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**BOTSWANA  
EXPORTER  
DEVELOPMENT  
PROGRAMME**  
2020 – 2024



## **DISCLAIMER**

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# Abbreviations

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<b>AGOA</b>	African Growth and Opportunities Act
<b>BB</b>	Business Botswana
<b>BB</b>	Blinking Business Facilitation
<b>BEDIA</b>	Botswana Export Development and Investment Authority
<b>BEDP</b>	Botswana Exporter Development Programme
<b>BEMA</b>	Botswana Exporters and Manufacturers Association
<b>BDC</b>	Botswana Development Corporation
<b>BIH</b>	Botswana Innovation Hub
<b>BITC</b>	Botswana Investment and Trade Centre
<b>BITRI</b>	Botswana Institute for Technology and Innovation
<b>BNPC</b>	Botswana National Productivity Centre
<b>BOBS</b>	Botswana Bureau of Standards
<b>BQA</b>	Botswana Qualifications Authority
<b>BTCA</b>	Botswana Textile and Clothing Association
<b>BTO</b>	Botswana Tourism Organisation
<b>BURS</b>	Botswana Unified Revenue Services
<b>CDA</b>	Cluster Development Approach
<b>CEDA</b>	Citizen Entrepreneurial Development Agency
<b>EDP</b>	Exporter Development Programme
<b>EPA</b>	Economic Partnership Agreement
<b>EQ</b>	Equivalent Questions
<b>ITC</b>	International Trade Centre
<b>LEA</b>	Local Enterprise Authority
<b>MITI</b>	Ministry of Investment, Trade and Industry
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>NDP</b>	National Development Plan
<b>NES</b>	National Export Strategy
<b>NFTRC</b>	National Food Technology Research Centre
<b>NSO</b>	National Strategy Office
<b>SES</b>	Senior Expert Services
<b>SQ</b>	Sub Questions
<b>UB</b>	University of Botswana
<b>UNDP</b>	United Nations Development Programme

# Executive Summary



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## Context

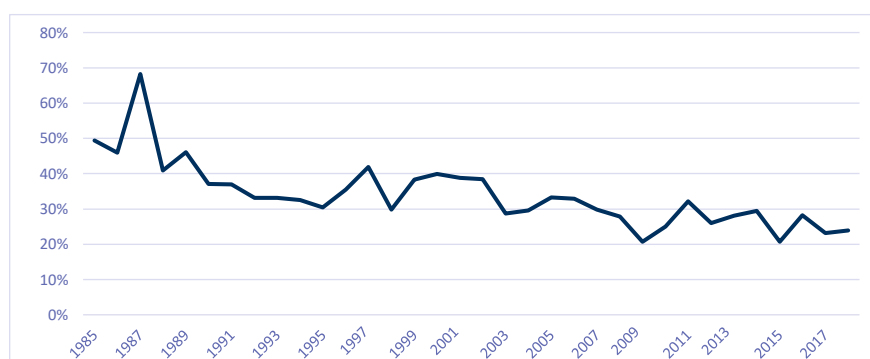
The pursuit of export-led growth is a key objective of Botswana's Vision 2036 and central to the National Development Plan (NDP 11). Historically, Botswana's economic growth has been export-led, particularly during the period from the early 1970s to the mid-2000s as the diamond industry expanded rapidly. However, diamond exports' contribution to the economy has been declining, in relative terms, over the past two decades, and in 2018 were equivalent to 24 percent of Gross Domestic Product (GDP), compared to over 50 percent in the mid-1980s and 40 percent of GDP in the early 2000s.

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## Diamond exports as a percentage of GDP



Source: Statistics Botswana (year)

Therefore, it is necessary to diversify exports and promote the growth of non-diamond goods and services to ensure sustained GDP growth, balance of payments stability and employment creation. Institutionally, the Government established the Botswana Export Development and Investment Authority (BEDIA) in 1997 to help promote export-led growth. In 2006, the Botswana Government developed its first five-year National export strategy (2006-2010) whose key objective was to make Botswana more internationally competitive and more productive in order to increase and diversify its export base thereby raising incomes and the standards of living of Botswana. In 2012, BEDIA was merged with the then International Financial Services Centre (IFSC) to establish the Botswana Investment and Trade Centre (BITC).

After the launch of the second National Export Strategy (2010-2016), the Government decided to establish a Botswana Exporter Development Programme (BEDP) that spanned from 2013 to 2017, that was aimed at increasing exports through targeted interventions undertaken by various agencies and service providers. Botswana Investment and Trade Centre is responsible for managing BEDP.

## The Evolution Of Support To Botswana Exporter Development

The foundations of exporter development for 2020 to 2024 remain raising export awareness, building the capacity of export ready companies to comply with export procedures and market requirements, and linking companies with foreign buyers. There is, however, a greater emphasis on market intelligence, related to non-traditional markets and for non-traditional products.

BEDP continues to work not only with export ready companies, but also targets exporter and buyer clusters to broaden the export base to smaller producers that on their own would not be able to meet the requirements of the export markets. To underscore a more market led approach, it will harness lead firms to work with export "villages" to directly connect small producers to foreign customers.

A departure from the previous BEDP is to work with exporters to improve the business environment, adding to but not duplicating existing reform efforts. BEDP will provide support to the current Export Apex committee.



# VISION & **MISSION**



In addition, support will be provided for a monitoring and dialogue platform to address the non-tariff barriers to trade that are negatively affecting costs and competitiveness. Support will also be provided in the area of access to finance by helping firms better understand the options for cross border payments – that might include non-traditional fintech solutions.

This programme addresses some of the challenges that ensure government support to private sector acts as a pathway to exports rather than results in a “procurement trap”. It does so by linking BEDP to other initiatives, such as the Local Enterprise Authority (LEA) and Citizen Entrepreneurial Development Agency (CEDA) and will support dialogue on getting incentives “right” with regards to procurement and quality standards.

Crucially, the revised BEDP will take a fundamentally different approach in implementation by requiring cost-sharing in some of its activities. While there are fears that this will discourage companies who are used to free assistance from the programme, there can be no more “business as usual”. Unless companies are committed to the process of building their capacity to export, they will fail. Cost-sharing is an important commitment vehicle that signals a company’s keen interest in support. The use of technology is also mainstreamed in the revised programme, both in terms of its incorporation in the training and in the implementation of the programme – including web-based learning and the use of online mechanisms for monitoring trade barriers.

## **BOTSWANA EXPORT DEVELOPMENT PROGRAM VISION IS:**

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*“To develop a diversified export-based economy”*

## **BOTSWANA EXPORT DEVELOPMENT PROGRAM MISSION IS:**

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*“To Provide targeted interventions to build the capacity of potential and current exporters, enhancing their competitiveness, linking them to new clients, and to improve the business environment for exporters”.*

BEDP's Vision and Mission statements were developed in a consultative process involving Botswana Investment and Trade Centre (BITC), businesses and the umbrella organisations of Business Botswana (BB) and the Botswana Exporters and Manufacturers Association (BEMA), government entities including the Botswana Bureau of Standards (BOBS), Botswana United Revenue Service (BURS), Economic Diversification Drive (EDD), Local Enterprise Authority (LEA), Ministry of Investment, Trade and Industry (MITI), Selebi Phikwe Economic Development Unit (SPEDU) and Special Economic Zones Authority (SEZA), and academia represented by Botswana Institute for Development Policy Analysis (BIDPA) and the University of Botswana.

The development of the programme was overseen by the BEDP's Reference Group comprised of representatives from government, the Private Sector and International Cooperating Partners including the United Nations Development Programme (UNDP) and the European Union (EU).

The relevance of the BEDP Vision was confirmed during consultative meetings with businesses and business umbrella organisations as follows:

- Many businesses in Botswana are Small Medium Micro Enterprises (SMME). They lack the capacity to enter or remain in export markets and they would therefore need support from government to enter or sustain their presence in the export markets.
- Businesses in Botswana require targeted interventions to meet their specific and unique needs.
- Businesses in Botswana are faced with many challenges including non-tariff barriers, high utility costs, low productivity and limited access to trade finance. These challenges need to be addressed to be able to compete in regional and international markets.

BEDP Vision and Mission statements are aligned to Botswana's national aspirations as provided in the documents shown in the Table below:

## Botswana National Aspirations

Document	Description of the alignment
National Export Strategy	Vision: Make Botswana a leading, developed economy built upon a sustainable and competitive export base
National Development Plan 11	Message on export diversification: Botswana needs to grow its export sector and develop diversified sources of exports during the NDP 11 period and subsequent national development plans.
Vision 2036	By 2036, Botswana aspires to be a high-income country with an export-led economy underpinned by diversified, inclusive and sustainable growth driven by high levels of productivity.
2030 Agenda and 17 Sustainable Development Goals (SDGs)	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
SDG 9: Build resilient infrastructure and promote inclusive and sustainable industries and foster innovation.	

## Beneficiaries Of The Programme

The recommended approach to a comprehensive exporter development programme is to ensure that:

- Existing exporters are retained and further developed.
- Emerging exporters are supported and encouraged to commence exporting; and
- Non-exporters with high potential are provided with the required help to move them to the level of emerging exporters.

The BEDP 2019-2023 beneficiaries are as follows:

### 1. The Explorer

This is defined as an enterprise that is exploring options for developing the business and exporting could be one of the options.

### 2. The Export-aware enterprise

This is an enterprise that has some idea of what exporting entails and is export ready in some respects but lacks the necessary knowledge and export capacity.

### 3. The Export-ready enterprise

This enterprise has all the basic infrastructure for exports in place including product and production capacity, management skills, administrative skills, access to finance and marketing experience. What is left is for them to develop an Export marketing plan.

### 4. The Start-up exporter

This is an enterprise that is export-ready and has completed an export marketing plan and what is left is for the plan to be executed.

### 5. The Global exporter

This is an enterprise that is experienced in exporting, but which now needs to penetrate new markets at regional and global levels. This also includes enterprises developing new products for existing markets. This phase may involve the broadening of approach including developing new channels of distribution.

### 6. Beneficiaries of Export Supplier and Buyer Cluster Development Support

The nature of the beneficiaries is distinct from the exporters' categories in one (1) to five (5) above. The suppliers are not necessarily exporters themselves but are suppliers to the Botswana-based buyers who are exporters.



## Key Areas Of Support

The areas of support and interventions will address the issues affecting a firms' own internal weaknesses that limit their ability to export, their ability to enter new markets, or their ability to produce new products. Interventions will contribute towards business environment reforms that will ultimately lead to an environment that is conducive to exporting.

**Support drives towards three strategic objectives:**

**Strategic objective one:** Building the awareness and capacity of existing and potential exporters, in priority sectors, through exporter education.

Different categories of businesses require different types of interventions but there are interventions that apply to all businesses albeit at different levels. Exporter education is one of them with the objective of educating to impart knowledge and skills to exporters at all levels and ensuring that they are familiar with all the essential elements of the industry.





Exporter education provides the following:

- A greater awareness of the opportunities and dynamics of export markets,
- Knowledge of market requirements and the skills to become a more effective exporter including standards,
- Engagement with export ready companies to support market entry and upgrading of their business processes and systems to support access to trade finance and to contracting in export markets,
- Support to market entry strategies,

- Mentoring and peer learning; and

- Support to creating an export culture, highlighting export success and ensuring strong links between government and the private sector in the delivery of the exporter development programme.

**Strategic objective two:** To diversify export markets by linking products and markets

This objective will be achieved in two ways. The first relates to individual firms planning to enter export markets, or firms that are already active in export markets but who wish to develop further. The support entails linking firms to potential markets and buyers and supporting them in accessing external market information.

Second, support will be extended to clusters of both suppliers and buyers, working together. Clusters are a geographical or virtual concentration of inter-linked companies and institutions in related branches of industry that complement each other by joint relations of exchange and activities along one or several value chains. The focus is therefore on actively working with suppliers to understand the needs of the buyer with regard to product characteristics, quality, pricing, and delivery, etc. and then to capacitate the suppliers to meet those needs. This entails a more hands-on role for the buyer, working with a group of potential suppliers, than would be the case in the first category. Programme activities will be coordinated with SEZA to promote linkages between local producers and investors in the SEZ and with LEA to **Strategic objective three:** To promote a favourable business environment for Exporters

Consultations with stakeholders for the review of the BEDP revealed that exporters face a range of practical problems in developing, sustaining and increasing exports. Resolving these problems can contribute to increasing competitiveness and exports. The programme



will support dialogue and the Non-Tariff Barrier monitoring mechanisms to allow the government to create the enabling environment for the private sector to play a lead and critical role in the economy. Part of creating such an enabling environment will be aimed at addressing policies that are inconsistent with the objective of the BEDP, tackling trade barriers and private sector growth and development.

Appropriately incentivising government-private sector development programmes is an important strategic objective for developing Botswana exporters. There are several government initiatives for citizen-owned firms, including subsidised finance from CEDA and business support from LEA. In addition, price preferences for government procurement are available for domestic manufacturers and suppliers under the EDD scheme. However, the structure of such preferences is not well focused on encouraging exports. Appropriately aligning incentives will help to avoid the "procurement trap", promote quality production and ensure that synergies between the programmes are realised in support of exporter development.

## Strategic Issues Relating To Implementation

In addition to the areas of intervention, there are also two key strategic issues relating to implementation (a) costs sharing and (b) the use of research and development, innovation and technology in the revised programme to enhance better results and upscaling.

### The importance of cost sharing:

Introducing cost-sharing arrangement with the beneficiaries for several of the interventions will help to transform the business culture with regards to exporter support and development. Businesses are used to being given training for

free by the government. This is highly damaging because beneficiaries are less critical of services that are provided for free and the ownership and engagement of beneficiaries is less if they are not committing their own resources.

There can be little doubt that cost-sharing will initially be a challenge to manage and there may be an initial challenge in uptake on the part of the private sector. However, the principle and practice of cost-sharing is well established for export promotion and export development programmes globally.

### Institutionalising research and development, innovation and technology in the revised programme to enhance better results and upscaling:

There are two key areas where BEDP can use technology in enhancing the delivery of better results; (a) the use of electronic Non-tariff barriers reporting system, and (b) the use of Web-based tutorials and video conferencing in the delivery of some BEDP interventions.

To help address the ongoing challenges of Non-Tariff-Barriers to Trade (NTBs), the monitoring mechanism will use a web and phone-based system that uses Short Messages to report the incidence of non-tariff-barriers in real time. The System will allow the public sector to analyse and understand the extent and scope of NTBs and take the necessary steps to remove them.

Web-based tutorials will provide trainees with virtual guides to follow. Trainees will be able to observe, reflect and then replicate the steps thus improving knowledge retention. This enhances productivity and proficiency. Video-conferencing will be particularly relevant for mentoring as this is longer duration and will involve only two parties at a time.

The BEDP will also support companies in their



application to the Botswana Innovation Hub (BIH), the Botswana Institute for Technology Research and Innovation (BITRI) and the National Food Technology Research Centre (NFTRC) to upgrade production processes to better compete on export markets.

## Enterprise Selection

Botswana, like any other country has many economic sectors, and each sector is important to the economic development of the country. Regarding the support that the Government can provide to help sectors grow, there are always limited resources available to do so. To attempt to support every sector in the economy would lead to spreading resources thinly with little or no impact. To avoid this and to ensure that public resources are used to support sectors that will contribute most to the economy requires prioritisation of these sectors.

The foundation for the BEDP is the National Export Strategy (NES) 2019-2024. The NES identified key potential sector based on a wide range of considerations including: export growth potential; potential to create jobs and eradicate poverty; the potential to exploit locally available raw materials; availability of

markets, the potential to reduce rural-to-urban migration and to empower youth and women, and to promote gender equality and equity including the empowerment of people living with disability.

Using the above parameters, the following sectors were then selected as priority sectors:

1. **Arts and Crafts,**
2. **Garments and Textiles,**
3. **Jewellery and Semi-Precious Stones,**
4. **Leather and Leather Products,**
5. **Meat and Meat Products,**
6. **Light Manufacturing, and**
7. **Indigenous Products.**

BEDP will prioritise applications from enterprises operating within these priority sector. Applications from enterprises operating outside the priority sectors will also be considered provided they are, inter alia, likely to start exporting or increase exports following support and are relatively large employers. Applications from beneficiaries of cluster development programmes, those linked to the SEZs, will also be considered.



## The Structure Of The Programme Document

This Programme is organised in seven Chapters as follows:

**Chapter one: Context:** This chapter provides background information on the need to develop a revised BEDP. It also provides the areas of focus including the need to target interventions, focus on sustainable gender positive poverty reduction, interventions to cover the whole country, interventions with an early turnover and a programme that is owned and championed by all stakeholders. It also contextualises the history of exports from Botswana and this includes the challenges historically faced by non-diamond exports. It provides a case for Export-led growth strategy that is in line with the 2030 Agenda and its 17 Sustainable Development Goals (SDGs). This chapter demonstrates the position of BEDP with the overall policy framework and provides a SWOT analysis on the export environment at the present time.

**Chapter two:** The BEDP Vision: This chapter provides details of the BEDP Vision which is “To develop a diversified export-based economy” and explains how this vision will be realised through the pursuit of the three strategic objectives, which are all in line with the National Export Strategy, Vision 2036, the NDP 11, and the SDGs. It also provides the theory of change that has informed the determination of the areas of support.

**Chapter three:** Areas of support: This chapter sets out each intervention and the desired outcomes. It also provides a diagrammatical exporter progression route through the programme.

**Chapter four:** Enterprise selection: This chapter provides details of how enterprises that will be supported will be selected. There are two main considerations, first is that the enterprise will be operating in one of the priority sectors identified in the National Export Strategy and two, the enterprise will meet a threshold score as set out on the Application for support. A template for the evaluation of applications is also provided.

**Chapter five:** Costing and financing of the BEDP: This chapter provides the costing of each output. The costing of the individual outputs for the first year were provided by BITC with the future years being adjusted for inflation. The chapter also identifies the potential sources of funding for these interventions.

**Chapter six:** Institutional framework and implementation arrangements: This chapter explains the role of BITC as a coordinator of the BEDP and provides a work-flow diagram that explains how the programme will run. It also shows the oversight position of BITC Management in the programme. The chapter also provides an organisational chart of the BEDP Programme management and provides details on the role of the Programme Coordinator and his/her team of three programme staff, each responsible for an outcome area and their support staff.

**Chapter seven:** Monitoring and Evaluation: This chapter explains the essential elements of a successful monitoring and evaluation of BEDP interventions. It provides a base of BEDP monitoring by detailing BEDP goals (Vision and four Strategic objectives) with their respective success indicators, data sources, milestones and the time frame within which these milestones are to be achieved.



# Context



## Background

The Botswana Exporter Development Programme (BEDP) is an integral part of BITC's strategy of export promotion and development. BEDP has been in operation since 2013 and was subject to an evaluation in 2018. The evaluation revealed it as structured had enjoyed some success, but this had been limited, which ties in with macroeconomic data showing that the pursuit of export-led growth has faltered (see Chapter 2).

Hence the need to re-design and re-invigorate the BEDP. The re-design also follows the designation of Export Development as one of the three apexes of the Ministry of Investment, Trade and Industry (MITI). The objectives behind the re-design are:



1. **Targeted:** The programme will target priority sectors and incorporate priority cross-cutting issues, such as market access arrangements, trade information provision and quality assurance and standards. The programme will identify specific and concrete interventions and go beyond generic actions.
2. **Focus on sustainable and gender positive poverty reduction:** Our analysis is driven by the need to consider export expansion in sectors that enhance the livelihoods of the poor, in particular, women and youth.
3. **Geographical coverage:** The programme's reach will extend beyond Gaborone to other urban centres and rural areas.
4. **Realistic interventions that are additional and have an early return on investment:** Our goal in the design of the programme is to build trust and momentum by formulating interventions that are technically and politically feasible, that are additional to ongoing and planned support programmes and yield an early return.
5. **Owned and championed:** Key stakeholders, see appendix 7, have been involved from the outset to ensure ownership and to identify champions as this is necessary and crucial for the successful design and implementation of the programme.
6. **Partnership and flexibility:** There has been strong and regular communication with the BITC team (and the MITI) to ensure a continuous process of review and refinement to support the successful and timely development of the programme. Forging strategic partnership in the design, implementation and monitoring

and evaluation of the programme has also been considered salient and would need to continuously be an integral part throughout the life span of the programme and beyond. Such partnership is advised to be strongly forged with the private sector, civil society, development partners, national and local authorities, and beneficiaries of the programme.

## Botswana's Exports

### The Export Challenge

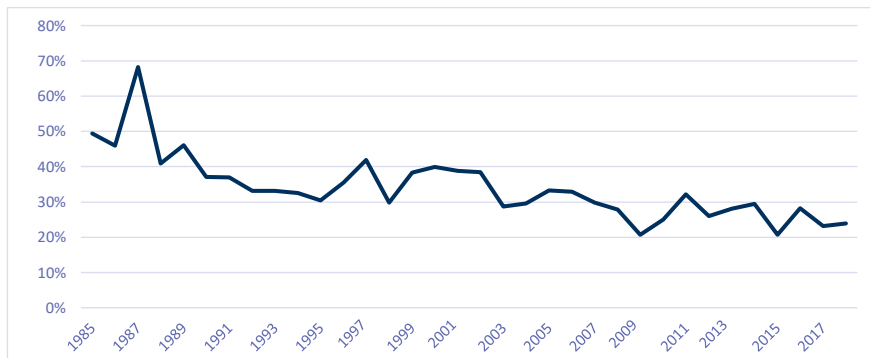
The pursuit of export-led growth is central to Botswana's social and economic policy objectives. Indeed, export-led growth is one of the four revised policy priorities in the eleventh National Development Plan (NDP 11), as specified in the NDP 11 Mid-Term Review. It is also consistent with Vision 2036, which aspires to an open, outward-looking, internationally competitive and dynamic, fast-growing economy over that time. This strategy will help Botswana to achieve several of the Sustainable Development Goals (SDGs), as described further in the Theory of Change.

### Why export-led growth is necessary

Historically, Botswana's economic growth has been export-led, particularly during the period from the early 1970s to the mid-2000s as the diamond industry expanded steadily. However, diamond exports contribution to the economy has been declining over the past two decades, and in 2018 were equivalent to 24% of GDP, compared to over 50% in the mid-1980s and 40% of GDP in the early 2000s. This is one reason for lower economic growth rates, a shift towards balance of payments deficits over the past decade, and hence declining foreign exchange reserves.



Figure 1: Diamond exports as a percentage of GDP



Source: Statistics Botswana

The slowing of growth has been associated with a slowdown in the rate of employment creation, and persistently high unemployment, particularly amongst the youth. It is widely acknowledged that a transformation of the economy is needed to move beyond the old diamond-led growth model. Hence economic diversification has long been pursued as a policy objective.

Exports are necessary for a number of reasons. Most obviously, exports are required in order to generate the foreign (exchange) currency earnings required to pay for imports. Beyond this, exporting (and importing) provides opportunities for countries to specialise in the production of goods and services in which they have a comparative advantage. These “gains from trade” are one of the most important drivers of economic growth and higher real incomes over the long term. International trade also enables countries to benefit from economies of scale – especially important for small economies where the size of the domestic market offers limited potential for this. Furthermore, exports provide a key driver for innovation and productivity gains, which are the most important long-term determinants of real incomes.

