will be conducted by the MTI and the results will be posted to the Ministry's website and updated regularly.

5. EXPECTED RESULTS

The implementation of the PSDP is expected to strengthen private sector intermediary organisations and companies and ensure that they contribute to the economic diversification process. The programme will also support the MTI as the lead ministry in the implementation of the PSDS. The following result areas are targeted under this project:

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

6. ACTIVITIES AND IMPLEMENTATION TIMETABLE

6.1. Description of Activities

The main activities under each of the result areas are described in detail in the following section below. It is noted that there will be flexibility by the Management Committee responsible for overseeing the implementation of the PSDP to add or modify these activities in line with the reality on the ground while ensuring that there is good complementarity with the implementation of the PSDS. These changes have to be recorded in minutes and endorsed by the EU. Annex I-A provides a useful baseline on the status of the implementation of the PSDS and will be used as a basis of measuring progress in the implementation of the PSDP.

Result Area 1: Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened, in a selected number of economic sectors.

Activities under this result area will focus on capacitating SMMEs and CBOs in terms of their entrepreneurial skills. Training workshops as well as onsite mentoring and coaching will be provided for selected small groups of SMMEs to build their expertise in key business subjects. A special programme will be designed and implemented targeting the women and youth in order to build their entrepreneurial skills. In partnership with the key private sector organisations, an export focused entrepreneurship development programme will be implemented to nurture the SMMEs that can be showcased as successful models out of which the government can replicate the model on a wider scale.

Value chain analyses will be key in identifying all main actors and the associated capacity building needs of SMMEs and IOs along the value chains. To this end, 8 value chains will be assessed (beef, horticulture, tourism, dairy, leather, piggy, poultry and goats) with a view to identify the strength and weakness of the different actors; identify the development opportunities and to formulate specific capacity building actions for IOs and SMMEs involved in the value chains.

Some value added wild / natural products such as honey and morula have opportunities to reach local and international markets and could also have an impact on employment creation and poverty reduction through capacity building of SMMEs and CBOs. To this end, a study to identify the challenges and development opportunities of these sectors with respective development action plans for the support of producers' associations, micro enterprises and CBOs will be undertaken.

Baseline information collected through diagnostic of SMMEs' are key for identifying precisely their need for improving their competitiveness and are key for measuring the progress of turnover, employment and market share. Group training for SMMEs and CBOs in common areas (management, marketing, accounting/costing, business planning, etc.) will be conducted followed by individual coaching mainly on technical / operations / quality control / branding / accounting / access to finance will complement the conducted workshops thereby upgrading SMME capacity.

The interventions for SMMEs and CBOs will be implemented with national intermediary organisations as well as with local and regional services providers. Partnerships will be established with European organisations for specific technical interventions which will provide the best practices in the priority sectors.

Trade missions will be organised for the selected priority sectors³ targeting both regional (SADC) as well as European markets especially for the agro industry and tourism sector, which have growth potential. However, the programme should not be over restrictive. Those seeking new markets with new products should not be ruled out without due consideration of their business case(s).

There will also be SMME and CBO sensitisation on quality standards, which are instrumental in providing them a competitive edge in both the local and international market. Value chain linkages in the priority sectors will be strengthened with large firms and the government being encouraged to procure goods and services from the SMME sector. Linkages will also be established with international firms with trade missions being organised for selected sectors and markets. A gender programme that supports business services for women in international trade will be implemented. The intervention aims at improving business support services for women engaged in local market.

In relation to the Trade missions, 10 companies will benefit from support to explore international markets. Note that only economy class tickets will be provided.

The gender programme will also include gender mainstreaming of the key trade development tools such as the National Export Strategy, Investment Strategy and the Economic Diversification Drive. Mainstreaming will entail reviewing these programmes with a gender-lens to ensure that they specifically and comprehensively address issues that constrain women's full engagement in business; especially, access to productive resources, entrepreneurship competency, access to finance and market entry.

Sensitisation on issues to do with environmental protection including energy management in the manufacturing and tourism sector will be undertaken.

Activities are summarised as follows:

1.1. Value Chains analysis and development
1.1.1. Structured value chains analysis and preparation of capacity building Action plans
1.1.2. Emerging value chains analysis and preparation of capacity building Action plans
1.2. Value added wild / natural product opportunity study
1.2.1 Development of action plans for honey and morula CBOs and SMMEs
1.3. SMEs Diagnostics (<i>Baseline Study</i>)
1.3.1. Diagnostics of SMMEs (BNPC, BIH, Local consultants)
1.4. Capacity Building of SMMEs and CBOs for upgrading their competitiveness
1.4.1. Group training and individual coaching of SMMEs/CBOs in agro-industries, manufacturing, tourism, ICT, Public works including energy efficiency
1.5. Technical Advisors and short term experts
1.5.1 Technical Advisors to PSDP in Agro-industry are recruited and operational
1.5.2 Technical Advisors to PSDP in construction/public works are recruited and operational
1.5.3. PSDP SME development Experts are recruited and operational
1.6 Missions
1.6.1. Participation of SMMEs to trade missions & training

³ Manufacturing including agro industries, Tourism, Construction & Public Works, ICT

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

Existing private sector associations will be targeted in terms of a review of their mandates and capacities. Support will be provided to establish or to strengthen an apex body to coordinate the private sector in Botswana. On account of its consistency in advocating for its members' interests and having in its membership the bulk of the big businesses in the country, BOCCIM has emerged as the most articulate voice of business. The government has found it as the most reliable and well-placed organization to partner with in addressing private sector concerns. Nevertheless there are several businesses, which do not ascribe to BOCCIM's modus operandi and therefore feel left out hence the frequent calls for an umbrella organization that would house the entire business community. Such could be a Private Sector Foundation (as in Uganda, Tanzania, and Rwanda) or a National Business Forum (as in Zambia) or a Private Sector Alliance (as in Kenya). In line with this, the Government of Botswana would therefore like to have one representative, one voice from the private sector and BOCCIM, which is the most active association, could play this role. The plan is to facilitate dialogue with other associations and avoid duplication while promoting effective coordination and also to ensure that BOCCIM's new structure accommodates this new role. The PSDS identified a need for a private sector umbrella or apex body with a clear structural framework that effectively links with the sector associations and represents all sectors effectively. Assistance will be provided to strengthen the capacity of these IOs as well as the BDSPs. Support will be provided to BOCCIM to build their capacity to coordinate the implementation of the PSDS and the PSDP. A network of Trade Support Institutions (TSIs) will be established to promote a collaborative approach by the various institutions supporting the development of exports. Through training, coaching as well as advisory services, the programme will assist the TSIs to build their network as well as to identify key needs. Networking and collaboration will be promoted through an interactive web based platform, which will be established. The web based market intelligence information system/platform will better communicate TSI and BDSP service offerings and improve networking amongst SMMEs.

