

MANUAL FOR ACTION IN THE PRIVATE SECTOR (MAPS) REPORT

for

USAID/Botswana

INITIAL PHASE - Articulation of Present Strategy and  
Plans for Subsequent Phases

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Sponsored by: The Office of Market Development and Investment of  
the Bureau for Africa of A.I.D.

and

The Private Enterprise Bureau of A.I.D.

D R A F T

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BOTSWANA MAPS REPORT

INITIAL PHASE

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## I. Introduction

The private sector strategy assessment being undertaken in Botswana at the request of the USAID Mission uses the Manual for Action in the Private Sector (MAPS) methodology tested in the Dominican Republic, Sri Lanka and Costa Rica. It is also now being applied in Lesotho, Swaziland, Zaire, Cameroon, Ghana and Kenya. The assessment has been modified in Botswana, in accordance with Mission decisions reached in discussions between the MAPS team and the Mission. The MAPS exercise will concentrate on those areas which have the potential to most significantly contribute to attainment of the objectives contained in the provisional USAID/Botswana private sector statement for the new Country Development Strategy Statement (CDSS) period. To wit, the Mission, depending on MAPS results, plans to:

Promote increased income and employment generation, especially by encouraging the spread of market forces throughout the economy, strengthening Botswana participation in the private sector, contributing to skills development and encouraging foreign investment and trade links. In particular, make a significant contribution, over the planning period, to the reduction of Botswana's annual employment gap (the difference between the number of new labor force entrants and the economy's net new job creation) through an increase in private sector job creation.

The MAPS assessment approach is used by the Office of Market Development and Investment in the Africa Bureau of A.I.D. (AFR/MDI) to help match USAID programs in Africa with private sector environments in selected countries. The MAPS exercise may assist a Mission to better utilize private sector resources in its current program and/or design new private sector-led strategies or projects. The assessment consists of seven phases (a summary description can be found in Annex A):

- Phase I: Define the Current Mission Strategy
- Phase II: Describe the Local Private Sector
- Phase III: Diagnose Opportunities and Constraints to Private Sector Growth
- Phase IV: Dialogue with the Private Sector
- Phase V: Design A.I.D. Private Sector Strategy
- Phase VI: Develop New Projects and Programs
- Phase VII: Debrief and Evaluate

The MAPS assessment team to Botswana for the initial phase of the MAPS exercise consisted of Cameron Smith of Trade and Development International Corporation, contracted through the Private Enterprise Development Support Project of AID/PRE, and M. Peter Leifert of LABAT-ANDERSON Inc., the principal contractor with AFR/MDI. Mr. Leifert is a member of the Lesotho and Swaziland MAPS teams. Mr. Will Elliott of USAID/Botswana ably backstopped and supported the team along with other Mission personnel.

The Botswana MAPS team, which arrived January 23, 1989, completed the first phase of the MAPS process, which was to articulate the

current Mission strategy, and organized efforts through the fifth phase, which involves the production of a private sector strategy to be used for a new CDSS due for review in Washington by August/September 1989.

Interviews were conducted with Mission personnel and contractors. Using the information gathered from these interviews, the team refined the private sector description (Phase II) and subsequent phases as noted above and to fit local needs and conditions. Terms of reference for the survey and for data collection and processing of descriptive data on the private sector were developed. A local consultant was identified who should be able to organize, monitor and supervise MAPS work under the general direction of Mr. Elliott when members of the MAPS team are not in Botswana.

Because of the presence of excellent data, phases II and III have been shortened and more time devoted to dialogue with both "experts" and private sector participants in various sub-sectors (segments) of the private sector. These two phases will take only about one month to complete and involve approximately five discussion groups of five experts each in the survey phase. The description of the private sector (Phase II), which will involve the collection of information from secondary sources, will be completed before the Phase III discussions begin so that the data generated may be used in these discussions.

Mission input to the MAPS assessment effort is essential. Discussions with the Mission Director led to definition of the current Mission strategy and provided orientation for the implementation of the MAPS exercise. Continued Mission involvement in the MAPS process is critical to the achievement of MAPS exercise objectives, i.e. results which can be used to help the Mission attain its development objectives.

Immediate next steps include the contracting for the private sector description and survey. The Mission plans to contract directly with Botswana individuals and a firm to assist in these future efforts, and MAPS Phases IV and V. It is anticipated that the description work will begin in early February and be completed by the beginning of March. Phase III survey work will begin immediately upon completion of the MAPS Phase II description, and be completed itself by mid March.

AFR/MDI assistance through LABAT-ANDERSON, Inc., if requested, and AID/PRE assistance through Trade and Development International Corporation will be provided to analyze the collected data, identify opportunities and constraints to increased employment generation and private sector-led growth, guide the dialogue with the private sector, draft a private sector strategy and help design a new private sector Project Identification Document (PID). The private sector strategy should be drafted by early May with drafting of the PID to follow at an as yet unidentified date.

## II. Strategy Articulation

### Articulation Rationale

In August/September 1989, USAID/Botswana will submit its FY 1990-1994 CDSS for Washington approval. Pursuant to the development of this strategy document, the Mission wishes to assess the extent to which private sector mechanisms and activities exist or can be developed and incorporated into this new strategy.

It is expected that increasing attention will be directed to the private sector in the new CDSS. The MAPS assessment effort and a number of other studies and reports recently completed or now being undertaken with Mission guidance and involvement, such as a major Agricultural Sector Assessment, will contribute background information, analyze options and/or provide suggestions for inclusion in this new Mission strategy.

The MAPS process, which clarifies Mission objectives and seeks to identify means to accomplish those objectives through the private sector, is a particularly useful tool at the time a Mission is designing a new or revised strategy. It will be useful in policy discussions with the Government of Botswana (GOB) and will promote understanding within the Government of the effect of public policy on private sector activity. It will also provide the private sector with a forum in which to express its own development priorities to the Mission, to other donors and to the GOB, so that more cohesive and comprehensive policies and projects may be developed.

### Articulation Process

The first step in the MAPS process is the articulation of the USAID Mission's strategy, particularly as it relates to the private sector. As can be seen from the articulation details in this report, private sector development has played an increasingly important role in the Mission's overall strategy for supporting Botswana's development. A review of the Mission's project papers, PIRS, its existing CDSS, and other documents (see Annex F) as well as consultations with USAID officials have shown that, while the largest portion of the Mission's resources has been channeled to or through the public sector (see Exhibit 2), growing attention is being directed to assistance directly to and through the private sector, with the cooperation of the GOB.

Exhibit 1 relates the Mission Statement to its goals and objectives, Exhibit 2 provides a "project inventory" demonstrating how financial resources have been allocated among goals and objectives, and Annex B gives details on how the project inventory was developed.

The overall, present "Mission Statement" as culled from the above documents and gleaned from discussions with Mission personnel can be stated as follows:

TO PROMOTE IMPROVEMENT IN THE QUALITY OF LIFE THROUGH BROAD-BASED, PRIVATE-SECTOR-LED ECONOMIC GROWTH EMPHASIZING SKILLS DEVELOPMENT, TECHNOLOGY TRANSFER, AND PROMOTION OF LOCAL ENTERPRISES - ALL LEADING TO INCREASED INCOME AND EMPLOYMENT GENERATION IN A DEMOCRATIC ENVIRONMENT

Based on an examination of the Mission's current project portfolio, the MAPS team, working with USAID staff, has articulated two key goals consistent with the development objectives in the above statement. The two goals are of equal priority. Attainment of the first listed below will not be possible without success in building the foundations for growth included in the second. Conversely, success in reaching and sustaining the second will only be possible with accomplishment of the broad-based growth aimed for in the first.

Goal "PS"            INCREASED MARKET-FORCE-BASED, PRIVATE-SECTOR-LED ECONOMIC GROWTH, DEVELOPMENT AND EMPLOYMENT GENERATION

Over 50 percent of the funding contained in the Mission's own six projects and seven categories of central, regional or PD&S funded activities (not including disaster assistance) is being applied to accomplishment of this first goal. The Mission has four objectives in this goal area:

Objective PS1    ENCOURAGE POLICIES WHICH REDUCE CONSTRAINTS, OPENING THE ECONOMY TO MARKET FORCES

Continuing GOB-Mission dialogue, supported by policy studies and seminars, is the prime vehicle used in pursuing this objective. The BWAST II and ATIP projects dedicate funding, and PD&S funds with assistance from AFR/MDI and PRE, have been creatively employed in policy dialogue relevant activities.

Objective PS2    DIRECTLY INCREASE CITIZEN KNOWLEDGE OF AND ABILITY TO PARTICIPATE IN THE PRIVATE SECTOR

Efforts under this objective are those which channel USAID resources directly to or through the private sector, i.e. those not oriented to building the GOB's capacity to provide effective assistance or which pass through GOB entities on their way to the ultimate private sector beneficiaries. Projects providing such assistance in this

area are BWAST II, the Small Projects Assistance Program with Peace Corps, the Ambassador's Self-Help Fund, the PRE/I Loan Guarantee Facility, the business-to-business assistance program of the International Executive Service Corps, two PVO grants and training through the PRE/MAS program. The planned Natural Resources Management Project should also have components oriented to direct stimulation of Batswana business and employment.

**Objective PS3 INCREASE GOB EFFICIENCIES AND ABILITY TO PROVIDE INPUTS TO PRODUCTIVE SECTORS**

Generally known as institution building, activities in this area are intended to: 1) Improve GOB decision making capabilities (BWAST II); 2) Improve management systems (BWAST II); 3) Improve/Expand information and information delivery systems (ATIP); and 4) In the future, help improve extension capabilities in micro-enterprise development (Peace Corps Training).

**Objective PS4 ENCOURAGE WORK SKILLS DEVELOPMENT AND RELATED CURRICULUM IMPROVEMENTS IN BASIC EDUCATION**

Most of the activities under the Mission's two education projects are oriented to strengthening and expanding the basic education system as a whole. However, specific efforts are also being made to prepare citizens for entry into the work force. Emphasis in primary education (PEIP II Project) has been placed on teaching social studies and science in ways which create not only skills, but also understanding of the hows and whys of the sector itself. The JSEIP Project includes private-sector-directed curriculum development and the basics of commercial/business training, i.e. the "lemonade stand" approach, among its activities.

Goal "QL"

IMPROVED QUALITY OF LIFE THROUGH SKILLS  
DEVELOPMENT AND BETTER MANAGEMENT AND DELIVERY OF  
GOODS AND SERVICES IN AREAS VITAL TO DEVELOPMENT

Strong institution building and technology transfer efforts, primarily in the areas of education, housing and agriculture, have been grouped under this second goal statement. In addition, the over \$30 million A.I.D. has spent in drought and food emergencies during the last five years has been included, as has been the upcoming natural resources oriented project. These, and other activities noted in Exhibit 2 and Annex B, comprise the Mission's primary development efforts to improve the well-being of the people of Botswana, and without which, private sector employment and income generation goals would be impossible to attain.

Objective QL1 SUPPORT EFFECTIVE EXPANSION OF THE BASIC  
EDUCATION SYSTEM

Between them, the PEIP II and JSEIP projects are spending over \$20 million to strengthen and expand the primary and junior secondary basic education systems.