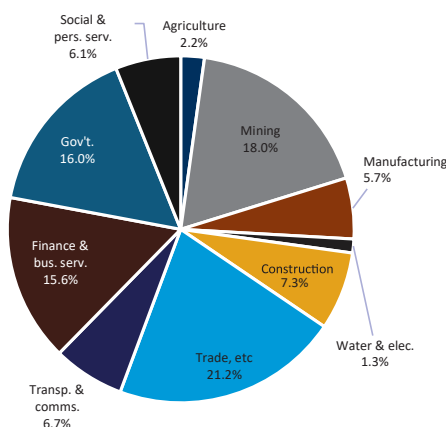


The challenge for Botswana is particularly acute because the country's main export – diamonds – has not been growing. Although economic diversification has been pursued, it has not been clearly defined as to exactly what type of diversification is required. While the economy has been diversifying steadily – diamond mining accounted for only 16% of value added (GDP at basic prices) in 2018, compared to 25% in 1994 – exports have not; Botswana's rough and polished diamonds accounted for 73% of total exports of goods and services in 2018, little different to the figure 25 years earlier. But as the economy grows, the need for imports will also grow, and hence new export products must be developed. One of the main structural problems facing the Botswana economy is

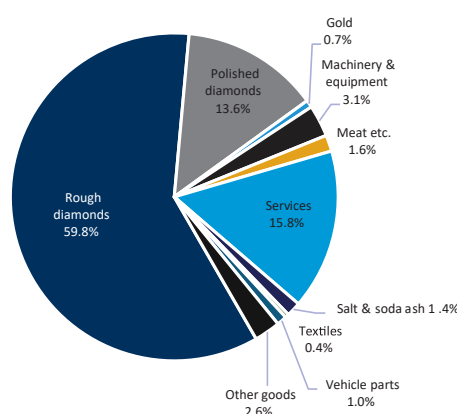
that the economic diversification that has occurred has been into non-tradable sectors, mostly services, that serve the domestic economy, rather than exports. In other words, the pattern of growth has been entirely consistent with that of mineral economies afflicted by the Dutch Disease, whereby non-mining tradables become uncompetitive, and the economy becomes dominated by minerals and non-tradables. However, in the long-term, this pattern of economic diversification is not sustainable, and long-term sustainable growth requires diversification of exports as well as GDP. Without this, growth will be dependent upon the small domestic economy, and will not generate sufficient jobs.

Figure 2: Composition of GDP and Exports (2018)

**Composition of GDP, 2018**



**Composition of Exports, 2018**



Source: Statistics Botswana, Bank of Botswana

Note: Rough diamond export figures exclude the value of re-exported (aggregated) diamonds

In recent years, there has been great emphasis on import substitution as a potential source of growth, with many references to Botswana's "P70 billion import bill", which could or should be replaced with domestically produced goods and services. While there is some scope for import substitution, the potential for it

is limited, and it would be unwise to frame an economic development strategy around this approach. Only a small proportion of imports can potentially be substituted cost-effectively by locally produced goods and services. The small size of the domestic economy, and hence the lack of economies of scale, will always

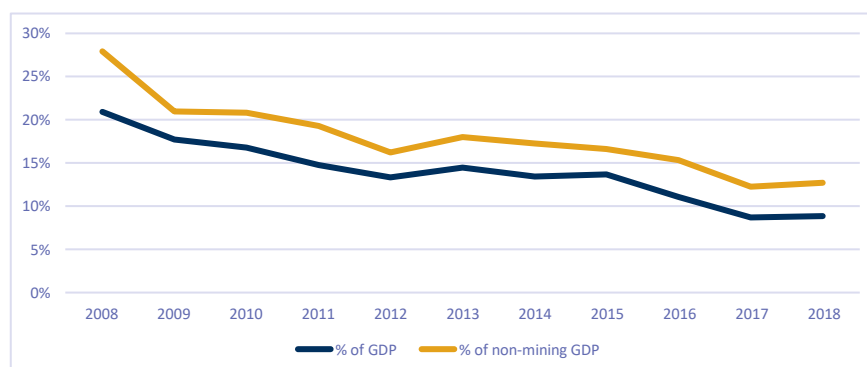
provide a constraint on the potential for import-substitution led growth. By contrast, the potential for export-led growth is effectively unlimited, given the size of the regional and international economies. This applies to both the potential foreign exchange-earning impact, as well as the employment impact.

International experience also shows that an export-led growth strategy is likely to be more successful than an inward-looking, import substituting one. The experiences of (export-led) East Asian economies compared to those

in (import-substituting) Latin America provide clear evidence of this.

Nevertheless, achieving successful export-led growth will not be easy. Botswana has struggled to develop dynamic export sectors outside of diamonds, with the only major success being the tourism sector. Most other non-diamond goods exports - copper-nickel, beef and other manufactured goods – have experienced only slow growth, or declined, even though there are some success stories at the level of individual firms.

Figure 3: Exports of non-diamond exports of goods & services



Source: Statistics Botswana

It is therefore essential for Botswana to restore export-led growth. However, achieving future export-led growth will be quite different to that experienced in the past and it will pose new challenges that the country will need to address.

The past era of export-led growth through diamonds was in some respects easy to achieve. Botswana was fortunate enough to be blessed with very large, low cost diamond deposits. Botswana also put in place governance to ensure that this good fortune was not wasted, in contrast to many other mineral-rich countries.

With De Beers dominating and managing the global trade in rough diamonds, and Botswana being the largest diamond producer in the world, by value, for many years, it was not difficult to find export markets.

Future export-led growth will be different. It will be based on selling goods and services to customers in different countries – in the region and elsewhere – who have a choice as to where they buy those goods and services. Hence Botswana products will have to be competitive and chosen by international consumers because they are the best value – in terms of price,



design and quality – available. This in turn requires a focus on competitiveness, efficiency and productivity that has not generally been central to either the public or private sectors in Botswana – not by design, but simply because it has not been necessary for survival in an economy dominated by highly profitable diamond mining, government, and non-tradables.

### Export-led growth and the SDGs

Given the fact that diversified, export-led growth is integral to the long-term sustainability of the Botswana economy, it is inherently linked to the pursuit of the SDGs. In particular, it is directly linked to the following SDGs:

SDG No.	SDG Title	Link to export-led growth
SDG 1	No Poverty	Dealing with poverty requires: (i) employment creation to provide incomes for the bulk of the workforce and (ii) government revenues to be able to afford to provide social safety nets for those who are vulnerable. Both require export-led growth.
SDG 8	Decent work and economic growth	As noted above, an inward-looking growth model is not sustainable, and sustainable export-led growth has the potential to create large numbers of decent jobs relatively quickly, if successfully implemented.
SDG 9	Industry, innovation and infrastructure	Exports provide a channel for encouraging innovation (needed to compete); require investment in infrastructure; and can underpin a broad industrial base, including both goods and services.
SDG 10	Reducing inequality	As with ending poverty, employment creation driven by sustainable export-led growth is required to generally lift incomes and provide opportunities to those who are currently excluded, so as to reduce inequality and ensure that no one is left behind.

Indirectly, export-led growth is linked to most of the other SDGs, given that it is integral to the achievement of long-term prosperity, macroeconomic stability, and sustainable development.

### Botswana's Current Exports

As noted above, Botswana's exports are dominated by rough and polished diamonds, followed by travel services (tourism). Other important exports include gold, soda ash, salt

and beef. Nevertheless, there is a range of manufactured goods exports. The largest ones at 4-digit level (average annual exports over USD 1 million, approx. P10 million) are shown in Annex Five, ranked by value of average exports over the five years from 2014-18. The top ten categories (2-digit level) of all goods exports are shown in Table 1.

Table 1: Top Ten Goods Exports, by Group (2-digit)

Code	Product label	AVG 2014–18 (USD '000)
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	5,976,770
'75	Nickel and articles thereof	178,026
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	121,101
'02	Meat and edible meat offal	103,713
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	60,228
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	41,863
'28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	40,253
'26	Ores, slag and ash	39,620
'25	Salt; sulphur; earths and stone; plastering materials, lime and cement	29,034
'39	Plastics and articles thereof	27,272
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	27,272

### Constraints to Export-Led Growth

The factors that account for the slow progress with transitioning to diversified, export-led growth can be classified into various categories:

1. **Macroeconomic factors**
2. **Issues related to foreign direct investment**
3. **Business environment**
4. **Factors specific to exporting**

The BEDP will address some of these constraints, notably those in categories 3 and 4 above. Constraints in categories 1 and 2 will be addressed outside of the BEDP, whether elsewhere in BITC (e.g. Investment Promotion) or by other agencies.

### Macroeconomic Factors

The most important macro-economic factor related to exports is the exchange rate. The exchange rate of the Pula is determined through a crawling peg mechanism. The Pula is linked through a peg to a basket of currencies, with the exchange rate against the basket adjusted according to a pre-determined rate of crawl. The objective of the peg is to maintain a constant real effective exchange rate (REER), i.e. to maintain competitiveness.

The mechanism has two potential shortcomings with regards to the promotion of export-led growth. First, the composition of the Pula basket – against which competitiveness is measured through the REER – reflects current trade patterns, in which diamonds play a major role. This may not be a relevant basket

composition or measure of competitiveness for the promotion of non-diamond exports. Second, the objective of stabilising the REER will not support exports if the currency is overvalued at that rate (indeed, it may lock in a lack of competitiveness via an overvalued exchange rate).

### Foreign Direct Investment (FDI)

Inflows of FDI play an important role in an export-led growth strategy. Foreign-owned firms are more likely to be exporters, and less likely to be dependent on the domestic market and government procurement, than locally owned firms. Given Botswana's small domestic market, foreign investors are more likely to be interested in Botswana as a base for exporting. They also bring attributes that are essential for exporting, including access to products and markets, technology, and skills.

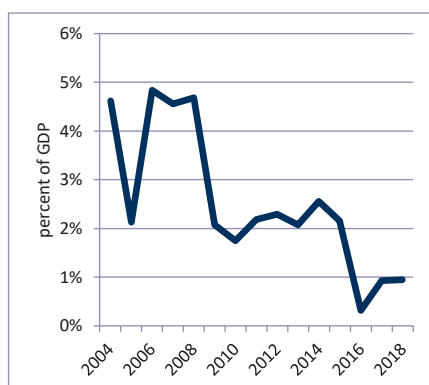
Inflows of FDI to Botswana have been on a steady downward trend over the past 20 years.

For most of the 2000s, annual inflows of FDI averaged 5% of GDP, but since 2016 they have been less than 1% of GDP. Similarly, inward FDI accounts for a declining proportion of overall investment (gross fixed capital formation) (see Figure 4).

Meeting the challenge of increasing exports would therefore benefit from a much-increased level of inward FDI. This in turn requires an improved policy environment towards FDI, for instance by making work permits more readily available and avoiding policy and regulatory actions that are discriminatory towards foreign investors. The BEDP contributes to enhancing the environment for FDI by strengthening dialogue on policy constraints facing exporters, including non-tariff barriers, and also supporting competitive linkages between investors in the Special Economic Zones and local suppliers.

Figure 4: Trends in FDI Inflows

(a) as a percentage of GDP



(b) as a percentage of fixed investment



Source: Statistics Botswana, Bank of Botswana

Note: Rough diamond export figures exclude the value of re-exported (aggregated) diamonds

## Business Environment

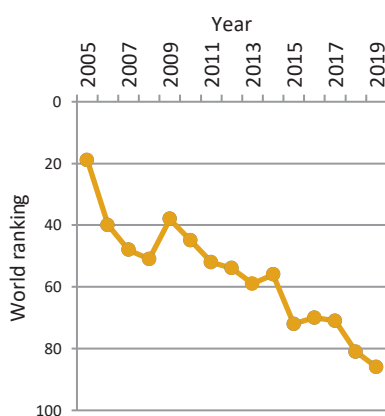
It is generally recognised that Botswana's business climate has deteriorated, at least relative to other countries, in recent years. Botswana's rankings on the World Bank Doing Business assessment and the World Economic Forum's Global Competitiveness Index, have been declining (see Error! Reference source not found.). This deterioration reflects many factors, including the length of time taken to register a business, acquire property, and pay taxes, amongst others. Other constraints include inadequate infrastructure such as....., unreliable government data systems, slow turnaround time for public services, and

onerous requirements for Environmental Impact Assessments (EIAs) for new projects. An increasingly hostile immigration environment has also been a barrier to investment, with problems faced by both investors and firms that require skilled foreign workers in obtaining the necessary permits, and even in obtaining entry visas to visit Botswana.

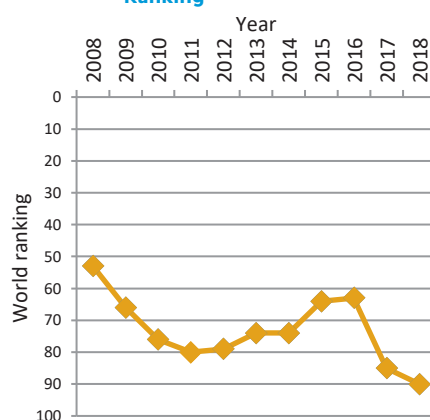
Some firms cite access to finance as a barrier, although it is not clear whether this is directly a problem or rather a reflection of a lack of competitive / viable investment opportunities for other reasons.

Figure 5: Business Environment Rankings

(a) Doing Business Ranking



(b) Global Competitiveness Ranking



Source: [www.doingbusiness.org](http://www.doingbusiness.org); [www.weforum.org/reports/the-global-competitiveness-report-2018](http://www.weforum.org/reports/the-global-competitiveness-report-2018)

## Factors Specific to Exporting

Most of the business environment factors apply to both exporting and non-exporting firms, although the impact on competitiveness may be more significant for exporting firms. However, there are a range of factors that

impact particularly on exporting firms and potential exporters.

Potential exporters fall into two categories, which is local firms and potential inward foreign investors. Relatively few local firms are engaged in exporting. Potential local

exporters face problems arising from a lack of knowledge of how to export, and a lack of information on potential export markets, product requirements and standards, rules and regulations. They lack links with potential importers and buyers. They are accustomed to operating in a relatively uncompetitive domestic market, where the structure of prices, profits and incentives favours selling into that market rather than into more competitive export markets. This is accentuated by government procurement practices under the Economic Diversification Drive (EDD) and Citizen Economic Empowerment (CEE) policies, which encourage higher cost of production and inflated profit margins, and allocation of contracts on a non-competitive basis.

The barriers to the expansion of exports by existing exporters are different and varied, and can be classified as internal barriers and external barriers. External barriers mainly relate to non-tariff barriers (NTBs) imposed by trading partners and inadequate transport infrastructure. Long delays at borders – notably between Botswana and South Africa – are another problem that adds to the costs of importing and exporting. Internal barriers are mainly regulatory, and include general business environment barriers relating to immigration, EIAs, and the rules – and slow responsiveness – of regulatory authorities such as the Engineers Registration Board (ERB), the Botswana Qualifications Authority (BQA) and the Botswana Unified Revenue Services (BURS).

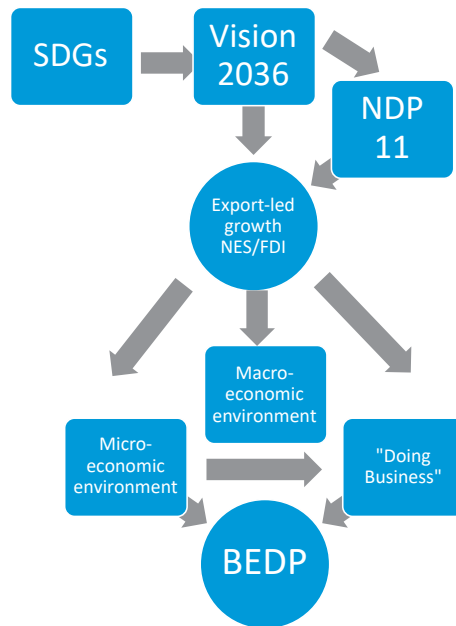
More generally, the development of exports is hindered by the structure of the private sector. Most firms are small and focused on the domestic market, whether supplying the government or providing goods and services to

meet domestic demand more generally. There is a lack of medium and large sized firms that are more likely to be exporters. Developing an appropriate export ecosystem, including domestic supply chains, would be supported by a well-designed Industrial Development Policy. Export-focused development requires a policy framework that encourages global linkages and openness to regional and international flows of goods, services, capital and labour.

### **The Location of the BEDP Within the Overall Policy Framework**

Export led growth fits into the overall policy framework as shown in Error! Reference source not found.. The overall policy of export-led growth is derived from Vision 2036 and NDP 11 and is consistent with the country's pursuit of the Sustainable Development Goals (SDG). Vision 2036 envisages that "by 2036, Botswana will be a high-income country, with an export-led economy, underpinned by diversified, inclusive and sustainable growth driven by high levels of productivity". The Mid-Term Review of NDP 11 has identified four policy priorities to govern activities during the second half of the Plan (from 2020/21 to 2022/23). The pursuit of Export-Led Growth has been adopted as one of these four policy priorities.

Figure 6: Location of the BEDP in the overall policy framework



The implementation of the export-led growth strategy will take place through a number of specific policies and initiatives. One of these is the National Export Strategy (NES), which provides a framework for the promotion of selected goods exports, with some chosen priority sectors. This is accompanied by a strategy to attract foreign direct investment (FDI), as incoming investment is likely to be the source of new large-scale exporters, at least in the short-term, given Botswana's lack of a diversified export base to develop from.

### SWOT Analysis

A review of the strengths, weaknesses, opportunities and threats of the Botswana export sector is provided below. The aim of the BEDP is to address to some extent possible weaknesses, build on the strengths, exploit the opportunities, and manage the threats.



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>History of (mineral) export-led growth</li> <li>Strong balance of payments</li> <li>Macroeconomic stability</li> <li>Some successful, home-grown manufacturing exporters</li> <li>Strong tourism exports</li> <li>Policy commitments to export-led growth (Vision 2036, NDP 11, NES)</li> <li>High investment in education and skills development</li> </ul>	<ul style="list-style-type: none"> <li>Small manufacturing sector</li> <li>Slow growth of manufacturing exports</li> <li>Declining Foreign Direct Investment (FDI) in-flows</li> <li>Impact of Dutch Disease,</li> <li>Lack of detailed data on exports</li> <li>Exporting not common amongst locally-owned firms, small number of exporting firms, little "peer learning"</li> <li>Incentives favour domestic markets / supply to government</li> <li>High transport costs, distance from ports, slow borders</li> <li>Lack of local inputs/raw materials</li> <li>Lack of market intelligence and capacity to understand information</li> <li>Small and fragmented private sector</li> <li>High prices, lack competitiveness</li> <li>Possibly overvalued exchange rate</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Range of regional and international trade agreements like the African Continental Free Trade Area, Africa Growth and Opportunity Act, SADC-EU Economic Partnership Agreement, etc.</li> <li>Establishments of SEZs</li> <li>Improved cross-border transport links and border infrastructure (OSBPs)</li> </ul>	<ul style="list-style-type: none"> <li>Slow regional growth (SA, Zimbabwe etc.)</li> <li>Use of NTBs by trading/transit partner countries</li> <li>Possible currency (BWP) over-valuation</li> <li>Slow implementation of policies and projects by government</li> <li>Rising protectionism (domestic and external)</li> </ul>

#### Government Support to Export Development: The Role of BITC and Other Institutions

In their efforts to promote export-led growth, various Government institutions play central, critical roles, while others play supportive roles, or contribute incidentally to the general export development environment. The key institutions and the role they play are outlined below.

**Botswana Investment and Trade Centre (BITC)** is central to export promotion and development. It has three main functions, most of which are related to export promotion and development:

- **Export Promotion and Development:** This deals with training and guiding Botswana firms to become exporters; supporting firms to expand their exports; providing market information; providing assistance with improving product quality and developing marketing plans; and participation in trade fairs, etc.

- **Investment Promotion:** The BITC performs the function of promoting investment opportunities in Botswana to both foreign and domestic investors. In view of the small size of the domestic market, much of this – de facto – involves promoting investment into export sectors.
- **Business Facilitation Services:** The Botswana One-Stop Service Centre (BOSSC) is an investment facilitation centre housed within BITC that makes available shortened administrative procedures for obtaining official approvals and access to government services, such as company registration, trade and business licences, entry visas and work permits, tax registration, access to land and connection to utilities. BOSSC services are particularly helpful (although are not restricted) to incoming foreign investors and exporters.
- **Management of the National Brand**



The BITC is a parastatal entity that falls under the Ministry of Investment, Trade and Industry (MITI). The Ministry has overall policy guidance responsibility, and export development is one of the Ministry's three apexes (the other two are investment promotion and the development of micro, small and medium enterprises (MSMEs). At the policy level, MITI oversees the implementation of the National Export Strategy (NES), as well as the attraction of FDI. It is also responsible for negotiating and implementing regional and international trade agreements.

MITI has other functions that are relevant to export development. It supports MSMEs, both directly and through other parastatals – the Local Enterprises Authority (LEA) and the Citizen Entrepreneurial Development Agency (CEDA), and hence influences the environment for potential exporters. It also oversees the implementation of the Economic

Diversification Drive (EDD) strategy, which comprises both a general strategy for economic diversification and a specific registration and procurement incentive scheme for local firms engaged in providing goods and services to government. LEA operates through 13 branches and five business incubators to provide support to MSMEs through, inter alia, training, development of business plans, and access to subsidised business premises. LEA's mandate includes identifying and supporting MSMEs with export potential, but it has had limited success in this task. CEDA is a development finance institution (DFI), which was established to provide subsidised loans and business mentoring to citizen-owned firms across a range of economic sectors, notably agriculture, property and services. It can also provide equity finance to larger firms. As with LEA, CEDA has had little success in promoting export firms. However, both CEDA and LEA have export promotion as part of their mandates.



**The Botswana Development Corporation (BDC)** is another development finance institution falling under MITI. BDC provides both debt and equity financing to medium and large scale commercially viable projects, including export-focused projects. Because of its focus on larger projects, the companies in which it invests are more likely to be exporters than those promoted by CEDA and LEA.

**The Special Economic Zones Authority (SEZA)** also falls under MITI and is in the process of developing Special Economic Zones in different parts of the country that will provide physical infrastructure as well as access to tax incentives (in the process of being finalised) and streamlined regulations. The SEZs are primarily aimed at attracting medium and large firms involved in producing for export or import substitutes, with a particular (but not exclusive) focus on attracting FDI. Four SEZs are planned for Phase 1 (Gaborone Sir Seretse Khama Airport and Gaborone Fairgrounds, Lobatse and Pandamatenga) and four in Phase 2 (Francistown, Palapye, Selebi-Phikwe and Tuli Block).