The majority of the IOs are in the process of revising and implementing their new strategies to support the private sector. Activities towards the support of the IOs will be based on consultative meetings. Activities include establishing a market intelligence information system, improving public and private dialogue, reinforcing the lobbying and advocacy capacity to attract investors and the implementation of an export development programme, etc. Botswana IOs will be capacitated on SMME diagnostic tools towards improved services to SMMEs. The IOs will be engaged in the capacity building process of SMMEs in order to benefit from the training modules and tools facilitating future replication and scaling up. An ACP-EU Technical Barrier to Trade Programme will partner with the PSDP to assist BOBS on the development of the National Quality Policy framework facilitating the certification of SMME processes and or products.

A programme will be designed and implemented to build the capacity of IOs in policy research and analysis as well as in effective lobbying and advocacy. The programme will focus on public-private policy dialogue. The programme will facilitate the operations of the structures that are supporting the implementation of the PSDS. Capacity of MTI will be improved in its leadership role of implementing the PSDS. A system of monitoring and evaluating the implementation of the PSDS and PSDP will be developed and will be implemented.

The activities are summarised below:

2.1. Capacity building of BOCCIM
2.1.1 Internal Monitoring and Evaluation of PSDP
2.1.2. Review of the mandates and establish BOCCIM as an Apex body
2.1.3. BOCCIM capacity building to render better services to its members
2.1.4. Assistance to the establishment of market intelligence information system/web based platform for networking and information / Public and private dialogue, etc...
2.1.5. Training BOCCIM and other IOs in policy research, lobbying & advocacy
2.2. Capacity building of BITC
2.2.1. Assistance to BITC in Export Development and Promotion
2.2.2. Assistance to BITC for implementation of its new strategy (sector approach)
2.3 Capacity building of Intermediary Organisations and sector associations
2.3.1. Training and coaching of IOs and services providers on SME Diagnosis BNPC, CEDA, LEA, HATAB, BEMA, BIDPA)
2.3.2. Assistance to meat sector – beef, piggery, goat, poultry, etc...: capacity building of farmers and producers associations, PPD meeting, branding of Botswana beef for export
2.3.3. Assistance to the tourism sector in partnership with BTO and HATAB
2.3.4. Assistance to honey sector associations
2.4 Capacity building for BOBS on Quality and Certification
2.4.1. Support the development of a National Quality Policy
2.4.2. Upgrade the existing capacities of the Botswana Bureau of Standards
2.4.3. Support the process of certification for SMEs
2.5. Technical Advisors and short term experts
2.5.1. Technical Advisor in Tourism for HATAB and BTO
2.5.2. Interns
2.6 Missions
2.6.1. Participation of IOs to trade missions & trainings

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

Multiple donors are presently supporting MTI on the ease of doing business with appropriate funding. It is recommended to concentrate MTI PSDP support on two main areas which will positively impact the development of enterprises: Policy framework to improve access to finance; capacity building on trade and specific negotiation skills. In addition, the registration and tax compliance costs for SMMEs will be reviewed; which could result in the creation of a single window for the creation of enterprises. A study will be commissioned on providing innovative access to finance solutions; while SMMEs are enrolled in courses on how to access finance. Essentially this will involve providing practical training for SMMEs on financial management and on how to access funding from financial institutions. The primary objective will be to work closely with financial institutions to unpack their requirements and develop standards and easy to use checklists for the SMMEs. The CDE is already working on a programme with CEDA to support SMMEs through the delivery of pre and post investment technical assistance and access to equity and loan finance. The intention is to deepen this support by involving other financial intermediaries targeting SMME development. There is clearly an appetite amongst financial institutions for innovative (not the “normal”) approaches to better address the needs of the business community. The EIB is in the process of establishing a finance model for supporting SMMEs in partnership with Botswana financial institutions. The programme will strengthen the capacity of SMMEs on the pre and post investment phases, in order to present credible business plans to the financial institutions dealing with SMMEs. Support will be given to the private sector to submit input into the development of a micro finance policy framework for the country.

A trade facilitation consultative group will be established to review, revise and streamline import and export procedures. Capacity building will be provided to the members of the trade facilitation consultative group. Reviews of the labour laws will be undertaken to identify bottlenecks and recommend labour productivity improvement strategies. MTI has expressed their support in the review of labour laws, as this is an ongoing initiative, which they have been working on with the private sector. The focus of the PSDP will be on labour laws that facilitate SMME development and those that promote investment. This will involve the Ministry of Labour and Home Affairs and MTI. IOs will be involved in this initiative to provide input on areas that require revision.

Activities are summarised below:

3.1. Capacity building on trade and specific negotiation skills
3.1.1. Establish trade facilitation group and provide capacity building
3.1.2. Training of TFAG and NTCNP on negotiation and trade facilitation
3.1.3. Capacity building of MTI on trade issues including the Economic Partnership Agreement (EPA) implementation
3.2. Policy framework to improve access to finance
3.2.1. Draft a microfinance policy framework
3.2.2. Draft a micro-finance Act for Botswana
3.3. Improving Business environment (ease doing business)
3.3.1. Review the registration process and tax compliance
3.3.2. Review of labour laws and recommend labour productivity improvement strategies
3.4. Technical Advisors and Short term Experts
3.4.1 Trade Facilitation Expert
3.5. Missions
3.5.1. Trade and M&E missions under Result Area 3 & trainings

The project will seek complementarities and synergies with other ACP-EU support programmes such as TBT. The activities might be complemented with activities from the Private Sector Foundations such as Chanel Corporate Foundation and others which will be identified.

7. RISKS AND ASSUMPTIONS

7.1. Risks

An analysis is made in the matrix of the main risks and mitigation measures that are anticipated in the implementation of this programme.

Main Risks	Mitigation Measures
Government has insufficient capacity to manage the project in accordance with EDF procedures.	The EU to enter into a Contribution Agreement with CDE to manage the programme under the supervision of the MTI and Technical Assistance (TA) specialised in EDF procedures to be seconded to CDE.
Government does not have sufficient financial and human resources to progress the implementation of PSDP.	The Government has started the process of structural reforms such as privatisation, which will encourage private sector growth without much of a financial burden.

