Private Sector Development Programme (PSDP) Botswana

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

GLOBAL EXPO 2013

PSDP in Botswana: Opportunities

Gaborone, 21st November 2013
Part I –
Presentation of the Programme
The Private Sector Development Strategy (PSDS) initiated by BOCCIM with assistance from the Commonwealth Secretariat

As a response to the PSDS, a Private Sector Development Programme was developed in partnership with MTI, EU and CDE

The development of the PSDP involved public and private sector stakeholders

The Private Sector Development Programme (PSDP) will run for a duration of 3 years (April 2013- March 2016)

PSDP aims to stimulate and sustain growth through diversification of the economy while building the capacity of institutions that support private sector development
2. Programme Partners and their Contribution

Partners

- Contracting Authority: EU through 10th EDF (Euro 2.3 million)
- Supervising Agency: Ministry of Trade and Industry (MTI)
- Executing Agency: CDE (Euro 500 000 to support the Programme Coordinating Unit)

Contributions in Kind

- MTI: Delegated staff on trade related issues and Programme offices
- BOCCIM: Delegated staff on internal Monitoring & Evaluation

Fund Mobilization

- Chanel Corporate Foundation (France): Euro 345 800 for Women Entrepreneurship Programme
3. Priority Sectors of PSDP

- Selection of priority sectors is based on PSDS and consultation with public and private sectors.

1. Manufacturing including Agro-industries
2. Tourism
3. Construction and Public works
4. Information & Communication Technology
4. Programme Goal and Objectives

- The PSDP aims to capacitate SMMEs and CBOs, thus enhancing their capacity and competitiveness by strengthening their value chain.

- There is a strong link with the EDD Strategy as strengthening the value chains will enable SMMEs to participate well in procurement and boost Government’s purchasing power.

- In addition, the PSDP is expected to enhance the service delivery of Intermediary Organisations (IOs) especially for BOCCIM to be the lead private sector voice (Apex body).

- Furthermore, the business environment for SMMEs will be improved focusing on the reduction of red tape and pilot on improved access to financing by SMMEs.
5. PSDP interventions

1: Capacity and competitiveness of SMMEs & CBOs including value chains strengthened

2: Service delivery of IOs & BDSPs enhanced

3: Business environment for enterprises improved
6. Intervention Logic

Value Chain Development
- Analysis of 10 value chains in agro-industries and tourism sectors
- Sector support to Construction & Public works and ITC
- Audits of SMMEs and evaluation of IOs (Diagnostic of baseline situation)
- Capacity building need assessment of beneficiaries in priority sectors
- Development of Market Intelligence Information System

Enabling Environment for Enterprise Development
- Assessment (Stream line the procedures, review the cost of doing business;)
- Assist MTI with technical expertise to enhance its capacity to manage the PSDS
- Trade facilitation
- Access to trade finance
- Establishment of a micro finance policy framework
- Assist BITC to implement Export Development Programme (EDP) & Global Expo
- Improve investment environment

Capacity Building of SSMEs, CBOs, IOs and BDSPs
- Establish BOCCIM as an apex body of all sector associations
- Build the capacity of SMMEs (group trainings, individual coaching and mentoring, etc.)
- Improve networking of IOs and SMMEs
- Women participation in governance structures of IOs (WED Programme)
Consultation with Stakeholders: A key Element of PSDP Implementation

A series of consultations undertaken with PSDP stakeholders and international partners including:

- IOs (BOCCIM, BITC, BEMA, LEA, BOBS, BNPC, BIH)
- Sector associations (HATAB, WIBA, Dairy Association, ICT Association, ...),
- Public Utilities (BPC; Water Utilities Botswana)
- Banks and financial institutions (CEDA, Stanbic, FNB, Standard & Chartered, Bank Gaborone, ...)
- The International Trade Centre (ITC) Geneva and Federation of Belgium Chambers of Commerce
Detailed Description of Methods and Activities

- Based on broad stakeholders consultation PSDP has been divided into 3 main phases to facilitate implementation:

  **Consultation**
  
  *April – Sep. 2013*
  Mobilization of partners & resources

  **Preparation**
  
  *Oct. 13 – March 2014*
  Framework Studies:
  - Value chains & sector analysis
  - Audits of SMEs
  - Market Intelligence
  - Trade & Finance
  - Apex Body
  - M&E

  **Intervention**
  
  *April 14 – Dec. 15*
  - Capacity building of SMMEs and CBOs
  - Capacity building of IOs and TSIs
  - Collaboration with MTI to ease doing business
Part II –
On-Going Activities
1. Value Chains Analysis and Sectors Development

☐ Two groups of value chains will be analyzed for further development:

  ✓ **Structured Value Chains** (Beef; Horticulture and Tourism)
  ✓ **Emerging Value Chains** (Leather; Dairy; Goats; Piggery; Poultry; Honey and Marula)

☐ Sector analysis and development will concern:

  ✓ **Construction** (building materials)
  ✓ **Public works** (road and water maintenance)
  ✓ **ICT** (Information and Communication Technology)
2. Audits and selection of SMEs

Together with Value Chain Analysis and Sector Development, PSDP will undertake audits of SMEs for final selection of beneficiaries of PSDP interventions:

To enter the programme, SMEs must fulfill the minimum criteria which include the following:

- Be a Botswana registered company
- Be within the following sectors: Manufacturing, including Agro Industries (meat, dairy, horticulture...), Tourism, Construction and Public Works, Information and Communication Technology.
- Have a minimum of 15 employees or a minimum annual sales/turnover of **P1,500,000** or assets of **P500,000**
- Deadline for applications: 6 December 2013
3. Selection of micro-enterprises & CBOs

To enter the programme, Micro Enterprises and CBOs must fulfill the minimum criteria which include the following:

- Be a Botswana registered Micro Enterprise or CBO
- Be within the following sectors: Tourism, Horticulture, Meat, Dairy and Agro Added Value products.
- Have a minimum of 5 employees/members
- Have a minimum annual sales/turnover of P500,000 or assets of P100,000

Call for Expression of Interest: 9 December 2013
4. Capacity Building of SMMEs & CBOs

- SMMEs and CBOs will be capacitated in the following areas:
  - Business plan preparation
  - Products quality improvement and packaging
  - Assistance for marketing
  - Access to markets and finance
  - Access to CDE network (e.g. through Global Expo)

- Capacity building will be done through:
  - Group trainings
  - Individual coaching
  - Participation to international trade fairs
5. Capacity Building of IOs & BDSPs

Intermediary Organisations and Business Development Service Providers will be strengthened to deliver better services to their clients, including:

- Capacity building of IOs and BDSPs staff
- Lobbying
- Strategic plan preparation
- Corporate transformation
- Funds raising for specific needs
- Access to CDE call for proposals
- Access to CDE network of European organisations
- Partnership with regional bodies and EU intermediary organisations
6. Collaboration with MTI

- Ministry of Trade and Industry (MTI) and PSDP will be collaborating to ease doing business in Botswana. This will include but not limited to:
  - Implement MTI Trade Capacity Building Strategy
  - Develop the micro finance policy framework in close collaboration with the Ministry of Finance
  - Implement an innovative trade finance scheme for SMMEs to provide access to finance solutions for entrepreneurs
  - Removing bottlenecks related to doing business.
Part III –
Conclusion and Way Forward
## 1. Type of Assistance for SMMEs and CBOs

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<tr>
<th>SMME Category</th>
<th>Type of support</th>
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| Medium Enterprises (Export Oriented)   | *Grouped Assistance and Individual coaching*  
- quality and standards,  
- market access,  
- product development and packaging,  
- competitiveness enhancement  
- access to finance |
| Small Enterprises (Local market)       | *Grouped Assistance and Individual coaching*  
- managerial, financial and technical know-how,  
- business planning preparation  
- access to finance,  
- marketing intelligence |
| Micro Enterprises and CBOs             | *Grouped assistance*  
- managerial, financial and technical know-how,  
- business planning preparation  
- access to finance |
## 2. Type of Assistance for Programme Partners

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<th>Capacity Building to Intermediary Organisations and Business Support Institutions to render better services to company members</th>
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| **IOs** | - Strategic Plan preparation  
- Implementation and monitoring of action plan  
- Trade expansion and market access  
- Lobbying and Membership service delivery |

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<th>Assistance to Government of Botswana-Ministry of Trade and Industry</th>
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| **MTI** | - Facilitation of conducive business environment for enterprises  
- Streamline the procedures and review the cost of doing business  
- Improved access to trade  
- Support the establishment of a microfinance policy framework  
- Performance monitoring and evaluation system for the business environment in Botswana |
3. PSDP main products

1. 100 SMMEs & CBOs capacity and competitiveness will be strengthened through value chains and sector assistance
2. Training modules for SMEs & IOs will be developed
3. Business place will be set-up to assist micro-enterprises and CBOs on accounting and tendering using CDE model
4. Micro finance business model will be developed and adapted to Botswana conditions
5. Partnership with international bodies will be reinforced to facilitate access to markets for enterprises
6. BOCCIM will be provided with a market intelligence information system and strengthened as an Apex body to coordinate the private sector in Botswana
7. BITC will be supported on Export Development Programme and Global Expo
8. An enabling environment for enterprise development will be created in collaboration with MTI
4. Conclusion

• PSDP will contribute to create an **enabling environment** for private sector development

• PSDP will also **capacitate SMMEs & CBOs** as well as institutions involved in private sector development (IOs, parastatals and sector associations)

• Capacitating enterprises and their intermediary organisations will pave the way for **sustainability**

• PSDP will allow for **replication** and **scaling up** of its business model to sustain Botswana economy

• **SMEs and CBOs are invited to register now** to benefit from PSDP intervention./...
5. For More Information

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