**The Selebi-Phikwe Economic Development Unit (SPEDU)** carries out similar functions of attracting investment and offering incentives, in the Selebi-Phikwe area. It mainly concentrates on manufacturing, agriculture and agro-processing. SPEDU also falls under MITI. It also aims to attract FDI and promote exporting firms. There are considerable overlaps between the functions of BITC and SPEDU, and there will be further overlaps (with SEZA) once the Selebi-Phikwe SEZ is established.

**The Botswana Trade Commission (BoTC)** has been established in terms of the Southern African Customs Union (SACU) Agreement. Its main function is to provide inputs to SACU deliberations on trade policy and the SACU

Common External Tariff reflecting Botswana's interests. The BTC falls under MITI.

**The Ministry of Finance and Economic Development (MFED)** and the Bank of Botswana (BoB) are responsible for managing exchange rate policy, which has an impact on the competitiveness of production for exports and import substitutes.

**The Botswana Unified Revenue Service (BURS)** is responsible for managing cross-border trade and the clearance of exports and imports, as well as the collection of revenues (VAT, import duties and certain levies) and the implementation of certain trade-related regulations.

**The Botswana Bureau of Standards (BOBS)** supports export development by facilitating the development and implementation of national standards, making arrangements for or providing testing of both locally manufactured and imported commodities, metrology services, training on standards, offering product and management systems certification services, providing consultancy services to organizations on laboratory accreditation as well as information services related to standards and quality.

**Botswana Export Credit Insurance (BECI)** supports export development by offering products to mitigate export risk. There has, however, been limited demand for its services and its main activity is to provide invoice-discounting (factoring) services for domestic firms.

**The Botswana Tourism Organisation (BTO)** is active in the promotion of Botswana as a tourism destination, and hence in the promotion of services exports. Tourism is Botswana's second-largest export, after diamonds.

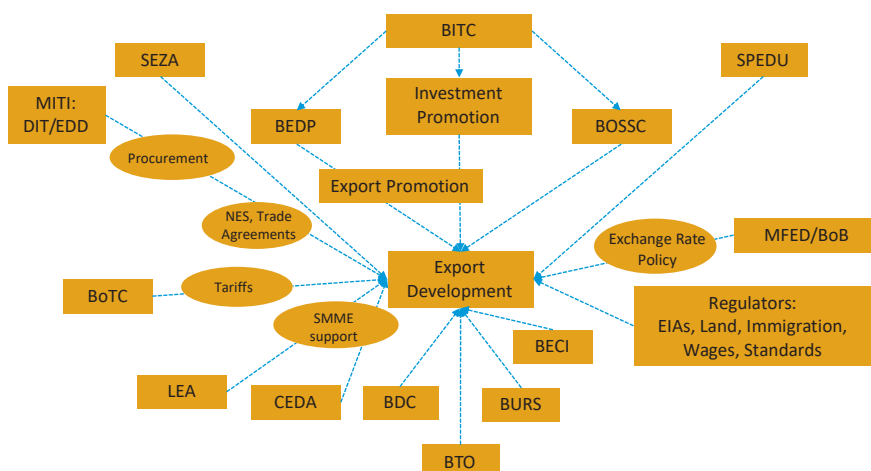
**The National Strategy Office (NSO)** is promoting a Cluster Development Approach (CDA) to economic development. So far, three Clusters are under development: Cattle-Beef, Tourism, and Knowledge-Intensive Business Services. More clusters will be developed in due course and may be of more direct relevance to the BEDP than the current ones.

Other government departments and regulatory entities have an indirect impact on export development and competitiveness through their role in Environmental Impact Assessments

(EIAs), visas and work permits, access to land, professional regulation (e.g., engineers), training courses (Botswana Qualifications Authority), and minimum wages. The Botswana National Productivity Centre (BNPC) has been attempting to improve productivity over the past two decades but has so far had a limited impact.

The overall institutional ecosystem relevant to export development is shown in Error! Reference source not found. Figure 7 on the next page.

Figure 7: Government institutions - export promotion and development



Source: Authors

Besides the institutions described above that have a direct or indirect impact on exports, there are important structures for public-private dialogue that deal with issues affecting competitiveness, and thus exports. These include the High-Level Consultative Council (HLCC), chaired by the President, which is supported by sectoral consultative councils (SLCCs) chaired by relevant ministers.

The biennial National Business Conference (NBC) is organised by Business Botswana (BB) supported by MITI. Perhaps most important, the national “Doing Business (DB)” committee is specifically aimed at improving the business environment and competitiveness, addressing constraints such as legislative, regulatory and process barriers. The DB committee includes representatives of the private sector, relevant

ministries, and other government entities such as parastatals. There is a Doing Business roadmap approved by Cabinet that broadly specifies proposed reforms. The DB roadmap has the specific target of improving Botswana's ranking in the World Bank's annual Doing Business assessment.

There are two official committees relevant for export development. The Export Apex committee falls under the MITI Department of International Trade (DIT). It includes BITC and a range of other official institutions, and tracks progress towards achieving export objectives. The national Non-Tariff Barrier (NTB) Monitoring Committee is intended to oversee the implementation of Botswana's commitments to NTB monitoring and removal under the SADC and SADC-EAC-COMESA Tripartite Free Trade Areas. It is hosted by DIT. Operation of the national NTB monitoring mechanism is the responsibility of the Botswana Exporters and Manufacturers Association (BEMA). However, it is currently not functioning and the national NTB monitoring committee only meets sporadically. Outside of the public sector, various other organisations have a role to play. The main private sector apex body is Business Botswana,

which promotes the private sector generally. BEMA has a more specific focus on supporting the manufacturing sector in general, in particular exporters. The United Nations Development Programme (UNDP) runs the Supplier Development Programme (SDP), which aims to develop a network of local suppliers to larger domestic firms, supplying both the local market and export markets.

The BEDP, focuses on developing new local exporters and assisting existing ones to grow and it is one of the programmes that will support the NES. At the implementation level, export-led growth is dependent upon both the overall macro-economic and micro-economic environments, and particularly on aspects of the latter related to the business climate. The BEDP is designed to address some aspects of the constraints that firms face in trying to develop production for exports. Notable constraints being the small size of the domestic economy and the fragmented nature of the business sector.



# The BEDP: Vision, Mission & Theory Of Change



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## The BEDP Vision

The BEDP Vision is:

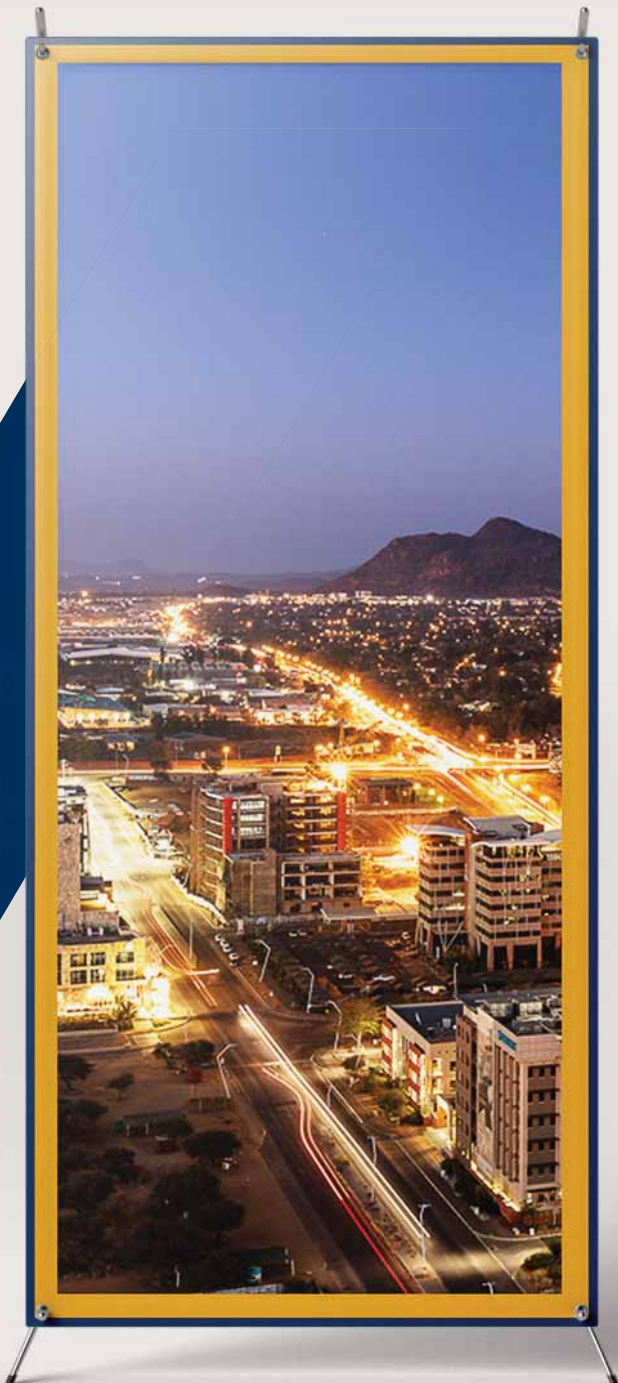
"To develop a diversified export-based economy"

## The BEDP Mission

The BEDP Vision is:

"To Provide targeted interventions to build the capacity of potential and current exporters, enhancing their competitiveness, linking them to new clients, and to improve the business environment for exporters."

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The BEDP's Vision and Mission statements were developed in a consultative process by the BEDP's Reference Group. This group is comprised of representatives from the government, private sector and the UNDP.

The relevance of the BEDP Vision was confirmed during consultative meetings with businesses and business umbrella organisations as follows:

- Many businesses in Botswana are MSMEs. They lack the capacity to enter or remain in export markets and they would therefore need support from Government to enter or sustain their presence in the export markets.
- Businesses in Botswana like in other countries, are different. Different businesses require different interventions. Businesses should therefore be supported

through targeted interventions to meet their specific and unique needs.

- Businesses in Botswana are faced with many challenges including non-tariff barriers, high utility costs, low productivity and limited access to trade finance. These make the businesses uncompetitive against their regional counterparts. They would therefore need Government interventions to address the challenges in order to be able to compete in regional and international markets.

The BEDP Vision and Mission statements are aligned to Botswana's national aspirations as provided in the documents shown in Table 2 below:

Table 2: Schedule of Botswana national aspirations

Document	Description of the alignment
1. National Export Strategy	Vision: Make Botswana a leading, developed economy built upon a sustainable and competitive export base
2. National Development Plan 11	Message on export diversification: Botswana needs to grow its export sector and develop diversified sources of exports during the NDP 11 period and subsequent national development plans.
3. Vision 2036	By 2036, Botswana aspires to be a high-income country with an export-led economy underpinned by diversified, inclusive and sustainable growth driven by high levels of productivity.
4. 2030 Agenda and 17 SDGs	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
SDG 9: Build resilient infrastructure and promote inclusive and sustainable industries and foster innovation.	

## Beneficiaries Of The Programme

The BEDP 2013-2017 grouped beneficiaries into five categories of exporters. This programme intends to keep these categories, and to add a new one, thus making these categories six in all. They are:

### 1. The Explorer

This is defined as an enterprise that is exploring options for developing the business and exporting could be one of the options.

### 2. The Export-aware enterprise

This is an enterprise that has some idea of what exporting entails and is export ready in some respects but lacks the necessary knowledge and export capacity.

### 3. The Export-ready enterprise

This enterprise has all the basic infrastructure for exports in place including product and production capacity, management skills, administrative skills, access to finance and marketing experience. What is left is for them to develop an Export marketing plan.

### 4. The Start-up exporter

This is an enterprise that is export-ready and has completed an export marketing plan and what is left is for the plan to be executed.

### 5. The Global exporter

This is an enterprise that is experienced in exporting, but which now needs to penetrate new markets at regional and global levels. This also includes

enterprises developing new products for existing markets. This phase may involve the broadening of approach including developing new channels of distribution.

The recommended approach to a comprehensive exporter development programme is to ensure that Existing exporters are retained and further developed; Emerging exporters are supported and encouraged to commence exporting, and non-exporters with high potential are provided with the required help to move them to the level of Emerging exporters.

### 6. Beneficiaries of the Export Supplier and Buyer Cluster Development Support

The final category of beneficiaries are participants in export cluster development. This is a Supplier Development Programme (SDP), which borrows from the current UNDP SDP. The objective of this is to integrate small producers into the export value chain. This would work by linking them as suppliers (initially) to Botswana-based exporters, and to Botswana-based subsidiaries of regional firms (e.g., retailers), with a view to Botswana firms eventually supplying regional markets as well as the Botswana market. The programme works by engaging existing, large enterprises (potential buyers – exporters and regional groups) to enter into a relationship with capacitated SMEs (suppliers). This will help SMEs become participants in the export value chain, and to become more efficient and competitive suppliers. The BEDP will support the beneficiaries of the SDP programme, including the SME suppliers and the larger buying enterprises.

The nature of the participants is distinct from the exporters' categories in one (1) to five (5) above. The suppliers are not necessarily exporters themselves, but are suppliers to exporters, while the Botswana-based buyers are exporters, but do not necessarily face the challenges faced by the actual or potential exporters above. Their participation is based on their potential as buyers, rather than as exporters facing challenges.

## Theory Of Change

BEDP's Theory of Change (ToC) relies on the assumption that increasing exports affects the Botswana economy in such a way that increases employment, enhances innovation, reduces poverty and inequalities and increases the real incomes and prosperity of the Botswana people. There are two pathways for this Theory of Change: the first pathway entails increasing the business competitiveness of Botswana firms. The second pathway is the elimination of barriers to trade that the Botswana firms are currently facing. Change will happen when:

1. Botswana firms find exporting attractive and are able to compete in the regional and international markets. The benefits of exporting need to be demonstrated and firms must produce safe, quality and competitive goods on time for their customers as part of a functioning and efficient market system.
2. Botswana producers identify market/client opportunities and are linked to export markets through buyer and export supplier clusters. For export ready firms, linking to markets can be supported through closing, e.g., information gaps and supporting business to business networking. For small scale producers that are not export ready,

it will be necessary to support buyer and export supplier clusters to integrate into export markets.

3. Exporters operate in a supportive business environment, which encourages exports. Barriers to trade in Botswana significantly raise trade costs for firms, thus reducing their competitiveness and inhibiting exports and stifling prosperity. High internal and regional costs present a major obstacle to the firms' ability to connect to regional and global value chains. For example, access to trade finance is problematic.

The research on export and exporter development has yielded numerous lessons for programme design. These lessons range from best practice about fostering stakeholder participation and buy-in, to sector selection, stakeholder coordination and cost-sharing or financing of development activities. The most salient lesson is the need to understand the complex nature of export and exporter development. The national and international development context is one where issues such as growth in exports are leveraged to solve other societal problems such as poverty and gender inequality.

Achieving export growth involves the mobilizing of a set of various actors, each addressing specific components of inefficiency that lie within their realm of influence. Additionally, the resolution of these inefficiencies by various actors (agencies, institutions and organisations) needs to occur in unison with the development of various kinds of social capital in the society in question. It is the complementary nature of these separate types of development (of the environment, and of the people) that results in export growth.

The proposed areas of support and interventions will address the issues affecting a firms' own internal weaknesses that limit their ability to export, their ability to enter new markets, or their ability to produce new products. Interventions will also contribute towards business environment reforms that will ultimately lead to an environment that is conducive to exporting. The main assumption of this ToC is that if identified interventions are effectively implemented then firms will be motivated to respond to the opportunities afforded them on export markets – resulting in greater export volumes and values and export diversification. This will lead to the creation of thousands of jobs which will ultimately enhance the prosperity of Botswana.

**Strategic objective one: Building the awareness and capacity of existing and potential exporters, in priority sectors, through exporter education.**

Different categories of businesses require different types of interventions but there are interventions that apply to all businesses albeit at different levels. Exporter education is one of them. The objective of Exporter education is to impart knowledge and skills to exporters at all levels to ensure that they are familiar with all the essential elements of exporting.

Exporter education will provide the following:

- A greater awareness of the opportunities and dynamics of export markets.
- Knowledge of market requirements and the skills to become a more effective exporter.
- Engagement with export ready companies to support market entry and upgrading of their business processes and systems to support access to trade finance and to contracting in export markets.

- Support to market entry strategies.
- Mentoring and peer learning.
- Support to creating an export culture – highlighting export success and ensuring strong links between government and the private sector in the delivery of the exporter development programme.

**Strategic objective two: To diversify export markets by linking products and markets**

This objective will be achieved in two ways:

The first relates to individual firms planning to enter export markets, or firms that are already active in export markets but who wish to develop their exports further. The support entails linking firms to potential markets and buyers and supporting them in accessing external market information.

Second, support will be extended to clusters of both suppliers and buyers, working together. Clusters are a geographical or virtual concentration of inter-linked companies and institutions in related branches of industry that complement each other by joint relations of exchange and activities along one or several value chains. The focus is therefore on actively working with suppliers to understand the needs of the buyer with regard to product characteristics, quality, pricing, and delivery, etc. and then to capacitate the suppliers to meet those needs. This entails a more hands-on role for the buyer, working with a group of potential suppliers, than would be the case in the first category.



**Strategic objective three: To promote a favourable business environment for Exporters**

Consultations with stakeholders for the review of the BEDP revealed that exporters face a range of practical problems in developing, sustaining and increasing exports. Resolving these problems can contribute to increasing competitiveness and exports. The programme will support dialogue and monitoring mechanisms to allow the government to create the enabling environment for the private sector to play a lead and critical role in the economy. Part of creating such enabling environment will be aimed at addressing policies that are inconsistent with the objective of the BEDP, tackling trade barriers and private sector growth and development.

There are several government initiatives for citizen-owned firms, including subsidised finance from CEDA and business support from LEA. In addition, price preferences for government procurement are available for domestic manufacturers and suppliers under the EDD scheme. The structure of such preferences is not well focused on encouraging exports and may often discourage exporting and quality production of goods and services. Appropriately incentivising government-private sector development programmes is an important strategic objective for developing Botswana exporters. This will help to avoid the “procurement trap”, promote quality production and also ensure that synergies between the programmes are realised in support of exporter development.

The above Strategic objectives are in line with:

1. UN SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

2. UN SDG 9: Build resilient infrastructure and promote inclusive and sustainable industries and foster innovation.

**Strategic issues relating to implementation**

In addition to the areas of intervention, there are also two key strategic issues relating to implementation (a) costs sharing and (b) the use of research and development, innovation and technology in the revised programme to enhance better results and upscaling.

**The importance of cost sharing**

Introducing cost-sharing arrangement with the beneficiaries for several of the interventions will help to transform the business culture with regards to exporter support and development. Businesses are used to being given training for free by the government. This is highly damaging because (a) the beneficiaries are less critical of services that are provided for free (b) the ownership and engagement of beneficiaries is less if they are not committing their own resources.

There can be little doubt that cost-sharing will initially be a challenge to manage and there may be an initial challenge in uptake on the part of the private sector. However, the principle and practice of cost-sharing is well established for export promotion and export development programmes globally. A list of cost-sharing approaches adopted by different countries/programmes is provided in Table 3 on the next page.

Table 3: Schedule of cost-sharing approaches adopted by other countries

Country/Institution	Programme	Incentive
1.South Africa (Department of Trade and Industry)	Export Marketing and Investment Assistance	Registration of patent in foreign country – 50% (capped at R100 000 per annum) Exhibition fees – Up to R50 000 Feasibility Studies – 50-55% capped at R8 million
2.Rwanda	Export Programme Development	100% cost of transportation to trade missions for firms 50% of fees of business to business events
3.Scotland	Globalscot	Participants pay mentors upfront with 100% of the costs reimbursable;
4.Trade and Investment, KwaZulu Natal	Exporter Development programme	R1000 participation fee, and R300 penalty for missed sessions during the 12month programme
5.Wesgro (Tourism & Trade Investment Promotion agency for Cape Town and Western Cape)	Trade Development programme	100% of transport costs to trade missions
6.South Africa: Critical Infrastructure Programme (CIP)	Non-export focused	10-30% of total development costs of qualifying projects
Improving critical infrastructure in South Africa		
7.South Africa: Sector-Specific Assistance Scheme	Non-export focused	80% (with reimbursable 20%) contribution from Department of Trade and Industry, South Africa.
Helps industry associations and export councils to operate		

Sources: South Africa DTI, RDB, KZNT&I, Global Scot, South Africa Critical

**Infrastructure Programme (CIP)  
Institutionalising research and  
development, innovation and technology  
in the revised programme to enhance  
better results and upscaling**

Exporters' journey is normally long and full of impediments. It is more so when you are exporting from a landlocked country such as Botswana. Most of the impediments are to be found in export documentation. There are two key areas where the BEDP can use technology in enhancing the delivery of better results. These are explained below:

1. The use of electronic Non-tariff barriers reporting system: Tariffs are no longer the main obstacle to trade for firms in Botswana as a result of membership in SACU and the SADC Free Trade Area, as duties on most goods traded in the region have been reduced or eliminated altogether. The cost of doing business remains high in comparison to other regions; however, in part due to the ongoing challenge of Non-Tariff-Barriers to Trade (NTBs). What is being proposed is the use of web and phone-based system that uses Short Messages to report the incidence of non-tariff-barriers in real time. It enables the private sector and particularly transporters to report, monitor and use information as evidence to advocate for the removal of NTBs. The System allows the public sector to analyse and understand the extent and scope of NTBs and take the necessary steps to remove them. The Electronic NTB monitoring system has been used in the East African Countries of Kenya, Uganda, Tanzania, Rwanda and Burundi with great success.
2. Use of Web-based tutorials and video conferencing in the delivery of some BEDP interventions:

- a. **Web-based tutorials** - These provide trainees with virtual guide to follow. Trainees are able to observe, reflect and then replicate the steps thus improving knowledge retention. This enhances productivity and proficiency. It is recommended that the first two BEDP training programmes; Exporting awareness programme and the Export training and skills development programme be delivered face-to-face but the trainees for the other two more advanced programmes (Training for Export ready enterprises and start-up exporters and the advanced training on Export Market/Product development) be given an option of accessing the web-based tutorials at a reduced fee. This will, hopefully help in training a large number of exporters at any given time.
- b. **Video-conferencing** - This is about conducting meetings between two or more people at different locations using computer networks to submit audio and video data. Skype for Business and Facetime are normal offerings that make video communication a normal part of business conversation. The Botswana Scale-up programme, which will be delivered over a longer duration and will involve only two parties at a time, will be best suited to use this technology. It will lead to substantial savings in travel and accommodation costs for both the mentor and the mentee.
3. The Government of Botswana recognises the current limited research capacity in the country and to address this challenge, the NDP 11 provides increased investment in quality research activities and directs those research activities towards meeting the needs of the economy and industry. NDP 11 also states that increased research activities have the potential to enhance efforts towards diversifying the economy

through improved global competitiveness on the back of high-quality products and services. Planned measures to promote research and innovation during NDP 11 are therefore expected to contribute positively to the growth of all sectors of the economy. To achieve these, the following programmes have been established:

**a. The Botswana Innovation Hub (BIH)**

BIH administers the Botswana Innovation Fund on behalf of the Ministry of Tertiary Education, Research, Science and Technology (MoTE). The Fund operates through rounds of calls for proposals, soliciting concept notes, which are then evaluated and short-listed to submit full proposals for funding. The intention is to encourage innovations that can be scaled commercially. BIH provides support to enterprises operating in the following sectors:

- i. Information and Communications Technology and ICT enabled services
- ii. Energy and Environment (Clean Technology)
- iii. Mining Technologies and Beneficiation
- iv. Indigenous Knowledge Systems
- v. Biotechnology

To qualify for consideration, enterprises are required to provide the following documentation:

- i. Complete application form
- ii. Cover letter or Board resolution
- iii. Comprehensive project/business plan

- iv. Company certificates/accreditation certificates

Once an enterprise has been approved for support, they will enjoy the following benefits:

- i. A concessionary 15% corporate tax rate for qualifying companies
- ii. Access to the Technology Entrepreneurship Development Programme
- iii. Access to a range of technology transfer and commercialisation services
- iv. Eligibility to import specialised skills and personnel under special dispensation
- v. Networking, research and technical collaboration opportunities locally and internationally.

