



REPUBLIC OF BOTSWANA

ECONOMIC DIVERSIFICATION DRIVE

Medium to Long-Term Strategy

2011 – 2016

Ministry of Trade and Industry
July 2011

© Botswana Government, 2011

EDD Theme: Economic Diversification Drive: the Key to Sustainable Economic Growth and a Vibrant Globally Competitive Private Sector

Table of Contents

	EXECUTIVE SUMMARY	6
1.	INTRODUCTION	9
2.	BACKGROUND.....	11
2.1	THE CONCEPT OF ECONOMIC DIVERSIFICATION	11
2.2	ECONOMIC DIVERSIFICATION DRIVE INITIATIVE	12
2.3	THE STRATEGIC ROLE OF THE MINISTRY OF TRADE AND INDUSTRY IN THE EDD INITIATIVE	13
2.4	OBJECTIVES OF THE ECONOMIC DIVERSIFICATION DRIVE	13
3.	THEMATIC AREAS FOR THE STRATEGY	18
3.1	SECTORAL DEVELOPMENT AND BUSINESS LINKAGES	18
3.2	EXPORT DEVELOPMENT AND PROMOTION	30
3.3	INVESTMENT AND FINANCE	36
3.4	QUALITY CONTROL, STANDARDS AND PRODUCTION	42
3.5	TECHNOLOGY DEVELOPMENT, TRANSFER AND INNOVATION.....	48
3.6	RESEARCH AND DEVELOPMENT	55
3.7	ENTREPRENEURSHIP DEVELOPMENT	62
4.	ECONOMIC DIVERSIFICATION DRIVE AND POVERTY ERADICATION.....	70
5.	INSTITUTIONAL STRUCTURE: THE NATIONAL ECONOMIC DIVERSIFICATION COUNCIL (NEDC).....	72
5.1	INSTITUTIONAL ARRANGEMENT	72
5.2	DEFINITION OF ROLES	75
5.3	AGENDA OF THE COUNCIL.....	76
5.4	DELIBERATIONS AND VOTING	76
5.5	COMMUNICATION AND CONSULTATION	77
5.6	MONITORING AND EVALUATION	78
6.	THE EDD MEDIUM TO LONG TERM STRATEGY IMPLEMENTATION MODEL	79
6.1	THE EDD UNDERLYING PRINCIPLES	79
6.2	THE EDD IMPLEMENTATION PROCESSES	80
6.3	THEMATIC TEAMS SUPPORT TO PRIVATE SECTOR	86
6.4	EDD THEMATIC TEAMS AND THEIR FUNCTIONS.....	87
7.	PRIVATE SECTOR DEVELOPMENT STRATEGY	91

ABBREVIATIONS AND ACRONYMS

ADF	Agency for Development Fund
AGCs	Attorney General’s Chambers
BCA	Botswana College of Agriculture
BDC	Botswana Development Corporation
BEAC	Botswana Economic Advisory Council
BECI	Botswana Export Credit Insurance
BEDDU	BOCCIM Economic Diversification Drive Unit
BEDIA	Botswana Export Development And Investment Authority
BEMA	Botswana Exporters Manufacturers Association
BIDPA	Botswana Institute for Development Policy Analysis
BIH	Botswana Innovation Hub
BIUST	Botswana International University of Science and Technology
BNPC	Botswana National Productivity Centre
BOBS	Botswana Bureau of Standards
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
BOCONGO	Botswana Council of Non-Governmental Organizations
BOTEC	Botswana Technology Centre
BTA	Botswana Telecommunications Authority
BTO	Botswana Tourism Organisation
BURS	Botswana Unified Revenue Service
BVI	Botswana Vaccine Institute
CDE	Centre of Development Enterprise
CEDA	Citizen Entrepreneurial Development Agency
CPI	Corruption Perception Index
CSBDF	Construction Sector Business Development Forum
CSI	Customer Satisfaction Index
SB	Statistics Botswana
DIS	Directorate of Intelligence Services
DPSM	Directorate of Public Service Management
DTCA	Director of Trade and Consumer Affairs
EDD	Economic Diversification Drive
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HATAB	Hospitality and Tourism Association Of Botswana

HLCC	High Level Consultative Council
HSBDF	Hospitality Sector Business Development Forums
ICT	Information and Communications Technology
IFSC	International Financial Services Centre
LEA	Local Enterprise Authority
MDJS	Ministry of Defence, Justice and Security
MEWT	Ministry of Environment, Wildlife and Tourism
MFDPP	Ministry of Finance and Development Planning
MIST	Ministry of Infrastructure, Science and Technology
MLG	Ministry of Local Government
MLH	Ministry of Lands and Housing
MMEWR	Ministry of Minerals, Energy and Water Resources
MOA	Ministry of Agriculture
MOESD	Ministry of Education and Skills Development
MOFAIC	Ministry of Foreign Affairs and International Co-operation
MOH	Ministry of Health
MSBDF	Mining Sector Business Development Forum
MTC	Ministry of Transport and Communications
MTI	Ministry of Trade and Industry
MYSC	Ministry of Youth, Sport and Culture
NACA	National AIDS Coordinating Agency
NCTPN	National Committee on Trade Policy and Negotiations
NEDC	National Economic Diversification Council
NFTRC	National Food Technology Research Centre
NGO	Non-Governmental Organisation
NSO	National Strategy Office
PPADB	Public Procurement and Asset Disposal Board
R & D	Research and Development
RIIC	Rural Industries Innovation Centre
RIPCO	Rural Industries Promotion Company
RO	Research Organisation
RSA	Republic of South Africa
RSBDF	Retail Sector Business Development Forums
SACU	Southern African Customs Union
SADC	Southern Africa Development Community
SB	Statistics Botswana
SCA	Skills, Competencies and Attitudes
SEZs	Special Economic Zones
SHE	Safety, Health and Environment
SMMEs	Small, Micro and Medium Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBD	To Be Determined
TI	Transparency Index
UB	University of Botswana

USA	United States of America
USAID	United States Agency for International Development
WAD	Women's Affairs Department
WFHB	Women's Finance House of Botswana
WIBA	Women in Business Association
WTO	World Trade Organisation

EXECUTIVE SUMMARY

ECONOMIC DIVERSIFICATION DRIVE (EDD) MEDIUM TO LONG TERM STRATEGY 2011 to 2016

1. *In spite of four decades of rapid economic growth, the Botswana economy continues to be less diversified and driven by primary products of diamonds, copper/nickel and beef. In addition, the country's import bill averages P20 billion per annum over the last five years, further illustrating the symptoms of a less diversified economy. In view of this, in 2010, Government directed Ministries and their Stakeholders to intensify efforts to diversify the economy through the **EDD Short-Term Strategy** and the **EDD Medium to Long-Term Strategy**.*
2. *The **EDD Short-Term Strategy** is based on the use of Government interventions such as local procurement, the use of preference margins and citizen economic empowerment strategies to promote local production and consumption. It is aimed at achieving quick wins and early harvest of low hanging fruits in targeted sectors of the economy where private sector efficiency and competitiveness may be achieved quickly. The major aim of the Strategy is to diversify the economy and reduce the large import bill cited above.*
3. *As the **EDD Short-Term Strategy** interventions are not sustainable in a free market economy, Government provided for the development of the **EDD Medium to Long-Term Strategy**. The Strategy envisages diversification of the economy through the development of globally competitive enterprises that need little or no Government protection and support. Its major aim is to diversify the economy into sectors that will continue to grow long after minerals have run out. Its specific objectives are to develop globally competitive sectors; diversify exports and export markets through a vibrant and globally competitive private sector; develop goods and services that comply with local and international standards; and develop an entrepreneurship culture for business growth and enhanced citizen participation in the economy.*
4. *The development of the Strategy involved all Government Ministries, Independent Departments, Parastatals, the Private Sector, Labour Organisations and Civil Society. Each of these key Stakeholders was requested to identify and prioritize the core elements of their Economic Diversification initiatives that would have a "Big Bang" or "Significant Impact" on the economic diversification drive initiative and submit them for inclusion into the **EDD Medium to Long-Term Strategy Action Plan** where their performance will be tracked from a national perspective. A Workshop and a Pitso were organised in September and November 2010 respectively, where the Stakeholder contributions were shared, discussed, refined and packaged into the **EDD Medium to Long-Term Strategy Action Plan**. The Strategy envisages achievement of economic diversification through implementation of the **EDD Thematic Areas** which will be driven by a globally competitive private sector. These are as follows:*
 - i. **Sectoral Development and Business Linkages Thematic Area** which aims to develop Botswana's priority sectors through the maximization of local content; promotion of technology transfer and innovation, the transfer of modern management know-how, development of the SMME sector and the attraction of foreign direct investment (FDI). The Thematic Area will also involve mapping

value chain and supply chain processes of Botswana's priority sectors and identifying business opportunities that local companies may exploit. It will further promote business linkages between small, micro and medium enterprises (SMMEs); and between SMMEs and large local/foreign companies. It will also promote cross-border business linkages in line with the country's regional integration efforts. This Thematic Area will include the development of Botswana's priority sectors/sub-sectors, including Horticulture; Leather; Small Stock; Arts and Crafts; Glass and Glass Products; jewellery; Dairy; etc. These, together with products that have been identified for development in the import bill, will go a long way to reduce the trade imbalance for the country.

- ii. **Export Development and Promotion Thematic Area** involves the development of strategies that will maximise the growth of the export sector and its contribution towards diversification of the economic and export base of Botswana.
 - iii. **Investment and Finance Thematic Area** focuses on making Botswana an investment destination of choice through the creation of a conducive environment for investment and provision of investment finance for the identified priority sectors. It aims to develop investment portfolios that will be spearheaded by the Private Sector to finance SMMEs and Mega Projects that will contribute significantly to Botswana's economic diversification.
 - iv. **Quality Control, Standards and Production Thematic Area** focuses on assisting local companies to produce goods and services that comply with accepted local and international quality standards with a view to enhancing their competitiveness. Further, the Thematic Area ensures that imported goods and services meet these standards.
 - v. **Technology Development, Innovation and Transfer Thematic Area** focuses on making Botswana a vibrant technology driven economy through technological development, adaptation, transfer and innovation which are core elements for competitiveness in the globalized economic environment.
 - vi. **Research and Development Thematic Area** spells out the strategic initiatives which will ensure that EDD business decisions are informed by need-based research studies as well as reliable economic data.
 - vii. **Entrepreneurship Development Thematic Area** involves the development and inculcation of entrepreneurship culture amongst locals. It also encourages citizens to learn and adopt existing and new entrepreneurship traits and skills of globally competitive successful entrepreneurs.
5. In addition to the seven EDD Thematic Areas, the Strategy covers four important areas, namely, **the EDD Strategy and Poverty Eradication Initiative, and the EDD Institutional Structure; the EDD Implementation Model and the Role of the Private Sector in the EDD Initiative**. These are summarized as follows:
- i. **The EDD Strategy and Poverty Eradication Initiative** discusses how the Strategy will impact on poverty through the Sectoral Development and Business Linkages, and Export Development and Promotion Thematic Areas. The Chapter shows that the Strategy will impact on poverty eradication through employment creation and earned income; business ownership, resource ownership and skills development.

- ii. **The EDD Institutional Structure** defines the key Stakeholders and their mandates in the EDD initiative. The Structure is composed of the **National Economic Diversification Council (NEDC)** which is an integrated body comprising of Government Ministries, Independent Departments, Parastatals, the Private Sector and Civil Society. Each of these entities will drive their EDD “Big Bang” initiatives defined in the Strategy Thematic Areas. The NEDC will be an intellectual architect and power-house for the EDD Strategy and will provide strategic direction and guidance to the EDD Secretariat and the **Thematic Teams**. The Council will be chaired by the Minister of Trade and Industry, with a Vice Chairperson chosen from the Private Sector. It will report (on a quarterly basis) to **Cabinet**. The **EDD Unit** will be the Secretariat for the Council and the Thematic Teams.
- iii. **The Role of the Private Sector in the EDD Initiative** is defined in the EDD Private Sector Chapter. The Chapter is based on the BOCCIM EDD Concept Paper which defines BOCCIM’s EDD initiatives. The initiatives include the creation of a BOCCIM EDD Unit and the development of Sector Charters which will ensure effective coordination and implementation of EDD initiatives from a Private Sector perspective. The Private Sector will be the main driver of the EDD core Thematic Areas, namely, Sectoral Development and Business Linkages, and Export Development and Promotion.
- iv. **The EDD Strategy Implementation Model** defines the implementation steps for the Strategy and how the various Stakeholders will be coordinated to deliver on their respective mandates. Further, the Strategy has adopted the Balance Score Card Monitoring and Evaluation Reporting Tool to ensure effective tracking of all implementation plans as well as ensuring a timeous response to any emerging concerns and bottlenecks. Plans are also underway to develop electronic monitoring and evaluation (e-M&E) tool to quicken the implementation processes. **This integration of the activities of the Institutional Support Service Providers on the one hand, and the Business Practitioners, on the other, highlights the importance of implementation of the Strategy from a national perspective.**
6. The Strategy will run from **2011 to 2016**, and will be reviewed during its mid-term in 2013, unless the situation dictates otherwise.

1. INTRODUCTION

- 1.1.1 Following the Ministerial Committee on Economic Diversification which was constituted under the Chairmanship of His Honour the Vice President in December 2009, a Technical Committee chaired by the Honourable Minister of Trade and Industry was subsequently set up and subsumed the former. The Committee reports to His Honour the Vice President and to Cabinet on a quarterly basis. The main mandate of the Committee is to promote the Economic Diversification Drive (EDD) through the Short-term and Medium to Long-term Strategies.
- 1.2 The EDD Short-Term Strategy was approved by Cabinet in March 2010. The Strategy outlines the strategic initiatives aimed at achieving **quick wins** and **quick harvest of low hanging fruits** (through Government interventions) which were identified during the EDD workshop held in Gaborone, in February 2010. The major aim of the EDD Short-Term Strategy is to reduce the import bill which averages P20 billion over the last five years. As Botswana has embarked on the development of a modern, open and globalised economy, these **Short-Term Strategy interventions will not be sustainable in the long-term. Consequently**, a Technical Committee was formed to work on the development of the EDD Medium to Long-term Strategy which will be free from Government interventions. This Strategy is the outcome of the Cabinet Assignment.
- 1.3 The **EDD Medium to Long-Term Strategy** is anchored on a vibrant globally competitive Private Sector which is **weaned-off** from Government support and protection. Part one of the Strategy provides the Background. It covers the definition of economic diversification as it will be used in the implementation of the strategy; a brief outline of the EDD Short-Term and the Medium to Long-Term Strategies and their relationship; the key stakeholders who will form the strategic alliances for driving the Medium to Long-Term Strategy; the approach to the development of the Strategy which includes a SWOT Analysis and how the Thematic Areas for the Strategy will be used to address the identified weaknesses and threats that have over the years delayed achievement of economic diversification while simultaneously propelling exploitation of the strengths and opportunities to achieve economic diversification.
- 1.4 The Strategy is based on seven Thematic Areas. Two Thematic Areas, namely, **Sectoral development and Business Linkages, and Export Development and Promotion** form the core of the EDD Strategy. Implementation of these Thematic Areas will involve the development of an EDD priority list of sectors/sub-sectors to serve both the domestic and international markets. The other five Thematic Areas will provide customized support to the EDD priority sectors/sub-sectors with a view to facilitating their development and competitiveness. These include **Investment and Finance; Quality Control, Standards and Production; Technology Development, Transfer and Innovation; Research and Development; and Entrepreneurship Development.**