Objective QL2 EXPAND POPULATION EFFORTS; STRENGTHEN  
AGRICULTURAL RESEARCH AND LINKAGES TO  
EFFECTIVE EXTENSION; AND PARTICIPATE IN URBAN  
DEVELOPMENT THROUGH HOUSING GUARANTEE  
PROGRAMS

Programs which promote the establishment of a manageably-sized population which can feed and house itself and is likely to find jobs, i.e. which will help create basic well-being, have been grouped together.

Objective QL3 INCREASE SUPPORT TO NATURAL RESOURCE  
DEVELOPMENT

Various studies and support activities have been executed by the Mission, which is now planning a new and key element to its development strategy in Botswana, a natural resources management project. The probable activities which have been listed in Annex B include increasing public awareness and the development of information systems. Activities such as income generation pilot projects using forest or wildlife products have been included under Objective PS2 above because of their private sector development focus.

Objective QL4 PROVIDE ASSISTANCE TO HELP ALLEVIATE DROUGHT  
AND FOOD EMERGENCIES

The Mission has helped in Botswana's seven-year struggle with drought through the PL-480 program and the Office of Foreign Disaster Assistance (OFDA).

Objective QL5 INCREASE PRIVATE SECTOR INVOLVEMENT IN BASIC  
GOODS AND SERVICES DELIVERY

Using private sector mechanisms, rather than those of the government, when possible, has raised effectiveness in reaching target audiences and target project accomplishments in many developing country projects. USAID is aware of this in regard to its basic human needs oriented initiatives.

Exhibit 2 shows only \$100,000 actually allocated from project and program resources under this objective. However, this does not give a full picture of the degree of the Mission's efforts in involving the private sector in what are traditionally not seen as private sector fields of activity. For example, USAID's population project, BOTSPA, is trying to expand the role of the private sector and non-governmental organizations (NGOs) in family planning. Another example is construction of education centers under the JSEIP project by private companies.

The strategy articulation phase has shown that the majority of the Mission's objectives are being implemented through public sector institutions (about 80 percent not counting disaster assistance), though all, to one degree or another, impact on the private sector. These activities mostly aim to stimulate economic growth that provides productive employment and higher incomes, and are therefore consistent with a broad-based private sector approach to development. The difference between some of the existing Mission projects and current AID/W guidelines on project designs and implementation mechanisms preferable for achieving development goals has been Botswana's need to develop a stronger institutional, primarily governmental foundation for development to proceed and to be sustained.

Various activities can be said to be part of a private sector program. There is a significant interchange of ideas and policy dialogue with the GOB, and Project Development and Support (PD&S) funds have been creatively used to support a variety of activities which have strengthened the private sector in Botswana through increased awareness and training. In addition, AID/W resources through AFR/MDI and PRE have been made available as needed to further the cause of development through the private sector.

To the degree that existing projects could have been reoriented to private-sector-led development strategies, they have been. For example, the Agricultural Technology Improvement Project (ATIP) has put increased emphasis on communicating and promoting the linking of research with extension in order to help dryland sorghum and millet farmers increase their production and incomes. Likewise, the newer Botswana Workforce and Skills Training Project (BWAST II) has put more emphasis on assistance directly to and through the private sector than did its predecessor, BWAST I. Also, the Mission is hoping that a new population project will use NGO and private firms to carry out activities. However, much of the Mission's program is directed to public sector institutions and is believed by the Mission to be of critical importance. These will continue until these existing projects are completed, and will, according to current Mission plans, continue in some form in the future. The Mission has no intention of having a private sector strategy become its sole strategy. Rather, as USAID develops new activities, it will continue to give greater emphasis to the private sector.

The examination of how current projects are related, how they affect the private sector and how private-sector-led development strategies and development mechanisms are able to help a Mission achieve its development goals, is one of the objectives of the MAPS process. The strategy articulation exercise, including the discussions it motivates and the search for answers it anticipates, has begun this process.

Mission staff, including project managers and contract team leaders, met to discuss the above articulation. The meeting was similar to those on MAPS Phase I findings in other Missions. Discussion was lively. The USAID Director plans to follow this first discussion with a further discussion as part of the CDSS development process to develop future goals and strategies after MAPS Phase V produces a draft of a new private sector strategy. Concentration will be on the new strategy.

A second objective of Phase I and subsequent MAPS phases is not only to examine new opportunities for private sector-led growth, but also to stimulate thinking on implementing agents other than government. Increased resources can go directly to or through the private sector if USAID concludes that the private sector can be a more efficient conduit for the delivery of resources and stimulation of economic growth. This is already happening in Botswana, but is not a problem between USAID and the GOB because of USAID's fine relationship with the GOB and the Botswana Government's growingly more progressive attitude.

Exhibits 1 and 2 which follow show the results of the Phase I articulation exercise. The results should, however, be examined in the same way in which they were developed, i.e. with the realization that a static, two-dimensional picture cannot really show the real-life interplay of systems, projects and people.

The pictures presented in the following exhibits show a program with little or no interaction among activities, objectives and goals. This is, in fact, not the case, and the MAPS team hopes

that, when reviewed, understanding of this fact will be in reviewers' minds.

The degree that the Phase I articulation accomplishes its purposes depends to a large extent on the use that the Mission makes of it. The MAPS team recommends that the Mission use the articulation to expand discussions of current goals and objectives, coordinate project activities, and determine how available staff and non-project resources may best be employed for the Mission to accomplish its goals and make the transition to the new strategy developed through MAPS and the CDSS exercises.

EXHIBIT 1

USAID/BOTSWANA - MAPS

Mission Statement

TO PROMOTE IMPROVEMENT IN THE QUALITY OF LIFE THROUGH BROAD-BASED, PRIVATE-SECTOR-LED ECONOMIC GROWTH EMPHASIZING SKILLS DEVELOPMENT, TECHNOLOGY TRANSFER, AND PROMOTION OF LOCAL ENTERPRISES - ALL LEADING TO INCREASED INCOMES AND EMPLOYMENT GENERATION IN A DEMOCRATIC ENVIRONMENT

Mission Goals and Objectives/Strategies

PS

Increased Market-Force-Based, Private-Sector-Led Economic Growth, Development and Employment Generation

- PS1 Encourage Policies Which Reduce Constraints, Opening the Economy to Market Forces
- PS2 Directly Increase Citizen Knowledge of and Ability to Participate in the Private Sector
- PS3 Increase GOB Efficiencies and Ability to Provide Inputs to Productive Sectors
- PS4 Encourage Work Skills Development and Related Curriculum Improvements in Basic Education

QL

Improved Quality of Life through Skills Development and Better Management and Delivery of Goods and Services in Areas Vital to Development

- QL1 Support Effective Expansion of Basic Education System
- QL2 Expand Population Efforts; Strengthen Agriculture Research and Linkages to Effective Extension; and Participate in Urban Development Through Housing Guarantee Programs
- QL3 Increase Support to Natural Resources Management
- QL4 Provide Assistance to Help Alleviate Drought and Food Emergencies
- QL5 Increase Private Sector Involvement in Basic Goods and Services Delivery

EXHIBIT 2  
BOTSWANA  
MAPS PROJECT INVENTORY

GOALS

PROJECTS	OBJECTIVES				GOALS					
	Policy Studies	Dialogue	Citizen Participation in Privatization and Efficiency	Provide Ability to Education Inputs Skills and Curriculum	Private-Sector-Led Growth Development and <del>Job Creation</del>	Improved Quality of Life through Better Management + Delivery of Goods + Services				
BWAST I+II <sup>(4)</sup>	4.8	9.4	15.0							
ATIP	0.2		4.2			5.5				
JSEIP				1.5		13.1				
PEIP II				0.2		7.6				
BOTSPA						5.0				(3)
HG						1.1 <sup>(2)</sup>				0.1
NRM		(1)					(1)			
<b>Sub-Total</b>	<b>5.0</b>	<b>9.4</b>	<b>19.2</b>	<b>1.7</b>	<b>20.7</b>	<b>11.6</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	

Employment Generation

Expansion of Basic Education Population + Res. Housing, Ext. Natural Resources Management Drought and Emerg Food and Private Sector Involvement In Basic Needs

REGIONAL + CENTRAL	OBJECTIVES				GOALS					
	Policy Studies	Dialogue	Citizen Participation in Privatization and Efficiency	Provide Ability to Education Inputs Skills and Curriculum	Private-Sector-Led Growth Development and <del>Job Creation</del>	Improved Quality of Life through Better Management + Delivery of Goods + Services				
DHMIP/MEDEX						0.5				
SPA/ASHF		0.8								
Loan Guarantee AID/PRE/I		3.2								
IESC		0.5								
Emergency Drought + Food								30.5	(3)	
PVO/OPG Grants		0.2								
Seminars & Studies	0.5	0.1					0.3			
Peace Corps Training			0.1							
<b>Sub-Total</b>	<b>0.5</b>	<b>4.8</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>0.3</b>	<b>30.5</b>	<b>-</b>	
<b>Total</b>	<b>5.5</b>	<b>14.2</b>	<b>19.3</b>	<b>1.7</b>	<b>20.7</b>	<b>12.1</b>	<b>0.3</b>	<b>30.5</b>	<b>0.1</b>	

(1) Project in PID design stage - Funding undefined  
 (2) Excluding value of guarantee facility  
 (3) Impact, but no specific funding  
 (4) Finished activities of BWAST I not included

### III. MAPS Implementation and Time Table

#### Immediate Implementation Actions

A time table the Mission will follow for MAPS implementation is given at the end of this chapter. The schedule shows that there are contracting activities which the Mission will undertake to allow the description and survey work of Phase II to begin. These activities are:

- a) Preparation of a PIO/T for contracting of local team: Project Manager (Lawrence Maika/Delloitte Haskins & Sells); data analyst and display expert (unidentified); focus group leader (George Kgroba); and a report writer (unidentified); and
- b) Contracting of local team coordinator.

It is also recommended that, if needed, the Mission request backstop support from AFR/MDI and LABAT-ANDERSON, Inc. for the MAPS Phase V activities of assisting in the drafting of an "options menu" and private sector strategy. This assistance would complement that already being arranged for the services of Mr. Cameron Smith through the AID/PRE PEDS Project.

#### Summary of MAPS Implementation

USAID and the MAPS team have designed MAPS timing and reporting requirements to feed smoothly into the portion of the new CDSS dealing with the private sector. To accomplish this, Phase II-VII activities will attempt to produce the required contributions to the CDSS outline shown in Annex D.

Timing and cost estimates for Phases II-VII are presented at the end of this chapter. A separate, more detailed, timeline follows.