**b. The Botswana Institute for Technology Research and Innovation (BITRI)**

The Mandate of BITRI is to identify, develop and/or adapt appropriate technology solutions that provide sustainable innovative solutions through co-creation and collaboration in line with national priorities and needs of Botswana. The technologies will as much as possible maximise the use of local materials to ensure efficiency and affordability. BITRI will harness its institutional capacity as well as collaborate with other organisations and institutions.

BITRI promotes innovation and technology in the following key areas:

- i. Natural Resources and Materials- Building Materials Science, Climate Change and Nanomaterials

- ii. Technologies –Electronics and Communications, Energy, Information Systems Technologies

BITRI offers services by exploring opportunities to either license innovation or create venture companies (spin offs) to contribute in creating sustainable technology-based jobs and generate a return on the R&D investment. Based on the final business and financial analysis, BITRI will decide the options or strategies for commercialization as follows:

- i. **License:** Technology Transfer Office and Researchers will identify candidate companies that have the expertise, resources, and business networks to produce at commercial scale and bring the technology to the market and license the technology or invention out to them.
- ii. **Assignment:** BITRI is open to selling its technology and associated IP rights to local companies that have capacity to commercially exploit the technologies for the benefit of Batswana.
- iii. The formation of new venture companies (start-up/spin-off). Venture companies will be under the “BITRI Investments (Pty) Ltd” as subsidiaries. Venture companies will be assisted with initial planning, creating and finding funding.

#### c. **National Food Technology Research Centre (NFTRC)**

NFTRC’s mission is stated as follows “To generate food technologies and services that enhance economic diversification and food security through focused research and development.”

NAFTEC provides facilities for the testing and commercialisation of various food products, particularly indigenous foodstuffs (meat, dairy, fruit and vegetables, seeds and legumes, veld products). NFTRC levies charges on all the services that they provide.

The BEDP can institutionalise the use of research and development, innovation and technology in enterprises by prompting the enterprises’ collaboration with these research institutions as shown below:

Table 4: BEDP support in institutionalising Research and Development, Innovation and Technology to enhance better results and upscaling

Research Institution	Requirements for enterprises to access support/services	Proposed BEDP support
1. The Botswana Innovation Hub (BIH)	Comprehensive project/Business plan	BEDP to support up to 50% of the cost of preparing a comprehensive project/business plan for submission to BIH. (Maximum BWP 20,000 per enterprise)
2. The Botswana Institute for Technology Research and Innovation (BITRI)	Options analysis for licensing, assignment or joint ventures by enterprises	1. BEDP to support options analysis to help enterprises decide best form of support (Maximum BWP 20,000)
2. BEDP to support up to 50% of training costs for an enterprise on various aspects of the options by BITRI (Maximum BWP 20,000 per enterprise)		
3. National Food Technology Research Centre (NFTRC)	1. Fees	
2. Training and skills transfer		
3. Commercialisation of technologies	1. BEDP to cover 50% of the Fees and Training and skills transfer costs	
(Maximum BWP 20,000 per enterprise)		





# Areas Of Support



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## Introduction

Export-led growth is a key objective of Vision 2036 and is also central to the eleventh National Development Plan (NDP 11). Botswana has not been successful in diversifying her exports away from the traditional exports of diamonds and this led to the development of the first Botswana Exporter Development Programme (2013-2017), which identified categories of exporters that would need to be supported through different programmes so as to enhance their capacity and capability to export. The Botswana Exporter Development Programme (2019-2023) is a continuation of this process. Exporters of non-traditional exports are mostly MSMEs and the support extended will depend on the level of exporting proficiency individual enterprises are at. There are those that will require basic exporting awareness support while others will require more advanced levels of support. Each programme will be delivered according to the needs of the Exporter category. There are also interventions that will cut across different categories of exporters.

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## Approach

### Different businesses, different needs of support

All businesses are different. There are those that have never exported, those that have exported but are less experienced, and there are seasoned exporters, all of which face different issues. The BEDP cannot therefore provide a “one-size-fits-all” solution to businesses. It will aim to help businesses that are going to export for the very first time, as well as help existing exporters become even more successful. To achieve this, the programme has been developed in such a way that it will be strategically positioned to address the different needs and constraints facing the different types and categories of exporters. Interventions that are detailed in the implementation tables that follow are grounded and informed by several policy documents including the National Export Strategy 2019-2024, the BEDP 2013-2017 and its final evaluation, the National Development Plan 11, and other national policy documents and global agreements like the SDGs. The interventions have also been informed by the outcomes of discussions and interviews of a large cross section of stakeholders comprising Government institutions, umbrella private sector organisations and large and small exporters as well as development partners supporting export and economic diversification.

The Interventions have been grouped into three categories which are:

1. **Exporter education**
2. **Linking products and markets**
3. **Practical problem solving**



The following Table shows the extent to which the various categories of exporters will directly benefit from the proposed interventions:

Table 5: Interventions by Category of Exporter

Outcome/Beneficiaries	Exporter education	Linking products and markets (Support to Value chains)	Practical problem solving
1. The Explorer	✓	✓	
2. The Export-aware enterprise	✓	✓	✓
3. The Export-ready enterprise	✓	✓	✓
4. The Start-up exporter		✓	✓
5. The Global exporter		✓	✓
6 a. Export supplier cluster	✓	✓	✓
6 b. Export buyer cluster		✓	✓

The above Table shows that the Exporter education intervention will benefit mainly the Explorer, the Export-aware enterprises, the Export-ready enterprise and the SDP beneficiaries (Suppliers). These are enterprises that are in the infant stage of their export journey though at different stages of development.

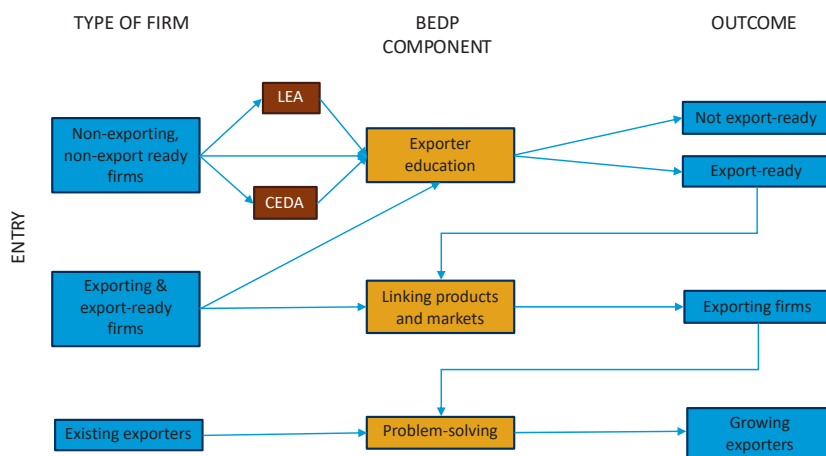
On the linking products and markets component, the Table above shows that all categories of exporters will benefit. The Explorer and the Export-aware enterprises would require to be linked to the markets, as this is all a new experience to them. The Export-ready and the Start-up exporters would also like to be linked to markets as they strive to develop their presence in the export markets. Finally, the Global exporter and the SDP beneficiaries (buyers) may benefit from being linked to markets so as to penetrate new markets for their existing products or new markets for their newly developed products.

#### Exporters progression routes through the BEDP

Error! Reference source not found. below shows the three routes that both existing and potential exporters can use to benefit from the BEDP interventions. It is expected that most non-exporting and non-export ready firms will access BEDP interventions through existing programmes, LEA and CEDA while currently exporting firms and export ready firms will access the BEDP interventions directly.



Figure 8: Progression routes through the BEDP



The Problem-solving component will benefit all categories of exporting (and close-to-exporting) enterprises. They potentially experience the same problems, although it could be argued that The Global exporter would be better placed in resolving some of the problems due to their experience in the exporting business.

#### The extent of cost sharing

The sharing of the cost of development activities between the private sector and the public sector has been found to increase the commitment of private sector beneficiaries. There are many cost-sharing approaches, but it is difficult to pick any as the "best practice" as each country/programme decides on the cost-sharing proportion that is most appropriate in its particular context.



For the Botswana Exporter Development Programme, it is recommended that a graduated scale of cost-sharing is implemented as follows.

Table 6: Cost-sharing proposals

Support component	Cost sharing proportion	Rationale
1. All services that BITC are currently offering to exporters at no cost	These will continue at no cost	Enterprises would not expect to pay for services that they have received at no cost in the past.
2. Export awareness workshops	No cost	The aim is to encourage as many potential exporters as possible to explore opportunities in exports business
3. Export training and skills development workshops	<ul style="list-style-type: none"> <li>Beneficiaries pay 20% of the cost of the Consultant delivering the training</li> <li>BITC pays 80% of the cost of the Consultant in addition to providing venue, equipment &amp; materials.</li> </ul>	<ul style="list-style-type: none"> <li>This is to demonstrate commitment by the enterprises seeking training and skills development on Exporting</li> <li>BITC are fulfilling their mandate through this intervention</li> </ul>
4. Export ready enterprise and Start up exporters' training workshops	<ul style="list-style-type: none"> <li>Beneficiaries pay 25% of the cost of the Consultant delivering the training</li> <li>BITC pays 75% of the cost of the Consultant in addition to providing venue, equipment &amp; materials.</li> </ul>	<ul style="list-style-type: none"> <li>The beneficiaries are already motivated to seek higher level of training, hence higher level of commitment.</li> <li>BITC are fulfilling their mandate through this intervention.</li> </ul>
5. Advanced training on Export Market/Product development	<ul style="list-style-type: none"> <li>Beneficiaries pay 30% of the cost of the Consultant delivering the training.</li> <li>BITC pays 70% of the cost of the Consultant in addition to providing venue, equipment &amp; materials in fulfilment of their mandate</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries are already motivated to seek higher level of training, hence higher level of commitment.</li> <li>BITC are fulfilling their mandate through this intervention.</li> </ul>
6. Botswana Scale up programme	<ul style="list-style-type: none"> <li>Beneficiaries to pay 50% of the cost of preparing the programme, travel and accommodation costs and honorarium for the Mentor</li> <li>BITC to pay the other 50%</li> </ul>	<p>The beneficiaries of this programme are successful exporters who are striving to take their export businesses to the next level. They know and appreciate the benefits of exporting and should therefore be willing to pay the cost of realising their Vision.</p> <p>For BITC, these are some of the success stories that should be supported in order to have a wider impact on the exporting business community in the country.</p>

***S01: BUILDING THE AWARENESS AND CAPACITY OF EXISTING AND POTENTIAL EXPORTERS, IN PRIORITY SECTORS, THROUGH EXPORTER EDUCATION.***

While different categories of businesses would require different types of interventions, there are interventions that apply to all businesses albeit at different levels. Exporter education is one of them. The objective of Exporter education is to impart knowledge and skills to exporters at all levels to ensure that they know the essential elements of exporting. The Exporter education intervention will be covered by the following programmes:

**Exporter education training programmes**

Five major training programmes have been developed and their details are provided below:

**Exporting awareness programme**

This programme has been designed to be delivered in class-room style workshops as well as web based to allow for distance learning and for entrepreneurs to learn at their own pace.

1. This programme has two objectives:
  - a. Participants will enhance their knowledge and skills in the exporting business, and
  - b. Participants will be exposed to the characteristics and dynamics of the exporting environment to enable them to make informed decisions on their entry into the export markets.
2. The target groups for this programme are the Explorer and the Enterprise aware enterprise categories of exporters.
3. The duration of each workshop will be 2.5 days

4. Cost: This workshop will be offered by BITC at free of cost to the participants
5. The delivery of this workshop will be through presentations and case studies
6. The maximum number of participants will be 40.

A detailed programme is provided in Appendix 2.

It should be noted that the University of Botswana in collaboration with BITC has developed a comprehensive Export awareness programme and BITC will make determination whether or not to bring on board other training providers.

**Export training and skills development programme**

This programme covers all the basic key areas that a new exporter would need to become a much more effective exporter.

1. The objective of this programme is to impart skills and knowledge that are necessary for a new exporter to participate more effectively in the export business.
2. The target groups for this programme are the Explorer export, the Export aware enterprise and the Export ready enterprise.
3. The duration of each workshop will be 2.5 days
4. Cost: Participating enterprises to meet 20 per cent of the cost of the Consultant delivering the training during these workshops.
5. The delivery of this programme will be through presentations and case studies.

6. The maximum number of participants will be 40.

A detailed training programme is provided in Appendix 3.

#### **Training for Export ready enterprises and Start up exporters**

1. The purpose of this training is to help the Export ready enterprises to develop a Marketing plan.
2. The target groups for this programme are Export ready enterprises and Start-up Exporters.
3. This programme will be delivered over a period of six months and will include six days of contact sessions
4. Cost: The participating enterprises will be expected to meet 25 per cent of the cost of the Consultant delivering the training.
5. Delivery: This will be done in two stages. The first stage will be a one workshop followed by individual contact sessions with the Consultant for six days.
6. The maximum number of participants will be 20.

A detailed training programme is provided in Appendix 4.

#### **Advanced training on Export Market/Product development**

1. This programme has three objectives:
  - a. To grow exports in the current markets
  - b. To develop new markets

- c. To export more products with higher value-added content

2. The target groups for this programme are Export ready enterprises, Start-up enterprises and the Global exporter.
3. The duration of this programme will be three days.
4. Cost: Participating enterprises will pay 30 per cent of the cost of the Consultant delivering this programme.
5. Delivery: The programme will be delivered in classroom style and will include presentations and case studies.
6. The maximum number of participants will be 30.

A detailed programme is provided in Appendix 5.

#### **Botswana Scale-up programme**

The Botswana Scale-up programme is a product of discussions with Business leaders in Botswana who have indicated willingness to mentor upcoming businesses in various aspects of leadership and management.

The Botswana Scale-up programme is a business-to-business export mentorship scheme, which provides a platform for experienced and successful exporters to share their insight and knowledge with newer exporting companies to help them succeed.

The following table provides the pre-requisites of becoming a mentor or a mentee in this programme:



Table 7: Mentorship arrangements

Pre-requisites for being a Mentor	Pre-requisites for being a Mentee
1. Interested in sharing expertise, knowledge and insight to support the growth of a business based in Botswana	1. Enterprise based in Botswana
2. A key decision maker within an experienced and successful exporting business	2. Have a product/service that is ready for the market
3. In a position to allocate mentoring resources from across the country	3. Not currently exporting or new to exporting
4. Committed to working with at least one Export mentee enterprise	4. Must demonstrate ambition to develop an export opportunity for your business
5. Provide engagement and support to the mentee enterprise from parts of the business or as required	5. Identify areas of expertise, knowledge and insight that you seek from the Mentor
6. Participate in programme events and provide feedback where requested.	6. Participate in programme events and provide feedback when and as required



### Cost sharing

The table below shows the education programme, the potential beneficiaries and the indicative costs to be borne by the beneficiary:

Table 8: Exporter education programmes cost-sharing

Education programme	Participating enterprises	Cost/contribution by beneficiary
1. Exporting awareness training workshop	The Explorer, the Export aware enterprise	Free
2. Export training and skills development	The Export aware enterprise, the export ready enterprise	Training fee: BWP45,000
No. of participants: 40		
Cost share: 20%		
Each beneficiary pays BWP225		
3. Training for Export ready enterprise and Start up exporters	The export ready enterprise, the Start-up exporter	Training fee: BWP80,000
No. of participants: 20		
Cost share: 25%		
Each beneficiary pays BWP1,000		
4. Advanced training on Export Market/Product development	The Export ready enterprise, the start-up exporter, the global exporter	Training fee: BWP50,000
Cost share: 30%		
Each beneficiary pays BWP500.00		
5. Botswana Scale-up programme	The global exporter	Over 1-year period, cost estimated at BWP40,000 per enterprise
<b>Beneficiary to pay BWP20,000</b>		

### Creating an export culture

Countries that have experienced great success in exporting have had two things in common; first, they all had environments and infrastructure that are supportive to exporting. Second, their firms have had owners and managers with strong desire towards exporting. There is a third factor, which is not shared, and it is the geographical location and endowments.

Medium to long term, an export culture can be created in Botswana by implementing favourable policies. For the BEDP, the following

interventions can provide a solid foundation necessary for the creation and maintenance of an export culture.

#### Annual awards to celebrate success stories

- Success stories should be celebrated by publications in the print and electronic media
- An Annual Awards Event for successful exporters is a good way of inspiring exporters



- The existing Private Sector Growth Awards run by Grant Thornton in collaboration with BITC should be expanded to include a more prominent Exporter Success component.

### Implementation Plan for Exporter Education Interventions

Annex 1 of this document is the implementation plan for Exporter education interventions. The Key components of this annex are explained below:

### Strategic objective one: Building the awareness and capacity of existing and potential exporters in priority sectors through exporter education.

Results Level	Expected Results
Outcomes	Exporters at all levels become knowledgeable on all aspects of exporting
Indicators	Increased number of exporters
Data Source / Means of Verification	Statistics Botswana data Botswana Unified Revenue Service data Reports produced by BITC and MITI
Contributing Projects / Organisations	Supplier Development Programme, BB, BEMA, LEA, SEZA
Baseline	BEDP 2013-2017
Baseline Date	2019
Results Level	Expected Results
Outputs	Output 1: Export awareness training workshops delivered Output 2: Training and skills development training workshops delivered Output 3: Training for Export ready and Start-up enterprises delivered Output 4: Advanced training on Export Market/ Product development delivered Output 5: Botswana Scale-up programme designed and operationalised Output 6: Web-based BEDP training programmes delivered to companies Output 7: Video conferencing delivery of BEDP training programmes Output 8: Provision of product certification services to enterprises Output 9: Provision of training on standards to enterprises Output 10: Provision of management systems certification services to enterprises
Milestones	Detailed milestones for the different outputs over the programme duration are provided in Annex two: Implementation plan for Exporter education interventions

## **S02: LINKING PRODUCTS AND MARKETS**

This category of support has two different target groups of beneficiaries. The first relates to individual firms planning to enter export markets, or firms that are already active in export markets but who wish to develop their exports further. The support entails linking firms to potential markets and buyers, and supporting them in accessing external market information: answering the question, to whom can they sell? It also entails support for understanding external market requirements in terms of product characteristics; design, quality, production methods, standards, packaging, etc. – answering the question, what can they sell?

The second category of beneficiaries are clusters of both suppliers and buyers, working together. The first question above has therefore largely been answered – the buyers (or potential buyers) have been identified. The focus is therefore on actively working with suppliers to understand the needs of the buyer with regards to product characteristics, quality, pricing, delivery, etc. and then to capacitate the suppliers to meet those needs. This entails a more hands-on role for the buyer, working with a group of potential suppliers, than would be the case in the first category.

The first step with all linkage development is to identify the type of linkage required and the level of external support that may be necessary. It is important to balance the level of support offered with the amount of assistance really required. Linkages can be jeopardised both by too little and too much support. Simple steps by farmers to improve linkages with traders by bulking up produce may require no more than someone to make the initial suggestion and act as the honest broker. An extension worker may be able to carry out this role. At a slightly more complex level, linkages with a processor may

be something that a local NGO or a Business association could develop. More sophisticated linkages may require support from several agencies and many activities do involve a multiplicity of facilitators.

One way of linking products to markets will be to adopt the UNDP Supplier Development Programme (SDP) for exports. This will involve, partly, using the SDP as a platform for linking Botswana firms into their regional value chains. Secondly, the programme will assist firms understand the standard requirements that apply in the export markets. This would help the firms develop their products so as to comply with the required standards.

There is a role for the public sector to enhance linking of small-scale producers to markets. However, there is not a straight-forward blueprint of technical measures that will do the job. What works will very much depend on a large number of specific product-market characteristics, as well as on investment climate variables and market failures. Interventions, therefore, need to be based on strategic analysis. The following are the recommended programmes to link Botswana products to international markets:

### **Existing Trade Portal at BITC is expanded.**

This new trade portal's objective is for traders and investors to understand, comply with regulatory requirements associated with exporting and helping Botswana fully comply with its international obligations at the World Trade Organisation. It is recommended that the portal be expanded to provide the services normally provided by a call centre. This will result in an interactive tool that will serve both Exporters and Importers.

The primary duty of the Botswana Exporter call centre is that of the first Botswana contact with a foreign buyer. It provides the very first opportunity of channelling the foreign buyer enquiry in the right direction by either providing information on the product the buyer is enquiring about, providing information on the producer of the subject product or by providing information on a wide range of issues on importing from Botswana. The centre should therefore be manned by staff who are knowledgeable on products and the exporting business in Botswana. The Call centre staff should be supported by technical staff of the relevant BITC departments. The Call centre should have response provisions of both telephone and email.

#### **Support to Export Supplier and Buyer Clusters**

Clusters are defined as geographical or virtual concentration of inter-linked companies and institutions in related branches of industry that complement each other by joint relations of exchange and activities along one or several value chains. An Export Village (EV) is a form of a cluster involving formal medium to long term strategic cooperation between MSME producers of the same type of product. The purpose of the Export Village is to support clustering to enable the producers to reach markets that they would otherwise not be able to reach as individual producers. As a village or cluster, they would also access technical support such as product standards and certification that would otherwise be too expensive for them as individual producers.

BEDP targets the development of Export Villages for the Arts and Crafts sector but this could be extended to other sectors. The obvious promoter for the EV is the Local Enterprise Authority (LEA). An Export village can either be a physical village (producers located in close

proximity), such as the example given in the case of the Akamba Arts and Crafts village in Kenya (below), or it can be a virtual village, where participants are linked but are not necessarily physically located in close proximity (shared support services for geographically distributed producers). Given the dispersed nature of craft producers in Botswana, a physical village where producers operate in the same locality is unlikely to be feasible. Instead, the village would be more of a "hub", from where outreach work would be undertaken to improve product quality and design to meet the needs of export markets, and link producers to buyers. For arts and crafts, the export village hubs would be promoted by LEA. The establishment phase of an export will entail certain expenses for travel, contacting potential members, legal advice and preliminary research to determine the focus of the export village's future activities. These costs will be borne by BEDP.

