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91567

BOTSWANA ENTERPRISE DEVELOPMENT FUND

END OF PROJECT REPORT

September 1996

BPED END OF PROJECT REPORT

REVIEW OF ALL ACTIVITIES

FINANCIAL SECTOR DEVELOPMENT SUB-COMMITTEE

POLICY DEVELOPMENT SUB-COMMITTEE

MANAGEMENT AND ENTREPRENEURIAL DEVELOPMENT SUB-COMMITTEE

**FINANCIAL SECTOR DEVELOPMENT
SUB-COMMITTEE**

Foreign Exchange Liberalization Study

Collective Investment Undertakings Study

International Financial Services Centre Feasibility Study/Task Force

Divestiture Consultant

Divestiture Strategy for BDC Properties

Investment Opportunities in Selected Villages

Regional Venture Capital Fund

Investment Promotion Materials - TIPA

International Business Company Draft Legislation

Development of Long Term Finance in Botswana

International Financial Services Centre Task Force Committee and Consultant

POLICY DEVELOPMENT SUB-COMMITTEE

President's Forum

SACU Study

Industrial Survey

Economic Research Unit

BOCCIM Policy Committee

Local Preferences/Set Aside Scheme

White Paper on Industrial Development

Private Sector Conference

Privatisation Study

Privatisation Workshop

SACU Seminar

Seminar on Interest Rates

GATT/WTO Seminar

Local Procurement Programme Seminar

MANAGEMENT & ENTREPRENEURIAL DEVELOPMENT SUB-COMMITTEE

Membership Directory

Directory of Business Resources

Marketing of Small Business Insurance

Development of Regional of Business Councils

Quality Assessment of Training Providers

Employee Exchange - BDC

Revitalization of Business Division

MIS Consultant - BOCCIM

Short Term Technical Assistance to BOCCIM Training Department

Marthodi Assessment

Small Enterprise Strategies

BOCCIM Recruitment and Selection Service

Flea Market

BOCCIM National Renumeration Survey Update

Membership Services Promotion - Billboards

BOCCIM Staff Development

Development and Expansion of Business Council Services

Gaborone Business Council Seminar

Maun Business Council Industrial Relations Seminar

Business Council Workshop

TRAINING COURSES

How to Write Effective English

The Expert Negotiator

Office Administration and Management

Certificate in Personnel Management -Changed to Computer Training

International Secretaries Congress

2 Computer Training Courses for BOCCIM Staff

3 Computer Training Course for BOCCIM Francistown Staff

**FINANCIAL SECTOR DEVELOPMENT
SUB-COMMITTEE**

REVIEW OF ACTIVITIES

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Development of Long Term Finance in Botswana

International Financial Services Centre Task Force Committee and Consultant

PIC Activity Summary Sheet

Activity Title: Foreign Exchange Liberalisation Study

<p>Activity Description: Study to determine the benefits and costs of removing foreign exchange controls in Botswana and provide recommendations on whether or not controls should be phased out over an extended period of time and in what order.</p>		
<p>Expected/Actual Impact: Implementation of a phased approach to exchange control liberalisation could influence foreign investment and the availability of capital in the Botswana economy. Liberalisation could also assist with development of new engines of growth such as an international financial services centre. Impact of liberalisation will be seen in the increased investment, most likely after full liberalisation has occurred and once the banks and other relevant institutions have stabilised the procedures of implementing the reforms. The Government of Botswana has changed its policy toward exchange controls as a direct result of this study.</p>		
<p>Implementation Plan: The Reference Group for the consultancy consisted of key individuals from the public and private sectors to ensure the appropriate feedback and consultation regarding the type and pace of liberalisation measures required. A phased implementation plan was also provided by the consultants.</p>		
<p>Status: The study was completed in January of 1994 and the study report was submitted to the Ministry of finance and Development Planning (MFDP). As a result of the report recommendations, the Bank of Botswana, in conjunction the MFDP, announced some liberalisation measure in December 1994 and February 1996 and committed itself to reviewing the implementation of these measures with a view to liberalising further if there is no abuse of the new regime. Since February 15 no liberalisation measures have been introduced. We understand that the Bank of Botswana has recently set up a task force to look into the sequencing of liberalisation measure with a view to prioritising them.</p>		
<p>Issues: There is still no announcement of a date for complete removal of foreign exchange control regulations.</p>		
<p>Recommendations: BOCCIM and BDC should continue to lobby government to continue to relax exchange controls, and set a date for the complete removal of foreign exchange control regulations.</p>		
<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel/M&E		
Transportation:		
Other Costs:		
TOTAL:		
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P913
Office Space:		P 40
Other:		P 40
TOTAL:		P993

Technical Subcommittee: Financial Sector Development

Activity Coordinator:
Mr. Molobe

Coordinating Institution: BOCCIM

Phone: 353-459

Budget Line Item:

Reviewed by PIC: _____
Mr. M. Mbaakanyi, PIC Chairman

file name:

last updated: September 10, 1996

PIC Activity Summary Sheet

Activity Title: Collective Investment Undertakings Project

<p>Activity Description: Produce draft legislation and propose a regulatory framework for Collective Investment Undertakings in Botswana.</p>		
<p>Expected/Actual Impact: This legislation is a building block for creating an enabling environment for increased investment in Botswana in the financial services sector. The impact of the passage of this legislation will likely be increased use of Botswana as an administrative centre for collective investment undertakings from around the world, but particularly from Europe.</p>		
<p>Implementation Plan: Draft legislation was produced and a regulatory framework proposed. Throughout the consultancy (and afterwards) there was a continuing 'consciousness-raising' effort in both public and private sectors (particularly with MFDP) to ensure that key stakeholders understand the concepts and benefits to Botswana. The reference group consisted of key public and private sector individuals, particularly those from financial institutions/investment companies already operating in Botswana.</p>		
<p>Status: BPED consultants drafted legislation and proposed a framework for the regulation of unit trusts and other collective investment undertakings (CIU) in Botswana. The final report was completed in December 1994, and BDC has continued to lobby the GoB and relevant private sector stakeholders to support the legislation. MFDP reviewed the report and responded to specific questions raised by the Vice President and Minister of Finance and Development Planning. The MFDP has circulated the CIU draft legislation to all ministries for review and comment. The BDF (previously the only government agency that had not responded) has responded favourably to the legislation and suggested that the capital gains and withholding tax be abolished. The CIU legislation is scheduled to go to parliament in November 1996. However, the IBC legislation will not be submitted to parliament in November with the CIU legislation as planned. More consultation is necessary with the AG's Chambers concerning the IBC legislation. The Attorney General's Chambers is working on the draft CIU act in preparation for the November Parliamentary session. BDC and MFDP have addressed issues and queries from the Attorney General's Chambers.</p>		
<p>Issues: The AG's Chambers have raised two substantive issues (a) Whether a statutory fund should be set up, and (b) and to which body would the license fees be paid. Other issues include who has the ultimate regulatory authority to oversee all issues relating to the CIU's the Minister or the Registrar of IBC's. The passage of this legislation is critical if Botswana is to become an IFSC. According to MCI, the Company Act does not allow companies to value share capital. This must be taken into account when the Act undergoes revision in late 1996, or early 1997. Until the revision takes place, CIU's may have to be structured as partnerships.</p>		
<p>Recommendations: BDC should continue to monitor the implementation of this legislation.</p>		
<p>Project Costs NOTE: This activity was previously funded under the Deloitte & Touche contract - currently no project funds are budgeted for this activity.</p>		
Host Country Contribution	<u>Expected</u>	<u>Actual</u>
Salaries:	P55,700.00	P102,000.00
Travel/Transportation:		P 10,200.00
Office Space:		
Other:		P 3,400.00
TOTAL:	P55,700.00	P115,600.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: BDC
Budget Line Item: n/a

Activity Coordinator: K. Munamati
Phone: 351811

Reviewed by PIC: _____
Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: International Financial Services Centre Feasibility Study

Task Force

Activity Description: To Carry out recommendations of IFSC Study to establish Botswana as an offshore financial services centre. Areas to be reviewed include tax, legal, marketing, facilities, human resources, insurance and possible products.

Expected/Actual Impact: Financial services could be a new engine of growth, increasing investment and employment opportunities in the administrative and service sectors of the economy.

Implementation Plan: An International Financial Services Centre Task Force has been set-up to implement the recommendations of the study.

Status: The Task Force has been divided into three sub-committees that will examine the following aspects of the implementation phase (a) Marketing and Education, (b) Legislation, (c) finance and management. The Subcommittees have held their first rounds of meetings. A consultant on board at BDC to assist in the implementation of the Study's recommendations. The consultant proposed a regulatory structure, budget, job description of for the Financial Markets Authority, preconditions and environmental issues for an successful IFSC, funding of the FMA, tax incentives for offshore business, and a preliminary work plan to implement the IFSC. Agreed upon objectives of the IFSC are generation of employment, enhance the skill base of the Botswana workforce, increase net revenue, create growth opportunities for the economy, enhance Botswana's visibility and reputation in international financial markets, oversee and supervise the offshore business to prevent illicit activities. The CIU legislation will be presented to Parliament in November 1996. After approval of the legislation, CIU activities can be marketed. However, as of 10 September, the IBC final draft legislation has not been submitted, and will not go to parliament in November as scheduled. The GoB has set up a committee to look into issues surrounding moneylaundering. These pieces of legislation are critical to lay the groundwork for Botswana to become an IFSC. The work of the IFSC Task Force has been completed. The Chairman reported that following the completion of the task force, he and a MFDP representative visited Malaysia and Ireland, to gain insight into the actual operation of an IFSC. They learned that contrary to the Task Force recommendations of industry specific committees, the Dublin and Malaysia IFSC projects have a centralised special purpose authority under the direct auspices of their respective governments, which deals with all applications for registration in the IFSC. The dedicated authority, with its specialised infrastructure separates it totally from the domestic business sectors, and allows the off-shore authority to remain isolated from regulatory bodies that govern the domestic business sector. BDC has drafted a project memo to set up a new parastatal to act as the regulatory authority to spearhead the marketing, legislation, and overall development and of the IFSC. The project memo included a staffing grid, job descriptions, and a budget of 5 million pula to cover the start-up cost. Financial projections show that revenue will be generated by the IFSC in the second year of operation.

Issues: International investors are concerned that Botswana does not have a law society that could insure the legal and judiciary systems adheres to its own laws, rules and regulations. Parliament has recently passed legislation to regulate the conduct of legal practitioners in Botswana. The new law will establish a law society and related regulations which will govern the general conduct of lawyers as well as the manner in which they handle funds entrusted to them by their clients. The new law also prescribes the internship requirements that newly trained lawyers must undergo before they can be considered adequately trained to venture into legal practice. The Task Force has decided not to include clearly defined dispute resolution procedures and mechanisms in its recommendations. No mediation or arbitration procedures will be endorsed by the Task Force. Disputes will be handled through the Botswana court system.

Recommendations: BDC will continue to engage in dialogue with MFDP to implement the IFSC. BDC should draft a ten year development plan for the IFSC, as the five year plan is too short. Government should announce the new parastatal authority by April 1997.

Project Costs NOTE: Currently no project funds are budgeted for this activity.

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:	P15,000.00	P157,500.00
Travel/Transportation:		P 48,800.00
Other:		P 8,300.00
TOTAL:		P214,600.00

Technical Subcommittee: Financial Sector Development

Activity Coordinator: K. Munamati

Coordinating Institution: BDC

Phone: 351811

Budget Line Item: n/a

Reviewed by PIC: _____

Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: BDC Divestiture Consultant

<p>Activity Description: BDC employed the services of a Divestiture Consultant to assist with the implementation of its five year divestiture program. The consultant also assisted in other areas in which the Corporate Finance and Divestment Division is working, such as financial services development.</p>		
<p>Expected/Actual Impact: Enhanced capacity of BDC to develop a strategy for divestment and to implement it in a transparent fashion and in a way that maximizes BDC's return on investment. In addition, BDC will be able to follow through on its efforts to increase citizen investment in BDC-nurtured enterprises. Impact will be seen in the success of its divestiture program in the above areas. Finally, the consultant's direct counterpart will have increased capacity to manage the Corporate Finance and Divestment Division.</p>		
<p>Implementation Plan: The consultant provided intermittent advisory assistance to the Corporate Finance and Divestment Division and worked directly with the Division Manager. In addition to advising the Corporate Finance and Divestment Division Manager and staff on all facets of the divestment process, the consultant developed an implementation plan and divestiture guidelines.</p>		
<p>Status: The implementation plan and divestiture guidelines were formally accepted by BDC management and are being implemented. Relationships between the Corporate Finance and Divestment Division and other divisions has improved as a result of these guidelines. BDC had about 47 companies of its initial list of companies from which to divest. As of September 10, 1996, BDC has fully divested 19 companies, five through the stock market, fourteen through private treaty with foreign technical partners, six are under negotiation, and nine remain untouched. BDC is ahead of schedule in implementing its divestiture strategy and the value of divested holdings as of June 1996 is approximately P97 million</p>		
<p>Issues: BDC has been criticised for not publicising the sale of BDC properties so that citizens can take part in the purchases. BDC has explained that they cannot legally publicise the sale of assets involving private treaties as it may jeopardise other shareholders. BDC can only publicize a sale if it owns the asset 100 percent. BDC has also not publicised sales in the local newspaper because it creates a perception that the company is bankrupt, which lowers the price of the shares. BDC will publicise general information concerning sales in the BDC Newsletter. Those interested can call Corporate Finance for more information.</p>		
<p>Recommendations: BDC should look into an investment trust to encourage citizen participation in the divestment of BDC's assets. The divestiture process should slow down until a programme can be devised to include citizens. BDC should continue to monitor implementation of the divestiture strategy.</p>		
<p>Project Costs NOTE: Currently no project funds are budgeted for this activity.</p>		
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P144,000.00
Travel/Transportation:		P 10,200.00
Office Space:		
Other:		P 3,400.00
TOTAL:		P157,600.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: BDC
Budget Line Item: n/a

Activity Coordinator: K. Munamati
Phone: 351811

Reviewed by PIC: _____
M. M. MBAAKANYI
DIRECTOR
Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: Divestiture Strategy for BDC Properties Portfolio

Activity Description: To advise on planning, procedures, implementation, financial structuring, timing, and negotiation strategies in the management of BDC's Divestiture program. The consultant's will also review and evaluate the portfolio of BDC Property Development and Management Division to offer recommendations for a divestiture strategy.