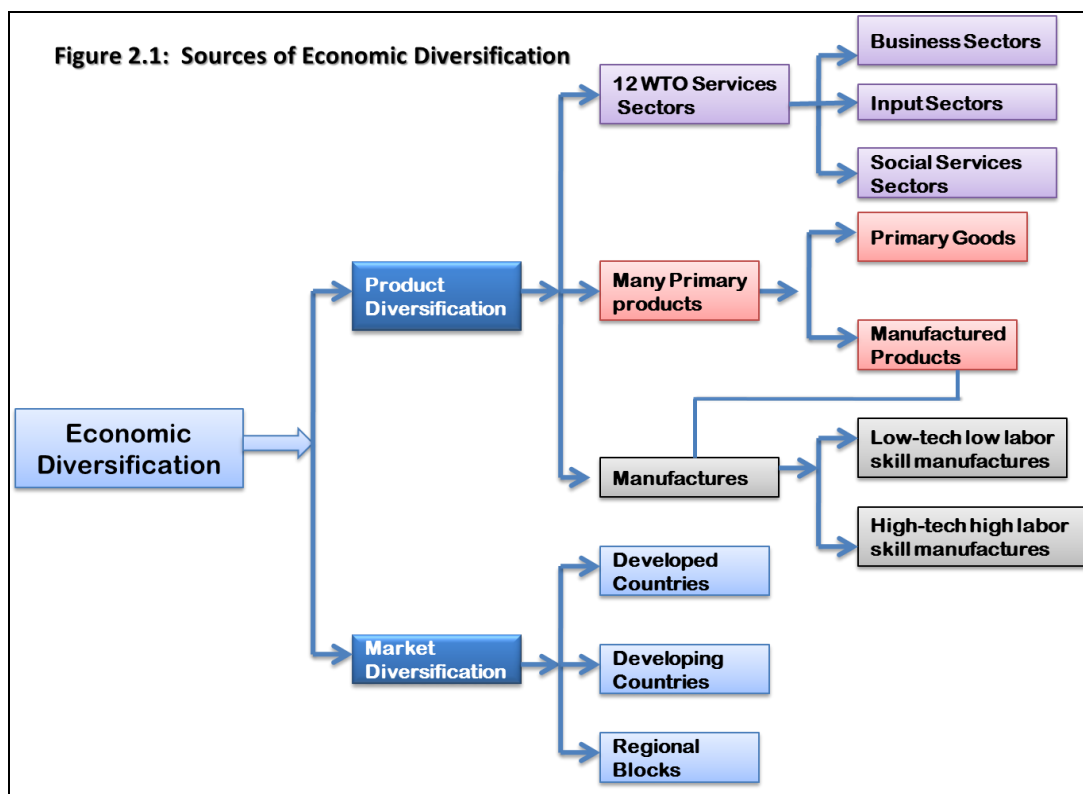
- 1.5 The Institutional Chapter of the Strategy outlines the key players in the Strategy and their functions. It shows that the Strategy implementation will start with technical experts and business practitioners who will develop sector/sub-sector specific strategies which will go to the National Economic Diversification Council (NEDC) for consideration and approval before passing on to the Cabinet Committee on the Economy and Employment for final approval and strategic guidance.
- 1.6 In addition to the above core elements, the Strategy covers three key areas which are important for its successful implementation. First is the Implementation Model. This outlines the key steps for the Strategy implementation. The model is comprehensive and provides adequate information for the successful implementation of the EDD. Second, the Strategy covers the EDD and Poverty Eradication. This aligns the EDD Initiative with the Poverty Eradication effort being undertaken by the Office of the President. Finally, the Strategy covers key elements of the Private Sector Development Strategy and shows how the EDD Initiative will be implemented from the Private Sector perspective.

2. BACKGROUND

2.1 THE CONCEPT OF ECONOMIC DIVERSIFICATION

Even though Botswana has received global accolades as an “African Economic Miracle,” the country does not have an equally good track record on the realisation of economic diversification. Because of this, economic diversification remains high in Government’s development agenda. This is mainly because, as correctly shown by the theme of this Strategy, economic diversification is **“Key to Sustainable Economic Growth and a Vibrant Globally Competitive Private Sector.”**

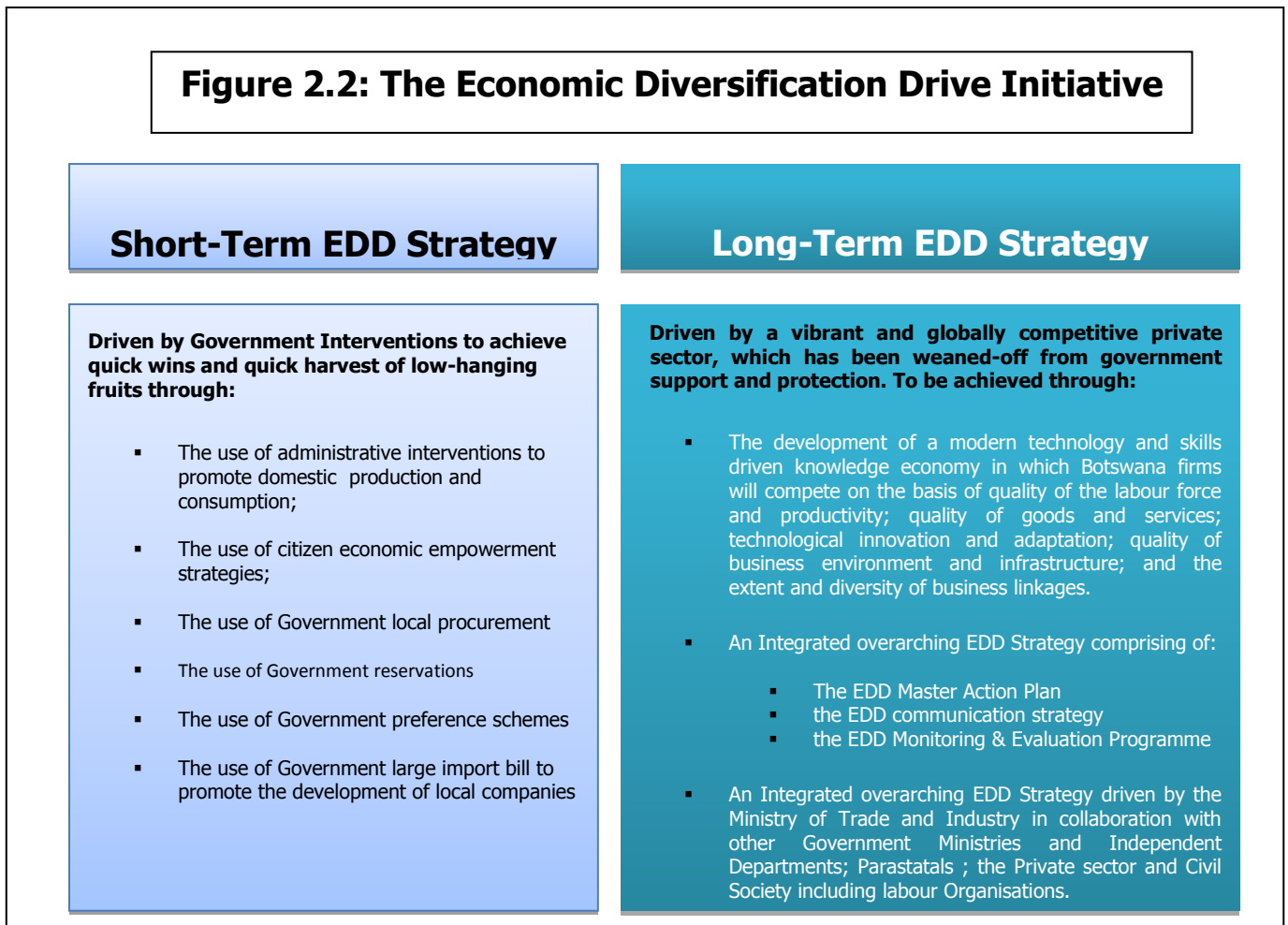
Economic diversification means diversifying a country’s sources of economic growth and income in such a way that the country becomes more or less equally dependent on all sectors of the economy. Conversely, an economy is diversified if no sector may be singled out as a major engine of growth. As illustrated in **Figure 1**, the EDD initiative envisages economic diversification characterised by product and market diversification as well as diversification within the primary sector¹, the services sectors and the manufacturing sector.



¹ The primary sector refers to all natural resources including minerals and agricultural products.

2.2 ECONOMIC DIVERSIFICATION DRIVE INITIATIVE

As already pointed out, the EDD initiative has two major components – the Short-term Strategy and the Medium to Long-term Strategy. **Figure 2** summarises the core elements of each strategy.



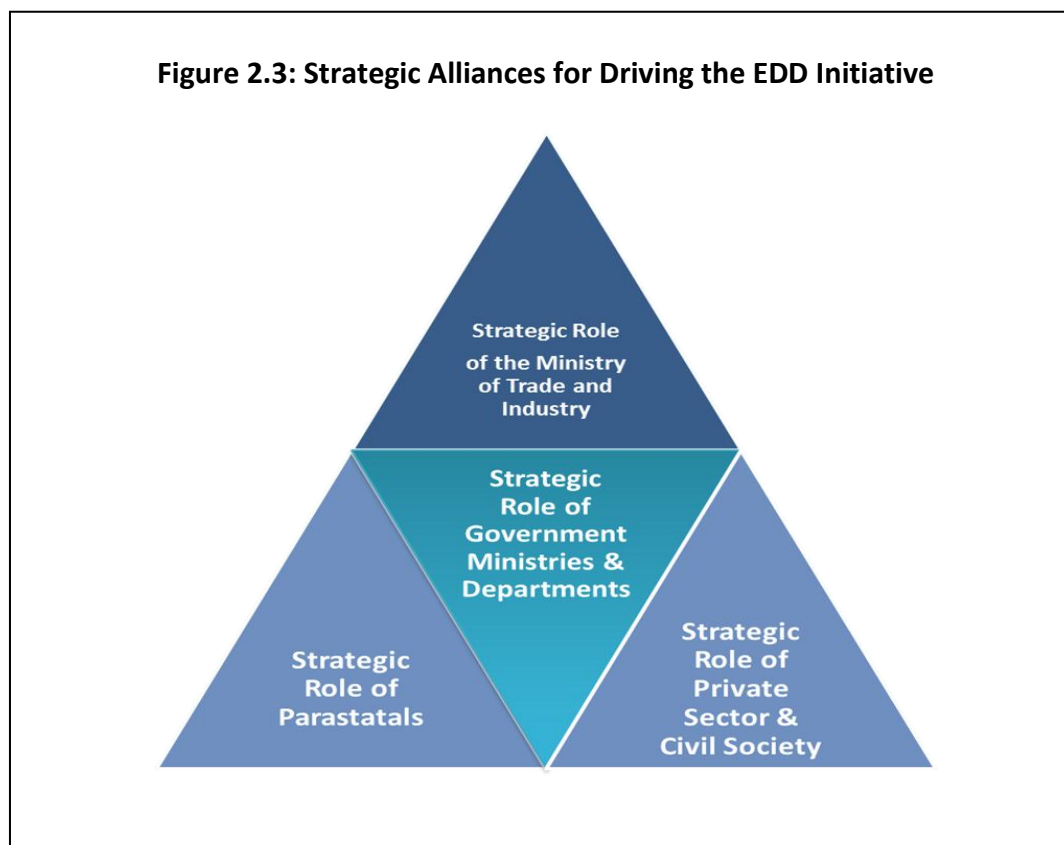
Note: *the Short-Term Strategy is based on private sector economic activities and programmes that depend mainly on Government support and protection. Conversely, the Long-Term Strategy depends mainly on economic activities that are market determined and private sector driven. These need very little Government support and protection.*

As shown in **Figure 2.2** above, for the Short-Term Strategy, firms will heavily depend on Government interventions and support which are not sustainable in the long term. Because of this, the EDD Medium to Long-Term Strategy is anchored on developing strategies for a globally competitive private sector which will be weaned-off from Government support and protection. Notwithstanding this, the EDD Short-Term Strategy will continue to be implemented alongside the EDD Medium to Long-term Strategy as it will take some time for firms to achieve the global competitiveness envisaged in the latter.

2.3 THE STRATEGIC ROLE OF THE MINISTRY OF TRADE AND INDUSTRY IN THE EDD INITIATIVE

The Ministry of Trade and Industry has the mandate of creating a conducive environment for economic growth and development of the country. This role is to be achieved through an active participation of the private sector which has been singled out as the major engine of growth during NDP10. The mandate positions the Ministry of Trade and Industry as the lead Ministry in the country's process of wealth creation, economic diversification, private sector development, employment creation and poverty eradication. This requires the Ministry to be **appropriately structured** and **resourced** in order to achieve the economic diversification envisioned in the strategy.

Figure 2.3 illustrates the strategic position that must be accorded to the Ministry of Trade and Industry if the EDD Initiative objectives are to be realised. Further, **Figure 2.3** shows the strategic alliances that the Ministry must have with key stakeholders whose economic diversification initiatives would have a “**Significant Impact**” or “**Big Bang**” on the EDD initiative.



2.4 OBJECTIVES OF THE ECONOMIC DIVERSIFICATION DRIVE

The overall objective of the EDD initiative, which is in line with other policies and strategies of the country, is to **diversify the economic and export base of the country into sectors that will continue to grow long after diamonds have run out**. The specific objectives of the Strategy are defined in terms of the Strategy thematic areas, namely,

Sectoral Development and Business Linkages; Export Development and Promotion; Investment and Finance; Quality Control, Standards and Production; Technology Development, Transfer and Innovation; Research and Development; and Entrepreneurship Development. The specific objectives include:

- i. To develop globally competitive sectors that will act as growth pillars of the Botswana economy.
- ii. To diversify exports and export markets through a vibrant and competitive private sector.
- iii. To make Botswana an investor and investment destination of choice for a globally competitive Private Sector.
- iv. To develop goods and services that comply with domestic and international standards.
- v. To develop a diversified vibrant technology driven economy that creates sustainable employment.
- vi. To conduct research and development for informed decision making.
- vii. To develop entrepreneurship culture for business growth and enhanced citizen participation in the economy.

2.5 APPROACH

The development of the Medium to Long-term Strategy involved all Government Ministries and Independent Departments, Parastatals, the Private Sector and Civil Society. Altogether 100 Participants came together for a three-day Workshop which was held at Phakalane in Gaborone from 20th to 23rd September, 2010.

As part of the preparation for the workshop, each of the institutions was tasked to conduct a SWOT analysis on their policies, strategies and programmes (challenges vs. Opportunities; Strength vs. Weaknesses) with a view to identifying and prioritising core elements of their economic diversification initiatives that would have a **“Significant Impact” or “Big Bang”** on the economic diversification initiative and thus deserve to be tracked from a national perspective. **Table 2.1** summarises the SWOT for the EDD Strategy. Along with the Stakeholder inputs, the SWOT analysis was also beefed up with information from the National Development Plan 10 (NDP 10); the National Export Strategy for Botswana (2010), Investment Strategy for Botswana (2010) and the Industrial Development Policy for Botswana (2010). The aim of the EDD Strategy is to maximize Botswana’s identified opportunities to diversify the economy while simultaneously leveraging on the strengths to drive the economic diversification agenda. Further, with the EDD Strategy, the country has developed the strategies that would allow it to turn the weaknesses and threats into opportunities for economic diversification.