*Akamba Handcraft Industry Co-operative Society was started in 1963 by about 100 carvers; since then, Akamba has grown to about 2,800 active Members and more than 7,000 non-members. We occupy an area that covers nine (9) acres with basic infrastructure in place; the carvings skills are well developed and specialized. Our experience on this field enables us to meet all our customers' demands. We produce high quality products that attract global clients.*

For other products, the SEZs that are being established around the country would act as quasi-Export Villages. Each of the SEZs has a specific industry focus, as shown in the table below. As a physical hub, the SEZs and SEZA will offer some of the benefits of export villages, notably those that can result from the physical clustering of similar producers (such

as encouraging the proximate supply of inputs, transport channels, support services etc.), although it is not anticipated that marketing or product development services will be provided by the SEZs/SEZA. Where these are required (e.g. the Lobatse SEZ Leather Park), LEA will fill this role.

Table 9: Listing of Proposed SEZs

SEZ Site	Industry focus
1. Gaborone (SSKIA)	Mixed use (including manufacturing, agro-processing, logistics, and diamond beneficiation).
2. Gaborone (Fairgrounds)	International finance, Business services and Technology
3. Lobatse	Meat and Leather
4. Pandamatenga	Integrated agriculture, agro-processing
5. Francistown	Mixed use (including mineral beneficiation, logistics)
6. Selebi-Phikwe	Mixed use (including mineral beneficiation, agro-processing, garments/textiles, other manufacturing)
7. Palapye	Energy
8. Tuli Block	Horticulture

BEDP will provide support to the clusters established in the SEZs to:

#### 1. Growers:

- b. Facilitating common procurement of inputs
- c. Facilitating sharing of farm equipment
- d. Usage of common storage facilities
- e. Sharing of irrigation technology
- f. Joint training on various aspects

#### 2. Processors

- c. Sharing of transportation facilities
- d. Sharing of packaging facilities

- e. Use of common advertising
- f. Joint application for financial services
- g. Joint training on various aspects including standards compliance

#### Trade Fairs and Trade Exhibitions

A Trade fair (trade show, trade exhibition, or expo) is an exhibition organized so that companies in a specific industry can showcase and demonstrate their latest products and services, meet with industry partners and customers, study activities of rivals, and examine recent market trends and opportunities. Trade fairs play important roles in marketing as well as business networking in market sectors that use them. People will seek to meet people and companies at their own

level in the supply chain, as well as potential suppliers and potential buyers.

Trade fairs often involve a considerable investment in time and money by participating companies. The planning includes arranging meetings with other attendees beforehand and resources to follow up on opportunities that are created at the fair. Costs include space rental, booth design and construction of trade show displays, telecommunications, travel, accommodations, and promotional literature and items to give to attendees. Participating companies should meet their own travel and accommodation costs while BITC covers the other costs of space rental and other costs incidental to the preparation and participation at the Trade fairs and Trade exhibitions.

### Market intelligence

Market intelligence is the collection and analysis of data related to a company's environment. This includes information on trends, competition, potential customers, and product regulations, etc. all of which are useful in creating accurate and well-informed business strategies in areas such as market penetration and product development.

Market intelligence is of critical importance to potential, new and existing exporters enrolled in the BEDP as it will help answer some fundamental questions related to expanding existing exports and penetrating new international markets. For instance, a sound knowledge of other products within a firm's competitive space can inform a marketing strategy that will differentiate Botswana's exports and provide a competitive edge on international markets.

For the successful use and implementation of market intelligence in the BEDP, BITC will have to be capacitated in the three phases of market intelligence, which include research, analysis and communication. During the research phase, capacitation in traditional data collecting methods such as surveys and interviews is pertinent, along with modern techniques such as subscriptions to international trade databases and access to market intelligence software. Capacitation for the analysis and communication phases will be centred around successfully translating market intelligence data into a sound and comprehensive decision-making matrix.



Currently, the EU delegation to Botswana has a fully funded Programme in Support of the Implementation of the EU-SADC EPA, worth approximately EUR 6 million over four years, aimed at getting Botswana's products into the EU market. Embedded within this programme is a market intelligence module. The module is proposed to initially support BITC in market intelligence activities, which will then lead to the capacitation of BITC staff members to be able to carry out these activities in the future without any further assistance. The skills attained from this programme can then, in future, be transferred to perform market intelligence analysis for other potential export markets such as SACU, SADC (FTA), EFTA-SACU and AGOA. Given the long-term benefit to exporters, it is imperative that the BEDP supports and encourages this market intelligence module and to adopt it into its own mandate.

Access to trade/market information is identified as a cross-cutting issue in the NES. Several interventions are recommended:

1. Undertaking market intelligence/analysis for selected export goods and for different markets in the light of international trends, consumer patterns, emerging markets and opportunities.
2. Undertaking detailed product specific market research and buyer identification, followed by feasibility studies as necessary.

3. B2B meetings and trade missions to facilitate business linkages and exchanges.
4. Undertaking intelligence on the supply chain requirements for identified export goods.
5. Undertaking research-based studies to inform on raw materials and products to be sourced from the EU and third parties as provided by the cumulation clauses of the EPA.
6. Developing a database of Botswana producers.
7. Developing a database of Botswana exporters.
8. Developing market profiles of Botswana export markets.
9. Ensuring that the existing market intelligence is linked with other existing market intelligence portals in other national institutions like the one presently managed by Business Botswana.

Elements of the market intelligence component related to the EU will be conducted as part of the EU's EPA-related support to the BITC.

## Implementation plan for Linking Products and Markets

Annex 2 is the implementation plan for Export Linking products and markets. The key components of this annex are explained below:

Strategic objective two: Linking Products and Markets	
Results Level	Expected Results
Outcome	Botswana Export markets are diversified
Indicator	<ul style="list-style-type: none"> <li>- New products</li> <li>- New markets</li> <li>- New exporting firms</li> <li>- Existing export firms exporting new products to existing markets or existing products to new markets</li> <li>- Diversified exports</li> </ul>
Data Source / Means of Verification	<ul style="list-style-type: none"> <li>- Statistics Botswana data</li> <li>- BURS data</li> <li>- BITC tracer data from participating firms</li> </ul>
Contributing Projects / Organisations	SDP, BB, BEMA
Baseline	BEDP 2013-2017
Baseline Date	2019
Outputs	<p>Output 1: Existing Trade Portal at BITC is expanded to incorporate a call centre</p> <p>Output 2: Strengthened partnership between BITC and other BEDP implementing agencies strengthened</p> <p>Output 3: Export Annual Awards established</p> <p>Output 4: An Export Village is established</p> <p>Output 5 a): 10 Trade fairs and exhibitions are held</p> <p>Output 5 b): Three Trade missions are undertaken</p> <p>Output 6: Market intelligence/analysis for selected export goods and for different markets are established/undertaken</p> <p>Output 7: Detailed product specific market research and buyer identification, followed by feasibility studies</p> <p>Output 8: Intelligence on the supply chain requirements for identified export goods</p> <p>Output 9: Research-based studies to inform on raw materials and products to be sourced from the EU and third parties as provided by the cumulation clauses of the EPA.</p> <p>Output 10: Developing a database of Botswana producers</p> <p>Output 11: Developing a database of Botswana exporters</p> <p>Output 12: Developing Market profiles and entry plans for Botswana export markets</p> <p>Output 13: Linking the BITC market intelligence portal with other existing market intelligence portals for easy access to synchronised information by users.</p> <p>Output 14: Promotion of the use of research and development by enterprises by supporting their collaboration with public funded research institutions</p>
Milestones	Milestones for each output are provided in Annex two: Implementation plan for linking products and markets interventions

### **S03: TO PROMOTE A FAVOURABLE BUSINESS ENVIRONMENT FOR EXPORTERS**

The business environment for exporters has improved over the last ten years in developing countries with MSMEs finding it easier to export. Botswana has undertaken reforms in recent years aimed at improving the business environment generally, but exporters are still faced with challenges. It is these challenges that this Strategic objective seeks to address.

#### **Practical Problem Solving**

Consultations highlighted the importance of numerous problems that fall into a range of different categories and include both domestic and external issues.

#### **1. Domestic constraints**

Domestic challenges include those affecting the costs of production, such as labour productivity and utility costs. Botswana products will not compete in the international markets if these costs remain high relative to the competing countries and labour productivity remains low. There are also specific regulatory barriers such as those affecting immigration (visas and work permits), environmental impact assessments, approval of qualifications and training courses, licences etc. Delays in the issuance of work permits and the approval of qualifications and training courses will have a direct impact on the concerned firm's ability to produce competitively. Further, delays in the issuance of environmental impact assessments would lead to delayed investments and this will obviously impact negatively on the country's competitiveness.

#### **2. Behind the border trade-specific issues**

These are issues such as timely inspecting and sealing of outbound containers; electronic processing and submission of customs documents and reliability of the government data network; delays in clearance of inbound containers at Botswana borders; and issuance of certificates of origin.

#### **3. Bilateral trade-specific issues**

These are issues such as provision of 24-hour border posts and one-stop border posts, opening of new transport routes.

#### **4. External trade-specific issues**

These are issues such as transit concerns: opening/inspection of (BURS)-sealed outbound containers, resulting in delays and theft; unreasonable delays (and expense) to inbound containers, such as at Durban; access to import duty rebates for export products (SACU); VAT treatment of transit goods; regulatory obstacles and acceptance of certificates of origin. These all fall under the category of NTBs and are worsened by the absence of effective channels for dealing with NTBs.

Broadly speaking, these issues can be classified into one of the four quadrants A-D below, each of which may need different means of resolution.

Timeframe		
Responsibility	Short-term	Long-term
Internal (domestic)	A	B
External	C	D



In general, however, what is required are mechanisms for (i) reporting problems; (ii) allocating responsibility for resolving problems, with timelines; (iii) action; and (iv) report back. This in turn requires the bringing together of (i) exporting firms, who are aware of and are affected by these problems, and (ii) official bodies, who by and large are empowered to take action to resolve the problems – but need to be aware and willing to do so.

### Resolution mechanisms

The channels for resolving the problems that are reported would depend on which of the four quadrants above, the problems fall into.

**1. Domestic, short term:** this would relate mainly to specific regulatory approvals (e.g., work permits, licences, qualifications, EIAs), rather than policy or infrastructure issues. These should be dealt with through the BOSSC channel and must be resolved by the time of the meeting following the one at which the problem was reported (i.e. maximum 3 months). The meeting channel could be supplemented by a website channel for reporting problems on a real-time basis, so as not to delay the process by having to wait for the next meeting. Responsibility for resolving reported problems would be allocated by the chair of the committee. NTB reporting would be handled separately (see below).

**2. Domestic, long term:** relating mainly to policies, institutional efficiencies, training/skills, competitiveness and infrastructural development. Progress would also have to be reported on at each meeting, and MITI would have the responsibility for taking it to a higher level if progress is deemed inadequate. Some of these issues will need to be handed over to the national Doing Business committee.

**3. External/bilateral, short term:** external issues are by nature more complex to deal with, and involve more parties, as well as government-to-government or agency-to-agency relations. Short-term external issues almost all involve NTBs. It is proposed that a specific mechanism be put in place for resolving NTBs (discussed below).

**4. External/bilateral, long term:** issues such as 24-hour border posts and One Stop Border Posts (OSBPs) are bilateral, in that they need both countries to agree and implement, but the Botswana authorities should be under pressure to deliver as quickly as possible, within their capabilities – and reasons for delays identified. Other policy or practice issues – such as perceived unfair treatment of Botswana inbound or outbound cargoes in South Africa, or changes to rules of origin under bilateral trade agreements – should be taken up at higher levels. Botswana has bilateral commissions with all of its neighbouring states, and these should be used to raise and resolve trade-related issues. Consideration should be given to establishing trade-related bilateral sub-committees, which could meet more frequently. The “Doing Exports” committee would be one of the channels used to report issues to be resolved using this mechanism. Other issues would be taken up through channels related to trade agreements, e.g., discussion of NTB resolution as part of SACU reforms. More use should be made of Botswana’s external missions, including embassies and high commissions, as well as external BITC offices.

The challenges will, as appropriate, be addressed by:

#### **Extending the mandate of the Export Apex to include "Doing Exports"**

In some ways these issues are similar to the more general ones dealt with by the "Doing Business" committee and reform programme, led by MITI. This brings together representatives of government departments and ministries with the private sector and provides a mechanism for working through reforms as agreed under the Doing Business Roadmap.

One option would be to establish a new but similar mechanism for reporting and resolving problems specific to exporters. However, in view of the number of committees already in operation, it would be more efficient to make use of an existing committee and amend its mandate. It is therefore proposed to extend the mandate and membership of the Export Apex Committee to include a "Doing Exports" (or "Improving Exports") function. This would have two components:

1. Exporter problem-solving and
2. General export competitiveness issues.

The expanded Export Apex Committee should:

- meet quarterly according to an agreed, pre-determined timetable;
- include the following government entities: BITC, MITI (DIT), BOBS, SEZA and BECI (already represented) and in addition BURS;

- include Business Botswana and BEMA to strengthen private sector representation. Any industry groups (such as the Botswana Textile and Clothing Association (BTCA)) should also be able to attend, and (through BB/BEMA), individual firms should be able to attend to, report and discuss issues of specific reference to their operations;
- include sectoral sub-committees (e.g., for textiles/garments, agricultural products, engineering products, etc.) that may need to be established depending on the quantity and type of issues that will be raised;
- ensure that each meeting provides a channel for reporting issues (by exporters or their representatives), allocating responsibilities and timelines for resolving issues, and reporting back on progress on resolving previously-notified issues, in a similar manner to the national Doing Business Committee; and
- ensure that the problem-solving component of the Export Apex Committee focuses on issues that do not have an alternative reporting/resolution channel.

#### **NTB monitoring and resolution**

Resolving NTBs can be based on the Tripartite NTB Monitoring Mechanism, which exists in principle but has become dysfunctional. In principle there is a reporting mechanism, which is the responsibility of BEMA, but this is currently not functioning. This needs to be reactivated and properly resourced. It should include a dedicated full-time officer, a physical

office, and an effective online NTB reporting system. It would deal with NTB issues reported by Botswana entities relating to Botswana and other TFTA member states, and with Botswana-specific NTB issues reported by entities from other countries. It would report to the National NTB Monitoring Committee, which also needs to be re-activated and made to operate effectively. The Committee should have the power to undertake or commission investigations of specific issues, including visits to borders to establish the facts of particular cases. Innovative mechanisms could be used for NTB reporting; as an example, in the EAC a mechanism exists for truck drivers to report NTB issues they encounter on a real-time basis.

The NTB office would need a specific budget under the BEDP and could be managed by BB or BEMA. The services offered are public goods that by their nature have general benefits, which it is not feasible to charge for on a fee basis, hence the need for public funding. An important part of its function would be to compile evidence, as the basis for raising general issues (rather than resolving specific cases). At present evidence is mainly anecdotal. Proper evidence and data would enable the Committee to identify issues that need to be elevated to regular discussions held with South Africa, and probably Zimbabwe.

### Trade Finance

The Botswana NES 2019-2024 has identified three cross-cutting sectors, which are crucial in supporting the export performance of the country. These are trade information, access to trade finance and standards. Trade information and standards are addressed in SO1 and SO2. Our focus here is trade finance, which refers to the various forms of financial support and financial transactions used in international trade.

Trade finance uses a range of instruments to provide finance to exporters and importers,

including documentary credits such as letters of credit. Other forms of trade finance include export credit insurance, export factoring and forfeiting. In many countries, trade finance is often supported by quasi-governmental entities known as export credit agencies that work with commercial banks and other financial institutions. Botswana currently has no entity dedicated to providing financing for export activities. As a result, special facilities and considerations for firms that export goods/ services or intend to do so are not provided. The lack of such services inevitably reduces the likelihood of the pursuit of export-related activities.

There are, however, organisations that provide general business financing that may also be utilised for export activities.

1. CEDA, established in 2001, provides interest-subsidised loans to encourage and support entrepreneurial development in all areas of business, for citizens and 100 percent citizen-owned firms. It also provides trade finance.
2. The Agricultural Credit Guarantee Scheme, which is under the National Development Bank, guarantees loans taken by farmers in case of crop failure due to drought, frost and hailstorm.
3. The CEDA Venture Capital Fund provides loans and equity capital for joint ventures, whether local or foreign partnerships. Capacity building, mentoring and monitoring activities are provided to clients who focus on production for both the domestic and international markets.

4. The National Development Bank (NDB) and the Botswana Development Corporation (BDC) also provide financial support to promising businesses.
  5. Botswana Export Credit Insurance (BECI) provides credit insurance and covers both commercial (insolvency and default of buyer) and political risk (transfer delays, import restrictions, war, strikes, etc.) to exporters.
  6. Commercial banks, which provide general business credit and specialised trade finance.
1. The following interventions are recommended to overcome the problems with accessing Trade Finance:
  2. Provide information on existing Trade finance instruments

#### Develop new Trade finance instruments

There is scope for better communication and awareness raising channels involving banks, BECI, CEDA, exporting firms and umbrella bodies such as BEMA, perhaps held under the auspices of the Bankers Association of Botswana.

#### **Ensuring government support to the private sector encourages exports and avoids “the Procurement Trap”**

The Government offers Botswana firms various support and incentives, some of which are available only to citizen-owned firms while others are for any firms based in Botswana. Such initiatives include subsidised finance from CEDA, business support from LEA, and price preferences for government procurement under the Economic Diversification Drive (EDD) scheme. The structure of such preferences is not well focused on encouraging exports and may often discourage exporting. The EDD

price preferences are a good example: they reward accredited Botswana-based firms for supplying government, with additional price incentives for smaller firms and those owned by disadvantaged groups (the youth, women, persons with disabilities, and other vulnerable groups). There can be very high profit margins involved in supplying Government. Furthermore, Government procurement processes are often perceived as not being particularly competitive or concerned about product quality, where sub-standard performance is tolerated.

Although EDD was intended in the short-term to provide firms with a platform to achieve scale and then graduate to export markets, there is no evidence of this being achieved; instead the short-term EDD component has become a “procurement trap” with no incentive to move beyond an undemanding and profitable domestic (public sector) market to a highly competitive and demanding – albeit much larger – export market. They also provide a disincentive to grow, which is the opposite of what an export-led growth strategy needs.

The EDD is currently under review and is likely to be restructured; as part of this, the structure of EDD benefits need to be revised to incentivise the desired shift towards exporting. Alignment of the EDD procurement incentives to the BEDP



is essential. This could be achieved through offering price incentives on government procurement not just to preferred categories of firms as at present, but also to those that export a certain proportion of their output or achieve growth targets (excluding sales to government). Similarly, CEDA and LEA support should be more focused on supporting and encouraging graduation into exporting.

Many firms have argued for a specific package of incentives for exporters, in addition to concessions that many already benefit from, such as a reduced corporate tax rate of 15% for manufacturing firms or IFSC companies. Some further concessions will be made available to exporters once the Special Economic Zones Authority (SEZA) incentives are finalised. Caution is required, however, as direct subsidies for exporters may be inconsistent with World Trade Organisation rules. There is also a risk that too much may be given away in incentives relative to the economic benefits that result, or that subsidies encourage excessive consumption of scarce resources, such as water. Direct (cash) subsidies are also costly for government and are vulnerable to abuse. The strongest argument is probably for tax concessions related to employment creation.

It is important that the BEDP is not seen as an isolated programme, but there also needs

to be clarity about its relationship with other programmes, especially other MITI programmes. The BEDP is a programme to develop the export capacity of Botswana firms, whether enabling non-exporters to export, or enabling existing exporters to grow. It is not a generic MSME development programme; the responsibility for that lies elsewhere. However, it should provide support for selected MSMEs to move into exporting. Hence those other MSME development programmes should have links to the BEDP and provide an entry channel for promising MSME candidates to move into the BEDP.

This primarily requires LEA and CEDA to more actively monitor their clients to identify potential exporters. Hence LEA and CEDA staff should also participate in the exporter training programme, so that they have the necessary level of understanding. The new LEA/CEDA joint Project Facilitation Facility should have the capacity to develop export project proposals in collaboration with the BEDP. Once CEDA and LEA have the capacity to identify potential exporters, these clients should be channelled into the BEDP exporter education programme, so CEDA and LEA will become important sources of trainees. In addition, CEDA and LEA should also be more active in encouraging firms to consider exporting.



### Implementation plan for creating a favourable business environment for exporters

The implementation plan for creating a favourable business environment is set out in Annex 3 of this document. The key components for practical problem solving are:

Strategic objective three: creating a favourable business environment for exporters

Results Level	Expected Results
Outcomes	Policy reform and lower non-tariff barriers
Indicators	Policy, institutional and procedural reforms relating to exporting Number of NTBs reported and resolved
Data Source / Means of Verification	Export Apex Committee NTB monitoring mechanism
Contributing Projects / Organisations	MITI, EDD, Business Botswana, BEMA
Baseline	BEDP 2013-2017
Baseline Date	2019
Outputs	Output 1: An Effective Export Apex Committee Output 2: A functioning National Monitoring Committee and an Electronic NTB Monitoring system developed and implemented Output 3: The relationship between other government programmes and the BEDP encourages the development of exporters
Milestones	Detailed milestones for the different outputs over the programme duration are provided in the Annex 4: Implementation Plan, Indicators and Targets to promote a favourable business environment for exporters





# Enterprise Selection

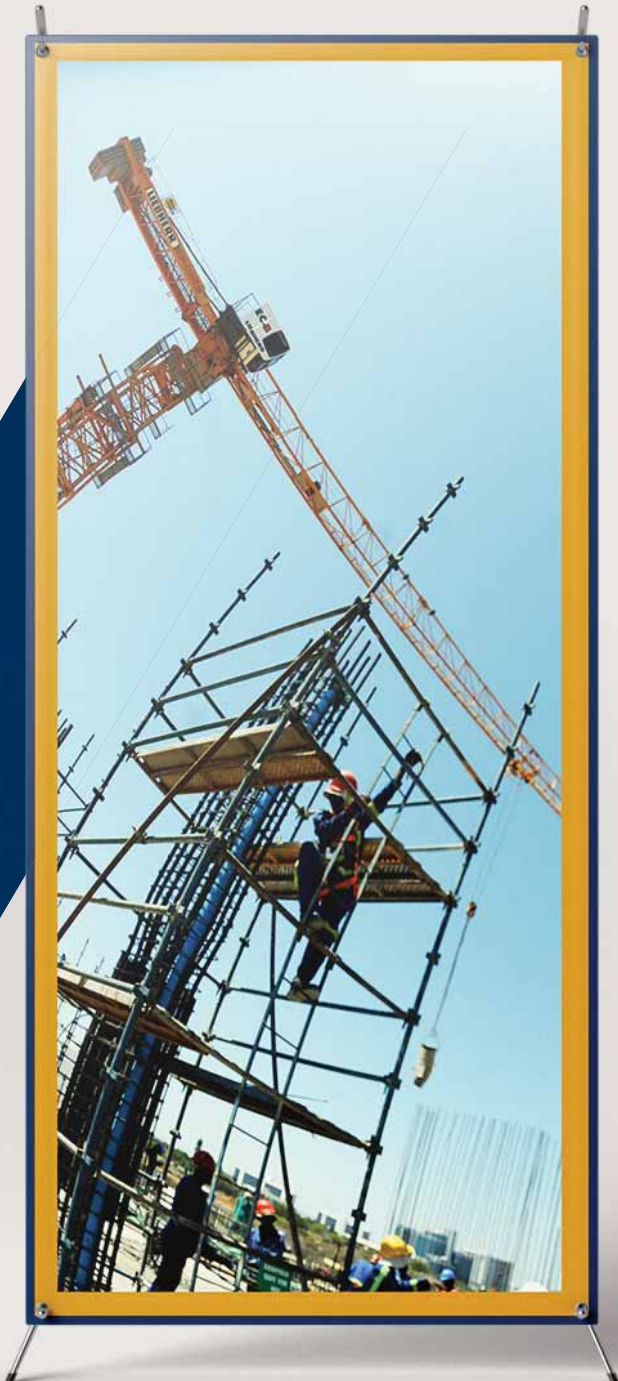


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## Introduction

Botswana, like any other country has many economic sectors, and each sector is important to the economic development of the country. Regarding the support that the Government can provide to help sectors grow, there are always limited resources available to do so. To attempt to support every sector in the economy would lead to spreading resources thinly with little or no impact. To avoid this and to ensure that public resources are used to support sectors that will contribute most to the economy requires prioritisation of these sectors.