A summary of the activities necessary to complete Phases II-VII of MAPS follows:

1. The Mission will review the plan of action contained in this report and provide approval for its content and finalization;
2. The Mission will prepare the PIO/T noted above and contract with local MAPS team participants;
3. The Mission Economist will guide Phase II description data collection and analysis and an expatriate team member will plan Phase III "expert" groups with the local project manager;

4. An expatriate team member will check results of the description phase, and working with the local project manager, will recruit Phase III expert group members and plan Phase IV private sector participant focus groups;
5. The local project manager, an expatriate team member and the local discussion group leader will conduct Phase III "expert" groups and organize Phase IV focus groups;
6. An expatriate team member and the local project manager will draft discussion outlines for Phase IV focus groups and monitor the sessions conducted by the contracted discussion group leader, while the Mission and MAPS team members schedule dialogue with the GOB and other donors;
7. The discussion leader and other MAPS team members will discuss conclusions from the Phase IV focus groups with Phase III "experts" and summarize conclusions, an expatriate team member will prepare a report on Phase II through IV prepared with input supplied by the local project manager and report writer, and, after USAID approval, an expatriate team member will lead discussions with other donors and the GOB;
8. The whole MAPS team will draft an "options menu", which will be discussed with the Mission, and prepare a draft private sector strategy for Mission review;
9. The MAPS team will outline a Project Identification Document (PID) for Mission consideration and prepare the final version of the private sector strategy based on Mission comments and in coordination with the drafting of the overall Mission CDSS; and
10. The Mission and MAPS team will meet for a debriefing and evaluation of the MAPS exercise and the MAPS team will prepare the final MAPS report for Mission review and comment.

The following section contains a hypothetical new private-sector mission statement and principal objectives, necessary to define at this stage in order to decide what major issues the MAPS phases II-V should address. Naturally, the work of these phases may indicate superior mission and objective statements.

Assumed USAID Private Sector Mission Statement for New CDSS Period

Support broad based, sustained economic growth leading to increased income and job creation - especially by encouraging the spread of market forces throughout the economy - strengthening Batswana participation in the private sector, contributing skills development and encouraging foreign investment and trade links. In particular, make a significant contribution, over the planning period, to the reduction of Botswana's annual employment gap (the difference between the number of new labor force entrants and the economy's net new job creation) through an increase in private sector job creation in a democratic environment.

Assumed Principal Objectives:

1. Support the overall growth of market forces throughout the economy by dialogue with GOB in policy areas which have been identified as constraining the spread of market forces and growth in key segments of the private sector.
2. Directly stimulate job growth in selected, labor-intensive, high-growth potential segments of the private sector by assisting management to address key non-policy constraints which frustrate otherwise-promising growth prospects.
3. Support the establishment and growth of Batswana-owned firms in diverse segments of the private sector.
4. Contribute to the spread of work and management skills, especially among actual and potential Batswana entrepreneurs, providing foreign-expert support to critical positions in the private sector and to those in Government which strengthen market forces.
5. Help to provide foreign investment and trade links to local, especially citizen-owned, businesses.

Major Issues Requiring Analysis and Research

1. Is there a manageably small number of labor-intensive, high-growth potential segments whose employment-increase prospects are large enough to make a significant dent in the employment gap?
2. Are the key constraints to employment growth and market forces in these segments similar enough and amenable enough to USAID project interventions to justify prospects for a reasonably small and manageable USAID program?

3. What major skills are needed, especially by citizen workers, managers and entrepreneurs?
4. In the above, high-potential segments what are the major unrealized business opportunities, especially those which would benefit from links between citizen owners and foreign partners?
5. What are some key policy constraints encompassing all key segments which would encourage employment growth if successfully addressed?
6. What types of training and short-term foreign resident expert (OPEX) personnel are necessary to meet USAID objectives?

MAPS PHASE II: ANALYTICAL DESCRIPTION OF PRIVATE SECTOR  
EMPLOYMENT PATTERNS, AND OTHER SELECTED CHARACTERISTICS

1. Use existing Central Statistics Office (CSO) and other employment data to:
  - a. Sort total private sector employment statistics into meaningful segments;
  - b. Display segment output and employment trends and numbers of establishments over about the past 10 years;
  - c. Display present size (number of employees by citizen/non-citizen owned, urban/rural) distribution of firms in major segments.
  - d. Project segment employment about five years into the future;
  - e. Estimate employment response to output increases in key segments.
  - f. Produce graphical (e.g. pie-chart) summaries of contributions to national employment;
2. Use the above results to estimate and project the total employment gap.
3. Specify the foreign trade and investment patterns of major segments.

MAPS PHASE III; IDENTIFY AND RELATE CONSTRAINTS TO INDIVIDUAL SEGMENTS AND TO PRIVATE SECTOR GROWTH

Convene technical/analytical focus groups: Assemble groups of "experts" who know constraints and requirements for business success in major groups of private sector segments (e.g. agriculture, industry, services, commerce), yet are not motivated solely by prospects of receiving USAID support for their businesses. Some experts in each group should be qualified to discuss overall private-sector constraints.

1. Discuss outputs of Phase II and lists of constraints enumerated in existing studies with them, in an effort to better identify and define target segments and their constraints, as well as overall private-sector constraints.
2. Seek indications of the kinds of project and policy interventions which would be desirable and their likely employment and other objective-related effects.
3. Identify issues for discussion in Phase IV with business people in each segment.
4. Design focus group discussion outlines.

MAPS PHASE IV: DIALOGUE WITH PRIVATE SECTOR

Hold focus group discussions with business people in each target segment, comprising about five urban and five rural groups.

1. Determine "what has to happen before you will hire more people in your business," i.e. what group of constraints must be relieved.
2. Probe relations between constraints, i.e. which ones if relieved singly will yield major employment increases, and which ones must be relieved in groups.
3. Develop general indications of business peoples' reactions to different assistance channels, e.g. government, business association, private-sector service providers.

## PREPARE REPORT OF PHASE II-IV RESULTS

Besides summarizing the results of the above activities, the report will specifically recommend areas in which the immediate provision of OPEXers or other forms of assistance or policy changes might support the attainment of the above assumed principal objectives. The project manager and discussion leader will seek reactions on the draft report's conclusions before producing a final version.

## MAPS PHASE V: DESIGN USAID PRIVATE SECTOR STRATEGY

After discussing the report with USAID, the project manager will present its conclusions to other donors and key GOB figures, with the aim to determine:

1. What role in achieving its private sector objectives does GOB see USAID's playing, especially in the areas of policy dialogue and Government/private-sector contact points which phases I-IV have found crucial to private-sector growth?
2. What areas of possible interest to USAID, if any, would GOB or other donors like to partially finance or otherwise participate in?
3. Whose support in the public, private-sector and donor communities is particularly important for the types of strategies which USAID is considering?
4. What GOB or other donor initiatives are likely to satisfactorily address areas of interest to USAID, and which areas are still uncovered?

The process of developing a strategy options menu will follow from the above, with consideration of:

1. Evidence from past and present USAID strategies (phase I) of areas in which USAID has special expertise, contacts or credibility, beyond simply being a source of grants;
2. Present USAID commitments in the private-sector area which must form a part of future strategies;
3. Total US Mission priorities and resources which might affect USAID's private sector strategies;
4. A.I.D. guidelines (presented with the help of a foreign MAPS team member);
5. Expected inelasticities in funding, personnel or other resources.

This process will yield a revised, but still tentative private sector mission and objectives statement, with a menu of possible strategies arranged to show their support of each objective. A missionwide consideration of the appropriateness of the above, particularly in the context of the CDSS, which will be emerging at this time, will yield recommended, mission, objectives and strategy statements.

#### MAPS PHASE VI: DEVELOP NEW PROJECTS AND PROGRAMS

USAID plans to develop a private-sector-support PID which will be a successor to BWAST II and will grow out of MAPS phases I-V and CDSS development. This document will specify which private-sector segments, against which constraints, with what resources and through which intermediaries USAID will provide private sector support. It is likely that project elements will include support of policy dialogue, BOCCIM as an intermediary, and funds for training and experts in a few key public sector areas which impact employment generation.

However, it is unlikely that pressures of CDSS preparation will allow more than the development of a rough PID outline during the MAPS timescale. Nevertheless, this limited development should address at least the following issues:

1. What are examples of specific programs and projects which will most effectively achieve USAID private-sector mission, objectives and strategies?
2. Who (both internal management and external intermediaries) is available and appropriate to implement such projects?
3. What are the USAID and external intermediaries' institutional capacity limits?

MAPS PHASE VII: DEBRIEF AND EVALUATE

Because of CDSS and other time pressures, the first stage of debriefing, reporting and evaluation will be accomplished in about a week and will include only brief meetings with USAID, foreign MAPS team members and the project manager. The final report, to be issued shortly after CDSS preparation, but before its consideration in Washington, will:

1. Summarize the findings and recommendations for USAID private sector initiatives;
2. Recommend an ongoing process for continual future measurement of USAID's success in private-sector support (e.g. data updating, occasional dialogue with the people found most valuable in the preceding MAPS phases and internal USAID management procedures);
3. Reflect on USAID's and the MAPS team's perceptions of MAPS' utility to USAID;
4. Present considerations which will directly support Washington's consideration of the CDSS;
5. Reveal lessons learned from the process for similar efforts in other USAIDs.

MAPS PHASE II-VII ORGANIZATION, TIMING AND COSTS

1. Organization
  - a. Project manager, Lawrence Maika of Delloitte, Haskins and Sells;
  - b. Phase II analyst and literature researcher Goitsimodimo Mokgwathi with probable need for a few days of outside analyst and data display expert's time;
  - c. Phases III and IV technician and focus groups discussion leader George Kgroba;
  - d. Report writer;
  - e. Participation of MAPS team members whenever available.

2.	Timing		
		<u>Start</u>	<u>Finish</u>
a.	Contract	1/30	2/6
	Definite: Project manager and Kgroba; standby: data analyst, data display expert, writer		
b.	MAPS team member assists Phase II-IV planning	1/25	2/10
c.	Phase II analysis	1/25	2/25
d.	Phase II conclusions checked by MAPS team member	2/28	3/3
e.	Expert focus groups (III)	3/6	3/10
f.	Phase III conclusions checked by MAPS team member	3/10	3/12
g.	Businessperson focus groups (IV)	3/13	3/22
h.	Phase II-IV report	3/10	3/31
i.	Expert reaction to report	4/3	4/12
j.	Dialogue with USAID, donors and GOB (V)	4/13	4/23
k.	Strategy options menu	4/27	4/28
l.	Draft strategy statement	5/1	5/5
m.	MAPS debriefing & evaluation (VII)	5/5	7/-
n.	Preparation of private-sector support PID (VI)	-	-

3.	Cost	
a.	Project manager 51 days @ \$100	\$5,100
b.	Outside analyst 14 days @ \$100	1,400
c.	Data display expert 10 days @ \$100	1,000
d.	Discussion leader 22 days @ \$100	2,200
e.	Report writer 8 days at \$100	800
f.	Other costs (per diem, travel, etc.)	<u>2,000</u>

TOTAL	<u>\$12,500</u>
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ANNEX A

MAPS - A Seven Stage Process

(copies of MAPS charts from MAPS manual)

## **MAPS: A SEVEN PHASE PROCESS**

1. DEFINE CURRENT AID MISSION STRATEGY.
2. DESCRIBE THE LOCAL PRIVATE SECTOR.
3. DIAGNOSE OPPORTUNITIES AND CONSTRAINTS TO PRIVATE SECTOR GROWTH
4. DIALOGUE WITH THE PRIVATE SECTOR.
5. DESIGN AID PRIVATE SECTOR STRATEGY.
6. DEVELOP NEW PROGRAMS AND PROJECTS.
7. DEBRIEF AND EVALUATE.