Main Risks	Mitigation Measures
The pace of implementing the PSDS continues to be slow.	The capacity building of both the government and the leading private sector associations will assist in addressing this risk.
Intermediary organisations and private sector players do not have the will to implement program.	Inclusion of the IOs on the PSC will ensure that they take full ownership and remain committed to the implementation of the PSDP.

7.2. Assumptions

The main assumptions are that

- The Government of Botswana through the MTI will actively support the programme and will provide office space, equipment, communication and transport costs.
- The Government of Botswana will provide financial guarantees for grants that are given to the Intermediary Organisations.

8. CROSSCUTTING ISSUES

Democracy, gender equality, environmental sustainability, good governance and human rights, the rights of the disabled, child and indigenous people and HIV and AIDS are covered by non-governmental organization (NGO) and CBOs with international treaties and conventions honoured with Government. They need to be engendered as part of good enterprise management.

Gender equality as well as support to the youth in business will be given special consideration in the activities to be implemented. In particular the increased involvement of women in the governance structures of the IO will be taken into consideration.

The programme will sensitise the private sector on the negative impact of climate change and seek to promote positive engagement of business to act as they realise that this is not just a public sector responsibility.

Good governance will be promoted through the capacity building initiative targeted at the IOs.

9. STAKEHOLDERS

The main stakeholders in the project are Private Sector Organisations, Government Ministries and Parastatals, the EU and other Development Partners. The following is a list of some of the stakeholders that have a key role to play in the implementation of the PSDP

- Ministry of Foreign Affairs and International Cooperation (MFAIC)
- MTI
- Ministry of Finance and Development Planning (MFDP)
- European Union Delegation (EUD)
- CDE
- Botswana Confederation of Commerce, Industry and Manpower
- BEDIA
- BEMA
- LEA
- BNPC
- Botswana Bureau of Standards
- CEDA

- Botswana Tourism Organisation
- HATAB and
- Botswana International Financial Services Centre.

10. THE TRADE SUPPORT NETWORK

Botswana has a broad network of institutions, ranging from private sector intermediary organisations to government agencies to international donor programmes that provide a comprehensive range of services to support trade. Services provided include training, product development, quality improvements, financial and marketing assistance and management development. The capacity and level of involvement varies greatly. And mandates often overlap. The lack of effective co-ordination has often led to ineffective and inefficient use of resources.

The following overview of the institutions comprising the trade support network is taken from “Analysis of Botswana’s Trade Related Strategies and Policies” Leon Skarshinski (2009)⁴. In addition to these generally cross cutting issues, there are agencies for specific areas of support. In addition to the International Financial Services Centre (IFSC) (listed below) there are also special economic zones to support the development of hubs for several areas – including innovation, diamonds and transport.

Market Promotion and Access

- MTI
- National Committee for Trade Policy Negotiations (NCTPN)
- BW Export Development and Investment Authority
- BW Confederation of Commerce Industry and Manpower
- BW Exporters and Manufacturers Association
- International Financial Services Centre
- Botswana Agricultural Marketing Board (BAMB)
- American and African Business Women’s Alliance (AABWA)
- Women in Business Association (WIBA).

Quality Control, Standards and Production

- Botswana Bureau of Standards
- Botswana National Productivity Centre
- National Food Technology Research Centre

⁴www.satradehub.org/.../Technical%20Report%20%20Botswana%20Trade%20Strategy%20Analysis.pdf

- Botswana Meat Commission
- National Vet Laboratory

Trade Policy Research

- University of Botswana
- BW Institute of Development Policy and Analysis (BIDPA)
- BW Council of Non-Governmental Organisations

Technology Transfer

- Botswana Technology Centre
- Rural Industries Innovation Centre
- Botswana Training Authority
- Ministry of Science and Technology
- National Food Technology Research Centre

Financing

- Citizen Entrepreneurship Development Agency
- National Development Bank
- Botswana Development Corporation
- Botswana Export Credit Insurance
- Women's Finance House

Entrepreneurial Development

- LEA
- BOCCIM
- CEDA
- Small Business Council
- United States Agency for International Development and United Nations Development Programme
- American and African Business Women's Alliance and Botswana Women in Business Association
- Women's Finance House
- BEMA
- BEDIA

11. ORGANISATIONAL SET-UPS AND RESPONSIBILITIES

This Contribution Agreement is signed within the framework of the Government of Botswana – EU Financing Agreement (FA), entitled: *10th EDF Empowering non state actors (NSAs) in Botswana*. There are two components in the larger financing agreement of which one, component 2, will be implemented through this CDE contribution agreement. Therefore, the organisational set-up within the contribution agreement will be aligned with the organisational set-up foreseen in the Financing Agreement.

The Financing Agreement foresees a quarterly steering committee under the leadership of the MFDP, to which the CDE, MTI and BOCCIM are part and will report on progress in the implementation of the specific contribution agreement and on progress in the implementation of the PSDP in the framework of PSDS and EDD, using annex 1.A

In addition the Financing Agreement foresees a management team/committee (MC) for component 2 under the leadership of MTI and to which the Long Term Senior Capacity Building expert, recruited under the FA, will be part. MTI will chair the Management Committee and will be represented at the level of Director. The Management Committee (MC) will meet on a monthly basis. The Economic Diversification Drive (EDD) Unit and the Planning Unit from MTI will also be part of the MC. The chairman will be supported by a secretariat taken up by the 'programme coordinating unit', which will be recruited by the CDE.

This Management Committee will further include a representative of the NAO, EU, CDE and BOCCIM. Representatives of each institution benefiting from this contribution agreement will be represented on the MC when a topic that specifically concerns them is to be discussed.

The Committee will give overall policy guidance for the implementation of the contribution agreement and approve the annual work plans. As the specified activities in the contribution agreement are diverse and cannot yet be worked out on the level of their specific embedment into the Botswana context and how added value will be transmitted from each activity to Botswana organisations, the Management Committee will approve ex-ante the proposed approach for the implementation and embedment of each of the activities, on the basis of proposals from the programme coordination team.

The implementation partners for this contribution agreement are MTI and BOCCIM. MTI is the ministry in charge of the implementation of the PSDS/PSDP, but has delegated the Monitoring and Evaluation of the implementation of the PSDS/PSDP to BOCCIM. The MTI's role is to ensure effectiveness of the programme through alignment with the larger government of Botswana development agenda especially on poverty reduction, development of SME competitiveness and citizen economic empowerment.

The following three key institutions of the MTI have been involved in the development of the PSDP: CEDA, BEDIA and LEA. They have initiatives within their respective programmes that address complimentary PSDP activities. Their participation is important because they cover the entire country and that they provide services generally within the entire private sector.