Expected/Actual Impact: Develop a structure of disinvestment that strengthens BDC's ability to manage its portfolio and improve its investment and development capability. Implementation of the strategy can be measured through increased return on investments after divestiture of money-losing investments, and achievement of targeted cash flows. The divestiture strategy will take place over a five year period.

Implementation Plan: A team of consultants evaluated the properties portfolio as well the environment in which divestitures might take place. Recommendations were made on sequencing/type of sale, etc. Reference Group was comprised of Corporate Finance and Divestiture Division, Property Development and Management Division and higher levels of BDC management.

Status: The Property Development and Management Division (PDMD) recently held a meeting to discuss the consultants evaluation of its portfolio of properties. BDC is considering adopting some of the options recommended in the consultant's evaluation report. Some of the recommendations include (a) to contract out some of the services currently provided by PDMD. BDC has considered contracting its property management to an outside firm. Only 2 companies were qualified to manage BDC's property portfolio, both owned by expatriates. If BDC contracted with any one of these firms, citizen owned firms would not get the opportunity to acquire the skills necessary to manage a large property portfolio. (b) wait for the property market to improve before disposing of the properties. BDC has decided to slow divestment due to the market slump. Otherwise, there will be too may bargains in the already small market. In addition, they are not getting good responses to the sale prices. BDC is also considering bundling and packaging the sale of residential properties, as the sale of these properties has been hampered by boundary restrictions. BDC will extend the divestment strategy for an additional 2 years, in hope that the market will recover from the recession by that time. BDC will then resume its divestment strategy, and sale property to get a good return. It has been suggested by GoB that BDC develop more factory shells. The GoB also wanted BDC to finance the infrastructure. BDC requested a loan a below market rates, as it is expensive to build factory shells. GoB has not yet responded. offered for sale of The profit for the sale of investments for 1995 have amounted to P208,174. The BDC Finance Division continues to work closely to monitor expected cash flows arising from divestment activities and fit them into BDC's overall cash management, treasury, budgeting, and forecasting activities.

Issues: Deloitte & Touche has not received an invoice from the consultants despite several requests.

Recommendations: BDC should push government to provide finance to build factory shells. BDC should continue to find ways to include citizens in its divestment process.

Project Costs NOTE: Currently no project funds are budgeted for this activity.

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:	P5000.00	P5,600.00
Travel/Transportation:		P3,600.00
Office Space:		
Other:		
TOTAL:		P9,200.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: BDC
Budget Line Item: n/a

Activity Coordinator: Bud Eaton
Phone: 351811

Reviewed by PIC: Mr. M. Mbaakanyi
 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: Investment Opportunities in Selected Villages

Activity Description: Consultancy to identify Investment Opportunities in Tsabong and Kasane. This is a pilot project.		
Expected/Actual Impact: Employment creation. If successful, the study could help to boost the economies of the villages. The projects identified will be put on the agenda of Local Business Councils. If successful, similar consultancies will be conducted in other villages.		
Implementation Plan: BOCCIM-trained citizen consultants were engaged to undertake the work. Consultants were required to write up project profiles, giving the magnitude of investment for each project, machinery required and projected product demand.		
Status: The final report was submitted in August 1995. The consultants did not go into detail concerning the feasibility, financial viability, marketing of proposed investment opportunities. No audit of skills available in the villages was included in the report. The consultancy on investment opportunities in selected villages produce a shopping list of investment opportunities, and financial information was missing. The consultant came up with a list of possible projects suitable for Tsabong and Kasane. The craft village project identified by the study is being pursued. However, the land identified for the craft village cannot be allocated. Villagers cannot afford to tender for the land. Although villagers have sent a petition to the President on the issue, they have not received a response. A BOCCIM representative will insure that the petition gets to the office of the President.		
Issues: Reports provided a "shopping list" of investment opportunities, but "project profiles" are scanty and very qualitative. The consultants did not get into details that would be needed by potential investors. Citizens cannot take advantage of the FAP because they do not have new business ideas.		
Recommendations: The EMPRETEC project, if and when approved, could identify particular entrepreneurs and work with them to explore some of the recommended investment opportunities. There is a need for more qualified people to join the Business Councils to generate more development ideas. It was also recommended that Mr. Dewah and S. Brailsford draft TOR's for a consultancy to study the economic environment in 14 Business Councils, to come up with small, medium, and large scale business development opportunities in each location. The TOR's have been drafted, submitted, and approved by PIC. Ernst & Young won the tender and have commenced work. They have sent out survey questionnaires, and met with the Business Councils. The final report is due September 16, 1996. There has been much interest generated by this project and has been deemed very important to the development of the country. BOCCIM should liaise with IFS, the Brigades, NDB, and BDC to see what kind of projects they are engaged in at the village level.		
Project Costs NOTE: This activity was previously approved under the Deloitte & Touche contract. - currently no project funds are budgeted for this activity.		
Host Country Contribution	Expected	Actual
Salaries:		P10,000.00
Travel/Transportation:		
Office Space:		
Other:		
TOTAL:		P10,000.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: BOCCIM
Budget Line Item: n/a

Activity Coordinator: Mr. Dewah
Phone: 353459

M. M. MBAAKANYI
DIRECTOR

Reviewed/Approved by PIC:

 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

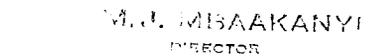
Activity Title: Regional Venture Capital Fund

<p>Activity Description: Perform a market survey for the purpose of determining the potential demand in Southern Africa for a regional venture capital fund.</p>		
<p>Expected/Actual Impact: To define the demand for regional venture capital and provide proposals for what would be the best structure for the fund to take. A venture capital fund would be a vehicle for increased investment in Botswana by larger investors as well as a vehicle through which smaller entrepreneurs could receive financial assistance. Increased access to credit would generate employment. Impact would be measured through investment directly attributable to the fund as well as employment attributable to the fund. No impact likely for a year or two after establishment of the fund.</p>		
<p>Implementation Plan: A team of consultant would require approximately three person months to survey on a regional level the demand for a venture capital fund as well as the liquidity available for such a fund. Consultants would work very closely with the Corporate Finance and Divestment Division as well as the Projects Division.</p>		
<p>Status: The initial proposal was approved by BPED, but BDC deferred the activity because of internal capacity restraints. BDC and CDC have had meetings to discuss the possibility of setting up a regional venture capital fund. The PDMD will follow-up on the feasibility of establishing such a fund. Similar funds are operative in Zimbabwe and South Africa. A related BDC-funded study on the demand for a domestic venture capital fund concluded that there was not sufficient domestic demand for a purely private sector-driven fund. The domestic is not viable because there are not enough viable SME's, and not enough companies have graduated from medium to large enterprise to support the fund. BDC has decided that a regional venture capital fund is not critical for the country at present. Emphasis should be place on the establishment of a domestic venture capital fund. Consideration is being made for Botswana to participate in the Commonwealth Development Corporation's proposed venture capital fund. CDC has asked BDC to participate in the Regional Centre's Investment Board. A 10 percent investment must be made to be on the board of the RVCF. BDC has determined that it will invest in the fund, but has not determined how much. Before BDC determines how much to invest in the fund, it must investigate the how the investments will benefit Botswana. The RVCF will not be located in Botswana. BDC has stepped back from the RVCF, as several companies are looking into establishing this fund. There is a private venture capital firm interested in Botswana. This activity will not be funded under BPED. BDC is exploring with CDC the possibility of setting up an investment (not venture capital) fund with a development finance institution.</p>		
<p>Issues: Botswana has developed and left the citizens behind. SME finance is still a problem. Commercial Banks view SME finance as too risky. Issues abound as to why the BOB and Commercial Banks cannot finance viable SME's?.</p>		
<p>Recommendations: There must be a plan to lend money to SME's through local grassroots NGO's.</p>		
<p>Project Costs NOTE: No project funds were budgeted for this activity.</p>		
Host Country Contribution	Expected	Actual
Salaries:		P45,500.00
Travel/Transportation:		P 5,800.00
Office Space:		
Other:		P 1,000.00
TOTAL:		P51,800.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: BDC
Budget Line Item: n/a

Activity Coordinator: B.M. Disele
Phone: 351811

Reviewed/Approved by PIC:


 M. M. Mbaakanyi
DIRECTOR

 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: TIPA Investment Promotion Materials

<p>Activity Description: Update investment promotion materials for TIPA, including main brochure, shorter leaflet, and design and layout of other specifically stated materials. Production to be done by TIPA.</p>		
<p>Expected/Actual Impact: To assist TIPA in promotion of Botswana as an attractive investment locality.</p>		
<p>Implementation Plan: A marketing/public relations firm was identified through a tendering process to design and complete layout of promotional materials. Reference Group included representatives from TIPA, consultant and BPED.</p>		
<p>Status: The investment promotion materials have been printed. The BPED Coordinator has requested copies from TIPA. Copies of the new TIPA Investment materials were sent to BPED on August 20, 1996. Commercial Attaches now have up to date information on Botswana to give out to potential investors.</p>		
<p>Issues: The Commercial Attaches must be upgraded. This issue will be discussed at the upcoming national debate on Industrial Policy on 23-24 September 1996. Participants are invited by invitation only. The debate will include the restructuring of TIPA, problems concerning lack of autonomy, and whether or not certain responsibilities of TIPA should be turned over to BDC. TIPA has a mandate for staff and funding, but not autonomy.</p>		
<p>Recommendations: A TIPA should document the impact of the new promotional materials. TIPA has requested that the Sub-committee send innovative ideas to assist them, as they are still restructuring.</p>		
<p>Project Costs NOTE: Currently no project funds are budgeted for this activity.</p>		
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P 11,571.00
Travel/Transportation:		
Office Space:		
Other:		P500,178.00
		P245,700.00
TOTAL:		P757,449.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: TIPA
Budget Line Item: n/a

Activity Coordinator: Mrs. Monageng
Phone: 351790

M. J. MBAAKANYI
DIRECTOR

Reviewed by PIC: _____
Mr. M. Mbaakanyi, PIC Chairman

BOTSWANA PRIVATE ENTERPRISE DEVELOPMENT PROJECT

ACTIVITY: Collection and updating economic and investment data and printing investment promotion brochures.

HOST COUNTRY'S CONTRIBUTION:

	PULA
Transportation country wide	4,000
Stationery and drawing material	2,000
Production, print stock of photographic and transparencies films	3,000
Developing photographs, bromides and transparencies	6,000
Enlargement of select transparencies to poster size for conferences	5,000
Slides development for conferences	5,000
Colour separations of brochures	20,000
Investment promotion brochure and 80 pages and data sheets (10,000)	72,000
General brochure on Botswana 16 pages quantity (10,000)	40,000
Delivery of brochure from Johannesburg S.A. to Gaborone	2,000
Airfreight to Commercial Attaches & Chambers of Commerce	50,000
Local transport (hotels, Safari camps, Tourists and Holiday resorts, chambers and other relevant organisations)	20,000
Messenger and Driver's fees	5,000
Contingencies 5% of total expenses	11,700
Total	245,700

PIC Activity Summary Sheet

Activity Title: Study for the Development of Long Term Finance in Botswana

Activity Description:After several representations from BOCCIM and BCCI on the need to develop a policy on long term financing, NEMIC requested BDC to investigate the issue further. The proposal for the study is a response to the NEMIC request. The purpose of the proposal is to contract consultancy services to develop a Long Term Finance Policy. The study aims to come up with a workable policy framework and strategy for the successful development for long term finance in Botswana.

Expected/Actual Impact: Currently, BDC is the only major source of financing to medium and large scale businesses. There is an acute shortage of long term finance for medium to small scale businesses, who mainly benefit from short term funding from commercial banks or Tswelelo (Pty). In providing finance, BDC is often constrained by its investment policy which governs the amount of money BDC is able to extend to one borrower at a time. As a result of the shortage of long term finance, there has been pressure from the business community through BOCCIM, BCCI and NEMIC to develop a policy on long term finance. The provision of development finance to lower, medium, and small scale business will result in increased employment. These business sectors constitute the nucleus of the economy. The result of the study will be to develop policy initiatives instigated to foster the strengthening and development of the lower, medium and small scale businesses which are predominantly citizen owned.

Implementation Plan: The project will form the basis for a broader policy framework intended to develop and further expand money and capital market development in Botswana. When completed, the project will be forwarded to the Government of Botswana for its study and possible implementation.

Status: BDC has been trying to identify a consultant to begin immediately. Timing is critical, as the BPED project officially closes on September 30, 1996. International consultancy firms have been consulted to take up the study on long term finance. The study is two pronged. There is a capital market aspect of the study, and a small to medium scale factor, which has been causing the delay in contracting the study, as firms have limited expertise in this areas. The short time factor has also been a deterrent. The government wanted an open tender to solicit proposals for the study. This was impossible due to time constraints. BDC identified a consultant who was an expert in long term finance and debt instruments. The proposed consultant had no expertise in SME finance, but suggested a co-op for this part of the study. BOCCIM and BCCI did not feel there was adequate expertise in SME finance in the region, and wanted expertise from Asia. BDC still plans to pursue this study. There is a need for bonds and commercial paper in the market in the next 2 years. Bonds and commercial paper will be necessary to fund parastatal, infrastructure, private sector development; and to attract investment from insurance companies and pension funds. Government will curb funding to parastatals, making it crucial that other sources of capital be identified. BDC values the outcome of the study, and will seek funding from the GoB, and other donors.

Issues: The consultancy will not take place due to time constraints.

Recommendations: The Sub-committee recommended that the BPED structure should continue, and the dialogue among the committee members should be on-going. The questions is who will pay? BDC and BOCCIM should seek endowments, private sector in kind contributions to fund studies and pay contractors, and solicit the big 8 accounting firms and other corporations to support funding of important studies relevant to the private sector. The Sub-committee wanted copies of the final BPED Evaluation Report. The Sub-committee should submit ideas concerning the massive debate of Botswana's Vision for the year 2020.