**MANUAL FOR ACTION IN THE PRIVATE SECTOR  
(OVERVIEW)**

PHASE	KEY QUESTIONS	ANALYTICAL TECHNIQUES	OUTPUTS
<p><b>1. DEFINE CURRENT MISSION STRATEGY</b></p>	<ul style="list-style-type: none"> <li>* WHAT IS THE CURRENT MISSION STRATEGY?</li> <li>* WHAT DO AID &amp; OTHERS BELIEVE WILL BE IMPORTANT COMPONENTS OF FUTURE STRATEGY?</li> <li>* HOW SHOULD MAPS BE TAILORED TO RESPOND TO MISSION NEEDS?</li> </ul>	<ul style="list-style-type: none"> <li>* STRATEGY AUDIT</li> <li>* PROJECT INVENTORY</li> <li>* BUDGET ANALYSIS</li> <li>* CONSENSUS BUILDING</li> </ul>	<ul style="list-style-type: none"> <li>* ARTICULATION OF CURRENT MISSION STRATEGY</li> </ul>
<p><b>2. DESCRIBE LOCAL PRIVATE SECTOR</b></p>	<ul style="list-style-type: none"> <li>* WHO IS THE PRIVATE SECTOR?</li> <li>* WHERE IN THE ECONOMY IS IT LOCATED?</li> <li>* HOW IMPORTANT IS THE LOCAL PRIVATE SECTOR?</li> <li>* WHAT IS THE SOE'S ROLE?</li> <li>* HOW STRONG ARE THE CAPITAL MARKETS?</li> <li>* WHAT IS THE IMPACT OF PUBLIC POLICY?</li> <li>* HOW HAS THE PRIVATE SECTOR PERFORMED OVER TIME?</li> <li>* WHAT ARE THE LEADING &amp; LAGGING SECTORS?</li> </ul>	<ul style="list-style-type: none"> <li>* DATA GATHERING &amp; ANALYSIS</li> <li>* PRIVATE SECTOR MAPPING</li> </ul>	<ul style="list-style-type: none"> <li>* DATA BASE</li> <li>* PRIVATE SECTOR MAP</li> <li>* PRIVATE SECTOR DESCRIPTION PRESENTATION</li> </ul>

**MANUAL FOR ACTION IN THE PRIVATE SECTOR  
(OVERVIEW)**

PHASE	KEY QUESTIONS	ANALYTICAL TECHNIQUES	OUTPUTS
<p><b>3. DIAGNOSE CONSTRAINTS TO GROWTH</b></p>	<ul style="list-style-type: none"> <li>* WHAT ARE THE PRIVATE SECTOR'S PERCEPTIONS OF ITS OPPORTUNITIES &amp; CONSTRAINTS?</li> <li>* WHAT ARE THE MOST CRITICAL RESOURCE CONSTRAINTS?</li> <li>* WHAT ARE THE IMPACTS OF PUBLIC POLICY ON THE PRIVATE SECTOR?</li> <li>* WHAT PRIVATE SECTOR INITIATIVES WILL RECEIVE GREATEST SUPPORT AMONG LOCAL LEADERSHIP?</li> <li>* WHAT IS THE IMPACT OF THE COMPETITIVE ENVIRONMENT?</li> <li>* WHAT ARE THE CAPABILITIES OF LOCAL CAPITAL MARKETS &amp; FINANCIAL INSTITUTIONS?</li> </ul>	<ul style="list-style-type: none"> <li>* PRIVATE SECTOR SURVEY</li> <li>* CAPITAL MARKETS SURVEY</li> </ul>	<ul style="list-style-type: none"> <li>* PRIVATE SECTOR DIAGNOSTIC PAPER &amp; PRESENTATION</li> </ul>
<p><b>4. DIALOGUE WITH PRIVATE SECTOR</b></p>	<ul style="list-style-type: none"> <li>* HOW DO KEY PRIVATE/ PUBLIC SECTOR DECISION MAKERS VIEW THE DIAGNOSIS?</li> <li>* WILL PRIVATE SECTOR SUPPORT AID INITIATIVES?</li> <li>* WHAT INITIATIVES IS LOCAL PRIVATE SECTOR ALREADY UNDERTAKING?</li> <li>* WHO ARE THE IMPORTANT POTENTIAL IMPLEMENTING AGENTS?</li> <li>* WHAT ARE OTHER DONOR GROUPS DOING?</li> <li>* WHAT FORMAL AGREEMENTS WILL BE REQUIRED &amp; HOW LIKELY WILL IT BE TO GET THEM?</li> </ul>	<ul style="list-style-type: none"> <li>* INFORMAL DIALOGUE SESSIONS</li> <li>* FOCUS GROUPS</li> </ul>	<ul style="list-style-type: none"> <li>* MINUTES OF MEETINGS</li> <li>* SUMMARY REPORT ON DIALOGUE RESULTS</li> </ul>

**MANUAL FOR ACTION IN THE PRIVATE SECTOR  
(OVERVIEW)**

PHASE	KEY QUESTIONS	ANALYTICAL TECHNIQUES	OUTPUTS
<p><b>5. DESIGN STRATEGY</b></p>	<ul style="list-style-type: none"> <li>* WHAT ARE HOST GOV'TS PRIVATE SECTOR DEVELOPMENT STRATEGY OBJECTIVES?</li> <li>* HOW ARE GOV'T GOALS RELATED TO AID'S OVERALL COUNTRY STRATEGY?</li> <li>* WHAT ARE THE PRIORITIES AMONG ACTION AREAS GIVEN CURRENT LEVEL OF RESOURCES?</li> <li>* WHOSE SUPPORT IN PRIVATE &amp; PUBLIC SECTOR IS CRUCIAL &amp; HOW CAN THE EXISTENCE OF SUCH SUPPORT BE DEMONSTRATED?</li> </ul>	<ul style="list-style-type: none"> <li>* OPTIONS MENU</li> <li>* STRATEGY MATRIX</li> </ul>	<ul style="list-style-type: none"> <li>* PRIVATE SECTOR DEVELOPMENT STRATEGY PAPER (FOR CDSS)</li> <li>* PRELIMINARY FEASIBILITY ASSESSMENT</li> </ul>
<p><b>6. DEVELOP NEW PROJECTS &amp; PROGRAMS</b></p>	<ul style="list-style-type: none"> <li>* WHAT SPECIFIC PROGRAMS &amp; PROJECTS WILL MOST EFFECTIVELY ACHIEVE GOALS?</li> <li>* WHO WILL IMPLEMENT THE PROJECTS?</li> <li>* DO THEY HAVE THE NECESSARY INSTITUTIONAL CAPABILITY?</li> </ul>	<ul style="list-style-type: none"> <li>* PIDS</li> <li>* PROJECT PAPERS</li> <li>* PAIPS</li> <li>* PAADS</li> </ul>	<ul style="list-style-type: none"> <li>* PROJECTS</li> <li>* PROGRAMS</li> </ul>
<p><b>7. DEBRIEF &amp; EVALUATE</b></p>	<ul style="list-style-type: none"> <li>* WHAT HAVE BEEN THE FINDINGS &amp; RECOMMENDATIONS OF MAPS FOR USAID PRIVATE SECTOR INITIATIVES?</li> <li>* WHAT RECOMMENDATIONS FOR ONGOING AID PROCESS SHOULD BE PRESENTED?</li> <li>* WHAT HAS BEEN LEARNED FROM THE PROCESS FOR SIMILAR FUTURE EFFORTS IN OTHER COUNTRIES?</li> </ul>	<ul style="list-style-type: none"> <li>* MEETINGS WITH AID</li> </ul>	<ul style="list-style-type: none"> <li>* FINAL REPORT</li> </ul>

ANNEX B

STRATEGY ARTICULATION DETAILS

(Numbers in U.S.\$ Millions)

OBJECTIVE PS1:

Encourage Policies Which Reduce Constraints, Opening the Economy to Market Forces

- Identify and Address Growth Constraints
  - policy studies (BWAST II - 0.9)
  - OPEXers (BWAST II - 3.0, BWAST I - 0.9)
  
- Continuous Mission/GOB Dialogue Supported by Policy Studies and Seminars (0.3) \*
  - Prvt. Sctr. Strategy Study
  - Strategy Assessment and Evaluation
  - Financial Assistance Policy (FAP) Evaluation
  - Management Assistance to Prvt. Sctr. Study
  - Seminars (AID/PRE)
  
- Agriculture Sector Policy Dialogue
  - Ag. Sctr. Assessment (Regional - 0.2)
  - Dryland Agriculture (ATIP - 0.2)

\* non-BWAST II studies used in policy dialogue - approx total cost - 0.2

OBJECTIVE PS2:

Directly Increase Citizen Knowledge of and Ability to  
Productively Participate in the Private Sector

- Improve Business and Technical Skills
  - pvt. sctr. trng. of citizens (BWAST II - 8.2)
    - develop training systems (BWAST II - 0.1)
    - skills trng. in-country (BWAST II - 0.7,  
IESC\* - 0.5)
    - strengthen business associations  
(BWAST II - 0.3)
    - strengthen training associations  
(BWAST II - 0.1)
    - small business banking training (PRE/MAS -  
0.1)
- Increase Access to Business Inputs
  - small business loan guarantee (LGF/PRE -  
3.2\*)
- Provide Income Generation Resources
  - small grants (ASHF - 0.5\*\*, SPA - 0.3\*\*,  
PVOs - 0.2)
- Increase Employment/Income from Natural Resources
  - wildlife benefits (NRM - \*\*\* )
  - wildlife tourism (NRM - \*\*\* )

\* \$1.6M guarantee fund x 2 = value of new business

\*\* \$/year x 5

\*\*\* project in PID design stage -- funding undefined

OBJECTIVE PS3:

Increase GOB Efficiencies and Ability to Provide Inputs to Productive Sectors

- Improve GOB Decision Making Capabilities
  - trng. of GOB officials (BWAST II - 8.8)
- Implement Functions and Improve Management Systems and Facilities
  - trng. system management (BWAST II - 0.1)
  - OPEXers (BWAST II - 5.1, BWAST I - 1.0)
- Improve/Expand Information and Information Delivery Systems
  - conduct research & analysis in MOA (ATIP - 3.9)
  - develop link between research & extension (ATIP - 0.1)
  - develop ag. extension services through training of extension workers (ATIP - 0.2)
- Improve Extension Capabilities in Micro-enterprise Development (Peace Corps Training - 0.1)

OBJECTIVE PS4:

Encourage Work Skills Development and Related Curriculum Improvements in Basic Education

- Junior Secondary Education Curriculum Development, Including Commercial Experience With School Gardens (JSEIP - 1.5)
- Primary Education Curriculum Development and Training (PEIP II - 0.2)

OBJECTIVE QL1:

Support Effective Expansion of Basic Education System

- Improve Education Management and Delivery Systems
  - junior secondary school system efficiency  
(JSEIP - 1.7)
  - regional education and management centers  
(JSEIP - 3.7)
  - education equipment and commodities  
(PEIP II - 0.5)
  - primary education system construction  
(PEIP II - 1.0)
  - education administration and supervision  
(PEIP II - 0.5)
  - curriculum development (JSEIP - 4.5,  
PEIP II - 1.9)
- Education Research and Research Methodology
  - primary education system teachers  
(PEIP II - 0.7)
- Teacher Training
  - junior secondary school system  
(JSEIP - 3.2)
  - primary school system (PEIP II - 2.4)
  - teacher degree training (PEIP II - 0.6)