BOCCIM's role as implementing partner of this contribution agreement is to monitor and evaluate the implementation of the PSDS and PSDP therefore, has allocated 159.545 towards the establishment of a monitoring and evaluation system.

ITC is a specialised international institution which is sought to play an important role in this programme. ITC will provide services in support of result areas 1 and 2 activities such as:

- RA1: producing three (3) mature value chains with associated action plans – beef, tourism and horticulture
- RA2: establishing a market intelligence information system

150.000 euro is allocated for ITC's participation as implementing partner.

For the daily management of the implementation of the contribution agreement, a 'programme coordinating unit' will be recruited by the CDE, including ⁵ staff, to support MTI and BOCCIM in the implementation of the contribution agreement. As the coordination unit has to be embedded fully into the Botswana structures, its staff will be complemented through secondment of 1 staff of MTI and 1 staff of BOCCIM respectively to provide guidance to the programme coordination unit. For this purpose and to guarantee embedment of the programme, all mentioned staff will be together and take up offices at BITC.

12. COMMUNICATION AND VISIBILITY

In line with European Commission Visibility Guidelines, acknowledgement of the EU contribution to the project will be made in MFDP, MTI, CDE and any other organisations' reports and publications as well as in any workshop or forum associated with this project. A budget allocation has been made to finance specific visibility activities.

13. PROCUREMENT AND GRANT AWARD PROCEDURES

All contracts implementing the Contribution Agreement will be awarded and implemented in accordance with the procedures and standard documents laid down and published by the CDE. For the implementation of the Contribution Agreement, guidelines will be developed through a manual for procedures which will be validated by MTI, BOCCIM, NAO and approved by the EU delegation.

14. LOGICAL FRAMEWORK AND PROPOSED IMPLEMENTATION PLAN

The Logical framework and the implementation plan for the PSDP is shown below.

Logical Framework Matrix

2013-2015

	Intervention logic	Objectively Verifiable Indicators	Source of Verification	Risks/Assumptions
Overall objective	To contribute to economic growth, employment creation and diversification resulting in the reduction of poverty.	<ul style="list-style-type: none"> Botswana maintains positive economic growth, with increased contribution from the private sector. 	<ul style="list-style-type: none"> National economic statistics. Reports by UN, IMF, World Bank, OECD, AU 	
Project purpose	To improve the business environment in Botswana and stimulate economic diversification in the private sector. Develop and increase the role of the SMMEs in the economy	<ul style="list-style-type: none"> Ease of doing business in Botswana improved Increased number of SMMEs in economic production, exports and employment Increased contribution by the private sector to the GDP 	<ul style="list-style-type: none"> Business surveys Botswana Doing Business indicators WB (access to credit, trading across borders) Central Bureau of Statistics indicators 	<ul style="list-style-type: none"> Lack of political will to implement the programme. No major crises (such as drought, war) to counteract effects of economic liberalisation. The global economy and Botswana avoid double dip recession. Support of the programme from Government Ministries, Parastatals, Intermediary Organisations, Community Based Organisations, Development Partners and the private sector.

Expected Results overall		<ul style="list-style-type: none"> • Increase of private sector led exports in targeted sectors; increase of number of customers by supported SMMEs; number of new business linkages created • Increased access by SMMEs to financing, range of financial products offered. • Increased number of firms with quality and standards certification; number of trainings provided and attendance. • Increased satisfaction by members of IOs/TSIs/BSDSs services • PSDS coordinating structure operational and faster pace of PSDS implementation • Reduction in red tape 	<ul style="list-style-type: none"> • Annual performance reports by Government, Intermediary Organisations and the private sector. • Trade and investment statistics published by UNCTAD. • SADC and AU reports. 	
Expected Results	<p>Result Area 1:</p> <p>Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened, in a selected number of sectors.</p>	<p>Ind.1.1 Eight (8) Value Chains in eight (8) sub sectors are identified and action plans to support SMMEs and IOs developed and validated by February 2015</p> <p>Ind. 1.2: Two value added wild / natural product opportunity studies are carried out with respective development and action plans for honey and morula CBOs and SMMEs by September 2014.</p> <p>Ind.1.3: At least 70 SMMEs are strengthened on management, operations (including quality, standards and certification) in order to be more competitive in the local, regional and international market through grouped</p>	<ul style="list-style-type: none"> • Contracts Awarded and Reports Tracking the Contract • PSDP Monitoring and evaluation (M&E) Reports • SMMEs Audit reports • Capacity building workshop reports • BOBS's SMME quality improvement report 	<ul style="list-style-type: none"> • Values chains selected are in line with Botswana's NDP • Capacity to successfully develop the road maps for the eight value chains • Availability of relevant data • Challenges in identifying and engaging the SMMEs • Staff turnover in the

		<p>assistance (training workshops) and individual coaching by December 2015.</p> <p>Ind.1.4: At least 30 micro-enterprises and Community Based Organisations (CBO's) are trained on management, marketing, quality standards and accounting through grouped assistance⁵ by December 2015.</p> <p>Ind.1.5: 60 SMMEs and CBOs have participated in environmental awareness activities by December 2015.</p>		<p>targeted SMMEs and CBOs</p> <ul style="list-style-type: none"> Continued interest of CBOs and SMMEs
	<p>Result Area 2:</p> <p>Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced.</p>	<p>Ind.2.1: BOCCIM is restructured and established as an apex body representing the entire private sector in Botswana; and contributing to policy dialogue; and, membership has increased by 10% by December 2015.</p> <ul style="list-style-type: none"> PSDP Web based M&E system is operational by December 2014. <p>Ind.2.2: A web based market intelligence information system/platform for improving information dissemination and networking is developed for use by SMMEs - June 2015.</p> <p>Ind.2.3: Capacity building of BITC is</p>	<ul style="list-style-type: none"> PSDP M&E Reports BOCCIM new Constitution BOCCIM Strategy Plan 2014-2016 BOCCIM Annual Reports BOCCIM membership satisfaction survey report PSDP M&E Web portal TSIs and BDSPs annual reports Contracts Awarded and Reports Tracking the Contracts SMME annual reports SMME survey reports BITC annual reports MTI annual reports Tourism industry reports BOBs annual reports 	<ul style="list-style-type: none"> BOCCIM shows willingness to restructure and expand Key private sector bodies are willing to work together Willingness on the part of women to participate in the leadership development programme Staff turnover in the targeted IOs.