<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:	\$67,500.00	0
Hotel and M&IE:	\$ 6,600.00	
Travel and Transportation:	\$22,320.00	
Other Costs:	\$10,687.00	
TOTAL:	\$107,107.00	

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries :	P38,500.00	P75,000.00
Travel/Transportation:		P24,500.00
Office Space:		
Other:		P 4,300.00
TOTAL:	P38,500.00	P103,800.00

Technical Subcommittee: Financial Sector Development
Coordinating Institution: BDC
Budget Line Item:

Activity Coordinator: Mr. Munamati
Phone: 353-811

Approved by PIC:

M. M. MBAAKANYI
DIRECTOR

Mr. M. Mbaakanyi, PIC Chairman

POLICY DEVELOPMENT SUB-COMMITTEE

REVIEW OF ACTIVITIES

President's Forum

SACU Study

Industrial Survey

Economic Research Unit

BOCCIM Policy Committee

Local Preferences/Set Aside Scheme

White Paper on Industrial Development

Private Sector Conference

Privatisation Study

Privatisation Workshop

SACU Seminar

Seminar on Interest Rates

GATT/WTO Seminar

Local Procurement Programme Seminar

PIC Activity Summary Sheet

Activity Title: President's Forum/Business After Hours

Activity Description: The original idea behind this activity was that the President of BOCCIM would convene regular fora to provide members "with opportunities to learn more about what other countries have to offer in terms of trade and investment and to acquire a better appreciation of how other countries see the world". The forum would "afford the private sector with a better appreciation of global opportunities, establish contacts with relevant commercial offers at the embassies and expand trading or investment possibilities, with businessmen and entrepreneurs in other countries". Later, the activity was broadened to focus on more general issues affecting the private sector development in Botswana.

Expected/Actual Impact: Increased awareness of trade and investment opportunities, and, later of issues more generally affecting private sector development in Botswana. The activity was started with speakers selected from the diplomatic community. Attendance was originally by invitation only, targeted towards the senior members of the business community. This left out many BOCCIM Members. This forum has enabled BOCCIM Members to engage in dialogue with distinguished speakers about topical issues facing the Private Sector. The Forum also gives BOCCIM a chance to hear directly from the members their views and opinions on various topics, which assist BOCCIM in forming key policy/business initiatives. Due to the departure of the BOCCIM PRO, the forum has not been held since September 1995. This has slowed the momentum of the activity, and is a factor that has contributed to its decline.

Implementation Plan: Originally, relevant public and private sector leaders were invited to the fora to listen to invited speakers. There was no effort to generate income from the activity; rather, the activity was seen only as a forum for policy dialogue and not sustainable. As a result of the BOCCIM Organisational Strategy review, the President's Forum was restructured as a fund raising activity, similar to Price Waterhouse's Network Lunch. Participate pay for Lunch, this helping to recover the cost of the event. The BOCCIM President and Public Relations were to line up speakers and schedule the fora on a quarterly basis. The objectives of the President's Forum in the South and North are to enable members to listen speakers, and to gain information and insight into local topical issues. The activity will take place once a quarter, once BOCCIM replaces the PRO.

Status: The President's Forum was inaugurated on January 21, 1994, by the U.S. Ambassador to Botswana, who spoke about recent changes in the world trading system, recent political and economic developments in South Africa, and U.S. trade and investment programs of interest to entrepreneurs in Botswana. In June 1994, the U.S. Ambassador to South Africa talked about U.S. investment interest in South Africa and the USAID Initiative for Southern Africa (with particular reference to the Southern African Enterprise Development Fund). The first forum under revised format took place on September 27 and featured the new Police Commissioner on the topic "The Botswana Police in the wake of sophisticated crime, including armed robberies, and the apparent police inability to cope". Previously this activity was free to the attendees. BOCCIM charged P40 per person for lunch and the forum drew a large audience. For the first time, participants were charged P40.00 to attend forum. 70 people attended. After the deduction of expenses, (venue cost P30.00 per person, 2 ads totalling P540.00, excluding staff organizing time) the event netted a profit of approximately P160.00. BOCCIM is looking to increase fee to P50-60 to increase profit margin.

The general reaction to the forum was that the Police Commissioner did not offer any innovative ideas or strategies for dealing with crime, but he did indicate that he would organize a brainstorming session with private sector representatives. He recently proposed a one-day workshop to review the crime situation. The Crime Workshop will be held November 20-21 1996, and will be funded by the Police. BOCCIM and the Police will form a committee to coordinate the function. The next forum was tentatively scheduled for the week of November 19, on the topic of the new foreign exchange control regime and how it might benefit the ordinary citizen. However, this forum did not take place, and, following the resignation of the Public relations Officer, no other fora have been scheduled in Gaborone. In the Northern Region, BOCCIM launched a "Business After Hours" program modeled along the lines of the President's Forum. In February 1996, Craig Granville of Price Waterhouse was guest speaker at the Selibe Phikwe function on the topic of the Budget speech. In March, the topic under discussion was the Botswana Civil Service. In March, the speaker was Mr. J. Isaksen of BIDPA. In April, the Botswana High Commissioner of Zimbabwe, Mr. B. Makobole, led the local business community in a discussion of Botswana/Zimbabwe trade and the role of the High Commission in Zimbabwe.

Issues: When will the PRO be replaced?

Recommendations: BOCCIM should plan to hold more seminars and workshops on a joint venture basis, and seek corporate funding to off set costs. BOCCIM should be able to at least cover its costs and hopefully generate some income. BOCCIM should also continue to charge for seminars such as the Interest Rate Seminar. BOCCIM should invite an exclusive group of core business men and women to mingle with well known international figures as an attraction to BOCCIM's corporate membership.

Project Costs NOTE: No project funds are budgeted for this activity.

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P78400.00
Travel/Transportation:		P 700.00
Advertising:		P 1080.00
Conference Facilities:		P 2100.00
Consumables:		P 150.00
Communication:		P 350.00
TOTAL:		P82780.00

Technical Subcommittee: Policy Development
Coordinating Institution: BOCCIM
Budget Line Item: n/a

Activity Coordinator: D. Molobe
Phone: 353459

Reviewed by PIC: M. M. MBAAKANYI
DIRECTOR
Mr. M. Mbaakanyi, PIC Chairman

THE PRESIDENT'S FORUM

Actual Impact:

The activity was started with Speakers being picked from the Diplomatic community and attendance being by invitation. As such, the activity sort of targeted only senior members of the elite business community. This left out many members of BOCCIM.

The concept of the President's Forum series is a very good one and BOCCIM will continue the activity as soon as the position of Public Relations Officer is filled. The activity will be made a public affair and also be organised as a fund raising activity.

Implementation Plan:

The BOCCIM President's forum in the South and in the North, have nothing to do with the Pricewaterhouse's Network Lunch function. They are complete separate functions probably with differing objectives. The BOCCIM's objective is to enable members to listen to a distinguished speaker on a topical issue or just for information.

Status:

Due to the departure of the BOCCIM PRO, the activity became inactive.

The September 1995 Forum which was addressed by the Commissioner of Police, broke even in terms of income and expenditure.

Organisation of President's Fora in the Northern Region:

These activities have hitherto been organised by the BOCCIM Secretariat.

The Speaker in March was Mr. J. Isaksen of BIDPA. All sessions took place in Francistown.

As stated above, the activities will continue after September 1996.

Issues:

The Botswana Police are the organisers of the Seminar to address the crime situation in the country.

Host Country Contribution:

This relates to both the Northern and Southern activities.

PIC Activity Summary Sheet

Activity Title: Southern African Customs Union (SACU) Study

Activity Description: The consultants reviewed other trade agreements to identify options used to promote industrial development in small or developing members of trading blocks. They then worked with the private sector to develop a series of recommendations which the Botswana private sector could advocate to the Government of Botswana (GoB) during the current SACU renegotiations.

Expected/Actual Impact: It is hoped that the incorporation of private sector recommendations into the current SACU negotiating position will improve Botswana's trade position with SACU countries, particularly with South Africa. Dialogue with the GoB, in particular with the Permanent Secretary (PS) of the Ministry of Commerce and Industry (MCI), should show to what extent the BOCCIM position is being incorporated. As the SACU negotiations will probably take years to complete, the eventual impact of the recommendations will not be seen for some time, but should be measurable within a year of implementation.

The President of BOCCIM presented private sector views on the renegotiations to President Mandela at a breakfast meeting with Botswana business leaders in September 1995. Mandela promised to raise the issues with the relevant Ministries in South Africa.

Implementation Plan: Manchester Trade compared the provisions of SACU to those in other trade agreements, giving special attention to reviewing how small, resource-rich countries have fared within other economic integration agreements with larger developed and developing countries. Based on this review, and after consulting with key GoB officials and representatives of the private sector, the consulting team developed specific recommendations on the types of provisions for which BOCCIM should be advocating during the SACU renegotiations and suggested negotiating tactics.

BOCCIM presented its recommendations to members of the negotiating team at a special meeting at the Ministry of Finance and Development Planning (MFDP) on February 20, 1995. Copies of the report were formally presented to MFDP and MCI. On February 21, 1995, the team leader presented a seminar on GATT and the WTO to MCI staff.

Status: In February 1995, the PS of MCI wrote to BOCCIM to indicate that the GoB would keep the BOCCIM Secretariat informed about the progress of the negotiations. Although no meeting took place between MCI and BOCCIM until July 1996, MCI gave BOCCIM a confidential SACU briefing document whose salient points are summarized on page 3.

In addition, and as stated above, the BOCCIM President, Mr. Neo Moroka, presented the private sector's views on the renegotiations directly to President Mandela at a breakfast meeting on September 7, 1995. Mr. Mandela, who was given a copy of Moroka's speech, promised to refer Moroka's comments to the relevant Ministries in South Africa for action.

In early 1996, the BOCCIM Policy Unit held discussions with Mr. Dimbunu of MCI on the progress of the SACU negotiations. Mr. Dimbunu informed them that two Customs Union Task Team (CUTT) meetings had been held since the last time MCI briefed BOCCIM.

No new agreements had been reached on issues which were still outstanding in October 1995.

Another CUTT meeting was held March 6-7, 1996, at which the major issues to be discussed were: the revenue-sharing formula, location of the SACU Secretariat, dispute resolution, agricultural policies and competition policy. Botswana had already circulated its paper on the revenue-sharing formula and a paper on that subject was expected from South Africa.

Following the March meeting, negotiating teams have convened five more times. The Botswana team has been very guarded in its responses to requests for information, and it has therefore been difficult for the business community to follow the progress of the negotiations. On July 12, 1996, the PS of MCI briefed the private sector on the status of the SACUA negotiations.

(see briefing document points on page 3)

Issues: The GoB does not seem too keen on getting a technical advisor to assist the negotiating team in the continuing negotiations, as recommended by BOCCIM. Botswana is the only country without such a technical advisor.

The bilateral trade negotiations between South Africa and the European Union are bound to have an impact on trade among SACU countries and trade between SACU and third countries. Mr. Dimbundu indicated that the other SACU members have been granted observer status in these bilateral talks.

Issues (continued): At the July 1996 briefing, the PS indicated that delays in reaching agreement were primarily due to the fact that the South African representatives changed from one CUTT meeting to the next and were thus not always conversant with the issues. Mr. Gaolathe pointed out that South Africa's preoccupation with the European Union negotiations and SADC Free Trade Protocol were overshadowing SACU. The PS agreed that these negotiations would have a significant impact on SACU but expressed the view that since the outcome of these negotiations is not clear, the impact on SACU was unknown.

Recommendations: BOCCIM should continue to engage MCI in dialogue regarding the status of the SACUA negotiations.

Project Costs NOTE: This activity was previously funded under the Deloitte & Touche contract - currently no project funds are budgeted for this activity.

Host Country Contribution	Actual
Salaries:	P 67,755
Travel/Transportation:	P 435
Office Space:	P 1,800
Consumables:	P 600
Communication:	P 500
TOTAL:	P 69,090

Technical Subcommittee: Policy Development
Coordinating Institution: BOCCIM
Budget Line Item: n/a

Activity Coordinator: D. Molobe
Phone: 353459

Reviewed by PIC: Mr. M. Mbaakanyi
Mr. M. Mbaakanyi, PIC Chairman

Date: _____

Status (continued):

Summary of MCI SACU Briefing:

- i. agreement has been reached on:
 - a) the establishment of a SACU Council of Ministers, a SACU Commission and a SACU Secretariat
 - b) need to harmonise incentives schemes
 - c) need for countries to exchange information on industrial and economic development
 - d) effective competition policy to be formulated
 - e) ordinary customs duties to be lowered and simplified
 - f) anti-dumping and countervailing duties to conform to provisions of the World Trade Organisation (WTO)
 - g) safeguard duties to conform to WTO provisions
 - h) provision of rebate of duty under Schedule 3 of SACUA be retained (Article 311 was unilaterally withdrawn in September of last year), improve controls/administration and all members to have equal say in formulation of rebate provisions
 - i) agriculture policy -- principle of food security accepted
 - j) free trade within SACU -- principle of free trade accepted, but deviations from the principle acceptable if for developmental reasons
 - k) low or reduced tariffs for agriculture products accepted
 - l) no-intra SACU direct export subsidies
 - m) new SACUA to legislate effective anti-dumping measures against extra-SACU trade
 - n) rebate facilities to be phased out within 6 years but may be used in the meantime where applied tariffs for identified strategic commodities are high
 - o) establishing a standing Technical Committee for Agriculture
 - p) cooperation on technical measures
 - q) harmonisation of bilateral trade agreements

- ii. **NO** agreement has been reached on the following:
 - a) decision making process
 - b) financing of the secretariat
 - c) dispute resolution settlement mechanism
 - d) location of the secretariat
 - e) revenue sharing formula, the effective rate of protection, polarisation effects and anti-export bias
 - f) infant industry development - to review the current industry protection clause and conduct further research

ONGOING ACTIVITY

Activity Title: Industry Survey

Activity Description: Conduct a detailed survey of costs and employment in a representative sample of the Botswana private sector. Data are to be used by the BOCCIM ERU as a basis for micro analysis of the economy.

Expected/Actual Impact: Regular surveys will provide the basis for an analysis of trends and expectations for the purposes of planning and possibly policy formulation. The survey will also provide the BOCCIM Policy Unit with a report which can generate income for the Unit. Impact will be seen in the demand for survey information and the extent to which it can influence decisions made by private sector companies, the GOB, parastatals and the HLCC.

Implementation Plan: Over the three-month period of August through October, 1994, the BOCCIM Policy Unit conducted an industry survey to provide a more comprehensive picture of the structure and dynamics of the Botswana industrial sector than is available from official GOB statistics. It was expected that quarterly surveys of expectations would also be conducted. To date one such survey has been conducted, for Quarter Four of 1995.

Status: Both a sampling and a re-sampling took place for the Fourth Quarter, 1995. The response rate was too low to be of use, only 25 companies responded and returned forms from the re-sampling effort.