OBJECTIVE QL2:

Expand Population Efforts; Strengthen Agriculture Research and Extension Capacity; and Participate in Urban Development Through Housing Guarantee Program

- Increase Family Planning Availability
  - encourage establishment of population policy  
(BOTSPA - 0.4)
  - improve institutional coordination  
(BOTSPA - 0.2)
  - improve logistics of contraceptive distribution  
(BOTSPA - 0.2)
  - improve information, education and communication systems (BOTSPA - 1.5)
  - improve delivery of mother-child health care  
(BOTSPA - 1.0)
  - increase trained staff (BOTSPA - 0.6)
  - increase GOB financing of population sector  
(BOTSPA - 1.1)
- Improve GOB Decision Making Capabilities
  - U.S. long-term training of ag. officers  
(ATIP - 1.0)
  - agriculture research & analysis (ATIP - 3.9)
  - agriculture extension systems (ATIP - 0.3)
  - link ag. research to extension (ATIP - 0.2)
- Improve GOB Management and Delivery Systems
  - district health facilities (DHMIP/MEDEX - 0.5)
  - municipal housing TA (HG - 1.1)\*

\* Approximate \$30 Million guarantee not included

OBJECTIVE QL3:

Increase Support to Natural Resource Development

- Increase Public Awareness of Value of Natural Resources
  - improve resource base through public awareness and understanding, i.e. environmental education (NRM - \*)
- Regional Information Exchange and Management
  - natural resource management (NRM - \*)
- Training
  - strengthening wildlife training center (NRM - \*)
- Studies and Support - various (0.3)

\* project in PID design stage: funding through SADCC undefined

OBJECTIVE QL4:

Provide Assistance to Help Alleviate Drought and Food Emergency

- Provide Food Assistance (PL 480: Title II - 28.9)
- Emergency Groundwater Development (OFDA - 0.5)
- Plowing Subsidy (OFDA - 1.0)
- Emergency Crop Protection Center (OFDA - 0.1)

OBJECTIVE QL5:

Increase Private Sector Involvement in Goods and Services Delivery

- Establish/Expand Prvt. Sctr. Ability to Provide Basic Needs
  - emergency food supplements (EDAFAA - \*)
  - low-cost shelter finance (HG - 0.1\*\*)
- Expand Role of Private Sector and NGOs in Family Planning (BOTSPA - \*\*\*)

\* Covenant to USAID/GOB Title II agreement -- no USG funding

\*\* Assistance to Botswana Building Society and others

\*\*\* No specific funding in project

## ANNEX C

### TERMS OF REFERENCE - PHASES II TO VII

#### LOCAL TEAM SCOPES OF WORK

##### COMMON ELEMENTS FOR ALL TEAM MEMBERS

**ACTIVITY:** Assist in the preparation of the Manual for Action in the Private Sector (MAPS) for USAID. This is a seven step process, each comprising a set of analytical tools, designed to help those involved with USAID private sector programs to design and implement strategies that promote private sector led growth as an engine of economic development.

**PURPOSE OF THE ACTIVITY:** The above strategic development will support one part of USAID's Country Development Strategy Statement (CDSS), which will be written in April-July 1989.

**BACKGROUND:** MAPS comprises the following phases:

- I Define the current mission strategy
- II Describe the local private sector
- III Diagnose constraints to private sector growth
- IV Dialogue with the private sector
- V Design USAID private sector strategy
- VI Develop new projects and programs
- VII Debrief and evaluate

Two team members, foreign consultants familiar with CDSS and MAPS development, have assisted USAID to complete Phase I and, with the assistance of the Mission Economist, have prepared a workplan for the remaining phases. They have also prepared the following hypothetical mission statement and objectives, as well as major issues which further phases should resolve:

##### Assumed USAID Private Sector Mission Statement for New CDSS

Period: Support broad based, sustained economic growth leading to increased income and job creation - especially by encouraging the spread of market forces throughout the economy - strengthening Botswana participation in the private sector, contributing to skills development and encouraging foreign investment and trade links. In particular, make a significant contribution, over the planning period, to the reduction of Botswana's annual employment gap (the difference between the number of new labor force entrants and the economy's net new job creation) through an increase in private sector job creation in a democratic environment.

### Assumed Principal Objectives:

1. Support the overall growth of market forces throughout the economy by dialogue with GOB in policy areas which have been identified as constraining the spread of market forces and growth in key segments of the private sector.
2. Directly stimulate job growth in selected, labor-intensive, high-growth potential segments of the private sector by assisting management to address key non-policy constraints which frustrate otherwise-promising growth prospects.
3. Support the establishment and growth of Batswana-owned firms in diverse segments of the private sector.
4. Contribute to the spread of work and management skills, especially among actual and potential Batswana entrepreneurs, providing foreign-expert support to critical positions in the private sector and to those in Government which strengthen market forces.
5. Help to provide foreign investment and trade links to local, especially citizen-owned, businesses.

### Major Issues Requiring Analysis and Research:

1. Is there a manageably small number of labor-intensive, high-growth potential segments whose employment-increase prospects are large enough to make a significant dent in the employment gap?
2. Are the key constraints to employment growth and market forces in these segments similar enough and amenable enough to USAID project interventions to justify prospects for a reasonably small and manageable USAID program?
3. What major skills are needed, especially by citizen workers, managers and entrepreneurs?
4. In the above, high-potential segments what are the major unrealized business opportunities, especially those which would benefit from links between citizen owners and foreign partners?
5. What are some key policy constraints encompassing all key segments which would encourage employment growth if successfully addressed?
6. What types of training and foreign resident expert (OPEX) personnel are necessary to meet USAID objectives?

## Organization Needed for MAPS Preparation

1. Project manager
2. Phase II analyst and literature researcher - Mission Economist
3. Outside analyst
4. Data display expert
5. Phases III and IV "expert" and focus group discussion leader
6. Report writer
7. Participation of foreign MAPS team members whenever available.

## Tentative Timetable

	<u>Start</u>	<u>Finish</u>
a. Contract	1/30	2/6
b. MAPS team member assists Phase II-IV planning	1/25	2/10
c. Phase II analysis	1/25	2/25
d. Phase II conclusions checked by MAPS foreign team member	2/28	3/3
e. Expert focus groups (III)	3/6	3/10
f. Phase III conclusions checked by MAPS team member	3/10	3/11
g. Businessperson focus groups (IV)	3/13	3/22
h. Phase II-IV report	3/10	3/31
i. Expert reaction to report	4/3	4/12
j. Dialogue with USAID, donors and GOB (V)	4/13	4/21
k. Strategy options menu	4/27	4/28
l. Draft strategy statement	5/1	5/5
m. MAPS debriefing & evaluation (VII)	5/5	7/-

## PROJECT MANAGER

### STATEMENT OF WORK, METHODS AND PROCEDURES:

Overall Responsibility: Coordinate and supervise the preparation of MAPS Phases II-IV. Participate in Phases V-VII.

Phase II: Coordinate the work of the Mission Economist, outside researcher and data display expert in their preparation of the following steps:

1. Use existing CSO and other employment data to:
  - a. Sort total private sector employment statistics into meaningful segments;
  - b. Display segment output and employment trends and numbers of establishments over about the past 10 years;
  - c. Display present size (number of employees by citizen/non-citizen owned, urban/rural) distribution of firms in major segments.
  - d. Project segment employment about five years into the future;
  - e. Estimate employment response to output increases in key segments.
  - f. Produce graphical (e.g. pie-chart) summaries of contributions to national employment;
2. Use the above results to estimate and project the total employment gap.
3. Specify the foreign trade and investment patterns of major segments.

Working with the Mission Economist, use existing studies and the results of the above analysis to reach conclusions as to promising segments for USAID attention, along with each one's major constraints, opportunities and possibilities of outside support. Informally present these conclusions, recommendations for the composition of the expert focus groups and the major issues which the groups should discuss to the foreign MAPS team member.

Phase III: Working with the foreign MAPS team member and the discussion leader, prepare the discussion guides for each group and handle all details for convening them. Assemble groups of "experts" who know constraints and requirements for business success in major groups of private sector segments (e.g. agriculture, industry, services, commerce), yet are not motivated solely by prospects of receiving USAID support for their businesses. Some experts in each group should be qualified to discuss overall private-sector constraints. The project manager will also consult relevant MCI, BOCCIM and other officials. By this preparation and attendance at all meetings:

1. Discuss outputs of Phase II and lists of constraints enumerated in existing studies with them, in an effort to better identify and define target segments and their constraints, as well as overall private-sector constraints.
2. Through the discussion leader, seek indications of the kinds of project and policy interventions which would be desirable and their likely employment and other objective-related effects.
3. Identify issues for discussion in Phase IV with business people in each segment.
4. In consultation with the foreign MAPS team member, design Phase IV focus group composition, locations and discussion outlines.

Phase IV: Through the same process as in Phase III:

Hold focus group discussions with business people in each target segment, comprising about five urban and five rural groups.

1. Determine "what has to happen before you will hire more people in your business," i.e. what group of constraints must be relieved.
2. Probe relations between constraints, i.e. which ones if relieved singly will yield major employment increases, and which ones must be relieved in groups.
3. Develop general indications of business peoples' reactions to different assistance channels, e.g. government, business association, private-sector service providers.

Working with a foreign MAPS team member and a writer, prepare a report of Phase II-IV results. Besides summarizing the results of the above activities, the report should specifically recommend areas in which the immediate provision of foreign resident experts (OPEXers) or other forms of assistance or policy changes might support the attainment of the above assumed principal objectives.

Phases V-VII: Under the supervision of the foreign MAPS team member:

1. Discuss the conclusions of the above report with selected members of the Phase III focus groups.
2. Participate in preparation for dialogue with USAID, other donors and the GOB on MAPS' tentative conclusions.
3. Support the preparation of the strategy options menu and draft strategy statement.
4. Participate in the in-country portions of the MAPS debriefing and evaluation.

**REPORTING REQUIREMENTS:** As described in the above sections, reports are required as follows (dates in parenthesis):

- Phase II (February 28)
- Phase III (March 10)
- Phase II-IV conclusions (March 31).

The contractor will assure that the outside data analyst, data display expert and report writer perform their contracted duties. The Project Development Officer, USAID/B, will supervise the contractor, who will also work closely with MAPS foreign team members. At the time of contracting, the contractor will present an estimate of other expenses (clerical support, travel, etc.) to USAID. This estimate, when accepted, will form a spending limit, unless USAID authorizes otherwise.

**FUNDING:** USAID will fund the above activities. No more than 51 days may be charged without an amendment of this contract. See schedule for details of the following days: b 3, c 7, d 3, e 5, f 1, g 8, h 4, i 5, j 7, k 2, l 3, m 3.

#### OUTSIDE DATA ANALYST

##### STATEMENT OF WORK, METHODS AND PROCEDURES:

Overall Responsibility: Support the project manager and mission economist in the compilation and presentation of data in MAPS phase II.