⁵ Sectors covered: manufacturing including agro-industry, tourism, ICT, Public Works/construction/building materials

		<p>conducted</p> <ul style="list-style-type: none"> • An export strategy with respective action plan is adopted and implementation of the action plan starts in December 2015. • Three partnerships are established with external trading partners by December 2015. • At least 10 of the PSDP targeted SMMEs are qualified for export by BITC by December 2015. <p>Ind 2.4: Capacity building of Intermediary Organisations and sector associations is conducted.</p> <ul style="list-style-type: none"> • Number of private firms using TSIs and BDSPs services increased by 10% by December 2015. • At least 70% of SMMEs and CBOs benefiting from PSDP intervention are satisfied with the quality of service provided by IOs and BDSPs. • Recommendations developed and submitted to MTI by December 2015 for improving competitiveness and export of Botswana Beef. • At least three new products and/or services introduced by IOs by 		
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		<p>December 2015.</p> <p>Ind 2.5: Capacity building conducted for BOBS on Quality Certification</p> <ul style="list-style-type: none"> • Draft National Quality Policy is developed and submitted to MTI by June 2015. • BOBS staff members are trained in audit and inspection services and ten service providers are capacitated in auditing and certification of agro-industry (horticulture, dairy, beef) and manufacturing by December 2015. • SMME certification system is in place by September 2015. 		
	<p>Result Area 3:</p> <p>Business environment for enterprises is improved (reduction of red tape and pilot on improved access to financing by SMMEs)</p>	<p>Ind.3.1: Capacity building conducted on trade and specific negotiation skills</p> <ul style="list-style-type: none"> • Recommendations submitted by PSDP to MTI on the reduction of; the cost of doing business; and the cost and time required for registration and operationalization of SMMEs in Botswana by June 2015. • Members of the Trade Facilitation and Advisory Group (TFAG) and National 	<ul style="list-style-type: none"> • Contracts Awarded and Reports Tracking the Contracts • PSDP M&E reports • MTI Annual Reports • IO annual reports • MFDP annual reports • SMME reports • Banks/financial institutions annual reports • SMME audit reports • World Bank Doing Business 	<ul style="list-style-type: none"> • Willingness and availability of MTI staff to participate • Trade Facilitation Advisory Group is operational and effective • Willingness and availability of banking sector to participate. • Willingness of SMMEs

		<p>Committee on Trade Policy and Negotiations (NCTPN) are trained on MTI Trade Capacity Building Strategy by June 2015.</p> <ul style="list-style-type: none"> At least 10 IO staff members are trained in EPA implementation by September 2015. <p>Ind.3.2: Improved Policy Framework to access finance</p> <ul style="list-style-type: none"> At least 1 new financial product (post loan support mechanism) targeting SMMEs is introduced by commercial banks and or other financial institutions supporting SMME financing by December 2015. 30 SMME's under PSDP are assisted to prepare their business plans for submission to commercial banks and other financial institutions by December 2015. At least 5 PSDP SMMEs assisted are accessing finance by February 2016. Micro finance policy framework is established and presented to Government for adoption by 	Report	to register for taxes
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		<p>September 2014.</p> <ul style="list-style-type: none"> • A microfinance Act is drafted and submitted to government by September 2014. <p>Ind.3.3: Improved Business Environment (Ease of Doing Business)</p> <ul style="list-style-type: none"> • A compilation of recommendations submitted to MTI by December 2015 to simplify tax registration with a view to improve tax compliance by SMMEs. • A compilation of labour laws affecting SMMEs with recommendations for reforms submitted to MTI by December 2015. 		
Activities		Means	Budget (Euro)	
	<p>Result Area 1:</p> <p>Capacity and competitiveness of SMMEs and Community Based Organisations (CBOs) including value chains is strengthened.</p>			
	<p>1.1. Value Chains analysis and development</p> <p>1.1.1. Structured value chains analysis and preparation of capacity building Action plans</p> <p>1.1.2. Emerging value chains analysis and preparation of capacity building</p>	<p>Short term experts</p> <p>Workshops</p> <p>Short term experts</p>		

	Action plans	Trade missions		
	1.2. Agro-added value products opportunity study 1.2.1 Development of action plans for honey and morula CBOs and SMMEs	Short term experts Workshops		
	1.3. SMEs Diagnostics (Baseline Study) 1.3.1. Diagnostics of SMMEs (BNPC, BIH, BITC, CEDA, LEA and Local consultants)	Short-term experts Workshops		
	1.4. Capacity Building of SMMEs and CBOs for upgrading their competitiveness 1.4.1. Grouped training and individual coaching of SMMEs/CBOs in agro-industries, manufacturing, tourism, ICT, Public works including energy efficiency	Short-term experts Workshops		
	1.5. Technical Advisors and short term experts 1.5.1 60 SMMEs and CBOs have participated in environmental awareness activities by December 2015.	Short-term experts Workshops		
Total Result Area 1			1 168 312	

Activities		Means	Budget (Euro)	Comments
	Result Area 2: Service delivery of targeted intermediary organisations and Business Development Service Providers is improved			

	2.1. Capacity building of BOCCIM 2.1.1 Internal Monitoring and Evaluation of PSDP 2.1.2. Review of the mandates and establish BOCCIM as Apex body 2.1.3. BOCCIM capacity building to render better services to its members 2.1.4. Assistance to the establishment of market intelligence information system/web based platform 2.1.5. Training BOCCIM and other IOs in policy research, lobbying & advocacy	Short term experts Workshops		
	2.2. Capacity building of BITC 2.2.1. Assistance to BITC in Export Development and Promotion 2.2.2. Assistance to BITC for implementation of its new strategy (sector approach)	Short term experts Workshops		
	2.3 Capacity building of Intermediary Organisations and sector associations 2.3.1. Training and coaching of IOs and services providers on SME Diagnosis (BNPC, CEDA, LEA, HATAB, BEMA, BIDPA) 2.3.2. Assistance to Meat Sector- beef, piggery, goat, poultry, etc.: capacity building of farmers and producers associations; PPD meeting and branding of Botswana meats for export 2.3.3. Assistance to the tourism sector in partnership with BTO and HATAB 2.3.4. Assistance to honey sector associations	Short term experts Workshops Trade missions		
	2.4 Capacity building for BOBS on Quality and Certification	Short term experts		

	2.4.1. Support the development of a National Quality Policy 2.4.2. Upgrade the existing capacities of the Botswana Bureau of Standards 2.4.3. Support the process of certification for SMEs	Workshops		
	2.5. Technical Advisors and short term experts 2.5.1. Technical Advisor in Tourism for HATAB and BTO 2.5.2. Interns	Short term experts Workshops		
	2.6 Missions 2.6.1. Participation of IOs to trade missions & trainings	Short term experts Workshops		
Total Result Area 2			751 789	