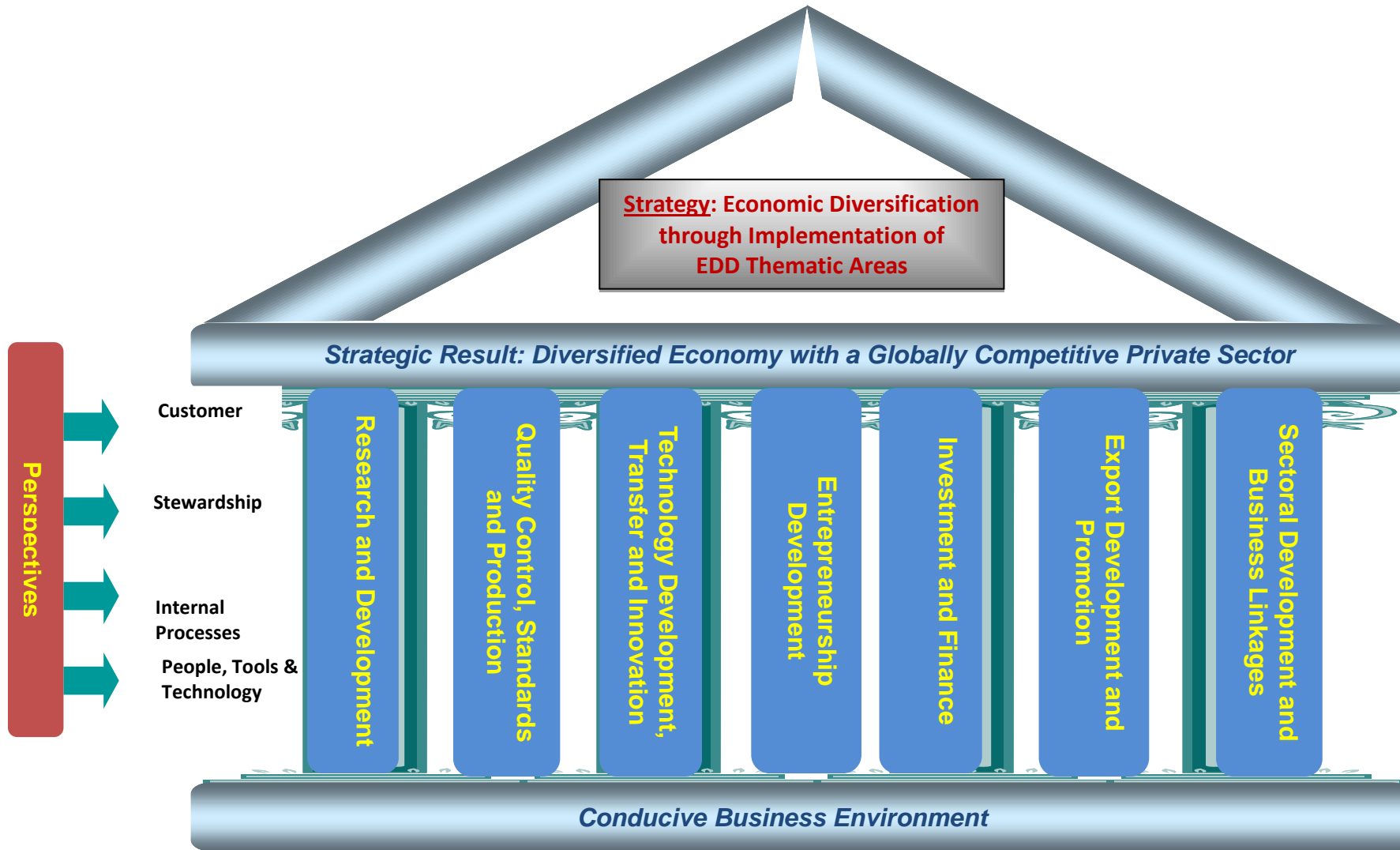
Table 2.1: The SWOT Analysis for the EDD Strategy

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Government support for the private sector as the main engine of growth; 2. Availability of business development and promotion services; 3. Availability of natural resources such as land, labour, minerals, wildlife, Okavango delta, etc; 4. Potential for beneficiation of minerals and other primary products; 5. Sound economic management and political stability; 6. Availability of credit for business enterprises; 7. Respect for the rule of law and private property rights; 8. Government Privatization Policy to improve efficiency and profitability of public enterprises; 9. Credible institutions to control corruption and economic crime; 10. Favourable ratings by Investment Rating Agencies; 11. Preferential Government procurement for local investors; 	<ol style="list-style-type: none"> 1. Less diversified economic and export sectors; 2. Overreliance on government contracts (tenderpreneurship); 3. Overreliance on imports (average import bill of P20 billion per over the last five years); 4. Lack of sufficient infrastructure in the areas of transport, communications, energy generation and water supply; 5. Low labour and total factor productivity vis-à-vis comparator countries such as South Africa and Namibia; 6. Being landlocked and thus dependent on other countries for external routes to strategic global markets; 7. High cost of utilities especially telephone, electricity, water and transport; 8. Cumbersome procedures for work, residence permits and trading licences; 9. Low production capacity; 10. Small globally uncompetitive domestic private sector; 11. Difficulties in achieving required product quality, shortages in skilled labour and serviced land; 12. Underperforming local contractors leading to poor project implementation; 13. Limited collaboration between and within trade support institutions; 14. Shortage of comprehensive trade data and information; 15. Inadequate research and development to support development of strategic business policies and strategies; 16. Lack of business linkages between large firms and SMMEs; and between and among these categories of firms; 17. High levels of unemployment and incidence of poverty;

Opportunities	Threats
<ol style="list-style-type: none"> 1. Large potential market - within SACU and SADC as well as preferential markets presented by bilateral and multilateral trade agreements such as the US, EU and WTO; 2. Proximity to Africa’s biggest economy, namely South Africa; 3. Exit routes through major trading Partners such as South Africa and Namibia; 4. Being strategically located to serve Southern Africa as an economic and transport hub. 	<ol style="list-style-type: none"> 1. Fragile global economic recovery from the financial crises; 2. Disruptions in the supply of fuel and electricity due to external factors; 3. Cumbersome border and customs regulations, especially between Botswana and RSA; 4. High quality and competitively priced imports, more especially from Asia; 5. Political and economic instability in the region; 6. Poor performance on some aspects of the World Bank Doing Business Report of 2011; 7. Stringent standards and quality requirements in world market; 8. Uncertainties about the future of SACU and the directions of EPAs and WTO negotiations.

In addition to the SWOT analysis, the Workshop also shared, discussed, refined and packaged into the EDD Medium to Long-term Strategy, each of the individual Stakeholders’ prioritized EDD “**Big Bang**” policies and strategies. These define the core elements of the Strategy which are captured in **Figure 2.4**. The Strategy envisages diversification through implementation of **EDD Thematic Areas** which will result in a diversified economy driven by a globally competitive private sector. All these are set on the foundation of a **Conducive Business Environment** for a globally competitive private sector. The EDD Strategy has a Communication Strategy which spells out both the validation process as well as the roll-out plan to all Stakeholders. The sections below provide a detailed outline of the Thematic Areas of the strategy along with their associated initiatives.

FIGURE 2.4: VISION 2016 PROSPERITY FOR ALL



EDD Theme: *Economic Diversification Drive: the Key to Sustainable Economic Growth and a Vibrant Globally Competitive Private Sector*

3. THEMATIC AREAS FOR THE STRATEGY

3.1 SECTORAL DEVELOPMENT AND BUSINESS LINKAGES

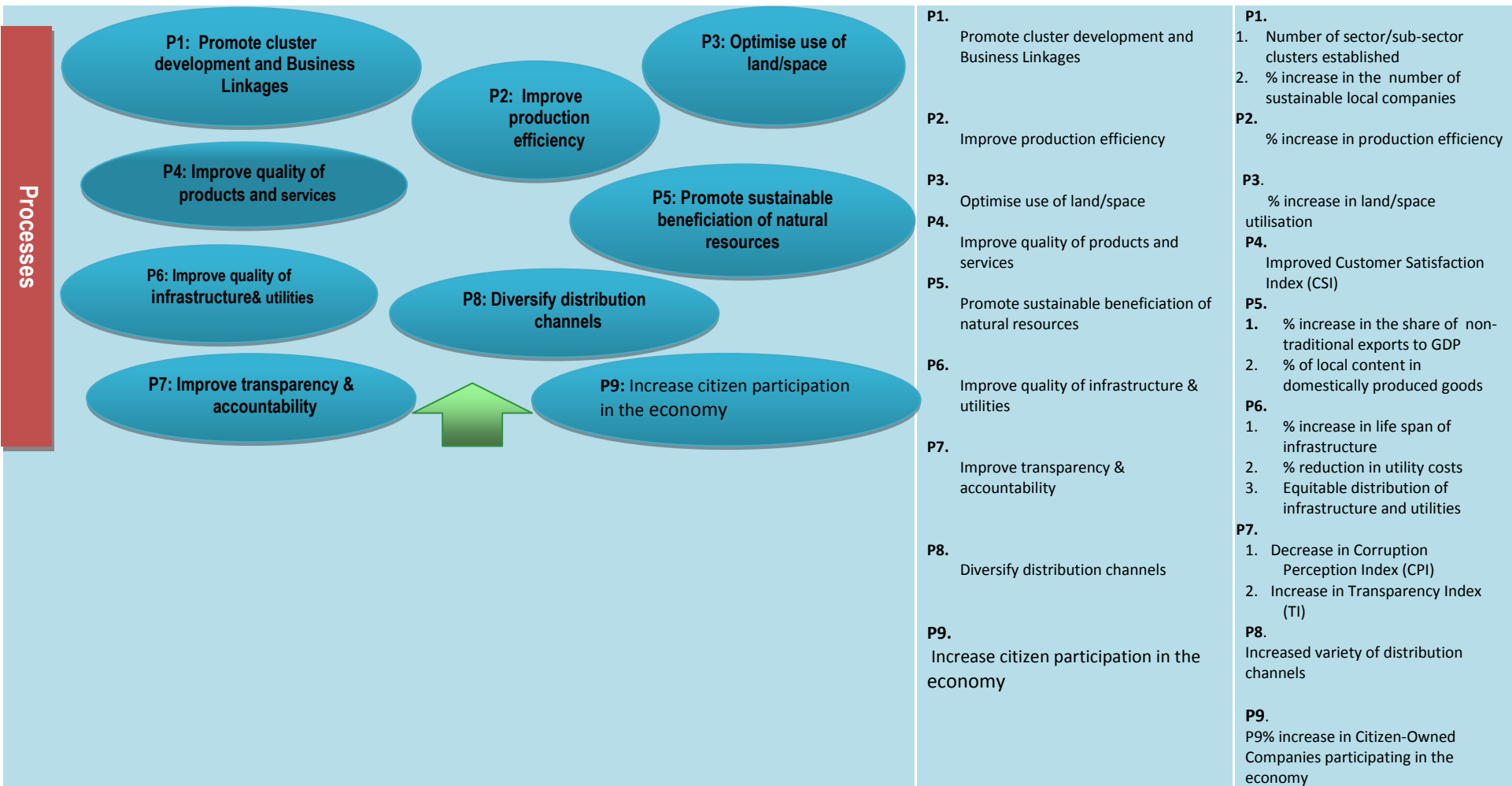
The Thematic Area on Sectoral Development and Business Linkages is important and unique because (i) it specifically targets the development of Botswana's priority sectors; (ii) it brings on board the development of economic clusters and business linkages which will assist to overcome Botswana's industrial polarization challenges under the Southern African Customs Union (SACU); (iii) it creates business opportunities for the private sector which has been identified as the main engine of economic growth and diversification during NDP10; and (iv) it provides opportunities for Government to unbundle mega projects and identify business opportunities that can be leveraged to support business linkages and the development of the private sector.

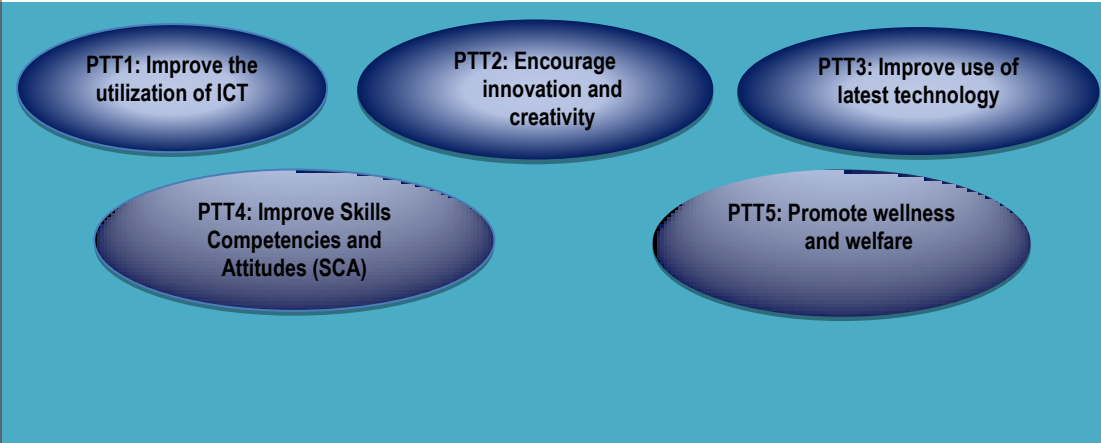
Sectoral Development through business clustering and linkages will involve mapping the supply chain processes of Botswana's priority sectors and identifying business opportunities that local companies may exploit given the conducive business environment that is continuously being created by Government and the emerging private sector that is poised to take advantage of the new business opportunities.

The EDD Initiative encourages business linkages between small, micro and medium size enterprises (SMMEs) on the one hand and locally-established large companies and foreign companies as strategic alliances, on the other hand. Further, the strategy also encourages SMMEs business to business linkages as well as within and among large companies. Both of these business linkages have many advantages for Botswana, including maximization of local content in goods and services; promotion of technology transfer and innovation; promotion of transfer of modern management know-how; promotion of the development of a robust SMME sector and attraction of foreign direct investment (FDI) into Botswana. As Botswana is a member of SACU and Southern African Development Community (SADC), potential business opportunities may also be leveraged from cross-border business linkages between foreign companies established in these regional integration arrangements. The strategic objectives of this thematic area and the associated initiatives that accompany them are summarised in **Figure 3.1** and **Table 3.1**.

Figure 3.1: Sectoral Development and Linkages
 Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy

		Strategic Objectives	Strategic Measures
Customer		<p>C1. Improve marketing & promotion</p> <p>C2. Improve customer satisfaction</p> <p>C3. Prioritise sectors</p> <p>C4. Improve business regulatory environment</p>	<p>C1. % increase in market share</p> <p>C2. Increase in Customer Satisfaction Index</p> <p>C3. 1. Number of key sectors/sub-sectors prioritised 2. % increase in number of key sectors developed</p> <p>C4. Improvement in World Bank Doing Business ratings and Global Competitiveness Index</p>
		<p>S1. Maximise revenue generation</p> <p>S2. Prudent financial management</p>	<p>S1. % growth in non-mining revenue</p> <p>S2. 1. % increase in the number of projects within budget 2. % increase in the number of businesses prudently managed</p>





PTT1.
Improve the utilisation of ICT

PTT2.
Encourage innovation and creativity

PTT3.
Improve use of latest technology

PTT4.
Improve Skills, Competencies and Attitudes (SCA)

PTT5.
Promote wellness and welfare

PTT1.
1. % increase in ICT utilisation
2. Widespread usage of ICT

PTT2.
1. % increase in Intellectual Property (IP) usage
2. Increased number of patented products

PTT3
% increase in use of technology

PTT4.
1. % increase in Research Technology Organization productivity
2. % increase in sectoral productivity
3. % increase in scientific and technological scholarships

PTT5.
% increase in the quality of life

Table 3.1: Sectoral Development and Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
	<p>C1. Improve marketing & Promotion Obj. Def.: <u>Ensure market availability for prioritised sectors through 4P's.</u></p> <p>C2. Improve Customer Satisfaction Obj. Def.: <u>Ensure customer focused service delivery.</u></p> <p>C3. Prioritise sectors Obj. Def.: <u>Ensure identification of key growth sectors.</u></p> <p>C4. Improve Business Regulatory Environment Obj. Def.: <u>Ensure a conducive regulatory environment for competitiveness</u></p>	<p>C1. % increase in market share</p> <p>C2. Increase in Customer Satisfaction Index</p> <p>C3.</p> <ol style="list-style-type: none"> Number of key sectors/sub-sectors prioritised % increase in number of key sectors developed <p>C4. Improvement in World Bank Doing Business ratings and Global Competitiveness Index</p>	<p>C1.</p> <ol style="list-style-type: none"> Implement the four P's - Product, Place, Promotion and Price in the local & international markets Establish a trade database Develop Suppliers' Directory Promote packaging and Branding <p>C2.</p> <ol style="list-style-type: none"> Market segmentation Improve work ethics Improve product knowledge Promote product branding Brand Botswana Address customers' concerns <p>C3.</p> <ol style="list-style-type: none"> Prioritize sectors/sub-sectors (Use the low hanging fruit criteria; win-win sectors) Conduct sector specific audits/studies Develop prioritized sectors <p>C4.</p> <ol style="list-style-type: none"> Address regulatory factors that make Botswana perform poorly in competitiveness indices Align /harmonise sector policies, strategies and programmes 	<p>C1. Number of markets penetrated by 2016 (TBD)</p> <p>C2. A High level of understanding on what constitutes quality customer service</p> <p>C3. TBD (X number of sectors prioritized)</p> <p>C4. TBD</p>	<p>C1. MOFAIC/BITC/LEA/BOC CIM/BEMA/MOA/MEWT/MMEWR/MIST/HUSB S/BDC/BTO/Tis</p> <p>C2. BNPC/DPSM/MOESD/M LHA BOCCIM/BEMA/BTO</p> <p>C3. BIDPA/BITC/LEA/CEDA/BTO/SPEDU</p> <p>C4. MOFAIC/BITC/LEA/BOCCIM/BEMA/MOA/MEWT/MMEWR/MIST/HUBS/BDC/MFDP/MLH A/MLH/MLG/MOH/BTO /RIIC/RIPCO</p>	<p>C1. MTI</p> <p>C2. MTI</p> <p>C3. MTI/BOCCIM</p> <p>C4. MTI</p>