Specific tasks and methods: Locate existing CSO and other employment data which will allow the team to:

1. Carry out a primary analysis of CSO and other data to:
  - a. Sort total private sector employment statistics into meaningful segments;
  - b. Display segment output and employment trends and numbers of establishments over about the past 10 years;
  - c. Display present size (number of employees by citizen/non-citizen owned, urban/rural) distribution of firms in major segments.
  - d. Project segment employment about five years into the future;
  - e. Estimate employment response to output increases in key segments.
  - f. Produce graphical (e.g. pie-chart) summaries of contributions to national employment;
2. Use the above results to estimate and project the total employment gap.
3. Specify the foreign trade and investment patterns of major segments.

This work will require detailed knowledge of and authorized access to Government data bases which responsible officials (through the mission economist) have identified as appropriate for MAPS team use. The contractor will have to be able to reconcile likely technical differences in the forms of the various data bases, retrieving all needed data, resolving it into a form which the team can easily analyse and produce displays using hardware and software available to USAID.

**REPORTING REQUIREMENTS:** Detailed and summary tables with the above information, available by February 20. Final versions of this information, incorporating format changes which other team members require, by March 3. The Project Development Officer, USAID/B, will supervise the contractor, who will also work closely with MAPS foreign team members.

**FUNDING:** USAID will fund the above activities. No more than 14 days may be charged without an amendment of this contract. See schedule for details of the following days: b 2, c 10, d 2. At the time of contracting, the contractor will present an estimate of other expenses (clerical support, travel, etc.) to USAID. This estimate, when accepted, will form a spending limit, unless USAID authorizes otherwise.

#### DATA DISPLAY EXPERT

##### STATEMENT OF WORK, METHODS AND PROCEDURES:

Overall Responsibility: Suggest and produce graphic and special tabular displays of key data which phase II will produce, allowing team members, phase III-IV focus groups and USAID to clearly understand key phase II conclusions.

Specific tasks and methods: During phase II-IV planning, the contractor will provide examples of the kinds of computer-produced displays which might be possible from the data to be analyzed and the technical requirements necessary to produce such displays. During phase II the contractor may be called upon to produce draft displays in any of the following areas:

1. CSO and other employment data, organized to:
  - a. Sort total private sector employment statistics into meaningful segments;
  - b. Display segment output and employment trends and numbers of establishments over about the past 10 years;
  - c. Display present size (number of employees by citizen/non-citizen owned, urban/rural) distribution of firms in major segments.

- d. Project segment employment about five years into the future;
  - e. Estimate employment response to output increases in key segments.
  - f. Produce graphical (e.g. pie-chart) summaries of contributions to national employment;
2. Use the above results to estimate and project the total employment gap.
  3. Specify the foreign trade and investment patterns of major segments.

Working with other team members, the contractor will use existing studies and the results of the above analysis to create displays which illustrate team conclusions as to promising segments for USAID attention.

**REPORTING REQUIREMENTS:** Sample (generic) displays will be required before the end of step b in the above timetable (February 8-9). Draft Phase II displays are required by February 20, with final displays by March 2. In addition, summary displays will be necessary for the phase II-IV report (March 20-31). The Project Development Officer, USAID/B, will supervise the contractor, who will also work closely with MAPS foreign team members. The project manager will assure that the contractor completes the assigned tasks.

**FUNDING:** USAID will fund the above activities. No more than 10 days may be charged without an amendment of this contract. See schedule for details of the following days: b 1, c 5, d 2, h 2. At the time of contracting, the contractor will present an estimate of other expenses (clerical support, travel, etc.) to USAID. This estimate, when accepted, will form a spending limit, unless USAID authorizes otherwise.

## FOCUS GROUP DISCUSSION LEADER

### STATEMENT OF WORK, METHODS AND PROCEDURES:

Overall Responsibility: Lead focus group discussions in MAPS phases III-IV and in gathering experts' reactions to the phase II-IV report. The project manager or other team member will be present at all sessions, so the contractor will not be responsible for reporting findings.

#### Specific tasks and methods:

Phase III: Help the project manager to assemble about five groups of "experts" who know constraints and requirements for business success in major groups of private sector segments (e.g. agriculture, industry, services, commerce), yet are not motivated solely by prospects of receiving USAID support for their businesses. Some experts in each group must be qualified to discuss overall private-sector constraints.

1. Discuss outputs of Phase II and lists of constraints enumerated in existing studies with them, in an effort to better identify and define target segments and their constraints, as well as overall private-sector constraints.
2. Seek indications of the kinds of project and policy interventions which would be desirable and their likely employment and other objective-related effects.
3. Identify issues for discussion in Phase IV with business people in each segment.
4. Help to design phase IV focus group discussion outlines.

Phase IV: Help the project manager to assemble and then hold focus group discussions with business people in each target segment, comprising about five urban and five rural groups.

1. Determine "what has to happen before you will hire more people in your business," i.e. what group of constraints must be relieved.
2. Probe relations between constraints, i.e. which ones if relieved singly will yield major employment increases, and which ones must be relieved in groups.
3. Develop general indications of business peoples' reactions to different assistance channels, e.g. government, business association, private-sector service providers.

**REPORTING REQUIREMENTS:** No written reports are required. The Project Development Officer, USAID/B, will supervise the contractor, who will also work closely with MAPS foreign team members. The project manager will assure that the contractor completes the assigned tasks.

**FUNDING:** USAID will fund the above activities. No more than 22 days may be charged without an amendment of this contract. See schedule for details of the following days: d 2 (focus group planning and scheduling), e 5, f 2 (planning and scheduling), g 8, h 1, i 4. At the time of contracting, the contractor will present an estimate of other expenses (clerical support, travel, etc.) to USAID. This estimate, when accepted, will form a spending limit, unless USAID authorizes otherwise.

#### REPORT WRITER

#### STATEMENT OF WORK, METHODS AND PROCEDURES:

Overall Responsibility: Assist in the production of the Phase II-IV report.

Specific Tasks and Methods: Integrate the previously-produced phase II conclusions and notes from the phase III-IV focus groups into a report, following an outline which the project manager will provide. Produce a final version after the foreign team members, USAID and outside experts have reacted to the draft. Produce one or more excerpts from the report for the local press.

**REPORTING REQUIREMENTS:** The contractor must be able to use word-processing software which integrates tables and displays with text. In addition, this software must be able to accept USAID Wang output (the mission may be able to convert to other programs, but it is the contractor's responsibility to verify this) and to provide input for it. Reports are due as follows:

Draft for team consideration: March 20

Draft for USAID consideration: March 22

Draft for experts' comments: April 3

Final report: April 12.

The Project Development Officer, USAID/B, will supervise the contractor, who will also work closely with MAPS foreign team members. The project manager will assure that the contractor completes the assigned tasks.

**FUNDING:** USAID will fund the above activities. No more than 8 days may be charged without an amendment of this contract. See schedule for details of the following days: h 4, i 4 (includes preparation of press release). At the time of contracting, the contractor will present an estimate of other expenses (clerical support, travel, etc.) to USAID. This estimate, when accepted, will form a spending limit, unless USAID authorizes otherwise.

ANNEX D

MAPS AND THE CDSS  
DRAFT MISSION CDSS OUTLINE, SHOWING MAPS CONTRIBUTIONS

SOURCE: FY 1990 CDSS GUIDANCE, STATE 340629/01, 1 NOVEMBER 1987

EXECUTIVE SUMMARY (3 pages)

(body 60 doublespaced pages)

I. OVERVIEW OF THE ENVIRONMENT FOR DEVELOPMENT (note that CDSS development was collaborative process - including GOB, other US Mission, AID/W, PVO's, donors and private sector figures)(5 pages)

Briefly describe MAPS process.

A. SUMMARY: ASSESSMENT OF POTENTIAL FOR DEVELOPMENT SUCCESS OR FAILURE

1. Key Development Problems Facing Botswana

Summarize employment-gap, economic-diversity, private-sector policy, private-sector-constraint, foreign-linkage and citizen entrepreneurship-development problems

2. Recent Development Successes and Failures

Indicate progress, or lack of it, in reducing above problems

3. Strengths and Weaknesses in Efforts of Foreign Donors

Success of major donors in attention to above problems, with emphasis on USAID

4. Extent to which Foreign Assistance is coordinated Process Moving towards Common Goals

Describe private-sector donor group, Francistown meeting, follow-up

B. POLITICAL

Private sector policy progress (e.g. 1988 Budget Speech, Francistown, NDP6 Midterm Review, FAP revision), deficiencies and political forces behind them (e.g. relations with RSA, indigenization, rural development, land development)

C. SOCIAL

Social forces behind private-sector strengths and weaknesses (e.g. recent entry into modern economy, educational deficiencies, cattle "fallback")

D. ECONOMIC

Brief summary of economic aspects of Problem A below

## II. PROBLEM DESCRIPTION AND ANALYSIS

(Actual compared with A.I.D. quantitative standards of achievement, disaggregate data on gender basis, include assessment of what GOB and foreign donors doing about each problem and overall adequacy of efforts)

### A. INADEQUATE ECONOMIC GROWTH

#### 1. Basic Economic Growth

##### a. Growth of Real GDP

Table/graph and discussion (10 years past, 5 year projection) of inadequate non-diamonds/non-cattle segments

- vs. environmental impacts  
Desertification growth (graph and discussion), showing limits of cattle-segment (and maybe agricultural) growth; effect on future GDP growth of no cattle or agricultural expansion

- vs. debt or import dependency  
Fragility of present BOP surplus (from Strategy Assessment and Quill Hermans speech)

- vs. unsustainable public sector growth  
As above for budget surplus (another source NDP6 Midterm Review)

- Medium term prospects for self-sustaining growth  
Investment or other inputs necessary to non-diamonds/non-cattle segments to achieve sustained 3.5% annual growth (same as population growth - will need help on this)

##### b. Productive Employment

- Growth vs. that of labor force  
Tables/graphs of employment (10 years past, 5 years future) by major segment (urban/rural, gender, citizenship), labor force growth (by age, education, gender - will need help on this), graph of past/future employment gap, perhaps under varying economic/population scenarios. Discussion emphasis on problems with young, rural, less educated and paradox of skilled manpower shortage.