Issues: It would appear that the questionnaire methodology used to obtain data from a representative sample is not satisfactory for purposes of the Industry Survey. What is required is face to face canvassing but in the absence of BPED funding, BOCCIM lacks the human and financial resources required to conduct such an activity, even on a semi-annual basis.

Recommend: The BOCCIM Director should decide whether this activity should remain in the BPED roster. It might be advisable, in view of staffing constraints, to conduct the Survey every two years. Outside assistance might come from University students during school holidays and/or BOCCIM could request assistance from the National Service Volunteers (TSP). BOCCIM could make the case that a TSP volunteer working for a private sector organisation is in the national interest.

Host Country Contribution:	Expected	Actual
Salaries		P29,880
Office Space		20,800
Consumables		1,200
Communication		500
TOTAL		52,380

Technical Subcommittee: Policy Development
Co-ordinating Institution: BOCCIM

Activity Co-ordinator: D. Molobe
Phone: 353459

Economic Research Unit (continuation sheet page 2)

Issues: The outstanding issue is how to make the best use of the database. To date the data base has been used to develop BOCCIM's comments on NDP 8 and will be used to develop a briefing paper for the Francistown Conference. The Economic indicators have been developed and will be published shortly. The University of Botswana students who were supposed to work with the data base have not done so because the focus of their work has changed and the idea fell away. BOCCIM has been hesitant to let the database be used free of charge but to date has not been successful marketing this facility. The BPED Project Manager voiced concern about the transferability of data files from SAS to E-Views. She was assured by the chair that as per prior agreement, the Consultant will take care of the transferring the data. This has been done.

ONGOING ACTIVITY

Activity Title: BOCCIM Policy Committee

Activity Description: The BOCCIM Policy Committee (BPC), formerly known as the BOCCIM Policy Task Force, was set up in early 1994 as part of a wider effort geared towards strengthening BOCCIM's capacity to identify and analyse critical policy issues that affect the private sector and develop policy positions.

Expected/Actual Impact: Dialogue and refined agendas will promote credibility of private sector as it takes policy positions and provides the GOB with better information on which to act. Impact will also be measured by policy reforms related to items on the policy agenda.

Implementation: The BPC has twelve members, of whom four are drawn from the BOCCIM Executive Council, four from the Secretariat and four from the private sector at large. The BPC is chaired by the Policy Analyst/Chief Economist, meets on a quarterly basis and has drawn up a policy agenda for the year.

Status: The BPC last met on 29 January to discuss draft Terms of Reference for the Privatisation Study being undertaken by BOCCIM.

Issues:

Recommend: That BOCCIM retain the activity for purposes of monitoring impact/influence on Government policies. The BPC should be called for a meeting as soon as possible to discuss the resolutions of the Private Sector Conference and the results of the Privatisation Study. Additionally the BPC can set BOCCIM's policy agenda for the next 6 - 9 months.

Host Country Contribution:	Expected	Actual
Salaries		27,408
Travel/Transportation		875
Office Space		600
Consumables		120
Communications		500
TOTAL		29,503

Technical Subcommittee: Policy Development
Co-ordinating Institution: BOCCIM

Activity Co-ordinator: D. Molobe
Phone: 353459

PIC Activity Summary Sheet

Activity Title: Local Preference/Set Aside Scheme

Citizen Reservation Policy

Activity Description: To review the Local Preference Scheme, and establish a Set Aside program for Government procurement from small and citizen owned suppliers of goods and services. A Set Aside program will be designed to replace the current local preference scheme.

Expected/Actual Impact: The implementation of a Set Aside program will increase the procurement of products manufactured by small-scale and citizen manufacturers in Botswana and thereby improve the quality of Botswana goods and promote employment and competition in the Botswana manufacturing sector.

Implementation Plan: The MCI Policy Advisor assisted MCI in conceptualizing a Set Aside program, utilizing the US program as a guide. MCI will design the program in-house and develop implementation guidelines. A Reference Group consisting of the Central Tender Board, local authorities, and other procuring agencies, as well as private and public sector entities, will provide feedback throughout the design process to ensure that the framework is appropriate for Botswana.

Status: Government is now trying to phase out the LPS and replace it with the Local Procurement Programme (LPP) in 1997. Comments on the proposed LPP have been reviewed by MCI. The following recommendations were submitted to cabinet: A LPP be introduced whose main purpose is to channel a proportion of Central Govt's purchases to support the development of locally based small and medium scale enterprises on a 3 year pilot program basis; the 3 year pilot phase will take effect from October 1, 1996 and be restricted to Central Govt. procurement for supplies; During the 3 year pilot phase, no more than 30% of the total Central Govt. supplies should be handled through this program and will be confined to commodities, services are excluded; the LPS scheme be phased out on 31 January 1997; During the transitional period from 1/10/96 to 31/1/97, both the LPS and the LPP will be operational, entrepreneurs will be limited to using either the LPS or the LPP but not both. The criteria for qualifying manufacturing firms for the LPP are that be: a) licensed firms employing no more than 200 people; b) have an annual turnover between P200,000 and P5 million; c) have investment in buildings, plants and machinery ranging from P50,000 to P5 million; d) be licensed under the Industrial Development Act and update their details on an annual basis. is being recommended which will focus on central government, initially excluding parastatals and local government. Once the pilot program is proven to be successful, 30% of the program will be directed to local companies. Any company can tender for the remaining 70%, as to not conflict with WTO rules. MCI will inform the public about the new LPP, and phase out of the LPS, through a proposed Seminar funded by BPED. A local procurement committee will be formed to help produce a user's guide and select products which are easily accessible. The document outlining the new LPP has been submitted to Cabinet. TOR's have been drafted to produce a user's guide and a dBase program for Government. On October 2, 1996, the Cabinet will meet to review the LPP/LPS policy.

Issues: The key problems with the LPS are the limitations it places on the concurrent use of FAP and LPS schemes; The price raising effect of the LPS; the limitations of the low raw material base. MCI will need to define the universe of companies that can take part in the scheme. One problem may be that local companies cannot meet the investment size criteria. There are many implementation issues which still need to be resolved. The President is said not be in favour of replacing the LPS with the LPP Program.

Recommendations: This activity was not approved by the Sub-committee. The TOR's do not contain policy development initiatives which could be funded under BPED. Funding for computers and a dBase program will not be considered.

Project Costs NOTE: This activity is an MCI in-house activity which received some support from the previous BPED-funded Policy Advisor to MCI - currently no project funds are budgeted for this activity.

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P5,202.40
Travel/Transportation:		
Office Space:		P 18.40
Other:		P 28.35
TOTAL:		P5,249.15

Technical Subcommittee: Policy Development

Coordinating Institution: MCI

Budget Line Item: n/a

Reviewed by PIC: _____

Mr. M. Mbaakanyi, PIC Chairman

Activity Coordinator: Mike Tapela

Phone: 351790

ONGOING ACTIVITY

Activity Title: Fourth Private Sector Conference

Activity Description: Consultancy to implement the Fourth Private Sector Conference in Francistown. The private sector conferences bring together executives from the private sector and senior officials from Government and parastatals to focus on issues affecting private sector development and provide an opportunity for the private sector to influence policy on such issues. The theme of the Fourth Private Sector Conference was "Employment Generation".

Actual Impact: The private sector conferences have become one of Botswana's most valued fora for dialogue between the private sector and government. Characterised by a spirit of shared concern over national issues, energetic debate and constructive compromise, the Fourth Private Sector Conference made important contributions toward defining how Botswana should pursue sustainable economic diversification and employment creation.

Implementation: Under the guidance of the BOCCIM Policy Unit and a Private Sector Conference task force, a consultant was engaged to provide pre- and post-Conference services, including: overall Conference co-ordination, provision of administrative and technical support, recording Conference proceedings and production of a bound report on the proceedings and recommendations. BOCCIM will formally submit the final report to Government.

Status: Maendeleo was selected as the consulting firm and did an excellent job of coordinating the conference, which took place May 26-29, 1996 in Francistown. Approximately 130 people took part in the conference, including: His Excellency the President, who remained through the first morning; His Excellency the Vice President, who remained throughout the conference and participated actively in the discussions; several cabinet ministers and permanent secretaries, His Worship the Mayor of Francistown, chief executives of large companies, representatives of small and medium sized businesses and labour leaders. Several members of the diplomatic community attended as observers. The final report will be issued in book format on September 17.

Issues: The final report should be printed by September 17 and distributed thereafter.

With regard to follow-up on the resolutions, the task lay with BIDPA. Given that the HLCC met within days of the Conference, it might have been unrealistic to expect it to address the resolutions coming forth from the Conference. BOCCIM will have to follow-up and push for another meeting of the HLCC at which time steps can be taken to act on the resolutions.

It was recommended that the name of the Conference be changed to the National Business Conference.

Recommend: that the activity be retained in the BPED roster until all accounting has been completed and the Report prepared and circulated. The Consultants and the publishing company must be reminded to submit their final bills as a matter of urgency.

Budget:	Expected	Actual
Professional Fees	P 66,599	
Hotel & MI&E	15,035	
Travel/Transportation	12,742	
Conference Facilities	36,400	
Other Costs	59,224	
TOTAL	190,000	

Status (continued):

Following the opening address by His Excellency the United States Ambassador, the conference began with a presentation by three school children who explained their hopes and fears about employment. Keynote speakers on the first day included: Mr. Sunter, from Anglo American (South Africa), who presented future scenarios for the world and Southern Africa for the next 30 years; Professor Hawkins, from the University of Zimbabwe, who drew attention to the challenges facing the countries of Southern Africa; Mr. Parsons, from Botswana National Productivity Centre, who traced the links between employment and sustainable business development, identifying productivity as the key to profitability and sustainability; Mr. Gaobakwe, of Garona Investments, who described how strategies for employment creation required a sound analytical basis; and Ms. T.C. Moremi, Permanent Secretary of the Ministry of Commerce and Industry, who briefed participants on the draft Industrial Development Policy. Presentations were followed by panel and floor discussions. In addition, participants broke out into concurrent workshop sessions to focus on specific issues.

The second day was devoted to the issues of establishing a national vision and improving implementation of government policies. Keynote speakers included: Mr. Hodgson, from Segal Quince Wicksteed Ltd (Great Britain), who drew upon international experience to discuss how Botswana might develop its long-term vision and strategy; Mr. Ahmad, Governor of the Bank of Namibia, who described how Malaysia's development policies had evolved over the past four decades; Mr. N. Moroka, President of BOCCIM, who highlighted areas where implementation of government policies and resolutions needed to be improved; and Mr. Isaksen, from the Botswana Institute for Development Policy Analysis (BIDPA), who summarized the main requirements for Botswana to establish a long-term national vision and strategy. Again, presentations were followed by panel discussions, floor discussions and workshops.

The conference approved a package of 26 resolutions. One of the main resolutions was that Botswana should prepare a long-term vision for the year 2020, together with a national strategy for implementing this vision through successive national development plans. Other resolutions proposed that Botswana should establish a medium-term goal of becoming an educated society; and that employers, employees and government should prepare a human resources development plan to be integrated within NDP 8. The conference also called for widespread and open consultation over the draft revised industrial development policy. It also urged Botswana to concentrate its export and investment promotion efforts on Southern Africa, at least until internationally competitive export industries have been built up. TIPA would need to be substantially restructured. Other resolutions called for the private sector to be made a full and equal partner with government, while becoming more constructive and accountable in the process; and for government to conduct an audit of its implementation capacity, and use this to speed up implementation.

The final conference resolution was that government and the private sector, through the High Level Consultative Council (HLCC), would agree on the prioritization, assigning of responsibilities, achievable targets and deadlines for implementation of the conference resolutions. The HLCC met a few days later, but focused on the formulation of a national vision (one of the resolutions). The HLCC did not address the other resolutions. However, BIDPA has taken on the task of coordinating the prioritization and development of implementation strategies.

BOCCIM is finishing up the accounting for the conference.

PRIVATE SECTOR CONFERENCE INCOME & EXPENDITURE		
	BUDGET	ACTUAL
FEES		
Consultants Fees	56059	53764
Secretarial Support	1080	1080
Professional Honoraria	3784	13856
Facilitators	5676	0
TOTAL FEES	66599	68700
REIMBURSABLE EXPENSES		
Air Fares	8842	14091
Per Diem	5535	0
Hotel Accom/Conference Facilities	45900	30161
Public Address System	1800	0
Transportation - Consultants	1500	1500
Transportation - Bus Hire	2400	2687
Equipment Hire & Technician	4400	5214
Rental Telephone Line	600	157
Secretarial Office Rental	1000	0
Secretarial Office Equipment	1500	0
Communication Expenses	2000	7838
Edit/Production Workshop Papers	750	0
Photocopy Workshop Papers	1528	3894
Evaluation Report	50	0
Draft Final Report	600	0
Final Report (Pre Printing)	300	0
MJM/EMD Travel Advance	0	1075
Shorthand Notebooks	480	0
Name Tags	675	675
Pens	375	67.5
Conference Holders	14100	8887
Total Reimbursable Expense	94335	76246.5
Sub total Fees + Reimbursables	160934	144946.5
CONTINGENCIES	29066	0
GRAND TOTAL	190000	144946.5

Fourth Private Sector Conference
Host Country Contribution (Actual)

1. Value of BOCCIM staff time spent preparing background materials and co-ordinating conference activities:

<u>Staff Member</u>	<u>Rate</u>	<u>Estimated Days</u>	<u>Sub-Total</u>	<u>Total</u>
Siwawa-Ndai	P 142/day	20	P 2,838	
Secretary	P 114/day	5	P 570	
Mbaakanyi	P 737/day	3	P 2,211	
Dewah	P 470/day	4	P 1,880	P 7,499

2. Value of time spent by Private Sector Conference Committee members at meetings:

<u>Meetings</u>	<u>No. Present</u>	<u>Duration</u>	<u>Estimated Daily Rate</u>	<u>Total</u>
9	10	2 hours	P 913 per day	P 164,340

3. Value of BOCCIM staff time spent at and traveling to/from Conference:

<u>Staff Member</u>	<u>Rate</u>	<u>Estimated Days</u>	<u>Sub-Total</u>	<u>Total</u>
Siwawa-Ndai	142/day	2	P 284	
Dewah	470/day	2	P 940	
Mbaakanyi	737/day	2	P 1,474	P 2,698

4. Value of time spent by Government officials and Parastatal executives at and traveling to/from the Conference:

<u>Official</u>	<u>Number</u>	<u>Est. Days</u>	<u>Est. Daily Rate</u>	<u>Sub-Total</u>	<u>Total</u>
State President	1	2	P 682	P 1,364	
Vice President	1	3.5	P 644	P 2,254	
Ministers	5	3.5	P 510	P 8,925	
Perm. Sec'ty	10	3.5	P 510	P 17,850	
Directors	33	3.5	P 363	P 41,927	P 72,320

5. Value of time spent by private sector representatives at and traveling to/from the Conference:

<u>Company Size</u>	<u>Number</u>	<u>Est. Days</u>	<u>Est. Daily Rate</u>	<u>Sub-Total</u>	<u>Total</u>
Large	10	3.5	P 1,200	P 42,000	
Med. & Small	49	3.5	P 1,000	P 171,500	P 213,500

6. Value of time spent by Observers at and traveling to/from the Conference:

<u>No. Observers</u>	<u>Est. Days</u>	<u>Est. Rate</u>	<u>Total</u>
11	3.5	P 913	P 35,151

7. Value of transport costs to/from Conference (excluding costs covered by BPED funds):

<u>Mode of Travel</u>	<u>No. Persons</u>	<u>Rate</u>	<u>Sub-Total</u>	<u>Total</u>
Air Charter	33	P427/person	P14,091	
Road-900 km	77	.75/km	P51,975	P 66,066

Total Contribution: P 561,574

PIC Activity Summary Sheet

Activity Title: **Privatisation Study**

Activity Description: In keeping with the spirit and intent of NDP8 (currently under development), BOCCIM through the services of a contracted consultant, conducted a study of selected State-owned Enterprises (SOEs) and Government Departments or agencies with a view to identifying options for divestiture of these entities and developing a coherent strategy for privatisation. Privatisation was broadly defined and included sale of assets by the Government, the transfer of assets through leasing arrangements or contracting out services.