Table 3.1: Sectoral Development and Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Stewardship	<p>S1. Maximise revenue generation</p> <p>Obj. Def.: <u>Ensure diversified sources of revenue for wealth creation.</u></p>	<p>C1. % growth in non-mining revenue</p>	<p>S1.</p> <ol style="list-style-type: none"> 1. Develop sector/sub-sector strategies for maximising income. 2. Employ cost saving measures 	<p>S1.</p> <p>TBD</p>	<p>C1.</p> <p>Prioritised sectors/ BOCCIM/BEMA/MFDP/ BOB/DFIs</p>	<p>S1.</p> <p>MTI</p>
	<p>S2. Prudent financial Management</p> <p>Obj. Def.: <u>Ensure optimal use of financial resources.</u></p>	<p>S2.</p> <ol style="list-style-type: none"> 1. % increase in the number of projects within budget 2. % increase in the number of businesses prudently managed 	<p>S2.</p> <ol style="list-style-type: none"> 1. Implement appropriate project management processes 2. Develop viable investment strategies 3. Promote cost saving measures 4. Develop procurement strategies/plans 	<p>S2.</p> <p>TBD</p>	<p>S2.</p> <p>MOFAIC/BITC/LEA/BOC CIM/BEMA/MOA/MEWT/MMEWR/MIST/HUBS/BDC/MFDP/ MLHA/MLH/MLG/MOH</p>	<p>S2.</p> <p>MTI</p>

Processes	<p>P1. Promote cluster development and Business Linkages</p> <p>Obj. Def.: <u>Ensure business relationships between small, micro and medium size businesses (SMMEs) on the one hand and locally-established large companies, foreign companies and Government on the other hand</u></p>	<p>P1.</p> <ol style="list-style-type: none"> 1. Number of sector/sub-sector clusters established 2. % increase in the number of sustainable local companies 	<p>P1.</p> <ol style="list-style-type: none"> 1. Identify and map business opportunities in prioritised sectors/sub-sectors 2. Unbundle business opportunities in sectoral mega projects (At planning stage) 3. Conduct sector specific R & D 4. Mobilise local entrepreneurs and FDI's Facilitate the development of sector/sub-sector specific strategies 5. Facilitate the development of Bankable Business Plans 6. Facilitate development of sector specific charters (Service level agreements). 	<p>P1.</p> <p>TBD</p>	<p>MOFAIC/BITC/LEA/BOC CIM/BEMA/MOA/MEWT/MMEWR/MIST/GHUB S/BDC/MFDP/MLHA/MLH/MOH</p>	<p>P1.</p> <p>MTI</p>
------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------	----------------------------------------------------------------------------------------------	-------------------------------------

Table 3.1: Sectoral Development and Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Processes	<p>P2. Improve production efficiency</p> <p><u>Obj. Def.: Ensure use of appropriate production systems.</u></p>	<p>P2. % increase in production efficiency</p>	<p>P2.</p> <ol style="list-style-type: none"> 1. Conduct enterprise production audits 2. Install appropriate production systems 3. Use latest technology 4. Develop appropriate sector/sub-sector skills 	<p>P2.</p> <p>TBD</p> <p>P3. TBD</p>	<p>P2.</p> <p>BNPC/LEA/BOTEC/RI C/NFTRC/BOCCIM/BEMA</p>	<p>P2.</p> <p>MTI</p>
	<p>P3. Optimise use of land/space</p> <p><u>Obj. Def.: Ensure optimal use of land/space.</u></p>	<p>P3. % increase in land/space utilisation</p>	<p>P3.</p> <ol style="list-style-type: none"> 1. Map sector specific business zones 2. Develop appropriate infrastructure to support prioritised sectors 3. Develop efficient land allocation systems 4. Develop appropriate policy to promote land usage 5. Encourage efficient use of factory space 	<p>P3.</p> <p>1. TBD</p>	<p>P3.</p> <p>MLH/MEWT/BTO/MMEWR/BOCCIM/MT C/MIST/MOA</p>	<p>P3.</p> <p>MTI</p>
	<p>P4. Improve quality of products and services</p> <p><u>Obj. Def.: Ensure competitive products and services</u></p>	<p>P4 Improved Customer Satisfaction Index (CSI)</p>	<p>P4.</p> <ol style="list-style-type: none"> 1. Install Quality Management Systems 2. Use product/service standards 3. Use appropriate technology 4. Use appropriate raw materials 	<p>P4.</p> <p>TBD</p>	<p>P4.</p> <p>BNPC/LEA/BOTEC/RIIC/NFTRC/BEMA</p>	<p>P4.</p> <p>MTI</p>
	<p>P5. Promote sustainable beneficiation of natural resources</p> <p><u>Obj. Def.: Ensure competitive products and services</u></p>	<p>P5.</p> <ol style="list-style-type: none"> 1. % Increase in the share of non-traditional exports to GDP 2. % of local content in locally produced goods and services 	<ol style="list-style-type: none"> 3. Develop appropriate policy to promote beneficiation 4. Develop natural resources renewable strategy 	<p>P5.</p> <p>TBD</p>	<p>P5.</p> <p>MEWT/MMEWR/MY SC/EDD UNIT/LEA/WAD/BDC /CEDA/BOCCIM/BE MA</p>	<p>P5.</p> <p>MTI</p>

Table 3.1: Sectoral Development and Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Process	<p>P6. Improve quality of infrastructure & utilities</p> <p><u>Obj. Def. Ensure availability of quality infrastructure & utilities</u></p>	<p>P6.</p> <p>1. Improved Life span of infrastructure 2. % reduction in utility cost 3. Equitable distribution of infrastructure & utilities</p>	<p>P6.</p> <p>1. Promote private sector investment in infrastructure/utilities provision 2. Enhance PPP 3. Promote market user charges (e.g. Toll Gates) 4. Develop world-class infrastructure 5. Promote equitable distribution of infrastructure & utilities 6. Promote maintenance of infrastructure</p>	<p>P6.</p> <p>TB</p> <p>P7.</p> <p>1. 7out of 10 points by 2016</p>	<p>P6.</p> <p>MOFAIC/BITC/ /BOCCIM/BEMA/MOA/MEWT/MMEWR/MIST/HUBS/BDC/MFDP/MLHA/MLH/MLG/MOH/MTC.</p>	<p>P6.</p> <p>MTI</p>
	<p>P7. Improve transparency &Accountability</p> <p><u>Obj. Def.: Ensure a corruption free society</u></p>	<p>P7.</p> <p>1. Decrease in Corruption Perception Index (CPI) 2. Increase in Transparency Index (TI)</p>	<p>P7.</p> <p>1. Publication of policies, procedures, programmes that deal with transparency and accountability</p>	<p>P7.</p> <p>TBD</p>	<p>P7.</p> <p>PPADB/DCEC/MOFAIC/BITC/ CEDA/LEA/BOCCIM/BEMA/MOA/MEWT/MMEWR/MIST/HUBS/BDC/MFDP/MLHA/MLH/MLG/MOH.</p>	<p>P7.</p> <p>MTI</p>
	<p>P8. Diversify distribution channels</p> <p><u>Obj. Def.: Ensure diversified distribution channels</u></p>	<p>P8.</p> <p>Increased variety of distribution channels</p>	<p>P8.</p> <p>1. Promote good corporate governance 3. Promote business ethics</p>	<p>P8.</p> <p>1. Establish market centres(Open Markets and Local Department Stores) 2. Develop E-commerce system 3. Legislate to support procurement of local products (minimum target 15%)</p>	<p>P8.</p> <p>TBD</p>	<p>P8.</p> <p>BOCCIM/MEWT/BTO / MYSC/</p>

Table 3.1: Sectoral Development and Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Process	<p>P9: Increase citizen participation in the economy.</p> <p><u>Obj. Def. Ensure Citizen Companies fully participate in economic development activities.</u></p>	% increase in Citizen-Owned Companies participating in the economy	<ol style="list-style-type: none"> 1. Create opportunities for local enterprise to supply more goods and services to Government; 2. Identify, within the value chain, business to business investment opportunities; 3. Implement Citizen Economic Empowerment Policy 	TBD	PPADB/MOFAIC/BITC / CEDA/ LEA/BOCCIM/BEMA/ MOA/MEWT/MMEWR/MIST/HUBS/BDC/ MFDP/MLHA/MLG/MLG/MOH.	MTI

Table 3.1: Sectoral Development and Business Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
People, Tools & Technology	<p>PTT1. Improve the utilisation of ICT</p> <p><u>Obj. Def.: Ensure ICT is used to leverage performance</u></p>	<p>PTT1.</p> <p>1. % increase in ICT utilisation 2. Widespread usage of IC</p>	<p>PTT1</p> <p>1. Audit ICT needs 2. Employ appropriate ICT in the business place 3. Encourage private sector driven ICT infrastructure investment 4. Develop appropriate ICT policy 5. Develop e-Government systems 6. Develop e-Commerce systems 7. Upgrade internet Bandwidth</p>	<p>PTT1.</p> <p>TBD</p>	<p>PTT1.</p> <p>MIST/MMEWR/MEWT/MFDP/BITC/LEA/MLHA/BTA/BNPC/BOBS</p>	<p>PTT1.</p> <p>MTI</p>
	<p>PTT2. Encourage innovation and creativity</p> <p><u>Obj. Def.: Ensure innovation & creativity efforts are encouraged and supported</u></p>	<p>PTT2.</p> <p>1. % increase in Intellectual Property (IP) usage 2. Increased number of patented products</p>	<p>PTT2.</p> <p>1. Conduct innovation surveys 2. Facilitate copy right, trademarks and patenting 3. Formation of innovation industry clusters 4. Enhance innovative & creative capacity of firms</p>	<p>PTT2.</p> <p>TBD</p>	<p>PTT2.</p> <p>MIST/MOA/NFTRC/BOtec/RIPCO</p>	<p>PTT2.</p> <p>MTI</p>
	<p>PTT3. Improve use of latest Technology</p> <p><u>Obj. Def.: Ensure cutting edge technology</u></p>	<p>PTT3.</p> <p>% increase in use of technology</p>	<p>PTT3.</p> <p>1. Audit technology needs 2. Promote cutting edge technology 3. Develop strategies to facilitate technology development, innovation and transfer</p>	<p>PTT3.</p> <p>TBD</p>	<p>PTT3.</p> <p>MOFAIC/BITC/LEA/CEDA/BOCCIM/BEMAR/MOA/MEWT/MMEWR/MIST/HUBS/BDC/MFDP/MLHA/MLH/MLG/MOH/MTC</p>	<p>PTT3.</p> <p>MTI</p>
	<p>PTT5. Improve wellness and welfare.</p> <p><u>Obj. Def.: Ensure a healthy business community</u></p>	<p>PTT5.</p> <p>1. % increase in the quality of life 2. % decrease in absenteeism</p>	<p>PTT5.</p> <p>1. Develop and implement wellness programmes 2. Promote provision of a conducive work environment 3. Promote physical fitness 4. Implement employee HIV/AIDS mitigation strategies 5. Promote fair/equitable distribution of wealth</p>	<p>PTT5.</p> <p>TBD</p>	<p>PTT5.</p> <p>MOFAIC/BITC/LEA/CEDA/BOCCIM/BEMAR/MOA/MEWT/MMEWR/MIST/HUBS/BDC/MFDP/MLHA/MLH/MLG/MOH/MTC</p>	<p>PT4.</p> <p>MTI/MOH</p>

Table 3.1: Sectoral Development and Business Linkages						
Result: Developed globally competitive sectors that act as growth pillars of the Botswana economy						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
People, Tools & Technology	<p>PTT4. Improve Skills, Competencies and Attitudes (SCA)</p> <p>Obj. Def.: <u>Ensure relevant sector/subsector skills and competencies</u></p>	<p>PTT4.</p> <ol style="list-style-type: none"> 1. % increase in relevant sector/sub-sector skills and competencies 2. % increase in sector/sub-sector productivity 3. % increase in scientific and technological scholarships 	<p>PTT4.</p> <ol style="list-style-type: none"> 1. Audit skills 2. Provide training 3. Strengthen mentoring and coaching systems 4. Align and coordinate activities of training institutions 	<p>PTT4.</p> <p>TBD</p>	<p>LEA/CEDA/BDC/MIST /BOCCIM/BOBS/BEM A/MTI/MFDP/</p> <p>BNPC/MOESD/MLG</p>	MTI

3.2 EXPORT DEVELOPMENT AND PROMOTION

In line with the global shift towards free trade and the market economy, Botswana has chosen the export-led growth strategy in which the export sector plays a leading role as a major engine of growth for the economy. Therefore, this thematic area develops strategies that will maximise the growth of the export sector and its contribution towards the diversification of Botswana's economic and export base. The strategies are meant to create a conducive environment for export development and to diversify the range of exports and export markets with a view to increasing export revenues for the country. A detailed summary for achieving these objectives (and others) is provided in **Figure 3.2** and **Table 3.2**.

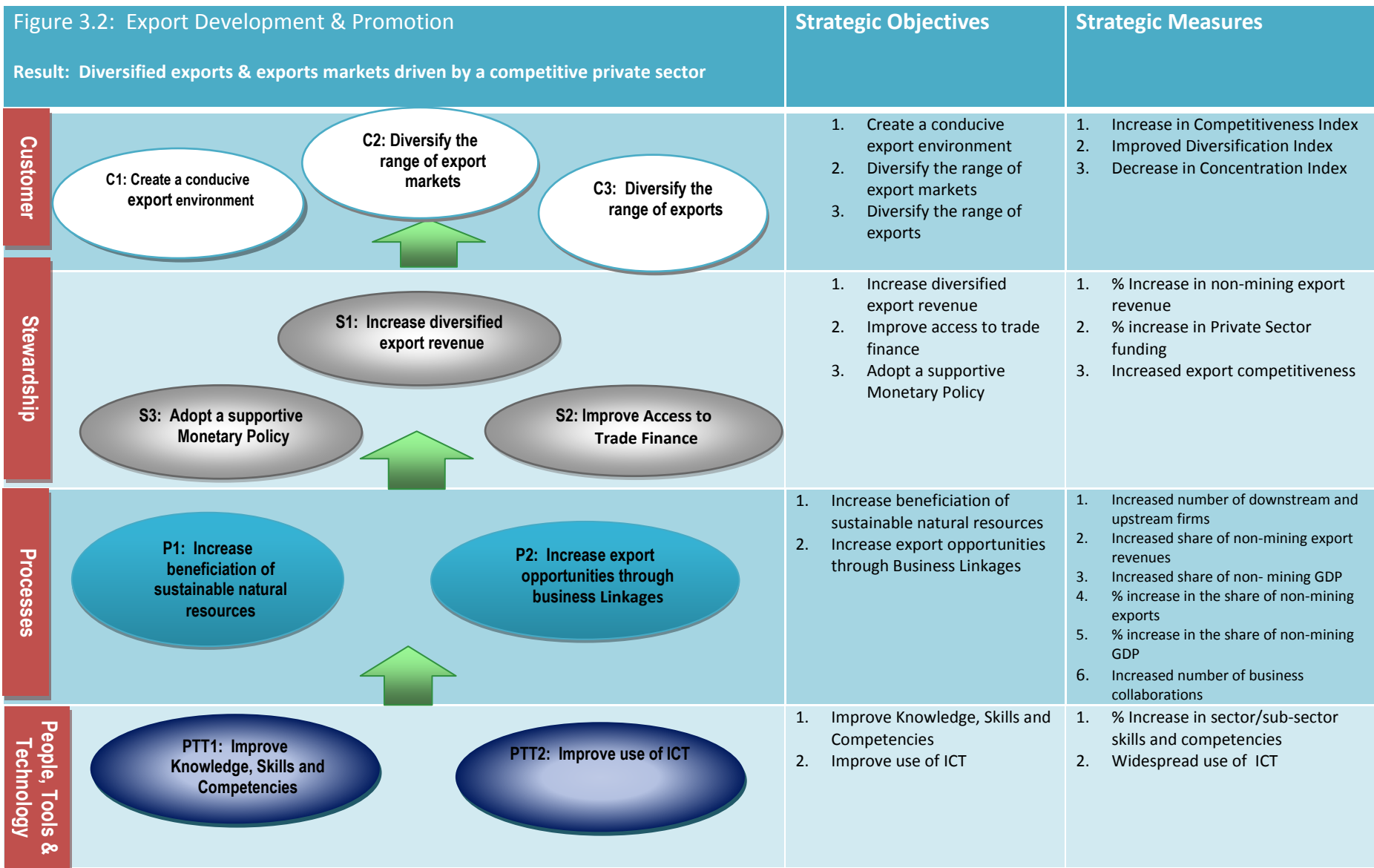


Table 3.2: Export Development & Promotion						
Result: Diversified exports & export markets driven by a competitive Private Sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C1. Create a conducive export environment</p> <p><u>Obj. Def.: Remove all barriers that impede access to markets</u></p> <p>C2. Diversify the range of export markets</p> <p><u>Obj. Def.: Ensure geographically diversified export market</u></p> <p>C3. Diversify the range of export products</p> <p><u>Obj. Def.: Ensure diversification of export products</u></p>	<p>C1. Increase in Competitiveness indices</p> <p>C2. Improved Diversification Index</p> <p>C3. Decrease in Concentration Index</p>	<p>C1.</p> <ol style="list-style-type: none"> 1. Conduct research and development to identify Botswana's goods and services of comparative and competitive advantage. 2. Provide conducive infrastructure to support global export competitiveness 3. Develop interventions that address Botswana's competitiveness (World Bank Doing Business Report and the Global Competitiveness Report) 4. Undertake periodic surveys and export audits to inform strategic policy and business decisions. <p>C2.</p> <ol style="list-style-type: none"> 1. Strengthen export support institutions 2. Provide market intelligence 3. Promote diversified market access for new and existing products <p>C3.</p> <ol style="list-style-type: none"> 1. Implement Trade Policy 2. Increase exports variety 3. Attract FDI inflows 4. Increase value addition on new and existing products 5. Provide incentives to export oriented firms 6. Promote development of services exports 	<p>C1.</p> <ol style="list-style-type: none"> 1. 4 markets in a year 2. 15 products in a year 3. 2 agreements signed 4. 6 agreements implemented <p>C2. TBD</p> <p>C3. TBD</p>	<p>C1.</p> <p>BITC/MFDP/BNPC/BI DPA/MMWER /BOB/BTO/BPC/WU C/MOH</p> <p>C2. BITC/MFDP/ MOFAIC/ BTO</p> <p>C3. BITC/MFDP/MMEWR/MOA/MIST/ BTO/SB/BEMA</p>	<p>C1.</p> <p>MTI</p> <p>C2. MTI</p> <p>C3. MTI</p>