##### c. Real Foreign Exchange Earnings

- Growth vs. that of GDP  
- Trends in deficit on current account - sustainability

#### 2. Income of Low Income Groups

##### a. Growth vs. that of aggregate level

- Comparison with 2% p.a. GDP standard

- b. Problems of unemployment, underemployment and general economic participation

Refer to 1b above, add table of firm number and size by citizenship of owner. Refer to micro-enterprise problems discussed below. Problem of combining part-time cattle or agriculture work with enterprise ownership

- What does this mean?
- Risk sharing and profit participation
  - Extent of problem in agriculture

B. HUNGER

1. Percentage of Population with FAO Critical Level of Caloric Intake
  - Achievement vs. 90% standard
2. Percentage of Children under Five with Chronic and Severe Undernourishment
  - Achievement vs. <20% norm
3. Serious Cyclical or Structural Food Deficit Situations
4. Natural Resource Sustainability and Biological Diversity Issues

C. HEALTH DEFICIENCIES, ESPECIALLY INFANT AND CHILD MORTALITY

1. Infant Mortality
  - Achievement vs. 75 deaths per 1000 births standard
2. Child Mortality
  - Achievement vs. 10 deaths per 1000 standard
3. Life Expectancy at Birth
  - Achievement vs. 60 year standard

D. LACK OF EDUCATION (male and female)

Refer to above unemployment projections, explain inadequacy of present curriculum for entrepreneurship development and productive employment, weaknesses of present vocational education system

1. Primary School Enrollment
  - Achievement vs. 90% standard (both boys and girls)

2. Completion of Primary School
  - a. First Four Years
    - Achievement vs. 70% of age group
  - b. Seven Years
3. Adult Literacy
  - Achievement vs. 50% standard

E. POPULATION PRESSURES

Figures showing unlikelihood of economic growth's closing employment gap at present population growth rates

- Percentage of couples with access to wide range of acceptable voluntary family planning services (80% standard)

III. STRATEGY

A. INTRODUCTION

1. National Steps Needed to Achieve Successful Overall Development Path

For private sector only: conclusions from MAPS phases III-IV, with emphasis on policy issues

2. Adequacy of National Economic Policies and Development Plans

For private sector only: focus group findings on requirements for firms' employment growth vs. analysis of NDP6 Midterm Review and FAP revisions

3. Adequacy of Current and Expected Assistance from Other Foreign Donors

Require survey of Donors's strategies, spending history (UNDP can provide some help) and projections, preferably before donor conversations of MAPS Phase V (early April)

4. How the U.S. Can best Help with the Resources Likely to Be Available in its Assistance Program

Discussion stressing US non-financial resources to which USAID has access, success of policy dialogue on private-sector issues (address issue of prospects for continued success if training and financial support shifts from GOB to private sector)

B. EXPLANATION OF PROBLEM SELECTION

1. Severity of Problems

Refer to II. A. and D., with stress on employment gap, possible refugees from agricultural and foreign-employment sectors, impending GOB deficit limiting future economic and education infrastructure-building, plight and disturbance-potential of unemployed young and uneducated.

2. Attitude of GOB

Discuss gap between policy-making and executing levels, possible future pressure on liberal economic policies from opposition and unemployed (will need help on this)

3. Programs of Other Donors

- a. Role
- b. Level of Effort

Conclusions (gaps in effective support for productive employment generation) from above-recommended survey

4. Mission Resources and Capabilities

Address shortage of USAID professionals with private-sector orientation and brief experience (except for policy dialogue) with private-sector support activities

5. Likelihood of Success

Conclusions from business-person focus groups on prospects for employment growth if firms supported in specific and feasible ways

- C. STRATEGIES FOR SELECTED PROBLEMS (Following sections for each problem of USAID focus. Mandated "foundation of success": both broadbased economic growth that provides productive employment as well as higher per capita incomes for an increasing proportion of the population; without this foundation, progress in other elements of framework - hunger, health, population and education - cannot be sustained, and our foreign policy objectives cannot be achieved)

1. Short and Long Term Development Objectives

- a. Policy Reform Objectives

Recommendations from draft strategy statement

- b. Relation to Other Donors' Objectives

Comments here will require above-recommended donor survey as well as results of MAPS donor dialogue

- c. Implications for Sustainability of Needed  
GOB Response to Donors' Collective Efforts  
- Funding

Recommendations from draft strategy statement on the few,  
pinpointed areas where GOB funding may not be sufficient to  
support strategy

- Ability to Conceive and Implement  
Sound Policies

Recommendations from draft strategy statement on the few,  
pinpointed areas where GOB-personnel training or OPEXERS may be  
necessary to support strategy

- Ability to Transfer Appropriate  
Technology

As above for technology transfer (probably with concentration in  
foreign collaborative venture promotion and perhaps micro-  
enterprise development)

## 2. Implications for Special Agency Concerns

- a. Role of Private Sector  
- Privatization

Justify why will (probably) not be significant component of  
strategy

- Financial Markets  
Recommendations from draft strategy statement
- Micro-enterprise Development  
Recommendations from draft strategy statement

- b. Women in Development

~~FAP evaluation indicated that this was not major problem; USAID  
may need to justify activity (if desired) without factual backing~~

c. Agriculture, Rural Development and Nutrition  
Conclusions from Phase II-IV investigations of linkages between  
agriculture and rural enterprise, possible draft strategy  
statement recommendation on emphasis in this area if  
investigations show feasible USAID leverage point

d. Biological Diversity  
Possible recommended strategy on enterprise support in areas  
taking pressure off the environment (e.g. game farming as  
alternative to cattle raising, fish farming as alternative to  
Okavango fishing)

- e. Child Survival
- f. AIDS

g. Population

Possible recommended strategy on private sector approaches to family planning (MAPS process will need help from Family Planning Project here)

h. Land Tenure

i. Democratic Initiatives

j. Housing and Urban Development

Possible recommended strategy on supporting private sector approaches to residential and industrial development in urban and rural areas

k. Disaster Readiness and Assistance

3. Measurable Development Benchmarks

Probable targets for employment gap reduction, citizen-owned firm assistance, etc.

4. Rationale for Selection of This Problem and its Relative Importance

MAPS cannot balance importance of private-sector development against other possible USAID strategies

5. Planned Accomplishments of Recommended Program

a. Effect on Poor and Women

Probable target for employment effect on poor school leavers, gender-specific targets unlikely

b. Quantitative Effects on Other Selected Indices

- Hunger
- Health
- Education
- Population

c. Special Diplomatic Efforts Required

Possible recommendations from draft strategy statement

IV. RESOURCES AND OTHER DONORS (disaggregated by sector or problem areas)

A. OTHER DONORS (include table showing absolute levels and percentages of total investment from each source, disaggregated by sector or problem areas)

1. Bilateral
2. Multilateral
3. Local
  - a. GOB
  - b. Other
4. Ways to Help Botswana Make Best Use of All Resources

Probable recommendation from draft strategy statement

B. U.S. RESOURCES

1. Introduction
  - a. Assumption of constrained budget
  - b. Non-duplication of other donors' efforts
  - c. Ultimate development responsibility Botswana's
  - d. Justification as means to help achieve US foreign policy goals in Botswana)
  - e. Why economic assistance program to Botswana continues to be important to US interest
2. Mission's Budgetary Options

Probable clarification from MAPS on AID/W and regional sources of private sector support

3. Plans for Budget Allocation Among Problem Areas
  - a. General Magnitude by Sector
  - b. Kinds of Projects Planned and General Funding Amounts
  - c. Planned use of Central Bureau and Other Types of Resources
  - d. Use of Existing Assistance Pipelines (justify unchanged continuation of present projects if strategies have changed)

PID outline

See 2. above

Probable recommended strategies implying amendments to existing projects

e. Impact of Funds Earmarked by Congress

Use of micro-enterprise support funds, perhaps others (need to identify precisely)

4. Management and Personnel Capacities (discuss steps to minimize management burden by concentrating resources on a few high-priority sectors)

Major issue: probable personnel implications in draft strategy statement

ANNEXES (not encouraged)

Final MAPS report will be too big for an annex but will provide stand-alone support

## ANNEX E

### PHASE II: AREAS WHICH STUDY SEARCH SHOULD COVER

#### CDSS OUTLINE

- Political forces or issues affecting GOB/private-sector policy debate (e.g. residence permits, housing).
- Social forces behind private-sector strengths and weaknesses (e.g. recent entry into modern economy, educational deficiencies, cattle "fallback").
- Inadequate growth of non-diamonds/non-cattle segments.
- Limits on cattle-segment and dryland agricultural growth.
- Circumstances which could greatly reduce present balance of payments and government budget surpluses.
- Growth of employment vs. that of labor force, especially among young, rural and less educated.
- Skilled manpower shortage.
- Why nonfarm informal sector is so small:
  - Size estimates
  - Part-time cattle or agricultural work
  - Lack of technical or management skills
  - Lack of resources (money, supplies, etc.)
  - Strategies to support sector.
- Strengths and weaknesses of educational system (especially JS and vocational sectors) in building workskills and entrepreneurship.
- Projections of labor-force growth vs. population growth.
- Overview of total donor community contributions to private sector support.
- Likelihood of expatriate miners' or traditional farmers' flooding the labor market.
- Promising private-sector segments (investment opportunities), what needs to be done to realize their promise and what employment increases would follow.
- Business opportunities for technology transfer to Botswana, with attendant employment increases.
- Arguments for or against privatization of some parastatals.
- Recommendations for capital market development.
- Recommendations, with projected employment and local-enterprise increases, of micro-enterprise support efforts.
- Recommended efforts to support women in the private sector.
- Recommended support of linkages between agriculture and rural nonfarm enterprise, with possible enterprise development and employment effects.
- Examples of enterprise opportunities which take pressure off of the environment.
- Private sector approaches to family planning.
- Private sector approaches to residential and industrial housing.
- Foreign links with Botswana companies and ways to promote them.

FURTHER INTEREST AREAS (\* indicates areas of most interest)

- \* Total investment and credit (commercial and investment), with private sector, parastatal and GOB shares of it.
- Parastatal contribution to GDP in major economic areas (commerce, mining, services, manufacturing, agriculture).
- Parastatal aggregate loss over time as % of GDP and per employee.
- Parastatal labor productivity compared to that of private sector.
- Government policies and figures re.: spending (historical tables and projections), monetary growth, inflation rate, foreign exchange movements, tax revenues, barriers to imports.
- Foreign exchange generation by economic sector.
- \* Holdings of top ten business groups.
- Description of business associations.
- Capital markets study (try to get draft of World Bank study from BOB or MFDP):
  - Describe structure
  - Size and operations of major commercial and development banks
  - Strengths and weaknesses of commercial banks regarding short, medium and long term credit
  - \* Informal-sector savings and lending system
  - Description of banking "products" (services, instruments, etc.) in common use
  - Loan guarantee and export financing
  - Business and financial advisory services which lenders provide
  - Major policy and regulatory issues
  - Assessment of donor efforts in this field and what more they might do.

ANNEX F

RECRUITMENT OF EXPERT AND BUSINESSPERSON GROUPS:  
LISTS OF QUESTIONS WHICH WE WILL ASK

1. List and prioritize private sector constraints - in general and for your segment. Comment especially on:
  - Public policy issues
  - Foreign company linkage problems especially for citizen owned firms)
  - Citizen owned enterprise development problems
  - Extent of environmental constraints or dangers
  - Credit or other financing availability.
2. Evaluate initiatives to address constraints:
  - Government
  - Donors (especially USAID)
  - Private sector.
3. Major private sector segments with good potential for employment growth and specific actions which would promote them - emphasis on:
  - Opportunities avoiding RSA competition without increasing protectionism
  - Benefits to young, uneducated, rural workers or entrepreneurs.
4. Nonfarm informal sector opportunities and problems (emphasis on links to agriculture).
5. Role of education system in stimulating employment and enterprise generation - what more can be done?
6. What has to happen to firms in your segment before they will hire more or will start new enterprises? What can USAID do to stimulate this? What would be quantitative effects?
7. Likelihood of massive labor returns from RSA mines or influx from traditional farming.
8. Likelihood of:
  - Closing the gap between Government private sector policy-setting and executing levels
  - Political disturbances from opposition and unemployed.
9. To what extent is there need or opportunity for privatizing parastatals or other Government activities?