Expected Impact: Implementation of the Study's recommendations should assist in reducing the role of the public sector in the management and operation of SOEs. As a result the financial burden on the Government will be lessened and opportunities for private sector expansion will occur.

Implementation Plan: The Study is expected to result in a policy and procedural framework for developing a privatisation strategy and a divestiture programme. The Study is being implemented in four phases: i) policy review, ii) organisational survey of selected SOEs or functional units; iii) evaluation of business-related factors that shape commercial activities; and iv) a strategic analysis to identify privatisation options. The work is taking place over a period of three months and includes a workshop for senior Government officials. The Report will be handed over to the Office of the President. The final Report is due on September 10.

Status: The draft terms of reference was circulated to all members of the BOCCIM Executive Council, to seven Ministries, and to seventeen parastatals. The response to BOCCIM's request for comments was quite good and the draft was amended to incorporate the recommendations received. The key ministries and parastatals are now on board in support of the initiative and are well represented on the reference group.

Coopers & Lybrand is carrying out the study, which is now well underway. The study sample was selected at the first reference group meeting on June 4, 1996. The consultants met with representatives of each of the entities selected. On July 23, the consultants presented their preliminary findings at a workshop which was attended by 27 individuals, including representatives from parastatals, government offices and some private sector institutions. The consultants are expected to complete their draft report by August 20, and the reference group is expected to meet on August 27 to review this report. The Reference Group may be called again.

To complement this activity, BOCCIM has engaged the services of a U.S.-based training institute to conduct a six-day privatisation workshop for representatives of government ministries and parastatals, followed by a one-day seminar targeted at Permanent Secretaries. This workshop is scheduled for August 19-24, 1996 and the seminar will be on August 26th.

Issues: Timing is critical -- the consultants need to submit their final report and bill as soon as possible following the August 27th Reference Group meeting.

BOCCIM expects to reach a target audience at the Workshop of 30 people and an audience of 25 at the Seminar. These people are confirmed.

In order to ensure that the Study does not become a shelf study, the study will be submitted to the Office of the President, Mr. Legwaila and at that meeting BOCCIM will obtain guidance on next steps.

Recommendations: Since Mr. Molobe is now handling the coordination activities of the Policy Analyst, it was recommended that he attend the six-day course. This recommendation was followed up positively.

The Activity Co-ordinator might wish to consider disseminating the results of the study through press releases, Business Focus magazine, or the BOCCIM newsletter.

Project Costs	Expected	Actual
Professional Fees	\$154 762	P 540,000.
Hotel and M&IE	30 240	
Travel & Transportation	9 600	
Other Costs	<u>36 061</u>	
TOTAL	<u>\$230 663</u>	

Host Country Contribution	Expected	Actual
Salaries	P131 370	P 38,070
Travel/Transportation	1 458	975
Consummables	975	975
Overheads	<u>1 400</u>	<u>1,400</u>
<u>TOTAL</u>	<u>P135 203</u>	<u>41,420</u>

Technical Subcommittee: Policy Development

Co-ordinating Institution: BOCCIM

Activity Co-ordinator: D. Molobe

Phone: 353459

Budget Line Item: Policy Development

Short-Term Training Summary Sheet

Course Title: Privatisation Workshop and Seminar

Course Objectives: The objectives of the workshop are to provide a framework and rationale for examining the privatisation process. The workshop will analyse the constraints of state ownership and management, provide a rationale for private sector participation and review alternative privatisation/restructuring options. The workshop will equip its participants with the analytical skills necessary to structure successful privatisation transactions, including effective strategies for valuing state-owned enterprises, negotiating with investors, and gaining the support of stakeholders to accomplish privatisation goals.

The one-day seminar will offer an introduction to privatisation/restructuring options and serve as a briefing for the participants.

Course Description: The workshop utilises a "module" format that encompasses the appropriate technical and conceptual aspects of each major topic. The modules include:

1. Privatisation strategies, objectives and constraints.
2. Options for financial and organisational restructuring.
3. Valuation methodologies.
4. Negotiation strategies.
5. Post privatisation objectives and concerns.

The one-day seminar will focus on the first module and will also include discussion of communication tactics.

Institution: Centre for Financial Engineering in Development, Inc. (CFED)

Location: Gaborone, Botswana

Dates: 19-24 August and August 26, 1996.

Participants: 31 representatives of Government and parastatals attended the Workshop. 21 people representing Government and parastatals attended the one-day Seminar. Participants suggested by USAID/RCSA were invited and there was in attendance at the Seminar the Town Clerk of Lobatse Town Council.

Expected/Actual Impact: The workshop will offer insights into the whole issue of privatisation in time for the participants to be able to use their newly acquired skills to implement the recommendations of the Privatisation Study which is currently underway. The Privatisation Study is intended to assist Government with some ideas on the way forward with its "rationalisation" programme.

Recommendations: The Workshop and Seminar was attended by the Policy Unit Lobbying and Advocacy Assistant so that he will be positioned to follow up on the Privatisation Study in the post-September period.

Project Costs:	Expected	Actual
Workshop/Seminar Delivery	\$ 80,000.	\$76,000.
Conference Facilities	P 3,225.	4,000.
TOTAL	P272,000	\$80,000.

Host Country Contribution:	Expected	Actual
Salaries	P138,380	P 79,518
Travel/Transportation	P 720	1,060
Consummables	P 1,760	200
TOTAL	P140,860	80,778

Coordinating Institution: BOCCIM
Budget Line Item: Policy Development and Dialogue

Phone: 353459

Participants in the One-Week Course on Privatisation

19th - 24th August, 1996

NIXON MOGAPI	Gaborone City Council
JOHANNES MPETSANE	Department of Supplies
DIK MOKOTEDI	Botswana Housing Corporation
DONALD SANTAGANE	Botswana Housing Corporation
ATAMELANG A. MOKGARE	Ministry of Agriculture
KEOAGILE A. GOSALAMANG	Dept. Of Architecture & Building Services
TIDIMOGO GAAMANGWE	Ministry of Health
WILIBERFORCE L. MUSOKE	Government Printer
ALBAN MOTSEPE	Botswana Power Corporation
LESEDI MABOTE	National Development Bank
REGINALD L. KETSHABILE	Botswana Meat Commission
ALPHEUS MATLHAKU	Office of the President
KADIMO REGOENG	Accountant General's Department
MONNANYANA BINGANA	Ministry of Agriculture
TAUFILA NYAMADZABO	Min. Of Finance and Development Planning
VINCENT M. MOGWE	Ministry of Education
TSHOLOFELO MOLOTSI	Dept. Of Architecture and Building Services
RONALD M. PHOLE	National Development Bank
MOABI T. MADISA	Botswana Vaccine Institute
ABEL MODUNSWA	Water Utilities Corporation
DAPHNE MATLAKALA	Attorney General's Chambers
JUBILEE MOKGOSI	Botswana Housing Corporation

C. TINY DISWAI	Botswana Development Corporation
MOSHE SETIMELA	Labour Department
ADRIAN SLAVE	University of Botswana
B.L. DIMBUNGU	Ministry of Commerce & Industry
O.A. MASEDI	Department of Water Affairs
B. MASETE	Min. Of Finance & Development Planning
B.D. MATITING	Ministry of Local Government, Housing & Lands
ODIRILE MERAPE	Air Botswana
M. MASIRE-MWAMBA	Botswana Telecommunications Corporation

Participants in the One-Day Seminar on Privatisation

26 August, 1996

E.M. Maphanyane	Botswana Housing Corporation
Joshua Galeforolwe	Air Botswana
J. J. Howell	National Development Bank
Edmund Mushayandebvu	National Development Bank
H. K. Sigwele	Ministry of Agriculture
A. Ramji	Botswana Railways
B. Mpho	Water Utilities Corporation
K. H. Munamati	Botswana Development Corporation
Stephanie Brailsford	BOCCIM/BPED
P.C.K. Abeykoon	Botswana Postal Services
Thembo Lebang	Ministry of Labour & Home Affairs
Daphne Matlakala	Attorney General's Chambers
Philip Matsetse	Office of the President
Alpheus Matlhaku	Office of the President
E.K.T. Chiepe	Ministry of Education
Mathias Chakalisa	Directorate of Public Service Management
J.R. Swartland	Ministry of Education
T.C. Moremi	Ministry of Commerce and Industry
Esther Moncho	Lobatse Town Council
M.J.. Mbaakanyi	BOCCIM
Dichaba Molobe	BOCCIM
J. Beckwith	BOCCIM

NEW ACTIVITY

Activity Title: SACU Seminar

Activity Description: The intended purpose of the SACU seminar was to disseminate information to the business community about the provisions of the existing Southern African Customs Union Agreement (SACUA) and the direction of the current negotiations of the SACUA.

Expected/Actual Impact: The seminar was intended to increase the awareness of the business community on issues that affect them as exporters, importers and producers for the domestic market. As a result of this, businesses would be better prepared to take advantage of the new SACUA provisions and take precautions against any likely risks, as well as know their rights and obligations. The expected dialogue between the Government and the private sector would also influence public thinking on some of the issues to be discussed.

Implementation: A one-day seminar was to feature speakers from the Ministry of Commerce and Industry (MCI), the Ministry of Agriculture, the Ministry of Finance and Development Planning, as well as a private sector representative. Presentations were to be followed by floor discussions. It was anticipated that 75-100 people would attend. MCI and BOCCIM were to co-sponsor and co-organise the seminar. Issues to be covered included:

- | | |
|---|---|
| -objectives and provisions of the SACUA | -intellectual property rights |
| -regional transportation policy | -competition policy |
| -labour rights | -decision making process |
| -trade remedy laws | -infant industry development and protection |
| -government procurement | -industrial standards |
| -dispute resolution mechanism | -safeguards |
| -special provisions for the least developed countries in SACU | -export promotion schemes |
| -private sector involvement in future negotiations of the SACUA | -accession to SACU |
| -administration of the SACUA | -regional industrial programming |

Status: This activity was approved but consultants were not utilised as planned. BOCCIM was trying to work through MCI but had difficulties lining up speakers. Eventually BOCCIM was able to organise a seminar on July 12, 1996, at which the Permanent Secretary (PS) of MCI briefed the private sector on the status of the SACUA negotiations. The briefing lasted one half day. Approximately 35 people representing the BOCCIM membership and business community attended.

Issues: The PS indicated that delays in reaching agreement were primarily due to the fact that the South African representatives changed from one CUTT meeting to the next and were thus not always conversant with the issues. Mr. Gaolathe pointed out that South Africa's preoccupation with the European Union negotiations and SADC Free Trade Protocol were overshadowing SACU. The PS agreed that these negotiations would have a significant impact on SACU but expressed the view that since the outcome of these negotiations is not clear, the impact on SACU was unknown.

Recommend: that theoretically planned for activity be dropped from the BPED/BOCCIM roster of activities.