Table 3.2: Export Development & Promotion						
Result: Diversified exports & export markets driven by a competitive Private Sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Stewardship	<p>S1. Increase diversified export revenue</p> <p>Obj. Def.: <u>Promote diversification of exports</u></p>	<p>S1.</p> <p>% Increase in non-mining export revenue</p>	<p>S1.</p> <p>1. Increase the value and volume of exports</p> <p>2. Increase investment in export products</p>	<p>S1.</p> <p>TBD</p>	<p>S1.</p> <p>BITC/BOCCIM/BEMA/MEWT/MMWER/MOA/ BTO/SB/BNPC</p>	<p>S1.</p> <p>MTI</p>
	<p>S2. Improve access to Trade Finance</p> <p>Obj. Def.: <u>Ensure exporters have access to diversified sources of trade finance</u></p>	<p>S2.</p> <p>% increase in Private Sector funding.</p>	<p>3. Increase investment portfolios in export products</p> <p>S2.</p> <p>1. Diversify sources of export funding</p>	<p>S2.</p> <p>TBD</p>	<p>S2.</p> <p>BITC/CSO/BEMA/BOCCIM/COMMERCIAL BANKS/MFDP/BOB/BTO/DFIs/BECI/ICB</p>	<p>S2.</p> <p>MTI</p>
	<p>S3. Adopt a supportive monetary policy</p> <p>Obj. Def.: <u>Ensure monetary policy promotes export competitiveness</u></p>	<p>S3. Increased export Competitiveness</p>	<p>2. Facilitate access to reliable and timely data</p> <p>3. Build capacity to develop sector/sub-sector bankable business plans and strategies.</p> <p>S3.</p> <p>1. Benchmark against best practices</p> <p>2. Align Monetary Policy to export development</p>	<p>S3.</p> <p>TBD</p>	<p>S3.</p> <p>MFDP/BOB</p>	<p>S3.</p> <p>MTI/BOCCIM</p>

Table 3.2: Export Development & Promotion						
Result: Diversified exports & export markets driven by a competitive Private Sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Process	<p>P1.</p> <p>Increase beneficiation of sustainable natural resources</p> <p>Obj. Def.: <u>Ensure beneficiation of natural resources</u></p>	<p>P1.</p> <p>1. Increased number of downstream and upstream firms.</p> <p>2. Increased share of non-mining export revenues</p> <p>3. Increased share of non-mining GDP</p>	<p>P1.</p> <p>1. Package and brand products to make them export ready</p> <p>2. Identify natural resources for beneficiation</p> <p>3. Develop down/intermediate/up-stream industries</p> <p>4. Develop appropriate policy to promote beneficiation</p> <p>5. Develop natural resources renewable strategy</p> <p>6. Promote export investment portfolios</p>	<p>P1.</p> <p>TBD</p>	<p>P1.</p> <p>BITC/MMEWR/BOCC IM/BEMA/BDC/ME WT/MOFAIC/BTO</p>	<p>P1.</p> <p>MTI</p>
	<p>P2.</p> <p>Increase export opportunities through Business Linkages</p> <p>Obj. Def.: <u>Ensure sustainable business linkages</u></p>	<p>P2.</p> <p>1. % increase in the share of non-mining exports</p> <p>2. % increase in the share of non-mining GDP</p> <p>3. Increased number of business collaborations</p>	<p>P2.</p> <p>1. Map sectoral business linkages</p> <p>2. Promote sectoral business linkages</p> <p>3. Encourage partnerships</p> <p>4. Facilitate market entry and expansions</p> <p>5. Facilitate inter business Dispute Resolutions</p>	<p>P2.</p> <p>TBD</p>	<p>P2.</p> <p>BITC/SB/BEMA/BOCCIM/COMMERCIAL BANKS/BTO/LEA/MOFAIC/MMEWR/MOA/MFDP/MLG/CEDA/BTO</p>	<p>P2.</p> <p>MTI</p>

Table 3.2: Export Development & Promotion						
Result: Diversified exports & export markets driven by a competitive Private Sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
People, Tools & Technology	<p>PTT1.</p> <p>Improve Knowledge, Skills and Competencies (KSC)</p> <p>Obj. Def.: Ensure <u>availability of skills and competencies for export oriented sectors/sub-sectors</u></p>	<p>PTT1.</p> <p>% increase in relevant sector/sub-sector skills and competencies</p>	<p>PTT1.</p> <ol style="list-style-type: none"> 1. Audit skills 2. Provide training 3. Strengthen mentoring and coaching systems 4. Align and coordinate activities of training institutions 	<p>PTT1.</p> <p>TBD</p>	<p>PTT1.</p> <p>BEMA/LEA/CEDA/MOESD/MLHA/BOCCIM/BOTA/BOBS/BURS</p>	<p>PTT1.</p> <p>MTI</p>
	<p>PTT2.</p> <p>Improve use of ICT</p> <p>Obj. Def.: Ensure <u>widespread usage of ICT</u></p>	<p>PTT2.</p> <p>% increase in ICT utilisation</p>	<p>PTT2.</p> <ol style="list-style-type: none"> 1. Promote e-Commerce 2. Promote use of electronic media 3. Provide appropriate ICT infrastructure 4. Provide ICT training 	<p>PTT2.</p> <p>TBD</p>	<p>PTT2.</p> <p>MIST/BPC/BTC/BOCCIM/BEMA/MOESD/MLHA</p>	<p>PTT2.</p> <p>MTI</p>

3.3 INVESTMENT AND FINANCE

Investment in the Economic Diversification Drive (EDD) involves the commitment of financial resources in the local manufacturing and service sectors with a view to generating positive returns on their investment. In this process, local investors also have to leverage on the existing skills and technology to ensure viability and competitiveness of their investment portfolios. While Government is expected to initially stimulate EDD through procurement from local investors, infrastructure development and the provision of start-up capital, in the medium to long term, the EDD strategy envisages investment portfolios that will be spearheaded by the private sector.

The critical role of government will therefore be, to ensure that the investment climate promotes domestic and foreign investment in Botswana to support the EDD initiative. This is in line with the EDD mandate which is premised on providing preferential support to all Botswana based firms in the interest of economic growth and diversification as well as employment creation. Therefore, under the EDD initiative, the business regulatory environment will continue to protect private property rights and investor rights to repatriate their investments and profits. This protection of investors is expected to encourage both ***foreign and domestic investors to make Botswana the investment destination of choice***. A detailed summary for achieving these objectives (and others) is provided in **Figure 3.3** and **Table 3.3**.

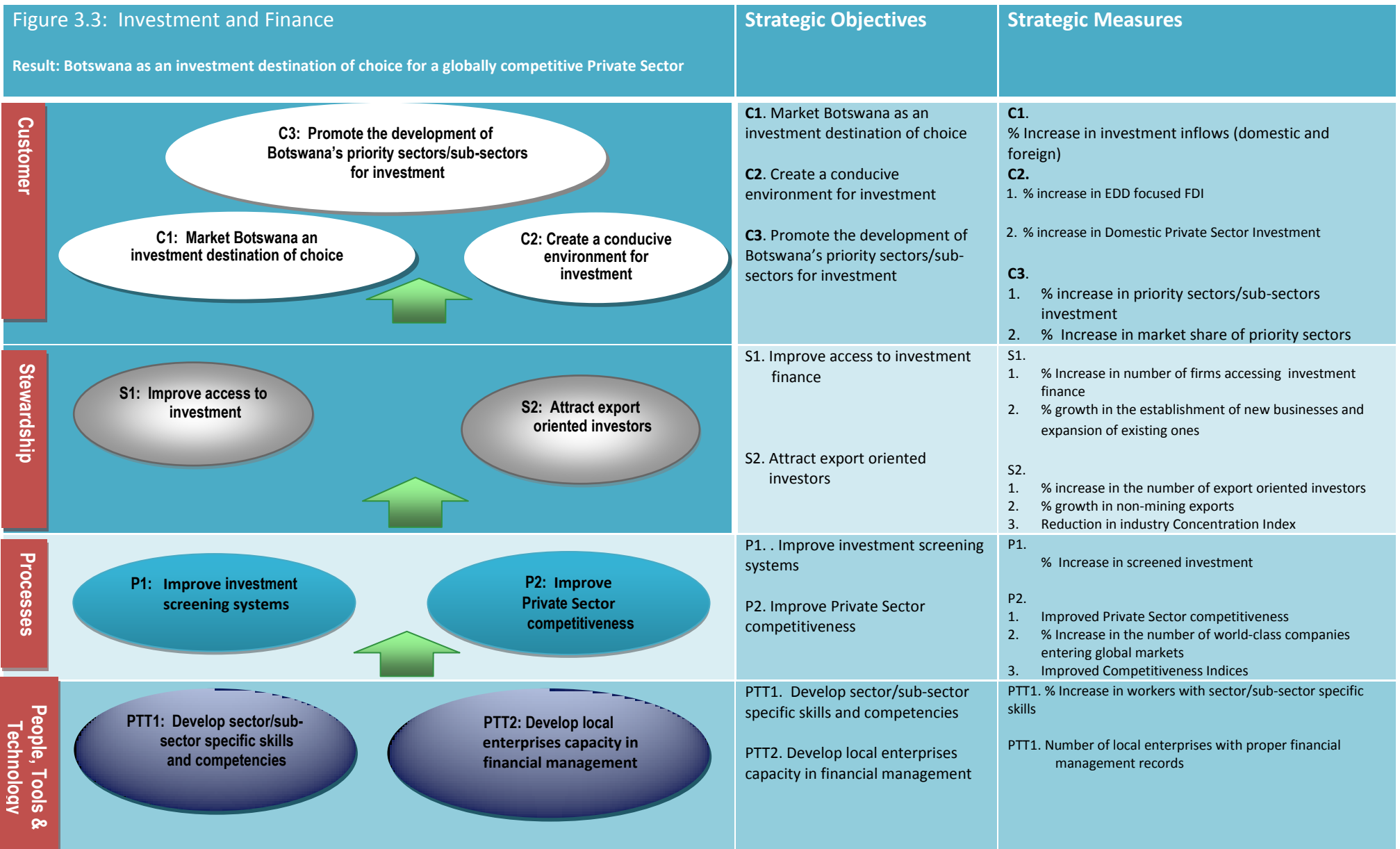


Table 3.3: Investment and Finance						
Result: Botswana as an investment destination of choice for a globally competitive private sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C1. Market Botswana as an investment destination of choice.</p> <p><u>Obj. Def. Implement best practice investment strategies</u></p>	<p>C1.</p> <p>% increase in investment inflows (domestic and foreign)</p>	<p>C1.</p> <ol style="list-style-type: none"> 1. Brand Botswana 2. Promote product branding and packaging 3. Implement Special Economic Zones (SEZ) Policy 4. Improve transparency and predictability of investment regulatory environment 5. Improve trade facilitation (including one-stop-shop) 6. Align and harmonise investment policies 	<p>C1.</p> <p>25% of GDP being investment (to achieve the desired minimum of 7% growth rate which is the MDG benchmark for sustainable development)</p>	<p>C1.</p> <p>MFDP/MOA/MOES D/MMWER/MIST/MTC/MLHA/BITC/BD/DC/CEDA/BOBS/BNPC/MOH/BECI/MYSC/BPC/WUC/Commercial Banks/DFIs/BEMA</p>	<p>C1.</p> <p>MTI</p>
	<p>C2. Promote domestic and foreign investment.</p> <p><u>Obj. Def.: Ensure focused promotion of Botswana's investment opportunities</u></p>	<p>C2.</p> <ol style="list-style-type: none"> 1. % increase in EDD focused FDI 2. % increase in Domestic Private Sector Investment 	<p>C2.</p> <ol style="list-style-type: none"> 1. Undertake market intelligence of strategic foreign investors 2. Disseminate information on Botswana's investment opportunities 3. Address factors that impede investment attraction 4. Implement the National Export Strategy (NES) 	<p>C2.</p> <p>TBD</p>	<p>C2.</p> <p>MTI/BITC/MFDP/MOFAIC</p>	<p>C2.</p> <p>MTI</p>
	<p>C3. Promote the development of Botswana's priority sectors/sub-sectors for investment</p> <p><u>Obj. Def.: Ensure investment growth in the sectors that act as growth pillars for Botswana economy</u></p>	<p>C3.</p> <ol style="list-style-type: none"> 1. % increase in priority sectors/sub-sectors investment 2. % increase in market share of priority sectors/sub-sectors 	<p>C3.</p> <ol style="list-style-type: none"> 1. Promote investment in priority sectors/sub-sectors 2. Promote exports of priority sectors/sub-sectors into regional markets 3. Develop appropriate profiles for prioritized sectors/sub-sectors 4. Identify sources of comparative and competitive advantage for priority sectors/sub-sectors 5. Promote private sector equity investment in sectors/sub-sectors outside the EDD 6. Remove priority sector/sub-sector specific barriers to investment 7. Disseminate information on investment and finance opportunities 8. Encourage priority sector/sub-sector investment into regional markets 	<p>C3.</p> <p>TBD</p>	<p>C3.</p> <p>MFDP/MTI/BITC/MOFAIC/BOCCIM/</p>	<p>C3.</p> <p>MTI</p>

Table 3.3: Investment and Finance						
Result: Botswana as an investment destination of choice for a globally competitive private sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Stewardship	<p>S1. Improve access to investment finance</p> <p>Obj. Def.: <u>Ensure access to investment finance</u></p>	<p>S1.</p> <p>1. % Increase in the number of firms accessing investment finance</p> <p>2. % growth in the establishment of new businesses and expansion of existing ones</p>	<p>S1.</p> <p>1. Provide diversified investment funding</p> <p>2. Encourage Private Sector investment financing</p> <p>3. Build capacity for accessing investment finance</p> <p>4. Advocate for reduction in the cost of borrowing</p>	<p>S1.</p> <p>1. TBD</p> <p>2. TBD</p>	<p>S1.</p> <p>MFDP/MIST/MLG/MOA/MTC/MOH/MOESD/MMWER/MEWT/MLHA/MSP/MDJS/BOCCIM/BEMA/BOB/FINANCIAL INSTITUTIONS/NON-BANKING FINANCIAL INSTITUTIONS</p>	<p>S1.</p> <p>MTI</p>
	<p>S2. Attract export oriented investors</p> <p>Obj. Def.: <u>Target export oriented investment</u></p>	<p>S2.</p> <p>1. % increase in the number of export oriented investors</p> <p>2. % growth in non-mining exports</p> <p>3. Reduction in Industry Concentration Index</p>	<p>S2.</p> <p>1. Intensify promotion of export oriented investment</p> <p>2. Package and profile Botswana's investment opportunities</p> <p>3. Create a conducive environment for investment</p> <p>4. Intensify investment screening</p>	<p>S2.</p> <p>TBD</p>	<p>S2.</p> <p>MFDP/BITC/BOCCIM/BDC/BEMA/MMWER/MIST/MTC/MOH/MLH/MOESD/MLHA/NON-BANKING FINANCIAL INSTITUTIONS</p>	<p>S2.</p> <p>MTI</p>