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## Selection Criteria

A scientific approach to prioritising sectors would be to identify the drivers of growth and attaching scores for each and then subjecting all the sectors to this assessment. The sectors are then ranked according to the total scores with those with the highest scores, subject to a cut-off being picked for support. The other approach involves cross sector stakeholder consultations while taking the drivers of growth into account. The NES 2019-2024 adopted the latter approach. The drivers of growth that were considered included the following:

1. Export growth potential
2. Potential to create jobs
3. Potential to contribute to poverty reduction
4. Potential to exploit locally available raw materials
5. Availability of markets
6. Decentralisation of industry
7. Potential to reduce rural-to-urban migration
8. Potential to contribute to the empowerment of youth and women, and to promote gender equality and equity including the empowerment of people living with disability
9. Expected rates of return and their alignment with other export development strategies, such as the AGOA strategy, and its continued relevance to government sector development objectives

## Priority Sectors

Using the above parameters, the following sectors were then selected as priority sectors:

1. Arts and Crafts
2. Garments and Textiles
3. Jewellery and Semi-Precious Stones
4. Leather and Leather Products
5. Meat and Meat Products
6. Light Manufacturing
7. Indigenous Products

The BEDP will support applications from enterprises operating within these priority sectors. Secondly, all applications from enterprises operating outside the priority sectors will also be considered provided they meet the required threshold of the Evaluation exercise. Thirdly, applications from beneficiaries of the Supplier Development Programme (as clusters or as individual enterprises) and other cluster development programmes, in particular those linked to the SEZs, whether operating within or outside of the priority sectors will also be considered. A separate assessment form for these potential beneficiaries is provided in Appendix 1B.



## Evaluation Of Applications

During the duration of this programme, BITC will invite “Expressions of Interest” at least once every two years. The following is a guide on the application process:

1. The BEDP Project Management Team advertises “Expressions of Interest” from potential beneficiaries. The “Expression of Interest” contains the following information:

**a. Eligibility:** Any exporter or potential exporter operating in Botswana

**b. Area of support:** A listing of all services available is provided; for example, in the Exporter education component, the following support services will be available:

- i. Exporting awareness workshop
- ii. Export training and skills development workshop
- iii. Training for export ready enterprise and start-up exporters

iv. Advanced training on export market and product development

v. Botswana Scale-up programme

**The same information is provided for the other components. The BEDP Project Management Team will decide whether to advertise calls for proposals for all the Outcome areas at the same time or to advertise for each individual outcome area separately.**

**c. Delivery of the workshop/programme:**

For each of the above, the mode of delivery will be indicated, and the successful enterprise will have a choice from whom to obtain services from among pre-qualified service providers

**d. Cost-sharing:** The “Expression Of Interest” will indicate the level of support provided by BITC and the enterprise's contribution

e. The “Expression of Interest” will provide a three-week window within which applications should be received.

- f. A dedicated portal on the BITC website will be used to receive all applications. It will have an automatic response to notify the applicants of the receipt of their applications.
2. At the close of the "Calls for proposals" window, the Project Coordinator will organise an Evaluation session with his/her team. The results of the Evaluation exercise will be presented to the Senior Management Team for approval
3. All applicants will be notified of the outcome of the Evaluation exercise within a reasonable period of time (Three days after a decision has been made by the BITC Senior Management).
4. The Evaluation for all applications, with the exception of the beneficiaries of the SDP is provided below:

Name of Applicant Enterprise: _____		
Assessment criteria	Response	Score
1. Is the applicant enterprise in one of the priority sectors? Indicate sector here:	Yes No	15 0
2. How many years has the company been in operation? (Evidence to be provided: Audited accounts)	3 year 2 years 1 year	15 10 5
3. Please indicate the number of full-time employees	50-100 15-50 5-15	15 10 5
4. Provide your company's exporting experience	-Currently exporting -Used to export -Never exported but would like to start -Not sure what I want to do	10 10 5 5
5. Are you registered under any of the existing programmes (EDD, CEDA, other indicate _____	Yes No	10 0
6. Does your company have a Business plan	Yes (attach copy) No	15 0
7. Are you willing to cost share on any support provided by the BEDP	Yes No	10 0
8. Is your company owned or managed by a Woman; or by a person under the age of 35 years; a person living with disability	Yes No	10 0
<b>Total score out of a Maximum of 100.</b>		

5. The Evaluation form for Cluster programme beneficiaries is provided below:

Name of Enterprise or Cluster of Enterprises: _____		
Assessment criteria	Response	Score
1. Is the applicant enterprise/cluster in one of the priority sectors? Indicate sector here:	Yes No	10 0
2. For enterprises, how long have you participated in the SDP?	2 years 1 year Less than 1 year	15 10 5
3. For a cluster, how long has the lead enterprise been operating?	2 years 1 year Less than 1 year	15 10 5
4. Please indicate the number of enterprises in the cluster	20 & more 10-20 5-10	15 10 5
5. Provide your cluster's exporting experience	- Currently exporting - Used to export - Never exported but would like to start - Not sure what I want to do	10 10 10 5
6a. For an enterprise, are you registered under any of the existing programmes, other than SDP? (EDD, CEDA, other indicate) _____		
6b. For a cluster, are the majority of your members registered under any of the existing programmes, other than SDP? (EDD, CEDA, other indicate)	Yes No	10 0
7. Does your company or cluster have a Business plan	Yes (attach copy) No	10 0
8. Are you willing to cost share on any support provided by the BEDP	Yes No	10 0
9a. Is your company owned or managed by a Woman; or by a person under the age of 35 years**; or a person living with disability?	Yes No	10 5
9b. Are majority of enterprises in your cluster owned or managed by women; or by persons under the age of 35 years; or a persons living with disability.		
<b>Total score</b>		
<b>Maximum score</b>		<b>100</b>

\*\*Persons under the age of 35 are categorised as Youth







# Costing And Financing Of The Implementation Of The BEDP



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## Costing of the BEDP

The implementation of an Exporter Development Programme entails a massive deployment of resources, both human and financial. It is highly unlikely that the BEDP will be implemented effectively within the current BITC budgeting situation. We have therefore recommended the establishment and financing of a Project Management Unit (PMU) within BITC and the estimated costs of running the unit are also provided:

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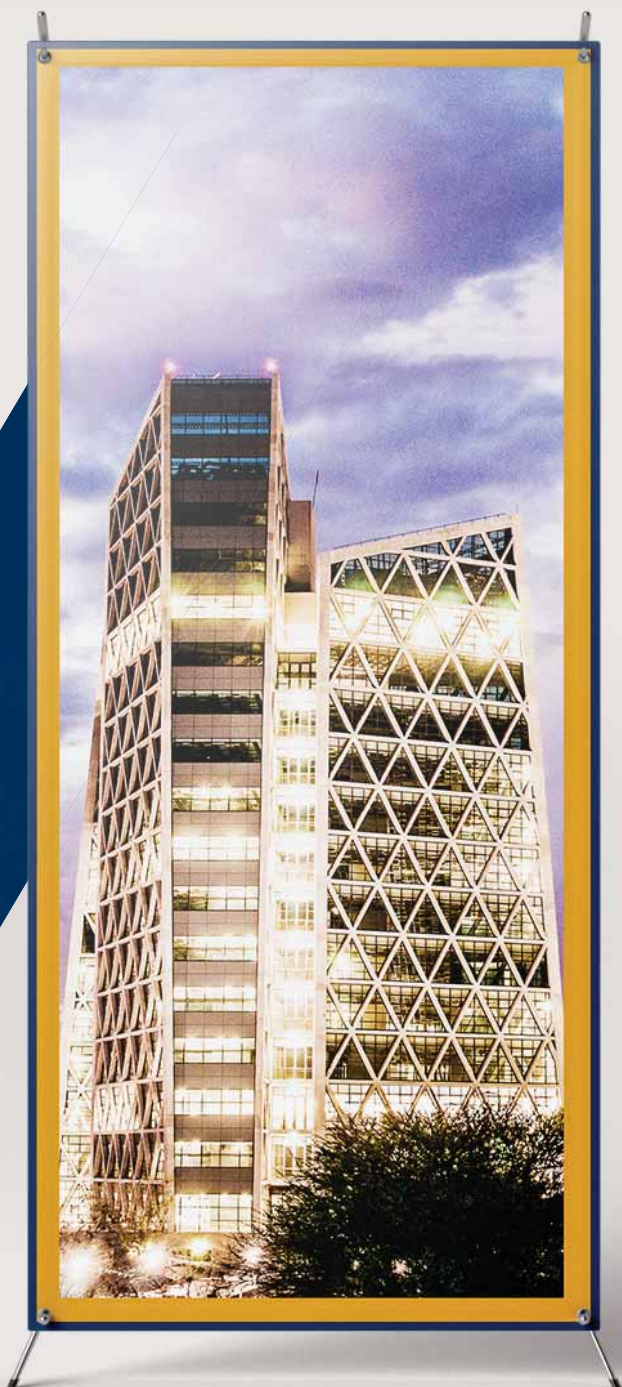


Table 10: Costing of the BEDP

Strategic objective/ Outcome	Output	Cost in BWP in current terms [1]				
		2019	2020	2021	2022	2023
SO 1/ Exporter Education	1. Four Export awareness workshops for 50 firms each delivered each year: Course Offered- Introduction to Exporting	0	110,000	116,000	121,000	127,000
	2. Four Training and Skills development workshops for 50 firms each delivered each year: Course Offered- Planning for Export	0	126,000	132,000	139,000	146,000
	4. Four Advanced training on Export Market/ Product development for 50 firms delivered each year	0	525,000	551,000	579,000	607,000
	6. Web-based BEDP training programmes delivered to companies	0	300,000	315,000	331,000	347,000
	8. Provision of product certification services to enterprises	0	200,000	300,000	400,000	500,000
	9. Provision of training on standards to enterprises	0	70,000	140,000	210,000	280,000
	10. Introduction to Management systems certification services to enterprises	0	50,000	52,500	55,000	58,000
Total for this outcome		0	2,232,000	2,499,500	2,774,000	3,050,000

Strategic objective/ Outcome	Output	Cost in BWP in current terms [1]				
		2019	2020	2021	2022	2023
SO 2/						
Linking products and markets	1. Trade Portal is strengthened*	0	21,000	22,000	23,000	24,000
	2. Partnership between BITC & other BEDP implementing agencies strengthened*	0	11,000	12,000	13,000	14,000
	3. Export Annual Awards established	0	137,000	143,000	151,000	158,000
	4. Export Village /Clusters established	0	735,000	772,000	810,000	851,000
	5. a) 10 Trade exhibitions per year	0	2,100,000	2,205,000	2,315,000	2,431,000
	Outputs 6 to 9 and 13 on Market intelligence	0	2,500,000	2,500,000	2,500,000	3,500,000
	10. Develop a database of Botswana producers	0	250,000	26,000	28,000	29,000
	11. Develop a database of Botswana exporters	0	250,000	26,000	28,000	29,000
	12. Develop Market profiles of Botswana export markets	0	200,000	21,000	22,000	23,000
<b>Total for this outcome</b>		<b>0</b>	<b>6,934,000</b>	<b>6,689,000</b>	<b>7,090,000</b>	<b>8,488,000</b>
SO 3/ A favourable business environment for exporters	1. Export Apex Committee administrative costs	0	100,000	105,000	158,000	165,000
	2. Develop and operationalise an NTB reporting mechanism & related reforms**	0	1,500,000	1,575,000	1,653,000	1,736,000
	3. Provision of information on existing Trade finance instruments	0	150,000	16,000	17,000	18,000



Strategic objective/ Outcome	Output	Cost in BWP in current terms [1]				
		2019	2020	2021	2022	2023
	4. Technical Assistance to review impact of Government incentives on Exports (EDD)	0	200,000	0	0	0
<b>Total for this outcome</b>		<b>0</b>	<b>1,950,000</b>	<b>1,696,000</b>	<b>1,828,000</b>	<b>1,919,000</b>
Project management costs	1. Project Manager @ US\$10,000pm	0	600,000 [4]	1,260,000	1,323,000	1,389,000
	2. Managers (x3) @ US\$7,000 pm	0	1,260,000	2,646,000	2,778,000	2,917,000
	3. Support Technical Team (x3) @ US\$4,000pm	0	720,000	1,512,000	1,588,000	1,667,000
	Monitoring & Evaluation Costs	0	250,000	525,000	551,000	579,000
	Other Costs	0	200,000	210,000	221,000	232,000
	<b>Total PMU</b>	<b>-</b>	<b>2,430,000</b>	<b>6,153,000</b>	<b>6,461,000</b>	<b>6,784,000</b>
<b>Grand total</b>		<b>0</b>	<b>13,546,000</b>	<b>17,037,500</b>	<b>18,153,500</b>	<b>20,241,000</b>

[1] The costs for 2020 to 2023 have been adjusted for inflation at an average of 5% per year.

[2] EU has indicated that they will fund this component up to EUR 1 million (BWP11million) over the four years.

[3] Costs indications for the Project Management Unit have been obtained through discussions with Botswana based Consultants for the level of the expertise required for the various positions

[4] Costs of the Project Management Unit are costed at 50% during the first year of implementation

[5] The cost of US\$150,000 of developing and implementing an electronic NTB system is benchmarked against similar systems used in East Africa (Kenya, Uganda, Tanzania and Rwanda).



## Financing The Implementation Of The BEDP

The Botswana Exporter Development Programme is a national programme. Therefore, its financing should be done through the national budget. However, due to the uniqueness of the programme and the multiple agencies involved in its implementation, it is proposed that the total cost be shared between the national budget, the private sector through a cost-sharing arrangement, and from international development agencies involved in supporting trade development projects in Botswana. A brief on each of these funding proposals is explained below:

### National budget

The eleventh National Development Plan has identified national priorities for funding and one of these is the development of diversified sources of economic growth. The main objective under this national priority area is to diversify the economy in terms of the sources of growth,

government revenues and composition of exports. These will include the implementation of on-going initiatives in the areas of mineral beneficiation, cluster development, special economic zones, and economic diversification drive. The Exporter Development Programme is part of the Economic diversification drive. Therefore, it is expected that BITC through the parent Ministry will present the budgetary requirements for funding BEDP interventions during the preparation of the annual budgets for the duration of the BEDP.

### Private sector

One of the guiding principles in developing this programme is that the risk and burden of activities should be shared between the private sector and Government. It is therefore proposed that the cost of funding some identified interventions be shared between the Government and the beneficiary private sector enterprises. A cost sharing ratio of 70/30, with BITC meeting 70% of the costs and the beneficiary enterprise paying 30% of the

total cost. Enterprise Singapore funds up to 70% of project qualifying costs which includes third party consultancy costs, software and equipment and internal manpower costs. A schedule of cost-sharing approaches adopted by other countries is shown in Table 3 above. It should also be noted that in addition to the private sector funding some aspects of some interventions, they are also actively involved in the implementation process. Business Botswana will be the lead implementing agency on Strategic objective four: To promote the use of research and development, innovation and technology to enhance better results and upscaling. This is shown on Annex 4.

### International Development Organisations

There are numerous international development organisations currently operating in the country and in the region. Because some of the interventions are within their development mandates they could be approached for funding.

Details of some of these organisations are provided below:

#### 1. NORFUND

This is Norway's Development Financial Institution with the mandate to support the building of sustainable businesses in poor countries and thereby contribute to social and economic development. Norfund invests in private and equity capital funds that target SMEs in need of early phase or growth capital.

Norsad Finance Limited is a provider of long-term financing for SMEs in Southern Africa. Norsad's capital base is over USD 100 million. Norsad's objective is to improve living conditions in Southern African countries by financing commercially viable private enterprises, directly to individual companies as well as indirectly through

the financing of banks and other financial intermediaries active in the SME sector. Norsad Finance's mission is to provide long term risk capital to Southern African companies that are financially, socially and environmentally sustainable

#### 2. Global SME Finance Facility

The Global SME Finance Facility is a blended-finance partnership focused on helping to close the financing gap faced by SMEs in emerging markets. Catalysing access to finance for SMEs, the facility has a goal of generating one million new jobs in the SME sector. The facility dedicates its efforts toward the most underserved SME segments, such as SMEs in fragile countries, very small enterprises, and women-owned SMEs.

#### 3. GROFIN

This is a Shell Foundation fund that provides integrated support, growth finance and market linkages to SMEs. It is a pioneering private development finance institution specialising in the finance and support of small and growing businesses (SGBs). The investments and business support offered help to generate employment, strengthen value chains, and develop markets to bring about inclusive growth and improved living conditions in the low- and middle-income countries where it operates.

#### 4. Country programmes

It is common for international development organisations to have country programmes supporting trade development in general and export development in particular in the countries where they are present. A list of these is provided below:

UNDP Supplier Development Programme (SDP):  
The objectives of the programme are to:

- Develop the productive capacity of SMEs;
- Improve competitiveness of SMEs to become efficient and competitive Suppliers to Buyers;
- Create demand-based, market-driven opportunities for SMEs to increase their competitiveness;
- To connect Suppliers to larger markets (locally as well as abroad);
- To strengthen the entrepreneurial ecosystem in the country
- USAID Economic growth and Trade: USAID manages a Development Credit Authority (DCA) in Botswana with Barclays Bank. The goal of the five-year DCA is to provide access to credit for small and medium-sized enterprises and entrepreneurs to help Botswana diversify its economy and create jobs.
- European Union Support Programme to the Economic Partnership Agreement (EPA) Implementation in Botswana: The objective of this programme is to enhance the capacity of Botswana's public and private sectors to fully reap the benefits of the EPA between the EU and the Southern Africa Development Community (SADC), hence contributing to an increased export-led economic growth in Botswana with improved

employment. This will be achieved by increasing and diversifying the non-mineral exports; attracting innovative technology and know-how through FDI; and deepening the country's integration in regional value chains. The new programme has an overall budget of EUR 6 million available over four years, of which an indicative budget of EUR 1 million is available for the Market Intelligence component.

- Japan Overseas Development Aid: Japan Overseas Development Aid seeks to support and promote infrastructure development that is indispensable for industrial diversification, especially in the field of transportation, information and communication, energy and water resources. Japan also places emphasis on sustainable development.

## 5. Regional programmes

There are a numerous regional programmes that support Trade development in general and Export development in particular. Some of these programmes are shown below:

- **Southern African Trade and Investment Hub:** USAID/Southern Africa's regional programme implements programme activities in Botswana and encourages private enterprise in Botswana to take advantage of the African Growth and Opportunity Act, which helps expand opportunities for manufacturers and workers in multiple industries.

- **EU Southern African Development Community Regional Integration Support (REIS):** The overall objective of the programme is to promote sustainable economic growth and poverty reduction in the SADC Region. Specific areas for support are regional investment climate, development of regional payment systems, regional tax collaboration and lifting of non-tariff barriers, in particular those related to sanitary and phyto-sanitary measures.
- **EU Trade Related Facility (TRF) for Southern African Development Community:** Through the programme, 12 participating countries in the SADC region which include Botswana will receive financial support to launch projects that support regional integration, trade and economic development.
- **EU ACP TradeCom II:** The TradeCom Facility is an ACP Group Programme financed by the European Development Fund. It is divided in three main, complementary, components, each with its specific beneficiaries and results: (1) Formulation of trade policies, (2) Trade negotiations and (3) Implementation of trade policies and international trade agreements.
- **Boost Africa:** Boost Africa is a joint initiative between the African Development Bank (AfDB) and the European Investment Bank (EIB). It seeks to harness the continent's potential, and create opportunity on the ground through:
  - enabling and enhancing entrepreneurship and innovation across Africa
  - creating new and quality jobs for young Africans
  - contributing to the development of an efficient entrepreneurial ecosystem in Africa
  - addressing the financing gap at the earliest and riskiest stages of enterprise creation
  - developing and strengthening skills and expertise with young entrepreneurs





# Institutional Frameworks And Implementation Arrangements



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## Introduction

An effective programme institutional arrangement is grounded on four pillars: institutional mechanisms and instruments used in programme oversight for policy and strategic guidance; effective programme management; effective coordination of programme partners and key stakeholders; and effective implementation arrangements for delivering programme results to beneficiaries. This requires the provision of substantial financial and human resources and in some countries, a special delivery vehicle is created for this purpose. In the East African countries of Kenya and Rwanda, the delivery of their respective exporter development programmes has been contracted to private consulting companies. These companies have been provided with substantial financial resources to ensure that they are able to engage different categories and calibres of professionals to deliver on the various components of the programmes.

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Sufficient financial resources will be required if BITC is to provide leadership in the delivery of the BEDP. Financial resources will be required to recruit additional staff and to train existing ones. The private sector through Business Botswana should take its rightful role in mobilising resources and coordinating with the BITC to ensure that their concerns are addressed and their interest across all the interventions are covered. The private sector through

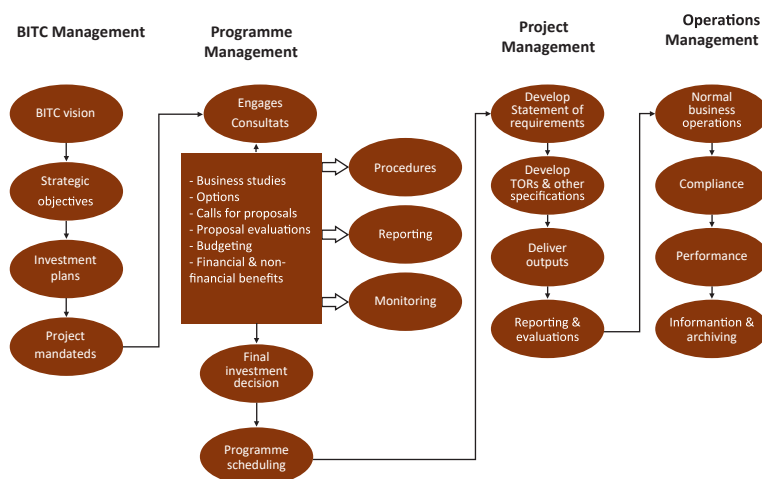
Business Botswana should also be responsible for implementing activities towards the use of research and development as well as innovation and technology to enhance better results and upscaling.