Activities		Means	Budget (Euro)	Comments
	Result Area 3: Business environment (reduction of red tape and pilot on accessing finance) for enterprises is enhanced.			
	3.1. Capacity building on trade and specific negotiation skills 3.1.1. Establish trade facilitation group and provide capacity building 3.1.2. Training of TFAG and NCTPN on	Short term experts Workshops		

	negotiation and trade facilitation 3.1.3. Capacity building of MTI on trade issues including E.P.A. implementation			
	3.2. Policy framework to improve access to finance 3.2.1. Draft a microfinance policy framework 3.2.2. Draft micro-finance Act for Botswana 3.2.3. Draft of Trade Finance to provide access to finance	Short term experts Workshops		
	3.3. Improving Business environment (ease doing business) 3.3.1. Review the registration and tax compliance by SMMEs 3.3.2. Review of labour laws and recommend labour productivity improvement strategies	Short term experts Workshops		
	3.4. Technical Advisors and Short term Experts 3.4.1 Trade Facilitation Expert	Short term experts Workshops		
	3.5. Missions 3.5.1. Trade and M&E missions under Result Area 3 & trainings	Short term experts Workshops		
Total Result Area 3			222 899	Comments
ITC as implementing partner (150 000 euros) <u>-Activities:</u> *capacity building *Training workshops *Missions			0	Transferred to Result Area 1

Communication/Visibility		54 550	450 allocated to running costs
PSDP Tools for SMMEs and IOs incl. Technical guides		30 000	Taken from contingencies
Verification		10 000	Taken from contingencies
Contingencies		40 000	40 0000 allocated to: ➤ PSDP tools: 30 000 ➤ Verification: 10 000
Contribution to BOCCIM as implementing partner for Monitoring and Evaluation of the PSDS and PSDP.		0	Transferred to Result Area 2
Support costs for the running of the project		22 450	450 taken from communication & visibility
Grand Total		2 300 000	

Annex I-A Status on implementation (results) framework - 5 years of the PSDS as at December 2012

Please note all activities without any comments have not yet been undertaken.

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
Strategic objective 1.1: Promote and support the participation and visibility of the private sector in foreign markets													
1.1.1: Improve availability and access to market intelligence information	1.1.1.1: Conduct 3 surveys on the private sector market intelligence information needs Not Done	MTI	BOCCIM, LEA, BEMA	3 surveys	1					1		1	1.0m
	1.1.1.2: Develop and continuously update 3 databases of market intelligence information Not Done	MTI	BOCCIM, BEMA	3 up to date and functional databases			3		3	3	3	3	1.0m
	1.1.1.3: Conduct 1 sensitisation workshop for entrepreneurs on market information annually Not Done	MTI	BOCCIM, BEMA, BIDPA	5 sensitisation workshops				1	1	1	1	1	0.5m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	1.1.1.4: Establish and continuously update at least 4 trade resource centres at MTI, BEDIA, BOCCIM and Sectoral Associations Reference Centres established at UB, DIT, and BITC. National Enquiry Points established at MOA, ROCIP and BOBS	MTI	BEDIA, BEMA, Sector associations	4 up to date and functional and accessible resource centres				4	4	4	4	4	0.1m
	1.1.1.5: Develop and implement 3 TV documentaries on targeted foreign markets annually Not Done	MTI Not Done	BEDIA, BOCCIM	15 TV documentaries				3	3	3	3	3	1.0m
1.1.2: Exploit the markets opportunities created through regional and international trade agreements	1.1.2.1: Carry out 3 studies on the core non-tariff barriers that hinder Botswana companies from penetrating the South African market Not Done	MTI	BOCCIM, BEDIA, BEMA	3 studies		1				1		1	0.5m
	1.1.2.2: Hold 1 private sector sensitisation workshops on products that Botswana has a comparative advantage to produce for export to SACU, SADC, EU and USA annually	BEDIA	MTI, BOCCIM, BEMA, AABWA	5 sensitisation workshops				1	1	1	1	1	0.5m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	Not Done												
	1.1.2.3: Organise at least 2 trade fairs to promote the products and services in targeted foreign markets Not Done	BEDIA	BOCCIM, MTI, BEMA, LEA	10 trade fairs in foreign markets to be selected			1	1	2	2	2	2	20.0m
	1.1.2.4: Develop and implement appropriate export trade finance schemes	MFDP	BOCCIM, BECI, LEA	1 financial scheme implemented over 5 years					1	1	1	1	100.0m
	1.1.2.5 Establish strategic alliance with international firms Not Done	BEDIA	Private sector	3 alliances annually				1	1	1	1	1	0.5m
	1.1.2.6 Support implementation of branding Botswana	BEDIA	Private sector	new markets				1	1	1	1	1	18.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	DONE												
1.1.3: Improve quality of products and services of Botswana private sector firms	1.1.3.1: Conduct 1 sensitisation workshops for manufacturers and services producers on quality standards and improvement annually On-going	BOBS	BOCCIM, MTI, BEMA, LEA, CSO	5 sensitisation workshops based on data collected through the monitoring system			1		1	1	1	1	0.5m
	1.1.3.2: Strengthen product quality testing facilities DONE	BOBS	MFDP, MTI	Capacity development needs of the testing facilities identified and capacity developed. A continuous activity			1		1	1	1	1	100.0m
	1.1.3.3: Develop and implement a three year product quality and safety public awareness media programme On-going	BOBS	BOCCIM, BOBS	Awareness media program		1			1	1			1.0m
	1.1.3.4 Subsidize certification costs	MFDP	BOBS, BOCCIM,	Number of certifications		1							0.1m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
			BEMA										
1.1.4: Improve trade facilitation	1.1.4.1: Lobby for harmonisation of custom rules, regulations, procedures and transport rules in the region	BURS	DIT, BEDIA, DBES, MOFAIC, MFDP, PPADB	Customs, rules and regulations harmonised			1		1	1	1	1	0.5m
	1.1.4.2: Establish one stop border post at all entry points	BURS	DIT, BEDIA, DBES, MOFAIC, MFDP, PPADB	One stop border post finalised by year 2					1				5.0m
	1.1.4.4: Finalise the development of the Walvis Bay plot BEING IMPLEMENTED BY THE TRANSPORT HUB	BURS	DIT, BEDIA, DBES, MOFAIC, MFDP, PPADB	Alternative port									50.0m
1.1.5: Improve the capacity of the private sector to take advantage of the multilateral trade system (MTS)	1.1.5.1: Conduct 1 training workshops for private sector on the MTS rules annually On-going	MTI	MTI, BEDIA, BEMA	1 training workshop		1			1	1	1	1	2.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
TOTAL													302.2m
Strategic objective 1.2: Promote effective participation of the private sector in the domestic market													
Strategy 1.2.1: Strengthen public private partnerships	1.2.1.1.Establish guidelines for public private partnerships DONE	OP	BOCCIM, MTI, PEEPA	Guideline		1							0.1m
	1.2.1.2 Train public officers on management and implementation PPP projects ON-GOING	OP	BOCCIM, MTI, PEEPA	Staff trained		1			1	1	1	1	1.0m
	1.2.1.3 Sensitise the private sector on public private partnership guidelines	OP	BOCCIM, MTI, PEEPA	1 sensitisation workshop			1		1	1	1	1	0.1m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
1.2.2: Promote citizens empowerment through excellence	1.2.2.1 Review the citizen empowerment policies:	OP	BOCCIM, MTI, PEEPA	Revised CE Policy			1						1.0m
	1.2.2.1 Sensitise the private sector to accept competition	OP	BOCCIM, MTI, PEEPA	1 workshop annually			1		1	1	1	1	0.2m
TOTAL													2.4m
Strategic Objective 1.3: Promote the growth and graduation of the SMEs													
1.3.1 Reduce the cost of formalisation of the SMEs	1.3.1.1 Review the registration costs and tax compliance	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	Reduced cost					1				1.0m
	1.3.1.2 Decentralise the registration offices to district level	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA,	District offices					1	1	1	1	10.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	ON-GOING - 2 offices have been opened in Serowe and Francistown. Funds permitting others will be opened.		DOC, ROC										
1.3.2: Establish private sector micro finance firms	1.3.2.1 Develop policy framework for micro financing	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	Policy						1			0.1m
	1.3.2.2 Develop micro finance ACT	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	Act						1			0.1m
1.3.3: Cluster SMEs for access to infrastructure, specialised facilities, equipment, services and utilities	1.3.3.1 Work with LEA to increase sheds supplied with basic infrastructure and utilities in major towns and settlements: INCUBATOR	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	Shed in 5 towns				1	1	1	1	1	100.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	PROGRAMME ON-GOING – Pilane, Francistown and Gaborone												
1.3.4: Strengthen linkages between the SMEs and the large firms	1.3.4.1 Sensitise large firms to procure goods and services from SMEs	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	5 workshops				1	1	1	1	1	0.5m
	ON-GOING THROUGH EDD												
	1.3.4.2 Organise a forum to promote closer business linkages between SMEs and large firms	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	Annual workshop				1	1	1	1	1	0.5m
	Not Done												
	1.3.4.3 Establish an association of SMEs	LEA	BOCCIM, BEMA, BIDPA, CBOs, DIA, DOC, ROC	SME association			1						0.025m
	Not Done												
TOTAL													112.225