Process	<p>P1. Improve Investment Screening Systems</p> <p>Obj. Def.: <u>Ensure attraction of ethical investments</u></p>	<p>P1.</p> <p>% increase in screened investments</p>	<p>P1.</p> <p>1. Benchmark best practice investment screening systems</p> <p>2. Provide appropriate investment screening infrastructure</p> <p>3. Provide commercial attaches in strategic investment countries</p>	<p>P1.</p> <p>1. TBD</p>	<p>P1.</p> <p>MFDP/BITC/BOCCIM /IFSC/BDC/BEMA/M MWER/MIST/MTC/M OH/MLH/MOESD/ML HA</p>	
	<p>P2. Improve Private Sector competitiveness</p> <p>Obj. Def.: <u>Ensure supportive environment for Private Sector competitiveness</u></p>	<p>P2.</p> <p>1. Improved private sector competitiveness</p> <p>2. Improved Competitiveness Indices</p> <p>3. % increase in the number of world class companies entering global markets</p>	<p>P2.</p> <p>1. Address all the factors where Botswana performed poorly in the Competitiveness Reports</p> <p>2. Promote cross-border investment</p> <p>3. Develop relevant industry skills and competencies</p> <p>4. Develop capacity of local enterprises</p>	<p>P2.</p> <p>2. TBD</p>	<p>P2.</p> <p>BITC/BDC/Banks/ NON-BANKING FINANCIAL INSTITUTIONS</p>	

Table 3.3: Investment and Finance						
Result: Botswana as an investment destination of choice for a globally competitive private sector						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
People, Tools & Technology	<p>PTT1. Develop sector/sub-sector specific skills and competencies Obj. Def.: <u>Ensure enterprises have relevant skills and competencies</u></p>	<p>PTT1. % increase in workers with sectors/sub-sectors specific skills.</p>	<p>PTT1. 1. Conduct Training Needs Analysis (Undertake enterprise skills and competencies audit) 2. Develop training programmes for sector/sub-sector skills 3. Provide mentoring and coaching systems</p>	<p>PTT1. TBD</p>	<p>PTT1. MFDP/MIST/MLG/MOA/MTC/MOH/MOES D/ MMEWR/MEWT/MLHA/MSP/MDJS/BOCCIM/ BEMA/BOB/FINANCIAL INSTITUTIONS/ NON-BANKING FINANCIAL INSTITUTIONS</p>	<p>PTT1. HRDC</p>
	<p>PTT2. Develop local enterprise capacity in financial management Obj. Def.: <u>Ensure local enterprises have financial management competencies</u></p>	<p>PTT2. Number of local enterprises with proper financial management</p>	<p>PTT2. 1. Audit enterprise financial management literacy 2. Provide training in enterprise financial management 3. Provide mentoring and coaching in enterprise financial management</p>	<p>PTT2. TBD</p>	<p>PTT2. MFDP/MIST/MLG/MOA/MTC/MOH/MOESD/ MMWER/MWET/MLHA/MSP/MDJS/BOCCIM/ BEMA/BOB/FINANCIAL INSTITUTIONS/ BNPC/BOBS/CEDA/BDC/LEA / NON-BANKING FINANCIAL INSTITUTIONS</p>	<p>PTT2. MTI</p>

3.4 QUALITY CONTROL, STANDARDS AND PRODUCTION

Due to the process of globalization, economies and businesses have increasingly become interconnected and networked through processes such as supply chain linkages, distribution chain linkages and business process out-sourcing. Additionally, global markets are now focusing on collapsing technical barriers to trade with a view to ensuring that wider markets are easily accessed. Because of this, trade in global markets requires efficient production of goods and services meeting internationally accepted standards in terms of production processes, quality, timely delivery and price. This therefore means that, for the EDD medium to long term strategy to be successful, all organizations engaged in productivity and quality issues, including standards and improvement of production processes, such as the Botswana Bureau of Standards, the Botswana National Productivity Centre and the National Food Technology Research Centre must effectively execute their mandates of ensuring that goods and services meet the expected needs of the various markets. This thematic area is presented in **Figure 3.4** and **Table 3.4**. These outline the strategic objectives for achieving product quality control, standards and production as well as the associated initiatives required to achieve them.

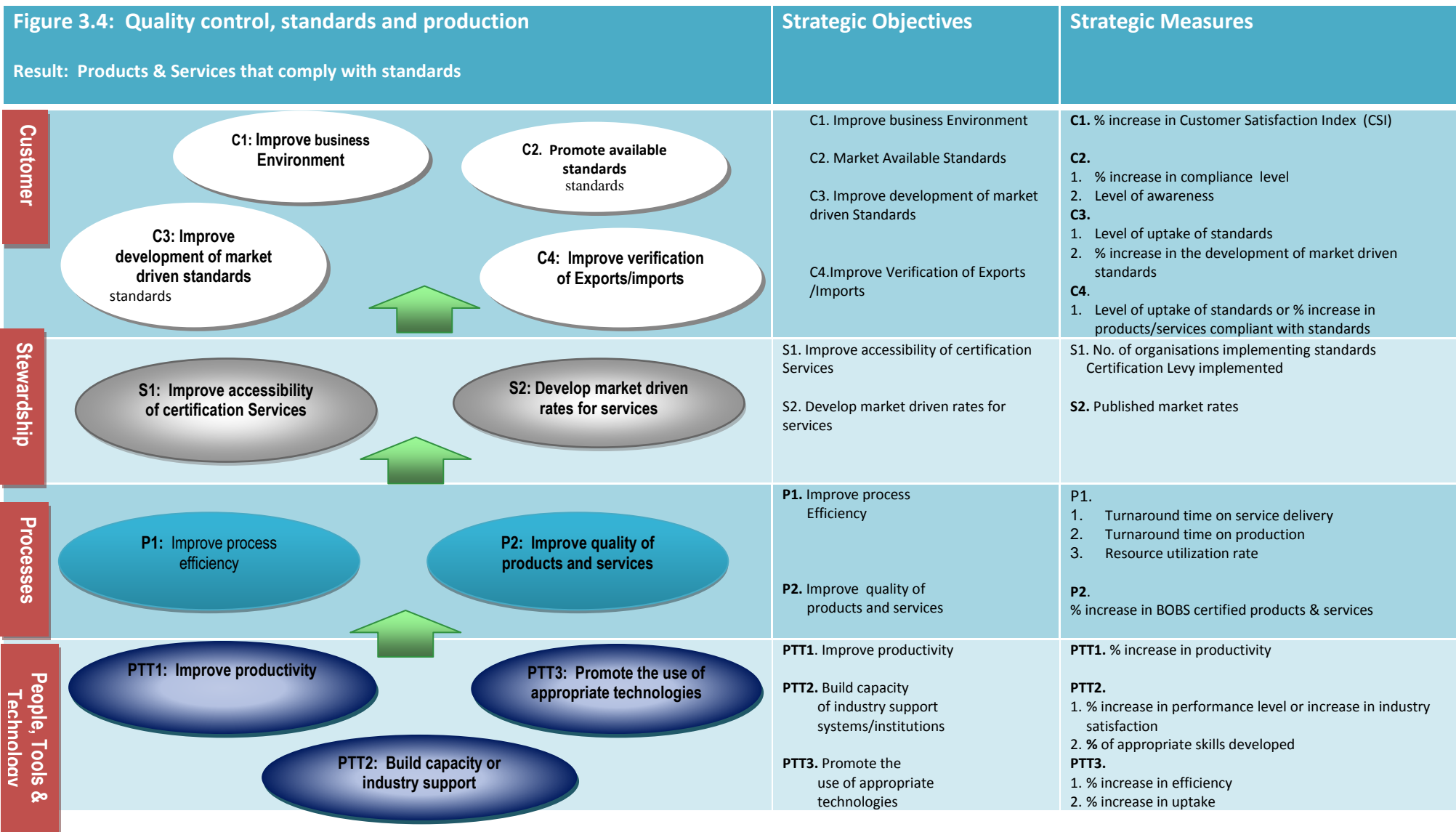


Table 3.4: Quality Control, Standards and Production						
Result: Products & services that comply with standards						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C1. Improve business Environment Obj. Def.: <u>Ensure an environment compliant with quality and safety Standards</u></p>	<p>C1. % increase in Customer Satisfaction Index (CSI)</p>	<p>C1. 1. Review existing policies 2. Align processes 3. Remove impediments to verification processes</p>	<p>C1. TBD</p>	<p>C1. CEDA/BDC/BITC/MIS T/BOCCIM/BOBS/BEMA</p>	<p>C1. MTI</p>
	<p>C2. Market available Standards Obj. Def.: <u>Ensure compliance with Standards</u></p>	<p>C2. 1. % increase in compliance level 2. Level of awareness</p>	<p>C2. 1. Develop and implement a marketing strategy 2. Develop and implement communication strategy 3. Monitoring and Evaluation</p>	<p>C2. TBD</p>	<p>C2. BOBS/BNPC/NFTRC/UB</p>	<p>C2. MTI</p>
	<p>C3. Improve development of market driven Standards Obj. Def.: <u>Ensure involvement of stakeholders in Standards development</u></p>	<p>C3. 1. Level of uptake of Standards 2. % increase in the development of market driven standards</p>	<p>C3. 1. Conduct needs assessment 2. Develop Standards 3. Publicise and educate</p>	<p>C3. TBD</p>	<p>C3. BOBS/BNPC/NFTRC/BEMA</p>	<p>C3. MTI</p>
	<p>C4. Improve verification of exports/imports Obj. Def.: <u>Ensure quality imports/exports</u></p>	<p>C4. 1. Level of Standards uptake 2. % increase in products/ services compliant with Standards</p>	<p>C4. 1. Develop effective verification procedures and processes 2. Effective implementation of technical regulations 3. Effective market surveillance</p>	<p>C4. TBD</p>	<p>C4. BOBS/BNPC/NFTRC/BOTA/DPSM/BCA BOBS/BURS/ DTCA</p>	<p>C4. MTI</p>

Table 3.4: Quality Control, Standards and Production						
Result: Products & services that comply with standards						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Stewardship	<p>S1: Improve access to certification Services</p> <p>Obj. Def.: <u>Ensure implementation of Standards</u></p> <p>S2: Develop market driven rates for services</p> <p>Obj. Def.: <u>Ensure clients pay for the services</u></p>	<p>S1.</p> <ol style="list-style-type: none"> No. of organisations implementing standards Certification Levy implemented <p>S2. Published market rates</p>	<p>S1.</p> <ol style="list-style-type: none"> Establish a certification fund Audit organisations Implement graded certification programme Preferential treatment of certified companies Monitor & Evaluate Audit Standards (non-compulsory and compulsory to ensure standards implementation) <p>S2.</p> <ol style="list-style-type: none"> Develop a pricing strategy Develop an M & E programme 	<p>S1.</p> <p>TBD</p> <p>S2.</p> <p>TBD</p>	<p>S1.</p> <p>BOBS/DIA/AGC</p> <p>S2.</p> <p>BOBS/BNPC/LEA/BOT A</p>	<p>S1.</p> <p>MTI</p> <p>S2.</p> <p>MTI</p>

Processes	<p>P1. Improve process efficiency</p> <p>Obj. Def.: <u>Ensure efficient processes</u></p>	<p>P1.</p> <ol style="list-style-type: none"> 1. Turnaround time on service delivery 2. Turnaround time on production 3. Resource utilization rate 	<p>P1.</p> <ol style="list-style-type: none"> 1. Audit processes 2. Deploy best practice production systems 3. Use appropriate technology <p>P2.</p> <ol style="list-style-type: none"> 1. Implement Quality Management Systems 2. Use product/service standards 3. Use appropriate technology 4. Use appropriate raw materials. 	<p>P1.</p> <p>TBD</p> <p>P2.</p> <p>TBD</p>	<p>P1.</p> <p>BOBS/LEA/BNPC/BOCCIM/BEMA/Chamber of Mines/HATAB</p> <p>P2.</p> <p>BOBS/LEA/BNPC/BOCCIM/BEMA/Chamber of Mines /HATAB</p>	<p>P1.</p> <p>MTI</p> <p>P2.</p> <p>MTI</p>
	<p>P2. Improve quality of products and services</p> <p>Obj. Def.: <u>Ensure competitive products and services</u></p>	<p>P2.</p> <p>% increase in BOBS certified products & services</p>				

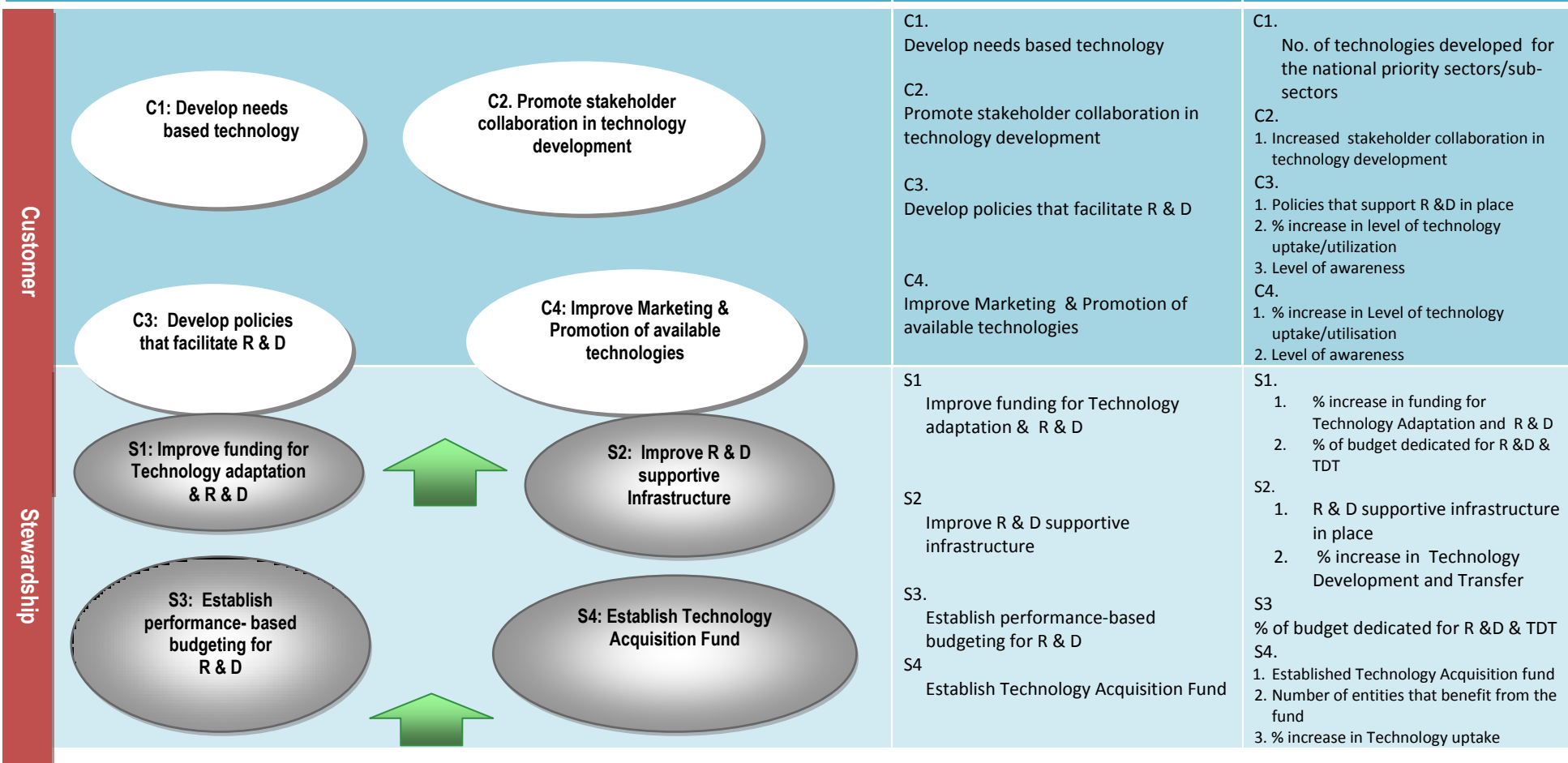
Table 3.4: Quality Control, Standards and Production							
Result: Products & services that comply with standards							
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure	
People, Tools & Technology	<p>PTT1. Improve productivity</p> <p>Obj. Def.: <u>Ensure productivity improvement in the manufacturing and service sectors</u></p>	<p>PTT1.</p> <p>% increase in productivity</p>	<p>PTT1.</p> <ol style="list-style-type: none"> 1. Develop service excellence strategy 2. Audit sectoral productivity 3. Compile production statistics 4. Build capacity to improve productivity and quality in manufacturing and service sectors 5. Install modern production and quality systems 	<p>PTT1.</p> <p>TBD</p>	<p>PTT1.</p> <p>BOBS/LEA/BOCCIM/BNPC/BEMA/SB</p>	<p>PTT1.</p> <p>MTI</p>	
	<p>PTT2. Build capacity of industry support systems/institutions</p> <p>Obj. Def.: <u>Ensure that appropriate skills are developed within industry support system</u></p>	<p>PTT2.</p> <ol style="list-style-type: none"> 1. % increase in performance level of industry 2. % increase in Customer Satisfaction Index 3. % increase in sector specific skills developed 	<p>PTT2.</p> <ol style="list-style-type: none"> 1. Promote development of appropriate retention strategy 2. Promote development of skills and competencies 3. Promote development of appropriate infrastructure 4. Resource availability 5. Inculcate appropriate work ethics/work culture 	<p>PTT2.</p> <p>TBD</p>	<p>PTT2.</p> <p>Chamber of Mines/HATAB</p>	<p>PTT2.</p> <p>BOBS/LEA/BNPC/MOH/MOA/MOESD/DPSM</p>	<p>PTT2.</p> <p>MTI</p>
	<p>PTT3. Promote the use of appropriate technologies</p> <p>Obj. Def.: <u>Ensure adoption and transfer of appropriate technology</u></p>	<p>PTT3.</p> <ol style="list-style-type: none"> 1. % increase in production efficiency 2. % increase in technology uptake 	<p>PTT3.</p> <ol style="list-style-type: none"> 1. Technology audit 2. Promote acquisition of appropriate technology 3. Monitoring and Evaluation (M&E) 4. Promote available technology 	<p>PTT3.</p> <p>TBD</p>	<p>PTT3.</p> <p>BOBS/LEA/BNPC/MIS T/MOESD</p>	<p>PTT3.</p> <p>MTI</p>	

