



Government of Botswana



European Union

## **PRIVATE SECTOR DEVELOPMENT PROGRAMME BOTSWANA**

A Government of Botswana initiative supported by the European Union and the Centre for the Development of Enterprise

# **Terms of Reference**

## **BNPC Local Experts for Diagnosis / Audits of SMEs**

**April 2014**

# **1 INTRODUCTION**

## **1.1 PRESENTATION OF THE PROGRAMME**

Under the framework of the Private Sector Development Strategy (PSDS), the Ministry of Trade and Industry (MTI) and Botswana Confederation of Commerce, Industry and Manpower (BOCCIM), in partnership with the EU and the CDE, developed the Private Sector Development Programme (PSDP) which was launched on May 2013 in Gaborone.

The PSDP is meant to address some key areas of the PSDS. The PSDP which will run for duration of 3 years has a budget of €2.3 million and aims to stimulate and sustain growth through diversification of the economy while building the capacities of institutions and human resources that support the private sector. Other funding partners promoting specifically Women Entrepreneurship provide additional complementary support. The EU is the contracting authority for the PSDP, the MTI is the supervising agency, CDE is the executing agency, and BOCCIM is responsible for monitoring and evaluation of PSDP.

Key private sector development partners which played a vital role during formulation of the PSDP and will be involved in the programme are BOCCIM, Botswana Investment and Trade centre (BITC), Local Enterprise Authority (LEA), Citizen Entrepreneurial Development Agency (CEDA), Botswana Exporters and Manufacturers Association (BEMA), Botswana Bureau of Standards (BOBS), Botswana National Productivity Centre (BNPC), Hospitality and Tourism Association of Botswana (HATAB), Botswana Tourism Organisation (BTO) and Botswana Innovation Hub (BIH).

## **1.2 RATIONALE FOR AUDITS OF SMEs**

Following the call for expression of interest which was launched in October 2013, inviting Small and Medium-size Enterprises (SMEs) to apply for consideration under the PSDP a total of Seventy (70) SMEs from all over the country were pre-selected to benefit from the technical assistance of PSDP for a two-year duration.

In order for the PSDP to have an impact, the provision of adequate advisory services for the final selection of beneficiary companies is required. It is in this context that the PSDP coordinating unit is planning to hire the service of local experts who were trained on SME diagnosis by CDE. During the training sessions held in 2013, some intermediary organisations, namely BITC, BNPC, BIH and BIDPA showed great interest in developing such expertise through the level of participation of their staff.

Due to the monopoly position of these Intermediary Organisations (IOs) in the practice of SME diagnosis, CDE has agreed to allow PSDP Coordinating Unit to recruit both BNPC, BIH and BIDPA to undertake the diagnosis of 70 pre-selected SMEs. This assignment will be undertaken under the supervision of an international consultant acting as Team leader (SME master trainer) who will be recruited directly by CDE.

The following is the proposed number of SMEs to be audited by each organisation:

- ✓ BNPC: 35
- ✓ BIDPA: 20
- ✓ BIH: 15

The pre-selected SMEs are from the following areas: (i) Manufacturing including Agro-industries, (ii) Tourism, (iii) Construction and Public works, and (iv) Information and Communication Technology (ICT).

## **2 SCOPE OF THE WORK**

### **2.1 MAIN TASKS**

The diagnosis of SMEs will be undertaken by a team of local experts under the supervision of a team leader along the standards established as per the CDE diagnosis tools. The following are the main tasks foreseen during the assignment:

- 1) Assess CDE diagnosis tools and prepare the interview forms
- 2) Conduct interview with the management and key staff to understand the different elements of the company
- 3) Identify company's strengths and weaknesses and analyse the identified bottlenecks
- 4) Select company's critical needs elements for further assessment
- 5) Prepare a workable Plan that should focus attention and resources on actions that will have a significant impact on company's performance
- 6) Organise a validation workshop with managing directors and key staff
- 7) Prepare a report on the diagnosis results, emphasizing areas of interventions
- 8) Prepare a list of recommendations directed to the management

### **2.2 EXPECTED DELIVERABLES (OUTPUTS)**

BNPC will ensure the delivery of 35 diagnosis / audit reports to be forwarded to the team leader four weeks prior to the deadline of the overall contract (15 July 2014) to give time for review and advice from the team leader.

The final report will provide details on:

- Company Information
- Executive Summary
- Diagnosis results
- Historical and Financial Analysis
- Priority Sub-Sector for Intervention
- Conclusion
- Recommendations

The final report shall contain response to comments and improvement requested by the Team leader.

## **3 DURATION OF THE ASSIGNMENT**

The assignment will be undertaken over a period of three (3) months (with possible extension for another one month).

## 4 PROFILE AND KEY QUALIFICATIONS

The local experts should meet the following criteria:

- ✓ Have been trained by CDE on diagnosis of SMEs
- ✓ Work at BNPC

## 5 BUDGET FOR THE INTERVENTION

### 5.1 FEE RATES AND OTHER COSTS

The assignment will be undertaken for a maximum of 13 man-months for BNPC starting in June 2014.

### 5.2 REIMBURSABLE COSTS

BNPC and BITC are requested to give an estimate of their expenses related to the assignment for the following items.

- ✓ Local travel to undertake diagnosis / audit of SMEs according to location of SMEs
- ✓ Per diem based on CDE rates
- ✓ Other costs (to be justified).

Location of SMEs

Location of SMEs
Francistown
Gaborone
Jwaneng
Kang
Kasane
Lentsweletau
Letlhakane
Lobatse
Mahalapye
Maun
Mmopane
Mogoditshane
Pandamatenga
Selebi-Phikwe