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
													m
Strategic objective 1.4: Promote foreign direct investments, beneficiation, joint ventures and development of economic zones													
1.4.1 Promote FDI	1.4.1.1: Finalise and implementation of the FDI strategy and legislation DONE	BEDIA	BOCCIM, MTI	FDI strategy					1				0.1m
1.4.2 Promote EFZ	1.4.2.1 Conduct a study on the feasibility of EFZ Feasibility study concluded on Special Economic Zones. Policy approved by Cabinet in August 2009	BEDIA	BOCCIM, MTI	Report on EFZ					1				0.1m
	1.4.2.2 Establish industrial parks to produce goods identified for the SACU, EU and USA market			Industrial parks				1	1	1	1	1	50.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	Not Done												
1.4.2: Promote beneficiation	1.4.2.1 BOCCIM will collaborate with BEDIA and sector associations to support beneficiation studies to identify investment opportunities that exist within the different sectors. Copper, leather and glass studies completed. There may be need for more.	BEDIA	BOCCIM, MTI	4 studies - 1 for each selected sector		2			2				0.8m
	1.4.2.2 Lobby for providing incentives to prospective investors in projects that promote beneficiation.	BOCCIM	BEMA, BOTA	Incentives in place by end of year 2					1				0.1m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
TOTAL													51.1m
Strategic objective 2.1: Improve labour productivity													
2.1.1: Invest in human resources development	2.1.1.1: Establish an institutional framework for the implementation of the vocational training levy scheme	MOE	DPSM,BPNC, BOCCIM, BEMA,OP-PSR, BOTA	Institutional framework finalised by year 2				1					0.1m
	2.1.1.2: Develop human resources development policies programs	MOE	DPSM, BPNC, BOCCIM, BEMA,OP-PSR, BOTA	Programme in place by end of year 1		1							0.1m
	2.1.1.3: Hold tripartite forum for dialogue of training needs between Government, training institutions and industry	MOE	DPSM,BPNC, BOCCIM, BEMA, OP-PSR, BOTA	1 Dialogue forum held annually		1			1	1	1	1	0.5m
	2.1.1.4: Conduct 2 reviews of the extent of utilization of existing skills development institutions	MOE	DPSM,BPNC, BOCCIM, BEMA, OP-	2 reviews			1			1			0.5m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
			PSR, BOTA										
2.1.2: Improve the work ethic and promote entrepreneurial mindset	2.1.2.1: Conduct 2 review of the labour laws to support to identify bottlenecks and recommend labour productivity improvement strategies	BOCCIM	Vision council, BPNC, OP-PRS	2 reviews			1				1		0.2m
	2.1.2.2: Develop and implement an entrepreneurship public education program	BOCCIM	Vision council, BPNC, OP-PRS	1 programme covering 3 years in place by end of year 1; next programme developed in year 4				1			1		0.2m
2.1.3: Improve the quality of services provided by private sector firms	2.1.3.1: Develop a system for dad listing firms which fail to deliver on contracts ON-GOING	PPADB	BOB, MTI, BOCCIM	System in place and functional by end of year 1				1					0.1m
	2.1.3.2: Conduct training on project management for local contractors	PPADB	BOB, MTI, BOCCIM	4 training - 1 held			1		1	1	1	1	0.5m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
				annually									
	2.1.3.3: Develop and implement an award scheme for private sector excellence in customer service	PPADB	BOB, MTI,BOCCIM	Award scheme operationalized annually				1	1	1	1	1	0.5m
TOTAL													2.7m
Strategic objective 3.1: Improve effectiveness of services provided by the Trade Support Networks													
Strategies	Activities												
3.1.1: Rationalize the mandate of the trade support institutions	3.1.1.1: Conduct a review and harmonise the mandates of public trade support institutions	OP-PRS	MTI, MFDP, BOCCIM, MCST	1 review	1								0.025m
	3.1.1.2: Develop and implement a need driven capacity building package for trade support institutions	OP-PRS	MTI, MFDP, BOCCIM, MCST	Continuous capacity building of 4 institutions		4			4	4	4	4	4.0m
	3.1.1.3: Develop and implement a plan to decentralise the TSN services	OP-PRS	MTI, MFDP, BOCCIM, MCST	Plan in place by end of year 1 and implemented for 2 years				1	1	1			10.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
3.1.2: Establish an apex body of all sector associations	3.1.2.1: Restructure BOCCIM to play the role of the private sector apex body Not Done	MTI	AGs, LEA, BOCCIM, Sector institutions	Restructuring completed by end of year 1				1					1.0m
	3.1.2.2: Conduct a review of the mandates and capacity of private sector sectoral associations Not Done	MTI	AGs, LEA, BOCCIM, Sector institutions	1 review completed				1					0.5m
	3.1.2.3: Develop the institutional framework for establishing representative and legitimate private sector sectoral associations Not Done	MTI	AGs, LEA, BOCCIM, Sector institutions	Capacity development of at least 5 sectoral associations implemented					5	5	5	5	0.1m
3.1.3: Improve public-private sector dialogue	3.1.3.1: Represent the private sector in public policy formulation dialogue for a Sectoral HLCC in place	MTI	AGs, LEA, BOCCIM, Sector institutions	At least 3 policies in a year				3	3	3	3	3	0.1m
	3.1.3.2: Represent the private sector in the budget formulation processes	MTI	AGs, LEA, BOCCIM, Sector	Annually				1	1	1	1	1	0.1m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	Not Done		institutions										
	3.1.3.3: Hold quarterly private sector dialogue meetings ON-GOING	MTI	AGs, LEA, BOCCIM, Sector institutions	Quarterly meetings	1	1	1	1	4	4	4	4	1.0m
TOTAL													16.825m
Strategic objective 4.1: Improve the business climate to attract investments and trade													
4.1.1 Complete, consolidate and sustain the gains from implementing the FIAS recommendations	4.1.1.1: Conduct 1 situation assessment to identify weak areas and any uncompleted recommendations and implement Not Done	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA,BOBS,	1 assessment	1								0.2m
	4.1.1.2: Further to the FIAS report, conduct a regulatory guillotine Not Done	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA,BOBS	Completed by year 2					1				1.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
4.1.2: Set targets for company registration, work permits, licences, building plans and utilities' hook up	4.1.2.1: Develop benchmarks for best practice in provision of services in the areas identified On-going	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA, BOBS	Completed by end of year 1				1					1.0m
	4.1.2.2: Develop and implement a system for monitoring the performance of public sector in provision of services identified Not Done	MTI	NEMIC, ROC, Consumer affairs, DIT, DIA, BOCCIM, BEDIA, BOBS	System in place and functional by end of year 1				1	1	1	1	1	0.5m
4.1.3: Promote efforts to combat crime	4.1.3.1: Lobby for increase of the number of police stations countrywide, the ratio of the police to the population and facilities and equipment required for effective performance:	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	Stations increased by end of year 1				5	5	5	5	5	40.0m
	4.1.3.2 Encourage the private sector to support community policing.	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	Sponsorship continuous					1				10.0m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	4.1.3.3: Establish standards for the private sector security firms.	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS	Standards in place				1	1	1	1	1	0.2m
	4.1.3.4: Establish public private sector security review committee	OP	Vision council, BOCCIM, Police, AG, Security firms, BOBS										0.5m
4.1.4: Strengthen capacity to prevent corruption	4.1.4 1 Collaborate with DCEC to develop and implement education and awareness programs	DCEC	PPADB, AG, BOCCIM, TI										0.1m
	4.1.4.2 Assist public institutions to strengthen organisational systems to prevent corruption	DCEC	PPADB, AG,BOCCIM, TI	Continuous capacity building				1	1	1	1	1	0.1m
	4.1.4.2 Train staff to acquire adequate skills to investigate corruption cases	DCEC	PPADB, AG,BOCCIM, TI	Training to be continuous and needs driven				1	1	1	1	1	0.1m
4.1.5 Improve road	4.1.5.1 Allocate additional funding for	MFDP	BOCCIM,MWT	Increased budget	1				1	1	1	1	100m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
maintenance	maintenance of roads												
	ON-GOING												
	4.1.5.2 Streamline tender awards	MFDP	BOCCIM, MWT	Tender issued in time									0.1m
	4.1.5.3 Bad list non-performing contractors												
	ON-GOING	MFDP	BOCCIM, MWT	List									0.1m
TOTAL													153.9m
Strategic objective 5.1: To ensure that the PSDS recognizes and addresses other government policy													
5.1.1 Mainstream gender issues in the private sector	5.1.1.1: Collect and submit disaggregated data and information on gender	OP	WAD,WIBA, AABWA, LEA, CEDA	Completed by end of year 1				1					0.025m