3.5 TECHNOLOGY DEVELOPMENT, INNOVATION AND TRANSFER

Technological development, adaptation and innovation are core elements for competitiveness under the current globalised economic environment. The Global Competitiveness Report categorizes countries according to their level of development and competitiveness. Countries at the lower level of global competitiveness (the factor driven stage) compete on the basis of abundant factors of production such as labour and land; those at the medium or middle level of competitiveness (the efficiency driven stage) compete on the basis of efficiency of their labour markets, goods markets and financial markets sophistication; while those at the leading edge of global competitiveness (the innovation driven stage) compete on the basis of cutting edge technological development and innovation, creation of new products and cost reduction through efficient modes of production and upward movement in the technology and product Ladder. The strategic objectives of this thematic area, along with their associated initiatives are meant to facilitate the development of Botswana to become a vibrant technology driven economy. **Figure 3.5** and **Table 3.5** provide the strategy for achieving the EDD Initiatives under this thematic area.

Figure 3.5: Technology Development, Innovation & Transfer

Result: A diversified vibrant technology driven economy that creates sustainable employment.



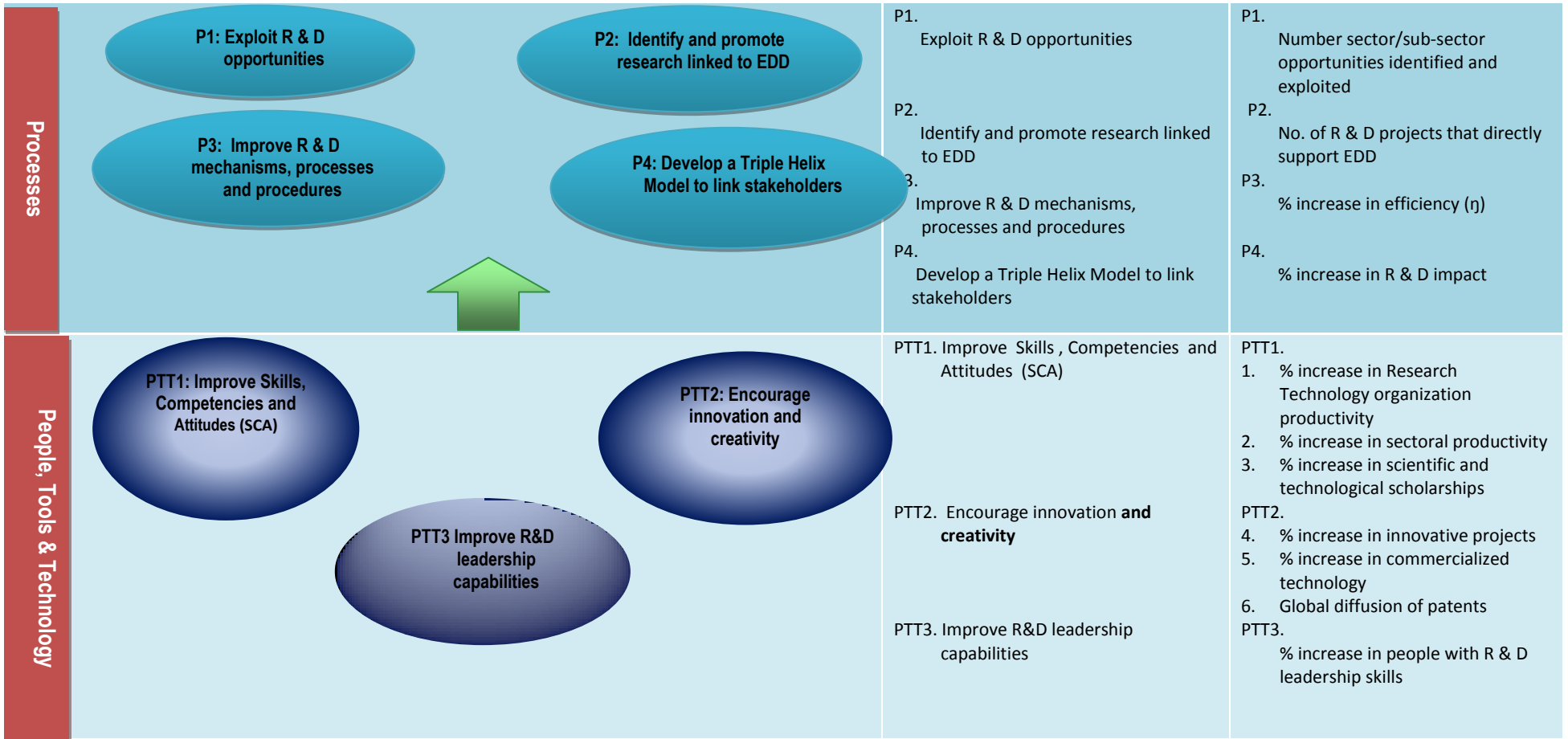


Table 3.5: Technology Development, Innovation & Transfer

Result: A diversified vibrant technology driven economy that creates sustainable employment

Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C1. Develop needs based Technology</p> <p>Obj. Def.: <u>Ensure technology development based on national priorities and needs</u></p>	<p>C1.</p> <ol style="list-style-type: none"> No. of technologies developed for the national priority sectors/sub-sectors Number of Technologies commercialised 	<p>C1.</p> <ol style="list-style-type: none"> Implement Science and Technology Policy Improve R&D leadership Develop technology needs matrices Improve project life-cycle management 	<p>C1.</p> <ol style="list-style-type: none"> 10 technologies developed by the technology organization by 2012 (2 by each organization) Two technologies commercialized by each organization by 2014 	<p>C1. BIH/BOTEC/DAR/NFTRC/RIPCO/UB/Rese arch Institutions/RIIC/BVI /MOA/HRDC</p> <p>C2. MFDP/MIST/</p> <p>C3. BOTEC/NFTRC/UB/BVI/BPC/WUC/BVI/MOA</p> <p>C3. BIH/BOTEC/</p> <p>C3. DAR/NFTRC/RIPCO/ BVI</p> <p>C4. MIST& MTI</p>	<p>C1.</p> <p>MIST</p>
	<p>C2: Promote stakeholder collaboration in technology development</p> <p>Obj. Def.: <u>Facilitate stakeholder collaboration in technology Development</u></p>	<p>C2.</p> <ol style="list-style-type: none"> Increased stakeholder collaboration in technology development 	<p>C2.</p> <ol style="list-style-type: none"> R & D policy advocacy Promote Service Level Agreements (SLA) Develop a National Design and Technology Awards (Align to NDDA) 	<p>C2.</p> <p>At least three service and/or product oriented cooperative agreements entered into by each RTO at any given period</p>		<p>C2.</p> <p>MIST</p>
	<p>C3. Develop policies that facilitate R & D</p> <p>Obj. Def.: <u>Ensure policies that support R & D</u></p>	<p>C3.</p> <ol style="list-style-type: none"> Policies that support R & D in place % increase in level of technology uptake/utilization Level of awareness 	<p>C3.</p> <ol style="list-style-type: none"> Recognize outstanding research output of collaborative projects Establish Open Innovation forums Preferential funding for collaborative initiatives 	<p>C3.</p> <p>50% of technologies transferred by each RTO within 3 years</p>		<p>C3.</p> <p>MIST</p>
	<p>C4. Improve Marketing and Promotion of available Technologies</p> <p>Obj. Def.: <u>Ensure utilization of developed technologies</u></p>	<p>C4.</p> <ol style="list-style-type: none"> % increase in Level of technology uptake/utilisation Level of awareness 	<p>C4.</p> <ol style="list-style-type: none"> Develop R & D policies aligned to EDD Monitor and Evaluate marketing strategy Develop a marketing strategy Conduct technology audit M&E on marketing strategy Monitor and Evaluate marketing strategy Develop National Innovation Strategy 	<p>C4.</p> <p>BIH/BOTEC/DAR/NFTRC/RI PCO/BVI</p>		<p>C4.</p> <p>MIST</p>

Table 3.5: Technology Development, Innovation & Transfer						
Result: A diversified vibrant technology driven economy that creates sustainable employment						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Stewardship	<p>S1. Improve funding for Technology adaptation and R & D Obj. Def.: <u>Ensure R & D projects are adequately funded</u></p> <p>S2. Improve R & D supportive infrastructure Obj. Def.: <u>Ensure provision of R & D supportive infrastructure</u></p> <p>S3. Establish performance-based budgeting for R & D Obj. Def.: <u>Ensure organizations are funded on the basis of performance</u></p> <p>S4: Establish Technology Acquisition Fund Obj. Def.: <u>Ensure availability of funding for technology acquisition</u></p>	<p>S1. 1. % increase in funding for Technology Adaptation and R & D 2. % of budget dedicated for R & D & TDT</p> <p>S2. R & D supportive infrastructure in place</p> <p>S3. % increase in performance-based R & D budgets</p> <p>S4: 1. Established Technology Acquisition fund 2. Number of entities benefiting from the fund 3. % increase in Technology uptake</p>	<p>S1. 1. Establish National Technology Development Fund 2. Promote national and international collaboration (Twining arrangements) 3. Encourage payment of royalties to developed technologies 4. Encourage investors, consumers and other stakeholders to invest in R & D 5. Explore alternative sources of R & D funding</p> <p>S2. 1. Develop a communication strategy for R & D 2. Develop R & D data base that can be accessed by all stakeholders 3. Establish Technology Transfer platforms 4. Promote adequate R&D institutional funding</p> <p>S3. 1. Engage MFDP on the introduction of performance-based budgeting 2. Develop a plan of action with smart targets 3. Establish a structure that governs innovation and creativity fun</p> <p>S4. 1. Legislate Technology Acquisition and Sourcing Fund (TASF) 2. Identify possible sources of funds 3. Develop guidelines for the establishment of technology acquisition and sourcing fund</p>	<p>S1. TBD</p> <p>S2. TBD</p> <p>S3. TBD</p> <p>S4. TBD</p>	<p>S1. MFDP/MIST/BOCCIM/NFTRC/RIPCO/BOTEC</p> <p>S2. MIST/MFDP/BOCCIM/BIH</p> <p>S3. MIST/MFDP/BIH/BOTEC/NFRTC/RIPCO/RIIC</p> <p>S4. MIST/MFDP/BIH/BOTEC/NFRTC/LEA/RIPCO/RIIC</p>	<p>S1. MTI</p> <p>S2. MTI</p> <p>S3. MTI</p> <p>S4. MTI</p>

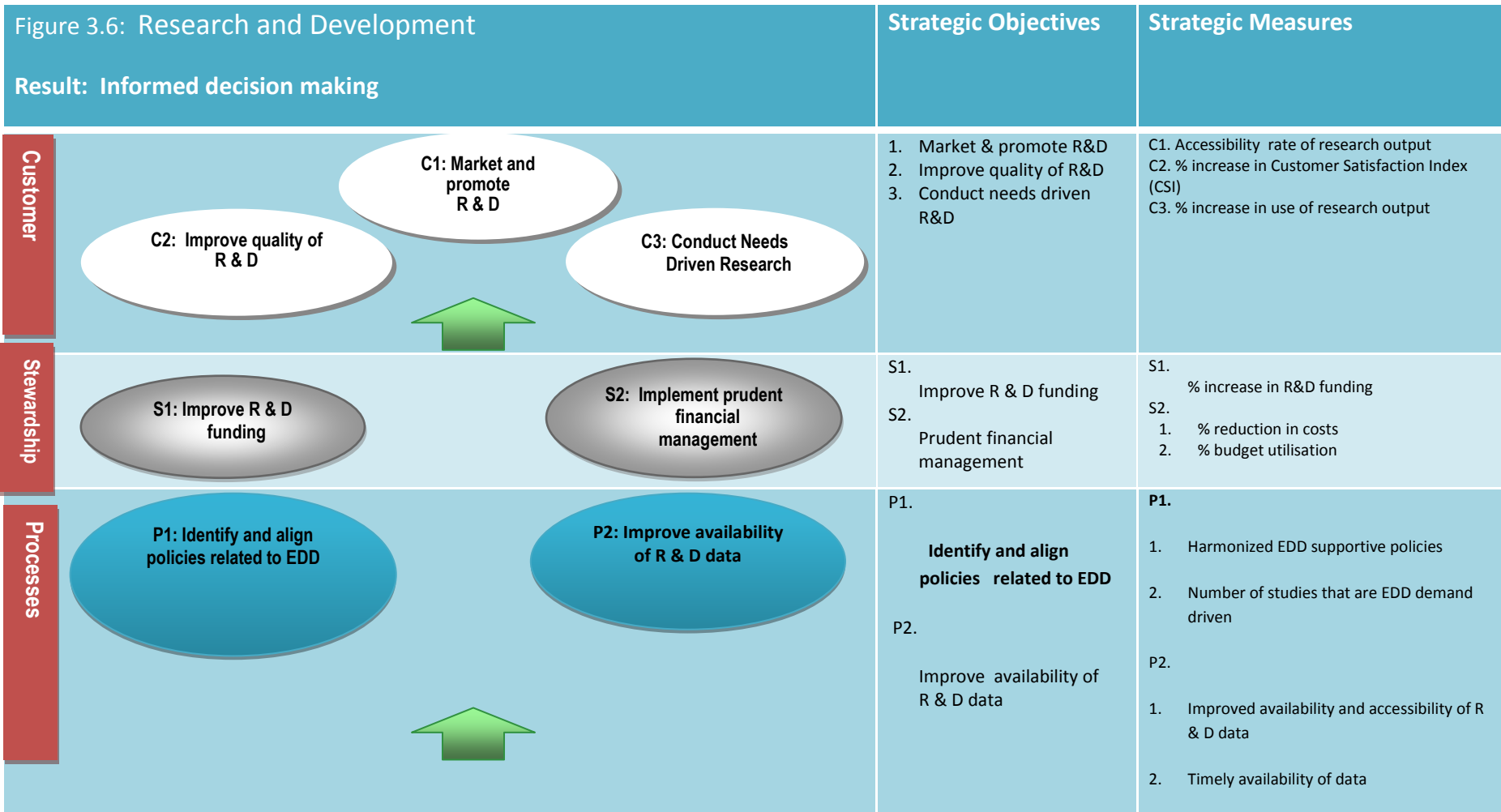
Table 3.5: Technology Development, Innovation & Transfer						
Result: A diversified vibrant technology driven economy that creates sustainable employment						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Processes	<p>P1. Exploit R & D opportunities Obj. Def.: <u>Ensure identification and exploitation of R&D opportunities</u></p>	<p>P1. No. of identified and exploited R&D business opportunities.</p>	<p>P1. Conduct R and D in:</p> <ol style="list-style-type: none"> 1. Energy and environment 2. Water harvesting and treatment technology 3. Mining and beneficiation technologies 4. Biotechnology 5. Agriculture production and agro processing 	<p>P1. TBD</p>	<p>P1. BIH/BOTEC/MIST/NFRTC/RI CPCO/UB/BCA/BIUST/ BIDPA/BOTB/ BITC</p>	<p>P1. MTI</p>
	<p>P2. Identify and promote research aligned to EDD Obj. Def.: <u>Ensure quick wins and quick harvest through market research</u></p>	<p>P2. No. of R & D projects that directly support EDD</p>	<p>P2. 1. Identify quick wins through market research (Low hanging fruits)</p>	<p>P2. TBD</p>	<p>P2. BIH/BOTEC/MIST/ NFRTC/RICPCO/UB/ BCA/BIUST/BIDPA/ BOTA/BITC/BNPC</p>	<p>P2. MIST & MTI</p>
	<p>P3. Improve R & D mechanisms, processes and procedures Obj. Def.: <u>Ensure efficient delivery of R&D</u></p>	<p>P3. 1. % increase in efficiency (η)</p>	<p>P2. 2. Outsource technical support for the identified research and associated technologies</p>	<p>P3. TBD</p>	<p>P3. BIH/BOTEC/MIST/ NFRTC/RICPCO/UB/ BCA/BIUST/BIDPA/ BOTA/BITC/BNPC</p>	<p>P3. MIST & MTI</p>
	<p>P4. Develop a Triple Helix Model to link Stakeholders Obj. Def.: <u>Ensure intra linkages among RTOs and Tertiary Institutions (TIs), Private Sector and Government</u></p>	<p>P4. Increased collaboration of R & D stakeholders</p>	<p>3. Establish linkages between RTOs, Private Sector and the public</p> <p>4. Implement best practice project management</p> <p>P3. 1. Set up coordinating units/bodies</p> <p>2. Employ best practice processes</p> <p>3. Monitoring and Evaluation</p> <p>P4. Develop a Communication strategy</p>	<p>P4. TBD</p>	<p>P4. BIH/BOTEC/DAR/ NFRTC/RIPCO/TIs</p>	<p>P4. MIST</p>