The following institutional and implementation arrangements for BEDP therefore assumes that sufficient human and financial resources are made available to BITC.

## Bitc As Coordinator Of Bedp

The following flow-chart (Error! Reference source not found.) shows how BITC will coordinate the BEDP implementation and also shows how the four pillars are interlinked:

Figure 9: BEDP Workflow



### BITC Management

BITC Management will provide programme oversight for policy and guidance and ensure that the funded interventions are aligned to national development aspirations as provided by the various national documents including Vision 2036, NDP 11 and the 2030 Agenda and its 17 SDGs. It is recommended that this role be delegated to the BEDP Reference Group. Their tasks will include providing advice on workplans and budgets; monitoring the quality

of the programme delivery as it develops; and providing advice (and sometimes making decisions) about changes to the programme, including harmonization and alignment with government priorities and policies, regulatory environment and legislative changes. The following charts show the flow of responsibilities from the highest level of BITC management to the level of Programme Management:





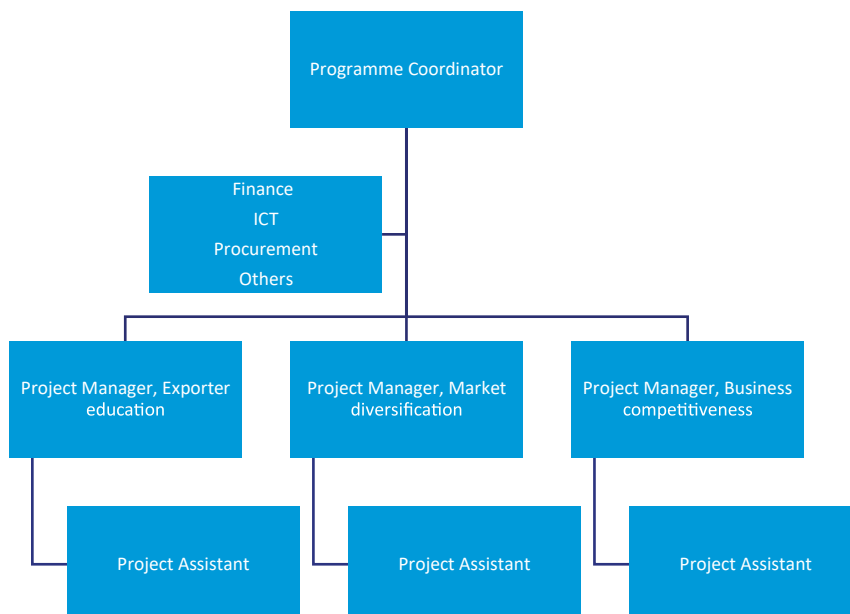
For the Reference group to function effectively, the following steps must be taken at the inception of the Implementation:

1. Develop Terms of Reference for the Group
2. The members are appointed formally with letters of appointment
3. The work of the group to be facilitated in terms of meetings, review and validation of documents and ensuring quality assurance in the effective implementation of the programme
4. The Group will report to the BITC Board of Directors
5. The Programme Coordinator will be the Secretary of the Group

### Programme Management

This is an important element in institutional arrangements and a crucial determinant of efficiency in programme delivery. It includes mechanisms put in place for the purpose of coordinating, planning and budgeting; financial management; procurement of works, goods and services; provision of technical and implementation support; monitoring and evaluation (M&E); reporting, communication and knowledge management. The BEDP 2013-2017 Final evaluation established that there was no formal structure for the management of the programme and this was perhaps one of the main reasons why programme interventions were not delivered as planned. BEDP is a complex programme that cuts across many agencies and requires a dedicated team if the desired outcomes are to be realised. The following organisation chart (Error! Reference source not found.) is the recommended structure of the BEDP Programme Management:

Figure 10: Recommended BEDP Management structure



### Programme Coordinator

The Director of the BITC Export Development Department will be the Programme Coordinator. He/she will lead the Programme and will be expected to provide leadership in all aspects of management of the BEDP. He/

she will have a dual reporting channel; one on a day to day basis to the Senior Management of BITC as currently constituted and another on a quarterly basis (or as necessary) to the BEDP Reference Group.

Duties	Details of the duties
1. Activity and resource planning	<ul style="list-style-type: none"> <li>i) Define the programme's scope and determine available resources as well as managing the day to day affairs of the programme.</li> <li>ii) Set time estimates and evaluate the team and teams' capabilities.</li> <li>iii) Create a clear and concise workplan to both execute the programme and monitor its progress.</li> <li>iv) Make adjustments along the way as needed</li> </ul>
2. Organizing and motivating the programme team	Develop clear, straightforward plans that stimulate the BEDP to reach its full potential.
3. Controlling time management	Set realistic deadlines and communicate them consistently to the BEDP team.
4. Cost estimating and developing the budget	<ul style="list-style-type: none"> <li>i) Keep the programme within its set budget</li> <li>ii) Frequently review the budget and plan ahead to avoid massive budget overruns.</li> </ul>
5. Ensuring customer satisfaction	<ul style="list-style-type: none"> <li>i) A programme is only a success if the customer is happy. One of the key responsibilities of every programme/project manager is to minimize uncertainty, avoid any unwanted surprises and involve their clients in the programme/project as much as is reasonably possible.</li> <li>ii) To maintain effective communication and keep the company's clients up-to-date.</li> </ul>
6. Analysing and managing programme risk	<ul style="list-style-type: none"> <li>i) To meticulously and almost intuitively, identify and evaluate potential risks before the programme begins.</li> <li>ii) To avoid risks or at least minimize their impact.</li> </ul>
7. Monitoring progress	To monitor and analyse both expenditures and team performance and to efficiently take corrective measures as necessary.
8. Managing reports and necessary documentation	Produce and present reports on BEDP progress to various stakeholders on a regular basis or as is necessary.

The Programme Coordinator will be assisted by three (3) Project Managers, each responsible for one Outcome area of the BEDP. These Project Managers under the supervision and guidance of the Programme Manager will facilitate the interaction between project stakeholders and partners as well as with other complementary or potentially competing initiatives being implemented in the same project area. This will include forging partnerships and exploring opportunities for scaling up potential project innovation. It is the Managers' responsibility to ensure that project outputs to achieve the desired outcome are delivered on time and within budget. Each manager should be facilitated with the relevant financial resources and materials to ensure effective delivery of results in each of the three strategic areas of the programme.

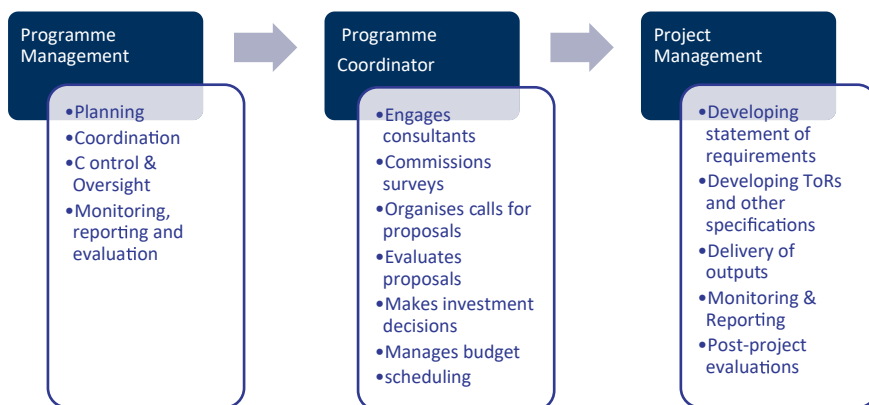
Each Project Manager will provide a monthly report to the Programme Coordinator covering

the status of project implementation, issues and challenges faced during the month and recommendations for the future.

**Project Support Team**-This team will comprise the three Project Assistants who will provide the Programme Management Team with technical support including research, secretarial, follow-up of activities as directed by either the Programme Coordinator or by any Manager responsible for an Outcome area. Each Project Assistant will report to the Manager of the respective outcome area.

The BEDP Programme Team will use the BITC services on Finance, ICT, Procurement and other corporate services.

The relationship between BEDP Programme Management and the management of the respective outcome areas is shown below:



### Programme Coordination

While Managers for the three Outcomes areas are responsible for the day to day management and coordination within their respective areas, the Programme Coordinator has the overall responsibility and oversight for facilitating interaction between project stakeholders in all the sectors and it is his/her responsibility to forge partnerships and explore opportunities for further collaboration both with internal as well as with external stakeholders.

### Delivery arrangements

Due to the complexity of the BEDP, the delivery arrangements can also be complex, but the recommendation is to make these arrangements as simple as possible. The following are the recommendations:

BITC will provide the core services of Supplies and Procurement, Financial management, ICT and Compliance issues.

1. In addition, it is recommended that the Export Development Department of BITC is adequately capacitated and resourced in order to ensure that in medium to long term their officials largely deliver most of the programmes currently delivered by Consultants. This can be done by recruiting more staff and providing them with the necessary training and skills to deliver on these mandates.

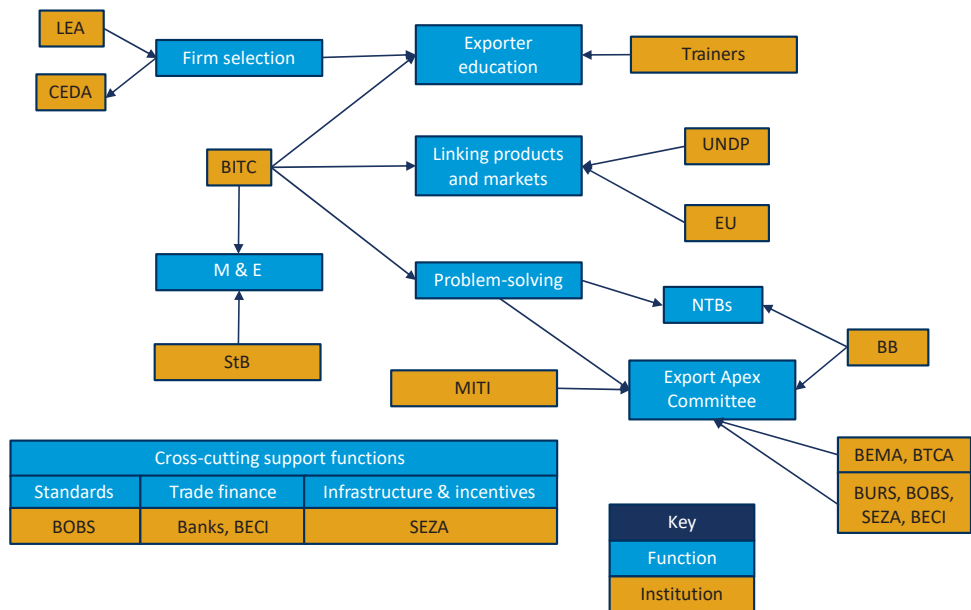
2. For interventions being implemented by other agencies/service providers, BITC will enter into Service Level Agreements with each one of them and provide resources as required. Where cost-sharing is involved, the applicant enterprise will have an option of choosing the provider of the required services from a list pre-qualified by BITC. Follow-up of implementation activities will be undertaken by the respective Outcome area Managers.

3. The Programme Coordinator will develop a Communication strategy to ensure that all agencies involved in Programme implementation work in unison to avoid duplication of efforts and wastage of resources. He/she will produce a quarterly report on project progress, and this will be shared with all the BEDP Implementing agencies.

### Institutional Ecosystem

Figure 11Error! Reference source not found. below provides a pictorial representation of the institutions involved in the implementation of the BEDP and how they interface with the programme.

Figure 5: Business Environment Rankings



# Monitoring & Evaluation



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## Defining Monitoring

Programme monitoring is the routine and systematic collection, analysis and use of information about project progress and results being achieved. Effective programme management requires monitoring of the different aspects of each programme or sub-project interventions, including:

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Programme aspect	Description
1. Results (outputs, outcomes and impacts)	Is the programme on track against intended milestones and targets, or creating unintended consequences (positive or negative)?
2. Activities (processes)	Track how inputs are delivering activities along the delivery chain, including – if appropriate- if it is in line with the agreed work plan
3. Compliance with relevant Rules	It is not feasible for monitoring to check that delivery is fully in accordance with local, national government laws and to ethical standards, but monitoring should remain alert to any signs that it is not.
4. Situation/context	Examines the project's operating environment, including risks, assumptions, and political/institutional factors that may influence programme progress
5. Beneficiary feedback	Investigates the experience and perceptions of programme beneficiaries, including participation, access and treatment by the programme, paying particular attention to vulnerable or marginalised groups in the population
6. Financial	Tracks the use of input funds for activities and outputs, with attention paid to accurate forecasting of costs and budget monitoring, clear and audited accounting procedures, and adequate safeguards to prevent fraud and corruption;

Monitoring supports informed and timely decision making, ongoing learning and accountability for achieving results and helps ensure the funds are being used for the intended purposes. Monitoring will enable teams to assess the impact, outcome and the outputs of the project or programme and will help with the assessment of value for money

Monitoring of the BEDP implementation is even more crucial due to the multiplicity of implementing agencies. BITC as the owner and coordinating agency of the programme must be provided with all the resources that it needs to effectively monitor the programme implementation. BITC must be empowered to terminate service agreements/MOUs with implementing agencies where the latter are

found to be delaying delivery of agreed outputs. In such situations, BITC should be allowed to seek alternative arrangements.

## Defining Evaluation

Programme/project evaluation is the systematic and objective assessment of an ongoing programme/project or a completed programme/project. The aim is to determine the relevance and level of achievement of programme/project objectives, development effectiveness, efficiency, sustainability and impact.

Evaluation enables the continuous improvement and learning through the implementation of recommendations, understanding and incorporation of lessons learnt from past evaluations. These terms are explained below:

Term	Explaining the terms
1. Effectiveness	The degree to which programme/project objectives are achieved.
2. Efficiency	The extent to which a desired programme/project output is delivered with the least inputs (money, time)
3. Sustainability	This defines the likelihood that the benefits that resulted from the previous and revised BEDP will continue at national and sub-national levels through adequate ownership, commitment and willingness displayed by the Government through the BITC and other relevant institutions. It also reviews the extent to which national capacities have been built to sustain the results that will be realised from this programme.
4. Impact	A measure of tangible or intangible effect of programme/project interventions

## Monitoring And Evaluation Plan

The purpose of this plan is to track and assess the results of the interventions that are indicated in Annexes 2 to 5 throughout the life of this programme. This plan has six steps:

### Program Goals and Objectives

BEDP's Theory of Change (ToC) relies on the assumption that increasing exports affects the Botswana economy in such a way that increases employment, enhances innovation, reduces poverty and inequalities and increases prosperity of the Botswana people. The extent to which the above changes occur will be determined by the achievement of the programme goals and objectives which will be measured as shown below:

Goal	Success indicator	Data source	Milestone	Time
1. Vision: To develop a diversified export-based economy	A diversified economy	Statistics Botswana BoB	Increase in ratio of non-diamond exports to GDP to 15% .	2023
2. Strategic objective 1: To provide Exporter education to existing and potential exporters in the priority sectors	Increase in number of exporting firms	BURS BITC	Double the number of exporting firms Baseline: 2019	By 2023
3. Strategic objective 2: To diversify Export markets	1. New products 2. New markets 3. New markets at firm level	Statistics Botswana, BURS BITC tracer study	120 new products 15 new markets TBD	2023 2023



Goal	Success indicator	Data source	Milestone	Time
4. Strategic objective 3: To promote a favourable business environment for exporters	Improved business environment	Minutes of Export Apex and National Monitoring Committees.  Records of the NTB online mechanism  Interview with exporters	An improved position in the World Bank Doing business ranking  Number of non-tariff barriers removed	2021

Comprehensive details on the outputs that will be delivered in order to achieve the above objectives, the implementing agencies and the assumptions made are provided on the Implementation plans which are on Annexes 1 to 4 of this programme.

### Indicators

The BEDP includes indicators that measure what is being done in the programme, and those that measure outcomes. BEDP has a mix of the two.

1. Output indicators help answer the question “Are activities being implemented as planned?”  
Some examples of process indicators are:
  - a. Number of Training workshops held
  - b. Number of Trade exhibitions done
  - c. Number of Trade missions undertaken.
2. Outcome indicators track how successful programme activities have been at achieving programme objectives. They help to answer the question, “Have programme activities made a difference?” Some examples of outcome indicators are:
  - c. Percentage increase in Export volumes and values
  - d. Number of New Market
  - e. Number of New products

Details of the proposed indicators with targets and data sources are shown in Annexures 1 to 4.

### Data collection methods and timelines

The source of monitoring data depends largely on what each indicator is trying to measure. The BEDP programme has multiple data sources to answer all of the programming questions. Below is a table that provides an indicative source and timelines of data that will be necessary in monitoring the BEDP:

Type of data	Source	Frequency
1. Implementation process and progress	Implementing agencies	Quarterly
2. Statistics	Statistics Botswana BURS	Annual
3. Success of programme intervention within sector/community	Short surveys	Annual
4. Success of programme at national level	National surveys	Mid-term evaluation End-term evaluation
5. Qualitative data about the outcomes of the intervention	Focus groups, in-depth interviews, listener/viewer group discussions, individual media diaries, case studies	Annual

### Monitoring and Evaluation roles and responsibilities

The responsibility of collecting data on the BEDP will be shared between the following people:

1. BEDP Programme staff
2. BITC Monitoring and Evaluation staff
3. Research staff (Consultants)
4. Implementing agencies staff

The BITC Management will make a determination on the collection of data, frequency and submission of such data.

### Plan analysis and reporting templates

Once all the data has been collected and submitted to BITC, it is the responsibility of the Programme Coordinator to analyse the data, fill a Results table for internal review and external reporting. An Annual Review Template is provided in Appendix 6.

The completed Annual Reviews should be stored in the normal way BITC stores her important documents.

### Dissemination and reporting

BITC Management should make a determination on the frequency and mode of disseminating the BEDP Monitoring and Evaluation results. The following is recommended:

1. Programme team to review data on a monthly basis to make programmatic decisions and develop future workplans.
2. Meetings with donors and other stakeholders to review data and programme progress to be done every six months.
3. Dissemination of printed or digital materials on specific interventions might occur at more frequent intervals.

## Annual Reviews

To ensure that BEDP is effectively monitored, it is recommended that the Management of BITC undertakes a review of all programme

components at the end of every year. The results framework for each outcome describes in detail the desired results, the outputs and the target milestones and the sources of data to determine the degree to which a milestone has been achieved. The annual review will objectively assess each output against agreed milestones and score the level of achievement.

Details to be completed in the review are provided in Appendix 6-Annual Review template. The following are the key elements of the Annual Reviews:

- 1. Outcome:** The desired result as indicated on the Results Framework
- 2. Outcome score:** The sum of all the output scores
- 3. Impact weighting:** Individual outputs contribution to the overall goal of the programme varies from one output to the other. This is why each output is weighted in accordance with its level of importance. Total weighting for all the outputs equal to 100%. The total weighting for each outcome is the total weighting for all outputs for that particular outcome. Like outputs, the contribution of outcomes to the overall goal is different and therefore they also carry different weighting.
- 4. Output score:** This is the score that each output gets according to the degree of progress made in delivering the output. Each output is weighted to reflect its importance in the delivery of the overall BEDP goal with the total weighting at 100%. The scores are earned according to the level of performance as shown below:

Description	Scale
1.Output substantially exceeded expectations	A ++
2.Output moderately exceeded expectations	A +
3.Output met expectations	A
4.Output moderately did not meet expectation	B
5.Output substantially did not meet expectation	C

- 5. Indicators:** These are objective and realistic means of measuring the extent to which an output has been achieved. Indicators are the basis on which output scoring is made. Some outputs might have more than one indicator. These are clearly spelt out on the Implementation plan for each outcome.
- 6. Milestone:** A milestone can be defined as a mark of success in a specific point in time within the life of the project. A milestone represents a clear sequence of events that will incrementally build up until the project is completed.

At the conclusion of every Annual Review, the management of BITC and other implementing agencies should make decisions on each outcome depending on its overall score:

- Outcomes scoring A and above should be provided with even more support so as to enhance their contribution to the overall goal of the BEDP
- Outcomes scoring B should be subjected to thorough scrutiny with a view to addressing shortcomings and constraints facing the delivery of outputs. Obtaining a score of a B in successive years should lead to the termination of projects activities supporting this outcome
- Outcomes scoring a C should be terminated and project activities supporting these outcomes should be allowed to fail.