Budget:	Expected	Actual
Consultants' Fees	P 7,500	
Conference Facilities	4,050	P 2,440
Consumables	1,700	
Advertising	2,500	261
Communication	500	
Production of programme brochure	2,000	
Honoraria (4 persons)	3,784	
TOTAL	22,034	2,701

Host Country Contribution:	Expected	Actual
Salaries	P 13,456	P17,755
Overheads	500	
Travel/Transportation		180
TOTAL	13,956	17,935

Technical Subcommittee: Policy Development
Co-ordinating Institution: BOCCIM

Activity Co-ordinator: D. Molobe
Phone: 353 459

PIC Activity Summary Sheet

Activity Title: Seminar on Interest Rates

<p>Activity Description: There is a divergence of views between the private and public sectors on appropriate levels of interest rates in Botswana. The purpose of the seminar is to disseminate information and serve as a forum for an exchange of views between the private and public sectors, with a view to influencing public policy on the subject and exchanging perceptions on some of the issues of concern.</p>		
<p>Actual Impact: The seminar should help bring about a consensus on the appropriate level of interest rates so that: the Bank of Botswana can achieve its policy objectives; debtors can get some relief with respect to debt servicing costs; savers can get a reasonable return; and the development of a vibrant capital market can be accelerated.</p>		
<p>Implementation: A one-day seminar was to feature speakers from the Bank of Botswana, commercial banks and the private sector. A consultant was selected to facilitate course logistics. Participants were charged a fee to partially cover the costs. It was anticipated that 75-100 people would attend. Issues which were to be covered included:</p> <ul style="list-style-type: none"> -interest rate objectives of the Bank of Botswana -determination of the level of interest rates -why Botswana must maintain interest rates that are internationally competitive -effects of interest rates on saving, spending, investment and income -how the inflation rate influences the level of interest rates -effect of inflation on the relative prices of tradeables and non-tradeables -factors that underpin changes in the inflation rate -how business and Government can mitigate or fuel inflation -why it is important to maintain a stable Pula exchange rate. 		
<p>Status: The seminar took place on May 7, 1996. Three papers were delivered in the morning session by two senior officials of the Bank of Botswana and the General Manager of Barclays Bank. Floor discussion followed each presentation. During the afternoon session, there was a panel discussion involving members of the private sector as well as Bank of Botswana and Barclays Bank officers. A total of 86 people attended the seminar, including three individuals from the Government. The rest of the participants were from the private sector. The activity was self-financing and generated net revenues for BOCCIM. BOCCIM made use of its membership database when it carried out the advertising campaign.</p>		
<p>Issues: Some participants felt that the Seminar was too expensive (P 350 for non-members and P300 for BOCCIM members) even though they paid the entrance fee.</p>		
<p>Recommendations: Since the activity was self-financing, BOCCIM should consider using the Interest Rate Seminar as a model for other such policy-oriented seminars. BOCCIM would thereby disseminate important information to the private sector and encourage dialogue between the private and public sectors in a financially sustainable way. The Policy Unit should seek funding from corporations and parastatals in the future.</p>		
Budget:	Expected	Actual
Consultants Fees	9 460	7 500
Conference Facilities	4 050	3 803
Consumables	5 842	1 762*
Advertising	18 000	1 300
Communications	500	250
Production of programme brochure	1 000	1 725
Honoraria	15 136	0
Total:	53 988	16 340
<p>* Includes folders, clipboards, photocopies, pads, pens and fileclips.</p>		

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Host Country Contribution:	Expected	Actual
Salaries	13 456	1 767
Overheads	500	250
Participants (83 private sector; 3 Government)		84 530
Total:	13 956	86 547

Technical Subcommittee: Policy Development
Coordinating Institution: BOCCIM

Activity Coordinator: D. Molobe
Phone: 353459

PIC Activity Summary Sheet

Activity Title: GATT/WTO Seminar

Activity Description: The purpose of the GATT/WTO seminar is to disseminate information to the business community on the structure, operation and objectives of the GATT/WTO, the Uruguay Round Agreements, and their implications for the business community.

Expected/Actual Impact: The seminar will increase the awareness of the business community of the new international trade order and thereby help them to conduct their trading activities at the same level as their counterparts elsewhere in the world. It will provide the business community with some insights into what trade remedies are available to them in the case of a trade dispute; what their obligations and rights are; and what opportunities and risk have been brought about by WTO provisions, rules and regulations.

Implementation Plan: A one-day seminar will feature speakers from the Ministry of Commerce and Industry, the World Trade Organization, the International Trade Center, and the European Union. Presentations will be followed by floor discussions. It is anticipated that 75-100 people will attend. MCI and BOCCIM are likely to co-sponsor and co-organize the seminar. Issues to be covered include:

- objectives, principles and rules of the GATT/WTO
- rules of general application
- General Agreement on Trade in Services (GATS)
- Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) and Trade Related Investment Measures (TRIMS)
- Single Undertaking Rule
- Improvements in Market Access
- Benefits to the Business Community
- Rights Which the WTO Legal System Confers on the Business Community

Status: Activity was approved, but BOCCIM was unable to line up speakers as WTO personnel were in Gaborone during the week of the Fourth Private Sector Conference to work with MCI. Due to the conference, BOCCIM was unable to benefit from their visit.

Issues: At the last Policy Development subcommittee meeting, Ms. Siwawa-Ndai suggested that BOCCIM contact WTO directly. Was this done? What was the outcome? Even if BOCCIM could not bring anyone in from WTO, why could BOCCIM not organize a seminar with presentations from MCI, the International Trade Center, and the European Union, as was originally planned? Such a seminar would still have been of benefit to BOCCIM members and the private sector in general.

Recommendations: If working through MCI to obtain speakers was proving to be difficult, perhaps BOCCIM should have directly contacted the EU, International Trade Center and the WTO to request speakers.

Project Costs:

This activity was canceled for reasons explained above.

Host Country Contribution:

This activity was canceled for reasons explained above.

Technical Subcommittee: Policy Development
Coordinating Institution: BOCCIM
Budget Line Item: Policy Development, Dialogue and Implementation

Activity Coordinator: D. Molobe
Phone: 353459

Reviewed by PIC: Mr. M. Mbaakanyi, PIC Chairman

Date: _____

PIC Activity Summary Sheet

Activity Title: Local Procurement Programme Seminar

Activity Description: The Purpose of the Seminar is to explain the New Local Procurement Programme (LPP) that will replace the Local Preference Scheme to the local community and authorities.

MCI undertook a BPED funded survey which highlighted short-comings which led to the failure of the Local Preference Scheme in achieving its intended goal of assisting resident manufacturers in the tendering process in order to increase local production and employment. Following the results of the survey, government decided to phase out the LPS by 31 January 1997 and replace it with the new LPP as of October 1, 1996.

The Seminar will cover the objectives, principles, rules, and qualification criteria of the LPP.

Expected/Actual Impact: The LPP is intended to assist the development of local small scale and medium scale enterprises who through the tender process will not channel more than 30% of government's annual budget for supplies to firms that qualify under the scheme. Additionally, local companies that have qualified could still go for the rest of the tender (70%) to compete with international firms. The LPP will go through a 3 year pilot phase, within which it will be limited to central government purchasing only. The Seminar will help branches of government understand, assist, and help small and medium scale businesses to use the scheme.

Implementation Plan: There will be two 2 day Seminars, one in Gaborone, one in Francistown. It is anticipated that 50 people will attend each Seminar. There will be presentations by the following branches of government: Department of Supply, Central Tender Board, Botswana Telecommunications, Standards and Quality assurance, and Department of Industrial Affairs.

Status: This seminar will not take place before the BPED funding deadline.

Issues: The LPP is still being presented to the Cabinet for approval and is expected to commence operation on October 1, 1996. As September 11, 1996 it is still in Cabinet. It is possible that the final LPP will not be approved by Cabinet before September 30, 1996. MCI must decide if it wants to run the Seminar with or without final Cabinet approval. It has also been reported that the President has problems abolishing the LPS scheme.

Recommendations: The Sub-committee had recommended that due to the importance of this seminar, MCI be given until September 2, 1996 to notify BPED whether or not it intends to go ahead with the seminar, and be prepared to have the seminar on or before September 16, 1996. To date, MCI has not come up with a date for the seminar. The Cabinet is scheduled to meet on October 2, 1996 to discuss issues concerning the LPS/LPP schemes. This meeting will take place after the conclusion of the BPED Project on September 30, 1996.

<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Conference Facilities:	P10,970.00	
Advertising:	P15,000.00*	
Production of Programme Brochure:	P 1,000.00	
Communication:	P 500.00	
Other Costs:		
TOTAL:	P27,470.00	

*Note: This covers newspaper advertising in two local weeklies and one Francistown paper, for 3 weeks.

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:	P118,717.00	
Travel/Transportation:	P 2,000.00	
Accommodation/Meals	P 7,150.00	
Other:		
TOTAL:	P127,867.00	

**MANAGEMENT & ENTREPRENEURIAL DEVELOPMENT
SUB-COMMITTEE**

REVIEW OF ACTIVITIES

Membership Directory

Directory of Business Resources

Marketing of Small Business Insurance

Development of Regional of Business Councils

Quality Assessment of Training Providers

Employee Exchange - BDC

Revitalization of Business Division

MIS Consultant - BOCCIM

Short Term Technical Assistance to BOCCIM Training Department

Marthodi Assessment

Small Enterprise Strategies

BOCCIM Recruitment and Selection Service

Flea Market

BOCCIM National Remuneration Survey Update

Membership Services Promotion - Billboards

BOCCIM Staff Development

Development and Expansion of Business Council Services

Gaborone Business Council Seminar

Maun Business Council Industrial Relations Seminar

Business Council Workshop

TRAINING COURSES

How to Write Effective English

The Expert Negotiator

Office Administration and Management

Certificate in Personnel Management -Changed to Computer Training

International Secretaries Congress

2 Computer Training Courses for BOCCIM Staff

3 Computer Training Course for BOCCIM Francistown Staff

PIC Activity Summary Sheet

Activity Title: Directory of Business Resources

Activity Description: This activity involves compiling a list of businesses and other organizations which furnish services to the business community.		
Expected/Actual Impact: The directory will be a useful reference for businesses, improve membership services, and generate income for BOCCIM.		
Implementation Plan: Will identify existing resumes as well as solicit additional information directly from businesses for a directory which covers BOCCIM members, as well as non-members. Advertisements in directory will pay for cost. A marketing plan must be developed.		
Status: The Directory of Business Resources has not been produced. It has been combined with the Membership Directory.		
Issues: Viability is still a serious consideration at this point in time, particularly as BOCCIM attempts to focus on income generating services to its members. Data from Membership Services Directory to be used for this directory as well. This directory will not be produced before the end of the BPED project. BOCCIM may want to source alternative funds for the production of this directory.		
Recommendations: BOCCIM should reassess viability.		
<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel and M&IE:		
Travel and Transportation:		
Other Costs:		
TOTAL:		
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		
Travel/Transportation:		
Office Space:		
Other:		
TOTAL:		

Technical Subcommittee: M&E Development
Coordinating Institution: BOCCIM
Budget Line Item:

Activity Coordinator: Isang Gabegwe
Phone: 353459

Reviewed by PIC: M. M. MBAAKANYI
DIRECTOR
 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

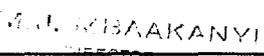
Activity Title: Small Business Insurance

Activity Description: Develop and implement a marketing plan for the BOCCIM Small Business Insurance Scheme.		
Expected/Actual Impact: The response from the membership was not as much as expected. Only 40 companies have responded. However, companies that were not previously members of BOCCIM have joined specifically to take advantage of the Insurance Plan.		
Implementation Plan: BOCCIM is working with Marketing Communications to design a marketing strategy.		
Status: In 1995, 45 small businesses subscribed. In 1996, 6 have subscribed so far. The target is 60 per annum. The package is available to small businesses who employ 25 people or less. BOCCIM has received requests for renewals and new applications. BIC has paid BOCCIM a commission for subscribers to the insurance programme. BOCCIM is now in the process of entering into a joint venture agreement with Associated Insurance Brokers to unbundle the small business insurance package. This would allow small business owners to select one form of coverage, such as Worker Compensation, instead of the 3 forms of coverage offered in the package. BOCCIM is working with Marketing Communications to develop a strategy to market this program to its full potential. BOCCIM is also negotiating with a new medical insurer to offer a discount on medical insurance to its members.		
Issues: Most companies want the only the Workers Compensation portion of the insurance package, and not the mandatory Fire and Public Liability component of the package. BOCCIM is negotiating with Associated Insurance Brokers to try to change the compulsory coverage. The current plan requires that the companies must take all three options in the package.		
Recommendations: BOCCIM should publicise the fact that Worker's Compensation Insurance coverage applies to domestic workers. This could be achieved by running an ad in several local newspapers. There are still concerns about the viability of this activity and whether it can become an income generating membership service. The Sub-committee suggested that more effort be put into this activity.		
<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel and M&IE:		
Travel and Transportation:		
Other Costs:	\$1825.00	
TOTAL:	\$1825.00	
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		
Travel/Transportation:		
Office Space:		
Other:		
TOTAL:		P2,053.33

Technical Subcommittee: M&E Development
Coordinating Institution: BOCCIM
Budget Line Item: Institutional Strengthening

Activity Coordinator: Isang Gabegwe
Phone: 353459

Reviewed by PIC:



 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: Development of Regional Business Councils

<p>Activity Description: BOCCIM considers the development of sustainable Regional Business Councils to be a priority for support to the private sector across the country.</p>		
<p>Expected/Actual Impact: The motivation for this formation is to develop strong constituencies with close ties to their membership having the ability to provide an effective mandating and communication process.</p>		
<p>Implementation Plan: BOCCIM aims to develop 13 functioning councils, with a minimum of BOCCIM Outreach Staff.</p>		
<p>Status: The Swedish International Development Agency (SIDA) has approved a project to assist BOCCIM to establish Business councils throughout the country. The project was scheduled to run from September 1, 1995 to the end of 1999. However, the start-up date has been delayed pending the signing of the Project Agreement. The project is estimated to cost P2,292,316 of which 46% will be BOCCIM's contribution. The 54% SIDA contribution will cover the following: Salaries for three Field Officers, rent for 10 Business Council Offices, office equipment and supplies, meeting expenses and hotels, vehicle cost purchasing, vehicle running expenses, and seminars for the Business Councils. 2 Consultants from Sweden visited Business Councils in January, 1996, and will make recommendations. The BC Pilot Project was started in February 1996. As a result of this pilot, there are ten BC's now in operation. The B C concept is proving to be a revolutionary concept in terms of empowering the local business communities. After forming a BC the local business community has realised that they have power over their communities. Ministers of Government, and the diplomatic corps have started to make appointments with BC. The BC's have empowered BOCCIM members at the local level. The program is likely to enhance the democratization of BOCCIM as an organisation, as issues for discussion within BOCCIM are generated from the BC's up to the Executive Council. BOCCIM is encouraged by the fact that most of the leaders of the BC's throughout the country are women. After the Pilot Project, the concentration of the Main Project will be to further strengthen the BC's and assist them to pioneer the development of their localities by promoting investment and improving local investment climates. The development of the Business Councils has also instilled a sense of civic pride in the participants.</p>		
<p>Issues: The Kasane, Kanye, Tsabong, Lobatse, Gaborone, Serowe, Francistown, Maun, Ghanzi, and Selibe Phikwe Business Councils are running effectively. The Mochudi, Molepolole, Mahalapye, and Palapye Business Councils are not yet fully operational. They are having problems identifying qualified person to run the business councils. These councils also feel that they are a business satellite of Gaborone.</p>		
<p>Recommendations: Monitor the effectiveness of the Business Councils. BC's should assist the President of Botswana to identify business persons from the private sector to accompany him on international trips when he is promoting business and investment.</p>		
Project Costs	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel and M&IE:		
Travel and Transportation:		
Other Costs:		
TOTAL:		
Host Country Contribution	<u>Expected</u>	<u>Actual</u>
Salaries:		
Travel/Transportation:		
Office Space:		
Other:		
TOTAL:		