Strategic objectives, strategies and implementing institutions				5 year target	Timeframe								Budget in BWP
					Year 1				Year 2	Year 3	Year 4	Year 5	
					Q1	Q2	Q3	Q4					
Strategies	Activities	Lead institution	Collaborating institutions										
	5.1.1.2: Develop and implement a national strategy for supporting women entrepreneurs	OP	WAD, WIBA, AABWA, LEA, CEDA	Developed by end of year 1 and implemented over 4 years				1	1	1	1	1	5.0m
5.1.2: Support the implementation of the National Human Resources Development Strategy	5.1.2.1: Support the introduce entrepreneurial education at all levels of education	OP	MOE,BOCCIM	Support provided continuously				1	1	1	1	1	100.0m
	5.1.2.2: Develop and implement programs that reward youth who excel in entrepreneurial leadership	OP	BOCCIM, MOE	Programme developed by end of year 1 and implemented over 4 years				1	1	1	1	1	1.0m
	5.1.2.3: Strengthen the implementation of the Youth Fund	OP	BOCCIM, MOE	Youth fund implemented				1	1	1	1	1	1.0m
5.1.3: Strengthen HIV/AIDS work place programmes	5.1.3.1: Establish and implement results driven HIV and AIDS work place programmes	OP	BBCA	Programme implemented over 5 years				1	1	1	1	1	1.0m
5.1.4 Promote environmental protection	5.1.4.1Organise annual sensitisation workshop in collaboration with MEWT	MEWT	BOCCIM	Annual workshop				1	1	1	1	1	0.5m
TOTAL													108.52m