10. What changes are necessary in financial markets to increase enterprise growth and employment?
11. What measures are necessary to increase the participation of women in the economy?
12. Ideas to help market forces to:
  - Take pressure off the environment
  - Support decrease in population growth rate
  - Increase the supply of housing.
13. Opinions on USAID's supporting (and private sector's ability and interest in supporting):
  - Policy studies for Private-public Sector Standing Commission and exposure of Government officers to exemplary public policies abroad
  - BOCCIM as marketer of short term management development courses
  - BOCCIM establishment of local chapters and industry groups
  - BDC as channel for deal-making, financing and technical support to larger firms in innovative segments
  - Peace Corps volunteers to increase informal-sector support abilities of local organizations (which ones?)
  - Commercial bank loan guarantee fund and related banker-client training
  - Exposure of JS students to private sector careers and business experience
  - Above for senior secondary students
  - Foreign expert assistance and counterpart training for Government activities promoting the private sector (e.g. TIPAs, EAP, tendering boards)
  - Intermediaries which help local companies to make foreign links and do business in SADCC region.
14. Views of relevant parts of our statistical analysis.
15. What is the private sector doing now which especially builds employment and stimulates local enterprise creation which USAID could help?
16. What private- or public-sector organizations are the best implementing agents for these schemes?

#### IMPLICATIONS FOR RECRUITMENT OF EXPERT GROUPS

- Economic Sector: One group with enlightened, sophisticated, articulate representatives from major sectors - Government, parastatals (preferably BMC), manufacturing, commerce,

services (both a banker and a non- financial service), modern agriculture traditional agriculture (someone who knows a lot about it, not necessarily practices it).

- Donors: MFEP donor "counterpart", bilateral donor (e.g. SIDA), citizens from various sectors who have dealt a lot with donors, new business professional promotor (deal- maker, business broker).
- Small/citizen Enterprise: articulate citizen representatives of size categories (micro, small, medium, large - especially those who started from scratch) and experts at promoting them (emphasis on those who understand competing with RSA business).
- Likely Project Intermediaries: BOCCIM, BDC, Peace Corps, Private-Public Sector Standing Commission, IESC, MOE JS curriculum expert, industry-group representative.
- Companies with Successful Foreign Links: Citizens and non-citizens, banker, BDC, RSA businessperson, US

## ANNEX G

### PHASE I: P.I.D. OUTLINE - PRIVATE SECTOR SUPPORT

#### GOAL:

Support broad based, sustained economic growth leading to increased income and employment generation - especially by encouraging the spread of market forces throughout the economy - strengthening Botswana participation in the private sector, contributing to skills development and encouraging foreign investment and trade links. In particular, make a significant contribution, over the planning period, to the reduction of Botswana's annual employment gap (the difference between the number of new labor force entrants and the economy's net new job creation) through an increase in private sector job creation in a democratic environment.

#### PURPOSE:

1. Support the overall growth of market forces throughout the economy by dialogue with GOB in policy areas which have been identified as constraining the spread of market forces and growth in key segments of the private sector.
2. Directly stimulate job growth in selected, labor-intensive, high-growth potential segments of the private sector by assisting management to address key non-policy constraints which frustrate otherwise-promising growth prospects.
3. Support the establishment and growth of Botswana-owned firms in diverse segments of the private sector.
4. Contribute to the spread of work and management skills, especially among actual and potential Botswana entrepreneurs, providing foreign-expert support to critical positions in the private sector and to those in Government which strengthen market forces.
5. Help to provide foreign investment and trade links to local, especially citizen-owned, businesses.

#### STRATEGIES AND ACTIVITIES (keyed to elements of purpose):

- 1.a. Help to increase the effectiveness of the proposed (at Francistown Private Sector Conference) Private-Public Sector Standing Commission by supporting selected policy studies.
  - (1) Provide short-term, foreign-expert assistance.
  - (2) Finance the exposure of relevant GOB officers (policy-making and operating) to foreign policy environments which provide possible lessons for Botswana.
  - (3) Support the localization of policy-study abilities by providing training to local consultants, GOB staff professionals and responsible business association representatives.

- 1.b. Continue present process of policy dialogue through informal cooperation with other donors and supporting evaluations of selected institutions.
- 2.a. Provide technical and limited financial support to BOCCIM's management support efforts
  - (1) Continue OPEX support to BOCCIM's role as marketer of short-term courses which local management is willing to pay for.
  - (2) Finance non-local costs of selected foreign course presenters and of the training of citizen counterparts.
  - (3) Provide technical support to the establishment of BOCCIM local chapters and industry groups.
- 2.b. Provide technical support to BDC in its effort to promote business growth in high-potential segments
  - (1) Provide OPEX support to portfolio-building in these segments (identify potential clients and venture partners, arrange for technical assistance in business-plan preparation, negotiate deals, provide client board-level governance, support initial public offering or management buyback of BDC shares)
  - (2) Finance part of short-term, foreign-expert assistance (e.g. through IESC) in preparing business plans in innovative areas and of training of local professional counterparts.
- 3.a. Provide OPEX support and counterpart training to Peace Corps SSE assistance in high-leverage organizations (trafficking materials, identifying and spreading successful enterprise strategies, securing resources from other sources, measurement of success, institution building).
- 3.b. Extend citizen-enterprise commercial bank loan guarantee fund and associated banker-client training.
- 4.a. Provide OPEX and associated short-term consultant support to:
  - (1) Implementation of career-oriented JS curriculum changes and spread throughout system of innovative responses to it (e.g. after-school business clubs, local chamber of commerce young-businessperson support).
  - (2) Adaptation of above JS changes to senior secondary curriculum development.
- 4.b. Support better management of key GOB activities which promote the private sector (e.g. TIPA, FAP, tendering offices) through OPEXers and training.

- 5.a. Help to finance startup costs of foreign collaborative-ventures (e.g. investment, trade, licencing, franchising, management agreements) brokering.
- (1) Finance short-term, follow-on study to that of 1988 - widened to investigate tie-ins to other donor projects, A.I.D. regional facilities (e.g. IESC's ABLE service) and desired local-foreign brokerage links.
- (2) Provide OPEX support to, or sign cooperative agreements with local entities (preferably private-sector) which the above study indicates are capable of providing the needed services.
- 5.b. Cover travel costs and provide U.S. organizational assistance to qualified citizen enterprise owners who seek U.S. collaborative venture links (in addition, collaborate informally with other donors who provide similar support for business visits to their countries).

BUDGET  
 I.D. OUTLINE - PRIVATE SECTOR SUPPORT  
 (\$ THOUSANDS PER YEAR, LOP 5 YEARS)

<u>ACTIVITY</u>	<u>OPEX</u>	<u>COUNTER- PART TRAIN</u>	<u>SHORT TERM EXPERTS</u>	<u>OTHER</u>	<u>TOTAL \$</u>
<u>Unit cost/yr</u>	<u>100</u>	<u>22</u>	<u>156</u>		
1.a.(1)			312		312
1.a.(2)				96	96
1.a.(3)		66			66
1.b.			156		156
<u>Sub Total</u>		<u>66</u>	<u>468</u>	<u>96</u>	<u>63022</u>
2.a.(1)	100	22			122
2.a.(2)		96	468		564
2.a.(3)			78		78
2.b.(1)	100	22			122
2.b.(2)		48	156		204
<u>Sub Total</u>	<u>200</u>	<u>188</u>	<u>702</u>		<u>1,09038</u>

	<u>OPEX</u>	<u>COUNTER- PART TRAIN</u>	<u>SHORT TERM EXPERTS</u>	<u>OTHER</u>	<u>TOTAL</u>
3.a.	100	22			122
3.b.			156		156
<u>Sub Total</u>	<u>100</u>	<u>22</u>	<u>156</u>		<u>278</u>
4.a.(1)	100	22	156		278
4.a.(2)			156		156
4.b.	200	44			244
<u>Sub Total</u>	<u>300</u>	<u>66</u>	<u>312</u>		<u>678</u>
5.a.(1)			31		31
5.a.(2)	80	18			98
5.b.			40	32	72
<u>Sub Total</u>	<u>80</u>	<u>18</u>	<u>71</u>	<u>32</u>	<u>201</u>
<u>TOTAL ACTIV.</u>	<u>680</u>	<u>360</u>	<u>1,709</u>	<u>128</u>	<u>2,877</u>
<u>%</u>	<u>24</u>	<u>13</u>	<u>59</u>	<u>4</u>	<u>100</u>
<u>Eval. &amp; Contin.</u>				<u>123</u>	<u>123</u>
<u>TOTAL BUDGET</u>	<u>680</u>	<u>360</u>	<u>1,709</u>	<u>251</u>	<u>3,000</u>

ACTIVITY COST DETAILS (on average total year basis)

- 1.a.(1) Two short-term experts.
- 1.a.(2) Two officers permanently on training, at \$4 per month.
- 1.a.(3) Three professionals permanently on training at \$22.
- 1.b. Evaluations, one institution permanently being evaluated (foreign short term expert 12 months at \$13 per month).
- 2.a.(1) One OPEXer, one counterpart.
- 2.a.(2) Three presenters permanently in-country (3 x \$156 = \$468); two counterparts permanently on foreign training (2 x \$4/month x 12 mos.).
- 2.a.(3) Short term foreign expert present half the year (\$156/2 = \$78).
- 2.b.(1) One OPEXER, one counterpart.
- 2.b.(2) One short term foreign expert (\$156); one counterpart short term training (\$4/month x 12 mos.).
- 3.a. One OPEXER, one counterpart.
- 3.b. Assume no cost for guarantee; MAS-type training (one short term foreign expert).
- 4.a.(1) One OPEXer, one counterpart, one short term foreign expert.
- 4.a.(2) One short term foreign expert.
- 4.b. Two OPEXers at two-year terms (covering four agencies), two counterparts on same terms.
- 5.a.(1) Year 1 only: 3 experts x 4 mos. = \$156, average cost/year \$156/5 = \$31.
- 5.a.(2) Years 2-5: one OPEXer, one counterpart (average cost 0.8 x \$100, 0.8 x \$22).
- 5.b. Years 2-5: 10 local enterprise heads x \$4 travel cost = \$40 (\$32 average project-year cost); US organizing assistance 10 firms x 10 days professional time x \$500.00/day = \$50 (\$40 average project-year cost).

ANNEX II BIBLIOGRAPHY AND SUPPORT ACTIVITIES

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(ANNEX H continues next page)

BRIEF PAPER FOR MR. WALTER BOLLINGER - 2/89  
PRIVATE SECTOR SUPPORT ACTIVITIES - PAST, PRESENT AND FUTURE

PAST - 1986-88

Studies

Strategy Assessment and Evaluation  
Private Sector Strategy Study  
Evaluation of Financial Assistance Policy

Dialogue

Financial Assistance Policy Cabinet Presentation  
Conference on Strategy for Private Sector Development

Action

Loan Guarantee Facility  
Support of IESC Program  
Banker/client Training Courses on Business Fundamentals  
Private-sector Training and TA Support through BWAST II  
Work-oriented Curriculum Elements in Education Project (JSEIP)

PRESENT - 1989

Planning

Manual for Action in the Private Sector (MAPS)  
Country Development Strategy Statement  
P.I.D.: Private Sector Support Project

FUTURE - 1990+

Projects

Implementation Private Sector Support Project  
Private Sector Delivery Strategies in Other Projects