Technical Subcommittee: M&E Development
Coordinating Institution: BOCCIM
Budget Line Item:

Activity Coordinator: I. Gabegwe
Phone: 353-459

Reviewed by PIC: _____

M. M. MBAAKANYI
DIRECTOR

Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

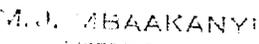
Activity Title: BDC Employee Exchange Program

<p>Activity Description: This activity involves developing an exchange program between BDC and other development finance corporations in the SADC region.</p>		
<p>Expected/Actual Impact: Impact of this program is skills transfer/information exchange between similar institutions, resulting in improved performance of all development/finance institutions in the region. Impact would be measured through performance of individuals participating in the program and measurement their contribution to the visiting institution. Administrative and logistical framework needs to be established to monitor performance/benefit.</p>		
<p>Implementation Plan: BDC has assisted in generating interest in a regional exchange program through dialogue and scheduling of additional conferences to iron out the administrative details. Donor funds must still be sourced.</p>		
<p>Status: The Steering Committee met in Lesotho. The implementation date for the first exchange is scheduled for May 1, 1996. Each organization is to send profile information to other participating members to enable them to choose areas in which they wish their staff to be attached. It was also agreed that the a constitution is not needed, but a Memorandum of Understanding would suffice to regulate activities and relationships. The current secretariat is located at the Zimbabwe Industrial Development Corporation. It was decided that the secretariat should be rotated among the member participating countries, and that each participating organization should recruit new members from their own countries. A special follow-up has been made to the Malawi Development Corporation to find out why they have been unable to attend meetings. The South African High Commission in Botswana has been approached to find out whether a decision has been made regarding the organization to represent South Africa. Each organization should investigate the requirements of both the Immigration and Labour Departments in regards to the status of program participants. Membership contributions of USD \$500.00 per annum have been abolished. The next Steering Committee is scheduled to meet in August 1996, and the General Conference Meeting, October 1996. The participant countries are in the process of exchanging corporate profiles.</p>		
<p>Issues: There has been no BPED funding for this activity, although BPED fully supports this activity. The Steering Committee has not yet started sourcing funds. It is anticipated that once the Memorandum of Understanding has been approved, efforts will commence to identify sponsoring agencies.</p>		
<p>Recommendations: Request funding from IFC or UNIDO, and other donor agencies. Continue to track Host Country Contributions. This activity may be relevant to projects initiated by the USAID/RCSA.</p>		
Project Costs	<u>Expected</u>	<u>Actual</u>
Professional Fees:		P36,400.00
Hotel and M&IE:		
Travel and Transportation:		
Other Costs:		
TOTAL:		P36,400.00
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		
Travel/Transportation:		
Office Space:		
Other:		
TOTAL:		

Technical Subcommittee: M&E Development
Coordinating Institution: BDC
Budget Line Item:

Activity Coordinator: S. Meti/P. Mokou
Phone: 351811

Reviewed by PIC:



 Mr. M. Mbaakanyi, PIC Chairman

53

PIC Activity Summary Sheet

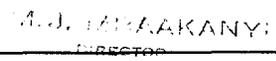
Activity Title: Revitalization of the Small Business Division

<p>Activity Description: The objective of this activity is to develop an active group of small business members who are working on projects which benefit the small business sector.</p>		
<p>Expected/Actual Impact: Activities should generate income to support business outreach services. A focus on small business needs will also show that BOCCIM can be responsive to small businesses.</p>		
<p>Implementation Plan: The work plan is to place priority on projects which are most beneficial to small business development.</p>		
<p>Status: Five of the seven projects proposed in 1995 have been completed. The Debt collection handbook was not completed due to lack of financing. There has been difficulty in securing funds for printing. The only project currently being undertaken is the Flea Market. Although the SBD was actively involved in running the Flea Market in the initial stages, the activity is no longer managed solely by the BOCCIM Secretariat. As for the Small Scale Enterprise Development Policy, the SBD is awaiting response from the Government. BOCCIM/SBD is still awaiting a response to a proposal which was long submitted to the Ministry of Commerce concerning the Small Business Guarantee Scheme. The SBD was not involved in organizing last years Small Business Week, but lent support to SEPROT by supplying tables and other equipment used during the exhibition. The BOCCIM Secretariat was not involved in organizing of the SBW, but sent Outreach Staff to attend the conference. Operating cost for the committee are covered. The Small Business Division Executive Committee meetings have been held monthly. The SBD is currently operating with the assistance of the BOCCIM Field Officer for the South. BOCCIM continues to support the SBD through the Outreach Services offered by the Membership Services Department. The SBD held an AGM on April 23, 1996. The SBD has now become the Gaborone Business Council. Since the SBD has become a full fledged Business Council, it has become very active in the revamping of the Borakanelo Flea Market. Members of this Council recently went to South Africa for training by Flea Market Enterprises, a company that manages successful flea markets throughout South Africa. The Council is planning a Trade Seminar on September 7, 1996 to explain the Trader Creation Program, and joint ventures opportunities between Botswana and South African Fleam Market vendors to exchange products and merchandise for retail.</p>		
<p>Issues: The Executive Committee submitted a proposal to convert to a Business Council. The proposal was accepted and the SBD has become the Gaborone Business Council, and is entitled to donor support.</p>		
<p>Recommendations: Monitor effect on BOCCIM's sustainability.</p>		
<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel and M&IE:		
Travel and Transportation:		
Other Costs:		
TOTAL:		
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P897.00
Travel/Transportation:		P375.00
Office Space:		P568.00 (Salaries of SBD Members)
Other:		
TOTAL:		P1,761.00

Technical Subcommittee: M&E Development
 Coordinating Institution: BOCCIM
 Budget Line Item:

Activity Coordinator: I. Gabegwe
 Phone: 353459

Reviewed by PIC:



 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: BOCCIM MIS Consultant

<p>Activity Description: The BPED Management Information System assist to develop and implement an internal monitoring, evaluation, and reporting system that will keep BOCCIM management informed on progress and problems in providing services to members. The system will generate impact data and vital information that is useful to the private sector. The data base is a value added service to the membership.</p>																				
<p>Expected/Actual Impact: Improved monitoring and reporting systems as basis for informing members re: benefits of membership. BOCCIM needs to determine how they are going to monitor the impact of this activity.</p>																				
<p>Implementation Plan: Consultant worked on a part time basis between February an July 1995. Initially she developed a workplan for each department, and then developed appropriate systems based on the Departmental workplans. Consultant also performed a needs assessment and hardware and software allocation plan.</p>																				
<p>Status: The Membership Database is operative. The Training Database and BMAP are not currently being used as the programs have been discontinued. The system, however have been retained. BOCCIM needs to review the MIS System. No determination has been made to determine whether or not a Consultant is needed for follow-up. Copies of the Final Documentation sent to USAID on March 19, 1996.</p>																				
<p>Issues: Data from the systems will need to be extracted for the Final Evaluation of the project.</p>																				
<p>Recommendations: BOCCIM</p>																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Project Costs</u></th> <th style="text-align: center;"><u>Expected</u></th> <th style="text-align: center;"><u>Actual</u></th> </tr> </thead> <tbody> <tr> <td>Professional Fees:</td> <td style="text-align: center;">\$16,500.00</td> <td style="text-align: center;">\$11,005.00</td> </tr> <tr> <td>Hotel and M&IE:</td> <td></td> <td></td> </tr> <tr> <td>Travel and Transportation:</td> <td></td> <td></td> </tr> <tr> <td>Other Costs:</td> <td></td> <td></td> </tr> <tr> <td>TOTAL:</td> <td></td> <td></td> </tr> </tbody> </table>			<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>	Professional Fees:	\$16,500.00	\$11,005.00	Hotel and M&IE:			Travel and Transportation:			Other Costs:			TOTAL:		
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<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>																		
Salaries:		P32,660.00																		
Travel/Transportation:																				
Office Space:																				
Other:																				
TOTAL:	P6000.00	P32,660.00																		

Technical Subcommittee: M&E Development
Coordinating Institution: BOCCIM
Budget Line Item:

Activity Coordinator: M.P. Chalwe
Phone: 353459

Reviewed by PIC: M. M. MBAAKANYI
SECRET
 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: Short Term Technical Assistance to BOCCIM Training Department

Activity Description: The BOCCIM Training Department requires a short-term technical assistance to: 1) develop and present five in-house training courses and ii) develop Small Business Guides (Financial Management, Business Record Keeping, Budgeting, Business Planning, and Cash Flow Forecasting) which will be used by consultants to teach courses for small business owners. The Small Business Guides will also be sold in Botswana and regionally to generate revenue for BOCCIM.

Expected/Actual Impact: This consultancy will enable BOCCIM to explore two options for generating training revenues once BPED funding ceases. The impact of the consultancy will be measured by: i) the extent to which the 5 BOCCIM courses and the Small Business Guides courses continue to be presented in 1996 without BPED funding or support; ii) profits generated from the five BOCCIM courses and Business Guides courses in 1995 and 1996; iii) the effectiveness of the courses; and iv) revenues generated through the sales of the Small Business Guides. This activity has been cancelled.

Implementation Plan: The consultant will assist the Training Officer to develop course materials for five new training courses scheduled to be held in 1995. He will also rehearse presentation techniques with the Training Officer and jointly present each new course with her. Each course will require 2 days of preparation time, 2 practice days, 2 travel days and 2 course presentation days from the consultant, for a total of 40 days. The consultant will also assist the Training Officer to draft the five Small Business Guides. Each guide will require approximately 4 days of assistance. These guides will then be edited and published under a previously approved consultancy, and consultants will be contracted to teach the corresponding courses.
A total of 480 hours is authorized under this consultancy between March 7 and September 30, 1995.

Status: Two courses have been completed and two courses are to be repeated this year. No progress has been made on the small business guides due to lack of funding. This training activity has been dropped due to lack of funding.

Issues: This activity cannot be continued under the Cooperative Agreement.

Recommendations: Under the In-house Training Course and Seminar Section 3.2.3 of the Cooperative Agreement states that, "With support from the former Training Advisor, BOCCIM has been developing an internal training delivery capability to generate income for the Training Department. Prior to September 30, 1995, the Training Advisor and the Training Officer will design and pilot five training courses which are targeted at citizen entrepreneurs. Funds for this activity have already been approved under the foreign exchange budget managed by the prime contractor, and no additional funding will be provided for course development under this Cooperative Agreement."

<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel and M&IE:		
Travel/Transportation:		
Other Costs:		
TOTAL:		
<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:		P13,600
Travel/Transportation:		
Office Space:		P10,000
Other:		
TOTAL:		P23,600

Technical Subcommittee: M&E Development
Coordinating Institution: BOCCIM
Budget Line Item:

Activity Coordinator: O. C. Masire
Phone: 353459

Reviewed by PIC: Mr. M. Mbaakanyi
SUPERVISOR
 Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: BOCCIM Flea Market

Activity Description: The Borakanelo Flea Market at the BBS Mall was formally opened on October 30, 1994 by the Minister of Commerce and Industry to provide small-scale entrepreneurs with an outlet for their products. The concept was originated by a Peace Corps Volunteer who assisted BOCCIM in setting up the market, with support from the BPED Business Management Advisor.

Expected/Actual Impact: The market is expected to provide an opportunity for small-scale citizen businesses and vendors with an outlet to sell their products, in an environment that is free from licensing requirements. In addition, the market generates income for BOCCIM to support its small business activities. Impact indicators include: i) increase in profits; ii) increase in average number of citizen entrepreneurs who rent space; and iii) create much needed jobs for women, school leavers, others.

Implementation Plan: To source the services of an experienced Flea Market Expert to implement a successful strategy to attract more customers, more vendors, and more profits. The expert should come from a neighbouring country where Flea Markets are big business opportunities for small scale entrepreneurs.

Status: There are problems with lack of participation on the part of both buyers and sellers. This could be due to the increase in fees from P25 to P 40. Subsequently, the fees were lowered to P15 for BOCCIM and P20 for non-members. The Consultant from Flea Market Enterprises in South Africa visited Gaborone June 14-17. The consultant operate 4 successful Flea Markets in Bruma Lake, Pretoria, Benoni, and Durban. The consultant has suggested a Trader Creation Program, a Trader Exchange Program and assistance to the local vendors to teach them how to bargain. BOCCIM Staff members and members of the Gaborone Business Council commenced their training in South Africa July 10, 1996. The Consultant has submitted the marketing plan and budget necessary to revamp the Flea Market. The report suggest that BOCCIM sub-contracts a Private Enterprise Management Company to manage and develop Flea Market. Even if the management of the Flea Market is contract out, someone from BOCCIM must take the lead. A tender to manage the proposed Francistown Flea Market has been publicised. The Francistown Business Council was the only entity that responded to the tender. A list of the consultants Action Plan for the Development of the Borakanelo Flea Market is attached. BOCCIM has decided to follow the recommendation of the consultant and contract out the management of the Flea Market in Gaborone and Francistown.

Issues: The Consultant identified a dominating problem throughout the retail sector in Gaborone, a lack of merchandise range. The local Flea market entrepreneurs are experiencing difficulty sourcing products to retail. This has inhibited sales, and the ability to attract more customers. The consultant proposed a FME Retail Joint Venture Program to address this issue. (SEE ATTACHED). There seems to be an increased participation from Chinese vendors rather than Batswana vendors. The relaunch of the Flea Market will not take place until November 1996 or March 1997, in which case the cost will not be funded by BPED. BOCCIM may want to submit a budget to buy materials in preparation for the relaunch.

Recommendations: A consultant has been retained to advise BOCCIM on successful ways of making the Flea Market an income generating activity. Operations of successful Flea Markets in South Africa, such as Bruma Lake, and Rosebank were studied. A thorough review of the products sold at the market was undertaken. The feasibility of moving the market to a location that allows the market to operate on Saturday was also reviewed. The consultant concluded that the area where the market is currently situated is the best possible location in Gaborone. BOCCIM Staff should go to rezoning hearing for the Central Business District to lobby to allow the Flea Market to operate on Saturday. BOCCIM should also put pressure on the Gaborone City Council to allow the Flea Market to operate on Saturday. Trip reports must be submitted by those that went on the trip to South Africa. BOCCIM must up with a date certain to re-launch the Flea Market and decide who will run it.