## Appendix 1A:

### Export Readiness Assessment Form

Name of Company: _____		
Assessment criteria	Response	Score
1.Is the applicant enterprise in one of the priority sectors?	Yes	15
Indicate sector here:	No	0
2.How many years has the company been in operation?	3 year	15
(attach copy of registration)	2years	10
	1 years	5
3.Please indicate the number of full-time employees	50-100	15
	15-50	10
	5-15	5
4.Provide your company's exporting experience	-Currently exporting	10
	-Used to export	10
	-Never exported but would like to start	10
	-Not sure what I want to do	5
5.Are you registered under any of the existing programmes (EDD, CEDA, SDP, other indicate_____)	Yes	10
	No	0
6.Does your company have a Business plan	Yes (attach copy)	15
	No	0
7.Are you willing to cost share on any support provided by the BEDP	Yes	10
	No	0
8.Is your company owned or managed by a Woman or by a person under the age of 35 years**	Yes	10
	No	5
<b>Total score</b>		
<b>Maximum score</b>		<b>100</b>

\*\* Persons under the age of 35 years are categorised as Youth

## Appendix 1B: Export Readiness Assessment Form For SDP Beneficiaries

Name of Enterprise or Cluster of Enterprises: _____		
Assessment criteria	Response	Score
1. Is the applicant enterprise/cluster in one of the priority sectors?	Yes	10
Indicate sector here:	No	0
2. For enterprises, how long have you participated in the SDP?	2 years	15
	1 year	10
	Less than 1 year	5
3. For a cluster, how long has the lead enterprise been operating?	2 years	15
	1 year	10
	Less than 1 year	5
4. Please indicate the number of enterprises in the cluster	20 & more	15
	10-20	10
	5-10	5
5. Provide your cluster's exporting experience	-Currently exporting	10
	-Used to export	10
	-Never exported but would like to start	10
	-Not sure what I want to do	5
6a. For an enterprise, are you registered under any of the existing programmes, other than SDP? (EDD, CEDA, other indicate_)	Yes	10
	No	0
6b. For a cluster, are the majority of your members registered under any of the existing programmes, other than SDP? (EDD, CEDA, other indicate)		
7. Does your company or cluster have a Business plan	Yes (attach copy)	10
	No	0
8. Are you willing to cost share on any support provided by the BEDP	Yes	10
	No	0
9a. Is your company owned or managed by a Woman or by a person under the age of 35 years**?	Yes	10
	No	5
9b. Are majority of enterprises in your cluster owned or managed by women or by a person under the age of 35 years.		
<b>Total score</b>		
<b>Maximum score</b>		<b>100</b>

\*\* Persons under the age of 35 years are categorised as Youth

## Appendix 2:

### Exporting Awareness Workshop

<b>Objective</b>	i) Participants will enhance their knowledge and skills in the exporting business  ii) Participants will be exposed to the characteristics and dynamics of the exporting environment to enable them to make informed decisions on their entry into the export markets
<b>Target Groups</b>	i) The Explorer  ii) The Export aware enterprise
<b>Duration</b>	2.5 Days
<b>Cost</b>	Participants will not pay for the cost of the workshop
<b>Delivery</b>	i) Presentations  ii) Case studies
<b>Outline of the Workshop</b>	
<b>Day One</b>	Session 1: Why export <ul style="list-style-type: none"> <li>• Benefits</li> <li>• Challenges of exporting</li> </ul> Session 2: The role of Customer Services in International Trade <ul style="list-style-type: none"> <li>• Dealing with different cultures</li> <li>• Key aspects of good international customer service</li> </ul> Session 3: The export process <ul style="list-style-type: none"> <li>• Overview of how the process works and information requirements from exporters</li> <li>• Rules of Origin</li> <li>• Tariff Codes - HS / CN / TARIC - Overview</li> </ul>
<b>Day Two</b>	Session 4: Overview of documents and why we have them and proof of export <ul style="list-style-type: none"> <li>• Commercial Invoice - content and example</li> <li>• Packing List - content and example</li> <li>• Airway Bill - content and example</li> <li>• Bill of Lading - content and example</li> <li>• CMR notes - content and example</li> </ul> Session 5: Understanding International Trade terms <ul style="list-style-type: none"> <li>• Defining Incoterms</li> <li>• Importance of complying with the incoterms</li> <li>• Case study</li> </ul>

<b>Day Three</b>	Session 6: Exporter responsibilities
	<ul style="list-style-type: none"> <li>• Complying with terms of export contract</li> <li>• Financing the export sale</li> </ul>
	Session 7: Improving your export business through use of modern technology
	<ul style="list-style-type: none"> <li>• How Research &amp; Development can help your business grow</li> <li>• How innovation and use of digital technology can improve your business processes and your competitiveness</li> </ul>
	Case Study:
	Session 8:
	<ul style="list-style-type: none"> <li>• Workshop evaluation</li> <li>• Workshop closing</li> </ul>

### Appendix 3: BEDP Export Training & Skills Development

<b>Objective</b>	The Introduction to Exporting course covers all the basic key areas that a new exporter would need to become a much more effective exporter.
<b>Target Groups</b>	i) The Explorer exporter ii) The Export aware enterprise iii) The Export ready enterprise
<b>Duration</b>	2.5 Days
<b>Cost</b>	Participating enterprises to meet 20 % of the cost of the Consultant delivering the workshops
<b>Delivery</b>	i) Presentations ii) Case studies
<b>Outline of the Workshop</b>	
<b>Day One</b>	Session 1: Why export <ul style="list-style-type: none"> <li>• Benefits</li> <li>• Challenges of exporting</li> </ul> Session 2: Export Requirements-Goods <ul style="list-style-type: none"> <li>• Markets</li> <li>• Products</li> <li>• Trade arrangements</li> <li>• Export documentation</li> <li>• Case study</li> </ul>



<b>Day Two</b>	<p>Session 3: International Trade contracts</p> <ul style="list-style-type: none"> <li>• Buyer obligations</li> <li>• Seller obligations</li> <li>• Financing the export sale</li> <li>• Case study</li> </ul>
	<p>Session 4: Understanding International Trade terms</p> <ul style="list-style-type: none"> <li>• Defining Incoterms</li> <li>• Importance of complying with the incoterms</li> <li>• Case study</li> </ul>
<b>Day Three</b>	<p>Session 5: Developing your Export plan</p> <ul style="list-style-type: none"> <li>• Conduct an “audit” of your company to determine how exporting will impact your operations.</li> <li>• Have a clear idea of the information you need to collect and sources where you might find that information</li> <li>• Understand the key components of an effective, actionable export plan</li> <li>• Your export plan should be an extension of your overall business plan, if not infused completely into your business plan.</li> </ul>
	<p>Case Study: Each participant develops an Export Plan for their own business</p>
	<p>Session 6: Improving your export business through use of modern technology</p> <ul style="list-style-type: none"> <li>• How Research &amp; Development can help your business grow</li> <li>• How innovation and use of digital technology can improve your business processes and your competitiveness</li> <li>• Workshop evaluation</li> <li>• Workshop closing</li> </ul>

## Appendix 4:

### Training For Export Ready Enterprises And Startup Exporter

<b>Objective</b>	The purpose of this training is to help the Export ready enterprise develop a Marketing plan
<b>Target Groups</b>	i) Export ready enterprises ii) Start-up Exporters
<b>Duration</b>	To be delivered over a period of six months and would include six days of contact session
<b>Cost</b>	The participating company to meet 25% of the cost of the Consultant delivering the programme
<b>Delivery</b>	This is to be undertaken by a Consultant
<b>Outline of the training</b>	<p>The Consultant will be responsible for developing a training programme but it should ideally include:</p> <ul style="list-style-type: none"> <li>• Expert presentations</li> <li>• Issue specific handouts</li> <li>• Case studies</li> <li>• Development of Export plans by individual enterprises</li> <li>• Financing the Export sales</li> <li>• Improving your export business through use of modern technology <ul style="list-style-type: none"> <li>• How Research &amp; Development can help your business grow</li> <li>• How innovation and use of digital technology can improve your business processes and your competitiveness</li> </ul> </li> <li>• Post support evaluation</li> </ul>

## Appendix 5:

### Advanced Training On Export Market / Product Development

<b>Objective</b>	<p>Participants will be exposed to different approaches of:</p> <p>How to grow exports in the current markets</p> <p>How to develop new markets</p> <p>How to export more products with higher value-added content</p>
<b>Target Groups</b>	<p>i) Export ready enterprises</p> <p>ii) Start-up exporters</p> <p>iii) The Global exporter</p>
<b>Duration</b>	3 Days
<b>Cost</b>	Participating companies to meet 30% of the cost of the Consultant delivering the training
<b>Delivery</b>	<p>This training should be delivered by a Consultant with extensive experience in Product and Market development.</p> <p>i) Presentations</p> <p>ii) Case studies</p>
<b>Outline</b>	The Consultant should develop a comprehensive programme. The outline of such programme is shown below:
<b>Day One</b>	<p>Session one: Business competitiveness</p> <ul style="list-style-type: none"> <li>• Improving Export competitiveness</li> <li>• Product development</li> <li>• Quality management</li> <li>• The role of Business advisors</li> </ul>
<b>Day Two</b>	<p>Session two: Business environment</p> <ul style="list-style-type: none"> <li>• Business culture and practices</li> <li>• Branding and marketing</li> <li>• Communication strategies</li> <li>• Distribution channels</li> <li>• Financing Export sales</li> </ul>

## Day Three

### Session three: Market requirements

- Product standards and certifications
- Market requirements and Product innovation
- Intellectual Property Rights and your product

### Session four: Improving your export business through use of modern technology

- How Research & Development can help your business grow
- How innovation and use of digital technology can improve your business processes and your competitiveness
- Evaluation & closing

## Appendix 6:

### Botswana Exporter Development Annual Review Template

Title of the Outcome:					
Total Cost of this Outcome:			Review Date:		
		Start Date:		End Date:	
Summary of the Programme Performance					
Year	2019	2020	2021	2022	2023
Outcome Score					
A. Summary and Overview (1 Page)					
1. Description of Programme (1/3 Page)					
2. Summary supporting narrative for the overall score in this review (1/3 page)					

3.Recommendations for the year ahead (1/3 page)

B. Detailed Output Scoring (1 Page per Output)			
Output Title:			
Output Score			
Impact weighting in %		Impact weighting revised since last AR?	Y/N (If Yes indicate whether up or down)
Indicator	Milestone(s) for this review	Progress made	
1. Provide supporting narrative for the score			
2. Lessons identified this year, and recommendations for the year ahead linked to this output			

#### Explaining the scoring:

1. Each output is scored individually using the scoring criteria provided below
2. The outcome score is the sum of the weighted output scores.

**Scoring criteria:**

Description	Scale
1.Output substantially exceeded expectations	A ++
2.Output moderately exceeded expectations	A +
3.Output met expectations	A
4.Output moderately did not meet expectation	B
5.Output substantially did not meet expectation	C

## Appendix 7:

### Botswana Exporter Development Stakeholders

Organisation
Botswana Bureau of Standards (BOBS)
Botswana Exporters & Manufacturers Association (BEMA)
Botswana Investment and Trade Centre (BITC)
Botswana United Revenue Service (BURS)
Business Botswana (BB)
Business Institute for Development Policy Analysis (BIPDA)
Citizen Entrepreneurship Development Agency (CEDA)
Economic Diversification Drive (EDD)
European Unions (EU)
Local Enterprise Authority (LEA)
Ministry of Investment, Trade and Industry (MITI)
Selebi Phikwe Economic Development Unit (SPEDU)
Special Economic Zones Authority (SEZA)
United Nations Development Programme (UNDP)
University of Botswana (UB)

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## Annex 1:

### Overall Programme Indicator And Target

<b>NDP 11/Vision 2036 Objective</b>	Transitioning to export-led growth							
<b>Key Result Area</b>	Increase in the share of non-diamond exports in GDP							
<b>Outcome:</b>	Increased and more diversified exports							
<b>Output:</b>	New exports and exporters							
Key Performance Indicator	Data Source	Reporting Frequency	Baseline (Year)	Targets				Relevant programmes and policies contributing to achieving the targets
				2020	2021	2022	2023	
<b>Ratio of non-diamond exports of goods and services to GDP</b>	Calculated from: (i) StB - National Accounts (ii) StB – BIMTS (iii) BoB – Balance of payments data	Annual	9% (2018)	12%	13%	14%	15%	Botswana Export Development Programme (BEDP) plus Special Economic Zones strategy, Cluster Development Strategy, EDD, exchange rate policy, FDI policy
<b>Responsible:</b>	BITC, MITI, MFED, BoB, SEZA, NSO							
<b>Calculation Methodology:</b>	Total goods exports less diamond exports (from BIMTS) plus total services exports (from Botswana Financial Statistics Table 6.1) divided by GDP (from National Accounts).							
<b>Definitions:</b>	Ratio of non-diamond exports of goods and services to GDP							
<b>Data Collection and Verification Method:</b>	GDP data collected as per the specifications of the compilation of National Accounts Statistics; Merchandise Trade Statistics collected from BURS; services trade statistics collected by BoB as part of the balance of payments.							



## Annex 2:

### Implementation Plan, Indicators, And Targets For Exporter Education Interventions

Strategic objective one: Building the awareness and capacity of existing and potential exporters in priority sectors through exporter education.

Strategic Outcome: SME Exporters at all levels are knowledgeable on the essentials of exporting and able to enter export markets

Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and year of implementation	Lead agency	Assumptions
Outcome	1. SME Exporters at all levels are knowledgeable on the essentials of exporting and able to enter export markets  2. Medium to long term, an Export culture in Botswana is created	1.Increased number of companies that benefit from BEDP and become exporters	BITC tracer surveys  BITC documents	Supplier Development Programme, BOBS	2019	2020: 20% increase in companies that benefit from BEDP and become exporters  2021: 45% increase  2022: 70% increase  2023: 100% increase	BITC	Resources to fund exporter education events are made available
Output 1	4 Export awareness workshops delivered	No. of participating companies  Satisfaction and learning questionnaires	BITC participation lists	University of Botswana	2019	2020: 50  2021: 100  2022: 150  2023: 200	BITC	Resources are made available & companies participate
Output 2	4 Training and Skills development workshops delivered	No. of participating companies  Satisfaction and learning questionnaires	BITC participation lists	University of Botswana	2019	2020: 50  2021: 100  2022: 150  2023: 200	BITC	Resources are made available & companies participate
Output 3	4 Training for Export ready and Start-up enterprises delivered	No. of participating companies  Satisfaction and learning questionnaires	BITC participation lists	University of Botswana	2019	2020: 50  2021: 100  2022: 150  2023: 200	BITC	Resources are made available & companies participate
Output 4	2 Advanced training on Export Market/ Product development delivered	No. of participating companies  Satisfaction and learning questionnaires	BITC participation lists	Business Botswana  BEMA	2019	2020: 50  2021: 100  2022: 150  2023: 200	Lead- BITC  Other- BB, BEMA	Resources are made available & companies participate
Output 5	Botswana Scale-up programme operationalised	No. of participating companies	BITC participation lists	Business Botswana  BEMA	2019	2020: 10  2021: 20  2022: 50  2023: 60	Lead- BITC  Other- BB, BEMA	Resources are made available & companies participate

Strategic objective one: Building the awareness and capacity of existing and potential exporters in priority sectors through exporter education.

Strategic Outcome: SME Exporters at all levels are knowledgeable on the essentials of exporting and able to enter export markets

Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and year of implementation	Lead agency	Assumptions
Output 6	Web-based tutorials deliver BEDP training programmes	No. of participating companies  Online satisfaction and learning questionnaires	Online registration for training	BITC/BOB	2019	2020: Tutorials developed  2021-2023: Tutorials used	BITC	Funds are made available to develop and operationalise the web-based tutorials
Output 7	Video conferencing in the delivery of some BEDP training programmes	Participation of at least 20% of Botswana Scale-up programme beneficiaries in the 2021	List of participants in the Training programmes	BITC	2019	By 2023, at least 50% of the Botswana Scale-up programme will be trained through Video conferencing	BITC	Computer and internet facilities are available to the participating beneficiaries
Output 8	Provision of product certification services to enterprises	Number of products certified by BOBS  Satisfaction tracer study	List of new product certifications maintained by BOBS	BOBS  BITC	2019	List of new product certifications:  2020: 40;  2021: 60;  2022: 80;  2023: 100	BOBS	BOBS has the capacity to provide the required services
Output 9	Provision of training on standards to enterprises	Number of enterprises trained  Satisfaction tracer study	List of enterprises trained	BOBS  BITC	2019	List of enterprises trained:  2020: 20;  2021: 40  2023: 60;  2023: 80	BOBS	BOBS has the capacity to provide the required training
Output 10	Provision of management systems certification services to enterprises	Number of enterprises provided with the services  Satisfaction tracer study	List of enterprises supported	BOBS  BITC	2019	List of enterprises supported:  2020: 10;  2021: 20  2022: 30  2023: 40	BOBS	BOBS has the capacity to provide the required services

Strategic objective one: Building the awareness and capacity of existing and potential exporters in priority sectors through exporter education.

Strategic Outcome: SME Exporters at all levels are knowledgeable on the essentials of exporting and able to enter export markets

Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and year of implementation	Lead agency	Assumptions
Social Development Goal No.1: End poverty in all its forms everywhere	The outcome of these interventions will contribute to the realisation of the UN SDG 1 by: <ul style="list-style-type: none"><li>• Improving access to sustainable livelihoods, entrepreneurial opportunities and productive resources</li><li>• Empowering people living in poverty and their organizations</li><li>• Addressing the disproportionate impact of poverty on women</li><li>• Working with interested donors and recipients to allocate increased shares of ODA to poverty eradication</li><li>• Intensifying international co-operation for poverty eradication</li></ul>							
Social Development Goal No.10: Reduce inequality within and among countries	The outcome of these interventions will contribute to the realisation of the UN SDG No.10 by: <ul style="list-style-type: none"><li>• Progressively achieving and sustaining income growth of the bottom 40 per cent of the population at a rate higher than the national average</li><li>• Reducing the proportion of the population living below 50 percent of median income</li><li>• Empowering and promoting the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</li></ul>							

## Annex 3:

### Implementation Plan, Indicators, And Targets For Linking Products And Market Interventions

Strategic objective two: Linking Products and Markets								
Strategic Outcome: Botswana's export markets are diversified								
Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and dates	Lead agency	Assumptions
Outcome	Botswana export markets are diversified	<ul style="list-style-type: none"> <li>-New export markets (countries with at least P1 mn of manufactured exports from Botswana)</li> <li>-New export markets at the firm level as a result of BEDP</li> <li>-New export products (at HS 4-digit level)</li> </ul>	<ul style="list-style-type: none"> <li>Statistics Botswana data</li> <li>BURS data</li> <li>BITC tracer study of firms taking part in BEDP training</li> <li>ITC Trade Map</li> </ul>	BITC, LEA, BOBS, CEDA, SEZA	2019           BITC to provide           2014-18: 1200 products	2020:5 new export markets  2021:10 new export markets  2022: 15 new export markets  2023: 20 new export markets (figures are cumulative).  To be determined when baseline data available  2020:10 new export products  2021:20 new export products  2022:30 new export products  2023:40 new export products	B ITC	Resources are made available & technical capability and capacity available           BITC tracks participating firms
Output 1	Existing Trade Portal at BITC is expanded to incorporate a call centre	<ul style="list-style-type: none"> <li>Number of calls</li> <li>Satisfaction and efficiency in responding to enquires</li> </ul>	<ul style="list-style-type: none"> <li>BITC logs</li> <li>Telephone survey</li> </ul>	BITC	2019	2020: Improvement by 10%  2021: Improvement by 15% 2022: Improvement by 25%  2023: Improvement by 35%	BITC	

Strategic objective two: Linking Products and Markets

Strategic Outcome: Botswana's export markets are diversified

Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and dates	Lead agency	Assumptions
Output 2	Partnerships between BITC & other BEDP implementing agencies	Signed MOUs between BITC & other agencies	Copies of MOUs	LEA, BOBS, CEDA, SEZA	2019	2020: 2 MOUs are signed  2021: 4 MOUs are signed  2022: 7 MOUs are signed  2023: 10 MOUs are signed (figures are cumulative)	BITC	Political will for agencies to work together
Output 3	Annual Export Awards established	Calendar of Annual awards	Physical inspection	Grant Thornton	2019	2020-2023  Annual awards held	BITC	Political will for agencies to work together
Output 4	Export Village / SEZ supported	New exporters in the clusters  Value of new exports	Reports of LEA and SEZA.  Tracer studies	NSO, SEZA, LEA	2019	2022: 2 Export villages / SEZ supported  2023: 3 Export villages / SEZs supported	LEA	Resources provided and positive political will
Output 5 a)	10 Trade fairs & exhibitions are held	Registration documents	Physical inspection  Satisfaction and learning questionnaires	BB, BEMA, LEA, CEDA	2019	2020: 200 participants  2021: 250  2022: 300  2023: 350	BITC  BITC	Companies agree to cost share as per current arrangements  Companies agree to cost share as per current arrangements
Output 5 b)	3 Trade Missions undertaken	List of firms participating	Physical inspection  Satisfaction and learning questionnaires	BB, BEMA,, LEA, CEDA	2019	b)  2020: 30 participants  2021: 40  2022: 50  2023: 60		
Output 6 - 9	Market intelligence	Documents produced	Physical inspection	BITC/BEMA/ BOB	2019	Annual Market intelligence reports	BITC	EU has indicated that they would fund this output

Strategic objective two: Linking Products and Markets

Strategic Outcome: Botswana's export markets are diversified

Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and dates	Lead agency	Assumptions
Output 10	Develop a database of Botswana producers	Database is developed	Physical inspection	BB, BOBS	2019	2020: Database is operational	BITC	-Resources are made available  -Good collaboration among all agencies
Output 11	Develop a database of Botswana exporters	Database is developed	Physical inspection	BB, BEMA	2019	2020: Database is operational	BITC	-Resources are made available  -Good collaboration among all agencies
Output 12	Market profiles of Botswana export markets	Documents produced	Physical inspection	BB, BEMA	2019	2020: Market profiles available on BITC website	BITC	-Resources are made available  -Good collaboration among all agencies
Output 13	BITC market intelligence portal linked with other existing market intelligence portals for easy access to synchronised information by users.	All market intelligence portals are linked	Physical logging in	BITC	2019	2021: One integrated Market intelligence portal	BITC	Other providers of market intelligence will collaborate with BITC
Output 14	Companies work with publicly funded research institutions for research and development	90 enterprises collaborate with research institutions in developing/ improving their products by 2023	List of participating enterprises	BIH  BITRI  NFTRC	2019	Number of participating enterprises:  2020-5 2021-15 2022-25 2023-35	BITC	The collaborating Research institutions have the capacity to support the beneficiary enterprises

Strategic objective two: Linking Products and Markets

Strategic Outcome: Botswana's export markets are diversified

Results level	Expected result	Success Indicators	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013-17	Milestones and dates	Lead agency	Assumptions
Social Development Goal No. 9: Build resilient infrastructure, promote inclusive and sustainable industry and foster innovation	<p>The outcome of these interventions will contribute to the realisation of the UN Social Development Goal No.9 by:</p> <ul style="list-style-type: none"> <li>Promoting inclusive and sustainable industrialization and significantly raising industry's share of employment and gross domestic product</li> <li>Increasing the access of small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and markets</li> <li>Upgrading infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</li> <li>Enhancing scientific research, upgrading the technological capabilities of industrial sectors, encouraging innovation and substantially increasing the number of research and development workers and public and private research and development spending.</li> <li>Supporting domestic technology development, research and innovation including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities</li> <li>Significantly increasing access to information and communications technology and striving to provide affordable access to the Internet.</li> </ul>							



## Annex 4:

### Implementation Plan, Indicators, And Targets To Promote A Favourable Business Environment For Exporters

Strategic objective three: To Promote a Favourable Business Environment for Exporters

Strategic Outcome: Reduced domestic and external barriers to exports

Results level	Expected result	Success Indicator	Data source/ Means of verification	Contributing projects/ Organisations	Baseline BEDP 2013/17	Milestones & dates	Lead agency	Assumptions
Outcome	Reduced domestic and external barriers to exports	Policy, institutional and procedural reforms relating to exporting  Improved Doing Business Indicators  Number of NTBs identified and resolved  Number of BEDP beneficiaries benefiting from trade finance	National Business surveys  World Bank Doing Business Indicators  Reports of the NMC and NTB online monitoring mechanism  Tracer studies of BEDP beneficiaries	Business Botswana	2019	By 2023,	Business Botswana	
Output 1	Strengthened the Export Apex committee	BURS & BB co-opted into the committee  Number of proposals for reform	Review of Committee's TORs, Minutes of meetings	MITI/BITC	2019	2020 -Committee Strengthened  2022 - 50% of reported problems resolved	Export Apex Committee	MITI takes the lead in strengthening the committee
Output 2	National Monitoring Committee for Non-Tariff Barriers and Electronic NTB Monitoring system developed and operationalised	National monitoring committee meetings and number of NTBs tabled  Electronic NTB monitoring system operational	Physical inspection of NTB logs	BEMA/BB/ MOTI	2019	End 2020-Electronic NTB system developed  Start of 2021-Electronic NTB system operational	BEMA/BB	Funds are made available to finance the development of the electronic NTB monitoring system

Strategic objective three: To Promote a Favourable Business Environment for Exporters

Strategic Outcome: Reduced domestic and external barriers to exports

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