<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:	P35,454.51 (including overhead)	R25,000.00
Hotel and M&IE:	P 8,085.00	
Travel and Transportation:	P 1,484.00	
Other Costs:	P10,829.62	
TOTAL:	P55,853.13	R25,000.00

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:	P15,000.00	P22,678.00
Travel/Transportation:	P 900.00	
Office Space:	P 5,000.00	P 75.00
Other:	P 2,400.00	P 500.00
TOTAL:	P23,300.00	P23,253.00

Technical Subcommittee: M&E Development

Activity Coordinator: I. Gabegwe

Coordinating Institution: BOCCIM

Phone: 353459

Budget Line Item:

M. M. MBAAKANYI

Reviewed by PIC:

Mr. M. Mbaakanyi, PIC Chairman

ACTION PLAN FOR THE DEVELOPMENT OF THE
BORAKANELO MARKET - GABERONE

1. Set the Launch date - I would recommend a launch date for the last Saturday in March 1997 in order to alleviate any stress in the launch, otherwise the last Saturday in October or early November of this year if Boccim doesn't want to wait.
2. Name the new market - To be set together in a brainstorming session to be held in Gaborone.
3. (a) Network meetings to promote and communicate the concept to be held with the owners of the Kagiso Centre, BBS, Chobe House, the BCB and Standard and Chartered Bank. (b) Also the Minister of Trade and Industry (or equivalent) of Botswana as well as the South African Ministry of Trade and Commerce. (c) Any other stakeholders or players deemed to be important by Boccim.
4. (a) Agreements or lease agreements to use the piazza to be entered into by Boccim. (b) Private Enterprise management company to be created to manage and develop the market for Boccim. (c) Agreement entered into by the Market Management Company with F.M.E Retail to operate a joint venture program. (d) Agreement entered into between the Market Management Company and Boccim for the development of the market.
5. Development and establishment infrastructural detail and corresponding budget to be created. Refer to annexure A in which I will set out what I recommend as the preferred detail for the infrastructure and budgets. Keep in mind that the budget amounts are neither exact nor researched in terms of Botswana costs, but will provide fairly good guidelines from which the Market Management Company, with Boccim can refine and research to produce accurate final establishment budgets.
6. Monthly operating budget in the form of a profit and loss management account with cash flow projections must be undertaken - refer annexure B.
7. Employment of the market manager must be undertaken 10 to 12 weeks before the launch.

8. Systems for financial control and record administration must be established based on a manual or computer option chosen prior to trader sales beginning. This would include the opening of bank accounts, stationery being printed, application forms and rules and regulations printed.
9. A Public relations and consultation campaign must be instituted twelve weeks prior to launch to pre-empt slightly the launch of the trader marketing campaign. This should be aimed at local, provincial and national government as well as stakeholders in the market's immediate environment such as property owners, shop owners and/or managers, and any special interest groups who might have a role to play or be affected by the market's presence.
10. Trader marketing and sales campaign to be designed ready for implementation 10 weeks prior to launch to coincide with the employment of the market manager. This campaign must include the design and creation of trader information sheets, sales aids and a trader creation program.
11. A media campaign designed to obtain editorial coverage in newspapers, radio and television must be created simultaneous with the trader marketing campaign so that benefit is received by building the credibility of the market and its trader creation / opportunity generating advantages.
The campaign must however include market building and excitement generating qualities that shroud the project and build anticipation up in the public.
12. Launch day program of entertainment must be designed 8 weeks prior to the launch including the VIP tent and invitation lists so that marketing has all its required information 6 weeks prior and so that invitations can be sent out and guest speakers booked well in advance.
The post launch program can be designed 6 weeks in advance once the invitations have been sent out in conjunction with the "marketing post launch" program so that post launch continuity is entrenched.
13. The marketing campaign aimed at the public is created 6 weeks before allowing for design and production time of 4 weeks so that the campaign can launch 2 weeks prior to the launch day. The post launch campaign must be simultaneously designed so that

continuity of marketing in the post launch phase is synergistic and in sync with the pre launch.

14. Two weeks prior to launch a detailed daily operating checklist is established for the use of market management to facilitate that smooth daily trading occurs.



FME RETAIL

164 Louis Botha Avenue
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2198

Tel: (011)648-1310 Fax: (011)648-8680

JOINT VENTURE PROGRAM

INTRODUCTION

Over the years as Flea Market Enterprises opened more and more markets we became more and more aware of the intricate details needed both by traders and ourselves in order to grow and develop successful trading business operations and market places.

But what became most obvious to us in producing successful markets that worked for our traders and ourselves was that the market really is the trader and therefore an unwritten partnership between trader and market management must exist.

Embodied in the partnership is the responsibility of the trader to bring the merchandise, display it attractively and to sell, sell, sell. The trader has also to stay innovative, sourcing new product at better prices, staying on top of fashion and gimmick trends, maintaining a creative flair and remaining in touch with their public's needs and wants.

Management has to provide an environment which is conducive to the trader to make as much money as possible by playing a role of facilitation and enablement. Since the trader has no formal lease with management, the trader must make money to pay the rent (management's only source of income).

When a new market opens it is not always possible for existing traders to trade at the new venue for numerous reasons, although it may be lucrative and desirable for the trader to do so.

The new market wants the trader's style and merchandise so as to increase its product range and value to the public it seeks to serve in order to be successful. So when a trader who wishes to trade cannot do so at the new venue, both trader and market are losers.

FME RETAIL JOINT VENTURE

By extending the partnership relationship we can now solve this problem to our mutual benefit.

- 1 Trader supplies merchandise to FME RETAIL on consignment indicating what the selling price should be and what the range available for bargaining should be.
- 2 FME RETAIL takes possession of the merchandise and stores it until the trading day. The trader and FME take joint responsibility for any losses that might occur through natural causes like flooding or fire and theft sharing in the losses at 50 / 50 of the cost price.
- 3 FME RETAIL sells the merchandise at the relevant market taking responsibility for on the day staffing, booking of stalls, receipt and balancing of sales income, administration and management of the process.
- 4 FME RETAIL will stock take every two weeks on the first weekday following the trading day and requisition new or replacement stock from the trader after going through the trading statistics with them.
- 5 Should the trader later decide to enter the market on their own behalf they will be entitled to do so with one calendar months notice and FME RETAIL will cease selling their merchandise on the market.

FINANCIAL ARRANGEMENT

Of the gross sales received stall fees must be paid first.

From the balance the salesperson manning the stall gets 10% of the nett sales, the sales manageress gets 10% of the nett sales, FME RETAIL gets 5% of the net sales and the trader gets 75% of the nett sales.

This arrangement contemplates a mark up on cost of 100% to reach the selling price. In circumstances where this is not the case the arrangement will need to be adjusted accordingly and may not even work on a percentage basis and may work on a value per item sold or other agreeable basis.

Before obtaining top up or new stock, the trader will be paid their portion of sales made already.

CONCLUSION

This relationship eliminates completely the "us and them" relationship between market management and trader and builds on the synergy of the relationship. FME seeks to develop better markets with stronger, more profitable traders who looks forward to being members of the elitist group of FME traders. FME also seeks to entrench our relationship with our traders by providing such additional services as that embodied in the FME RETAIL joint venture programme.

Marc Israelsohn
(Group Managing Director)

PIC Activity Summary Sheet

Activity Title: National Remuneration Survey Update

Activity Description: The National Remuneration Survey Update is a critical document for the private sector. It helps to stabilise the mobility of personnel and therefore enhances the impact of training, as trained people stay on the job. The NRS is also a critical document for incoming investors who are able to prepare their feasibility studies. BOCCIM members also benefit from the document when they submit Government tenders, by way of obtaining accurate wage levels. The NRS helps all categories of employers including those who apply for FAP assistance. It is a very useful document by BOCCIM in the service of its members and the entire private sector in Botswana.

Expected/Actual Impact: BOCCIM plans to sell the document to the Government and private sector, in compliance with efforts to increase membership service and achieve sustainability as outlined in the Organizational Strategy Review.

Implementation Plan: The Survey is to commence after the Government has Gazetted the Minimum Wages in April. Usually the private sector takes Government wage increases as the market leader, although they are not bound to do so. The NRS will compile all the latest salary and wage levels.

The estimated number of person days to complete the study is 92.

Status: The last survey was completed in 1991, and is now out of date. The Terms of Reference have been adjusted to reflect recommendations of the Sub-committee. Tsa Badiri has been selected to update the Remuneration Survey. The survey questionnaires have been sent to the selected company sample. 40% of the target sample has been received by the consultant. Consultant will deliver the Survey by August 30, 1996. The survey has been completed and delivered to BOCCIM. Interest has been generated by the private sector to purchase the Survey. BOCCIM will charge P150 for the Survey to members, and P200 to non-members

Issues: To determine the demand for the NRS.

Recommendations: Since government and parastatal wages and benefits is available from other sources, such as the Central Statics Office), the BOCCIM Remuneration Survey should concentrate on the critical need for data on the private sector wages and benefits. BOCCIM should rewrite the Terms of Reference to focus on the private sector, reducing the scope of the study and increasing the likelihood that it can be completed by August. The reduced scope of work will also have budget implications. The Sub-committee also recommended linking the activity to the Economic Research Unit, ensuring that the data collected can be incorporated into or linked with existing databases. BOCCIM should appeal to its membership to assist in providing information on wages to the private sector. BOCCIM should build up data base for yearly updates.

<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Professional Fees:	P 50,000.00	P50,000.00
Hotel and M&IE:		
Travel and Transportation:		
Other Costs:		
TOTAL:	P 50,000.00	P50,000.00

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:	P 1,000.00	P1,000.00
Travel/Transportation:		
Office Space:		
Other:	P 25,000.00	P25,000.00
TOTAL:	P 26,000.00	P26,000.00

Technical Subcommittee: M&E Development

Activity Coordinator: Mr. Dewah

Coordinating Institution:BOCCIM

Phone: 353459

Budget Line Item: Membership Services

Approved by PIC: _____

M. M. Mbaakanyi
DIRECTOR
Mr. M. Mbaakanyi, PIC Chairman

PIC Activity Summary Sheet

Activity Title: Gaborone Business Council Small Business Trade Seminar

Activity Description: BOCCIM Membership Services is currently being assisted by a Consultant funded by BPED to revitalise the Borkanelo Flea Market. The flea market revitalisation project will involve a trip to Johannesburg to learn the how to operate a successful flea market. Upon their return from Johannesburg, the Gaborone Business Council intends to hold a seminar for the flea market vendors, and other Gaborone based small businesses to disseminate the information learned from the flea market experts in South Africa.

Expected/Actual Impact: To disseminate information to help the informal sector flea market vendors become better traders through procurement of products not currently found in Gaborone, creating small business trade linkages and exchange of products with flea market vendors in South Africa. The Seminar will include workshops on bargaining skills, assist vendors with the pricing of their goods, and how to implement the newly acquired strategies to attract new customers and vendors to the flea market.

Implementation Plan: The Seminar is planned for the September 24, 1996. Members of the Gaborone Business Council that went to South Africa have received a copy of the Flea Market Consultants report. This will contacts made in South Africa, and information from the report to start a trader Creation Programme. This micro-enterprise development programme is expected to entice the under-employed and the unemployed to become traders at the Flea Market.

Status: New Activity

Issues:

Recommendations: The Sub-committee suggested that BCCI and SEPROT be invited to the seminar.

<u>Project Costs</u>	<u>Expected</u>	<u>Actual</u>
Conference Facilities 100 people at P55 per person :	P5,500.00	
Vendor Training Material:	P4,200.00	
Other Costs:		
TOTAL:	P9,700.00	

<u>Host Country Contribution</u>	<u>Expected</u>	<u>Actual</u>
Salaries:	P2,624.00	
Travel/Transportation:	P1,225.00	
Office Space:	P1,000.00	
Other:		
TOTAL:	P4,849.00	

Technical Subcommittee: M & E
 Coordinating Institution: BOCCIM
 Budget Line Item: Membership Services

Activity Coordinator: Mr. Dewah
 Phone: 353-459

Reviewed by PIC: M. J. MABAANYI
DIRECTOR
 Mr. M. Mbaakanyi, PIC Chairman

file name:

last updated: September 12, 1996

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PIC Activity Summary Sheet

Activity Title: Business Council Workshop

<p>Activity Description: A Business Council workshop will bring together representatives from each of the 13 Business Councils to discuss and evaluate: i) experiences in developing the Business Councils; ii) the dynamics of developing local business associations; iii) the relationship between the Business Councils and BOCCIM; iv) financing of the Business Councils; v) an overall strategy for developing the Business Councils; and vi) workplans for each Business Council, to be approved by each Council's Executive Committee.</p>		
<p>Expected/Actual Impact: Activities should generate income to support business outreach services. A focus on small needs will demonstrate that BOCCIM can be responsive to small business.</p>		
<p>Implementation Plan: The next workshop is being planned. Business Council offices are being set up and funded by Swedecorp.</p>		
<p>Status: Six Business Councils approved workplans. The Councils are planning to meet to approve work plans for 1996. There has been follow-up by BOCCIM Field Officers to make sure workplans have been implemented. Norman Molele is responsible for the Business Councils in Northern Botswana: Maun, Ghanzi, Kasane, Selibe-Phikwe, Palapye, Mahalapye, and Serowe. Isang Gabegwe is responsible for those Business Councils in the South: Lobatse, Kanye, Tsabong, Mochudi, and Molepolole.</p>		
<p>Issues: There is a need for additional Field Staff to help BOCCIM implement the Business Council's Swedecorp Pilot Project, scheduled to start on 1 February 1996 and end September 30, 1996. The main project is scheduled to start after the pilot project and will continue for five years. The two SIDA consultants are working on the project until September 30, 1996. The SIDA report is expected shortly thereafter.</p>		
<p>Recommendations:</p>		
Project Costs	<u>Expected</u>	<u>Actual</u>
Professional Fees:		
Hotel and M&E:		
Travel and Transportation:		
Other Costs:		
TOTAL:		
Host Country Contribution	<u>Expected</u>	<u>Actual</u>
Salaries:	P2,200.00	P2,897.00
Travel/Transportation:		P 500.00
Office Space:		
Other:		P8,182.00 (Salaries of Participants)
TOTAL:		P11,579.00

Technical Subcommittee: Management & Entrepreneurial Dev.
Coordinating Institution: BOCCIM
Budget Line Item:

Activity Coordinator: I. Gabegwe
Phone: 353459

Approved by PIC: M. M. MBAAKANYI
CHAIRMAN
 Mr. M. Mbaakanyi, PIC Chairman

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