Table 3.5: Technology Development, Innovation & Transfer						
Result: A diversified vibrant technology driven economy that creates sustainable employment						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
People, Tools and Technology	<p>PTT1.</p> <p>Improve Skills, Competencies and Attitudes (SCA)</p> <p>Obj. Def.: <u>Ensure relevant sector/subsector skills and competencies</u></p> <p>PTT2. Encourage Innovation and creativity</p> <p>Obj. Def.: <u>Ensure innovation and creativity efforts are encouraged and supported</u></p> <p>PTT3. Improve R&D leadership capabilities</p> <p>Obj. Def.: <u>Ensure availability of leaders for Research & Technology organizations</u></p>	<p>PTT1.</p> <ol style="list-style-type: none"> 1. % increase in relevant sector/sub-sector skills and competencies 2. % increase in sector/sub-sector productivity 3. % increase in scientific and technological scholarships <p>PTT2.</p> <ol style="list-style-type: none"> 1. % increase in innovative projects 2. % increase in commercialized technology² 3. Trade in embodied technology 4. Global diffusion of patents <p>PTT3.</p> <ol style="list-style-type: none"> 1. % increase in people with R & D leadership skills 	<p>PTT4.</p> <ol style="list-style-type: none"> 1. Audit skills 2. Provide training 3. Strengthen mentoring and coaching systems 4. Align and coordinate activities of training institutions <p>PTT2.</p> <ol style="list-style-type: none"> 1. Conduct innovation surveys 2. Facilitate copy rights, trademarks and patenting 3. Promote innovation for sector/sub-sector clusters 4. Enhance innovative capacity of firms <p>PTT3.</p> <ol style="list-style-type: none"> 1. Audit leadership skills and competencies 2. Develop succession plans 3. Develop leadership training programme 	<p>PTT1.</p> <ol style="list-style-type: none"> 1. TBD 2. TBD <p>PTT2.</p> <p>TBD</p> <p>TT3.</p> <p>TBD</p>	<p>PTT1.</p> <p>BOTEC/RIPCO/NFT RC/BIH/DAR/LEA</p> <p>PTT2.</p> <p>BOTEC/RIPCO/ NFTRC/DAR/BIH</p> <p>PTT3.</p> <p>BOTEC/RIPCO/ NFTRC/DAR/BIH</p>	<p>PTT1.</p> <p>MTI</p> <p>PTT2.</p> <p>MTI</p> <p>PTT3.</p> <p>MTI</p>

5. This tracks machinery, equipment and components that incorporate new technology (as measured by R&D expenditures) across countries.

3.6 RESEARCH AND DEVELOPMENT

The EDD Initiative is being implemented in a period of information age and the development of knowledge economies across the globe. Therefore, access to reliable economic data, well researched sector specific studies and other forms of information for intelligent and informed business decisions will be important for all activities under the EDD Initiative. In view of this, this thematic area spells out the strategic objectives that will ensure that EDD Initiatives are based on Policymakers and Business decisions that are informed by comprehensive, reliable and well-researched studies from Botswana's research institutions such as Academic and Policy Research Institutions. **Figure 3.6** and **Table 3.6** outline the strategic objectives and the associated initiatives that will help the EDD to achieve these objectives.



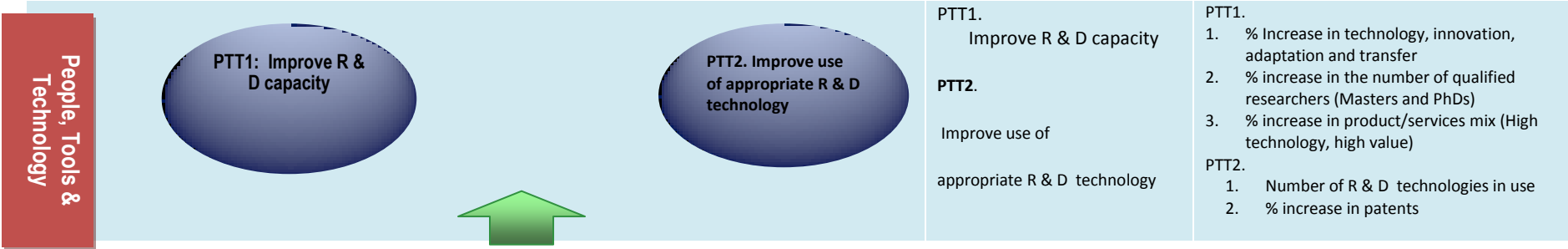


Table 3.6: Research and Development						
Result: Informed decision making						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C1: Market and promote R & D outputs</p> <p>Obj. Def.: <u>Ensure Stakeholder access to research results</u></p> <p>C2: Improve quality of R & D</p> <p>Obj. Def.: <u>Ensure quality R&D output</u></p> <p>C3. Conduct needs driven research</p> <p>Obj. Def.: <u>Ensure research outputs meet the needs of EDD Implementing Agencies</u></p>	<p>C1.</p> <ol style="list-style-type: none"> 1. % increase in accessibility of research outputs 2. % increase in use of research outputs <p>C2. % increase in Customer Satisfaction Index (CSI)</p> <p>C3.</p> <ol style="list-style-type: none"> 1. % increase in use of research outputs 2. % increase in Customer Satisfaction Index (CSI) 	<p>C1.</p> <ol style="list-style-type: none"> 1. Establish a central repository 2. Develop a policy that supports information sharing (public-funded research) 3. Develop a marketing strategy for R & D outputs <p>C3.</p> <ol style="list-style-type: none"> 1. Install quality assurance systems 2. Develop R & D Standards <p>C3.</p> <ol style="list-style-type: none"> 1. Audit EDD R &D needs 2. Monitoring & Evaluation 3. Market intelligence R &D 4. Conduct Sectoral Development Research 	<p>C1.</p> <p>TBDC3.</p> <p>TBDC3.</p> <p>TBD</p>	<p>C1.</p> <p>BIDPA/BNPC/NFTRC/RIPCO/BOTEC/MOA(RU)/MIST/</p> <p>MMWER/MOESD/MTC/LEA/CEDA/BITC/MYSC/BOTA/HRDC</p> <p>C2.</p> <p>BIDPA/BNPC/ UB/BIUST/BIH/ BTH/BED/BDH/LEA</p>	<p>C1.</p> <p>MTI</p> <p>C2.</p> <p>MTI</p>

Stewardship	<p>S1. Improve R & D funding</p> <p>Obj. Def.: <u>Ensure adequate funding to undertake R & D</u></p>	<p>S1. % increase in R & D funding</p>	<p>S1.</p> <ol style="list-style-type: none"> 1. Establish alternative sources of funding 2. Establish National Research Fund 	<p>S1.</p> <p>TBD</p>	<p>S1.</p> <p>BIDPA/BNPC/ UB/ BIUST/BIH/BTH/ BED/BDH/MFDP</p>	<p>S1.</p> <p>MTI</p>
	<p>S2. Prudent management of research funds</p> <p>Obj. Def.: <u>Ensure research resources are prudently managed</u></p>	<p>S2.</p> <ol style="list-style-type: none"> 1. % reduction in costs 2. % budget utilisation 	<p>S2.</p> <ol style="list-style-type: none"> 1. Promote collaboration in funding common research areas 2. Develop procurement strategies/ plans 3. Apply best project management tools 4. Develop a national R & D strategy 	<p>S2.</p> <p>TBD</p>	<p>S2.</p> <p>BIDPA/BNPC/UB/ BIUST/BIH/BTH/ BED/BDH/MFDP</p>	<p>S2.</p> <p>MTI</p>

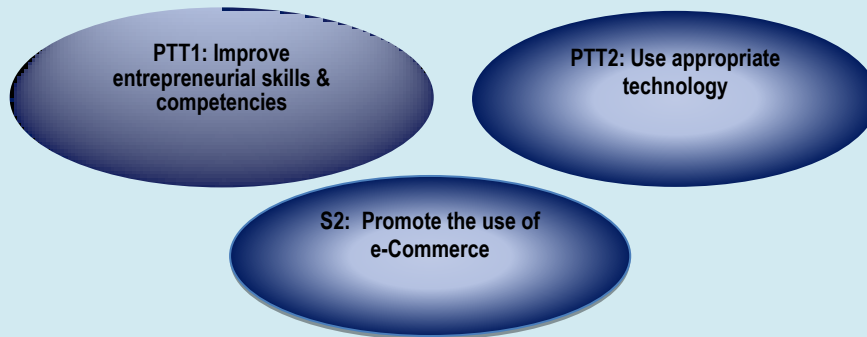
Table 3.6: Research and Development						
Result: Informed decision making						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Processes	<p>P1. Identify and align EDD supportive policies</p> <p>Obj. Def.: <u>Ensure policies are harmonized and aligned to EDD objectives.</u></p> <p>P2. Improve availability of data</p> <p>Obj. Def.: <u>Ensure availability of accurate up to date R & D data</u></p>	<p>P1.</p> <ol style="list-style-type: none"> Number of harmonized EDD supportive policies Number of are EDD demand driven studies conducted Improved availability of R & D data <p>P2.</p> <ol style="list-style-type: none"> Improved availability and accessibility of R & D data Timely availability of data 	<p>P1.</p> <ol style="list-style-type: none"> Audit available EDD relevant policies and institutional processes Harmonize EDD supportive policies Align policies <p>P2.</p> <ol style="list-style-type: none"> Establish collaboration between Statistics Botswana and relevant ROs Joint planning among ROs in mechanisms for availing data Maintain National database Conduct an audit on EDD sources of data Design e-monitoring and evaluation tool 	<p>P1.</p> <p>TBD</p> <p>P2.</p> <p>TBD</p>	<p>P1.</p> <p>BNPC/BIDPA/NFTRC/BIH/MFDP/BOTEC/RI PCO/MIST/UB/BIUST /MTI/MLG/MOA/ MOESD</p> <p>P2.</p> <p>BNPC/BIDPA/NFTRC/BIH/MFDP/BOTEC/RI PCO/MIST/UB/BIUST/MTI/MLG/MO A/ MOESD</p>	<p>P1.</p> <p>MTI</p>

People, Tools & Technology	<p>PTT1. Improve R & D Capacity</p> <p>Obj. Def.: <u>Ensure sufficient and qualified researchers in EDD relevant areas</u></p>	<p>PTT1.</p> <ol style="list-style-type: none"> 1. % Increase in technology, innovation, adaptation and transfer 2. % increase in the number of qualified researchers (Masters and PhDs) 3. % increase in product/services mix (High technology, high value) 	<p>PTT1.</p> <ol style="list-style-type: none"> 1. Audit available skills 2. Train more researchers 3. Encourage the setting up of Research Units in all institutions 4. Promote research skills in all sectors of the economy 5. Intensify research for business intelligence 6. Promote collaboration between R & D and industry 7. Promote partnerships with international research organizations (ROs) 	<p>PTT1.</p> <p>1. TBD</p>	<p>PTT1.</p> <p>BNPC/BIDPA/NFTRC/BIH/MFDP/BOTEC/RIPCO/MIST/UB/BIUST / BOTA</p>	<p>PTT1.</p> <p>MTI</p>
	<p>PTT2. Improve use of appropriate R & D technology</p> <p>Obj. Def.: <u>Ensure ROs are equipped with appropriate technologies to conduct research</u></p>	<p>PTT2.</p> <p>Number of R & D technologies in use</p>	<p>PTT2.</p> <ol style="list-style-type: none"> 1. Audit R & D technology needs 2. Install appropriate software and technologies 	<p>PTT2.</p> <p>TBD</p>	<p>PTT2.</p> <p>BNPC/BIDPA/NFTRC/BIH/MFDP/BOTEC/RIPCO/MIST/UB/BIUST / BOTA/SB</p>	<p>PTT2.</p> <p>BNPC/BIDPA/NFTRC/BIH/MFDP/BOTEC/RIPCO/MIST/UB/BIUST / BOTA/SB</p>

3.7 ENTREPRENEURSHIP DEVELOPMENT

Entrepreneurs should be imbued with distinct ability to “sniff” business opportunities and establish profitable businesses by taking calculated investment risks in areas where most business people would not normally invest. As a result they would generate wealth and employment opportunities for millions of people across the world and contribute towards poverty eradication. Because of this, the EDD initiative includes a component that deals with entrepreneurship development which is meant to facilitate citizen participation in the development of entrepreneurship culture and their active participation in the learning and adoption of common traits and skills of successful entrepreneurs. **Figure 3.7** and **Table 3.7** provide the strategic objectives for the thematic area and the associated initiatives that will assist the EDD to achieve them.

Figure 3.7: Entrepreneurship Development		Strategic Objectives	Strategic Measures
Result: Improve Entrepreneurship Culture			
Customer		C1. Promote entrepreneurship culture for business growth C2. Improve Customer Satisfaction C3. Empower Business Communities C4. Promote Safety, Health and Environment (SHE) C5. Improve Business Regulatory Environment C6. Improve marketing and promotion	C1 1. Increased number of business entrepreneurs 2. Increased number of business start-ups by entrepreneurs C2. 1. Increased level of product range 2. Increased product brands C3. 1. % increase in number of community based projects 2. Equitable distribution of community based projects C4. Improved Customer Satisfaction Index C5. Improvement in World Bank Doing Business ratings and Global Competitiveness Index C6. % increase in market share
	Stewardship		S1. Promote entrepreneurship funding S2. Facilitate access to entrepreneurial finance
Processes		P1: Strengthen Business Development Service providers/institutions P2 Promote Business Linkages	P1. 1. Improved service delivery turnaround times 2. Improved Customer Satisfaction Index P2. 1. Number of valuable clusters 2. Improved turnaround times



PTT1.
Improve entrepreneurial skills & competencies

PTT2.
Use appropriate technology

PTT3.
Promote the use of e-Commerce

PTT1.
% increase in the number of new and sustainable businesses

PTT2. Improved production efficiency

PTT3.
1. Wide spread use of e-Commerce
2. Increased participation of citizens in e-commerce

Table 3.7: Entrepreneurial Development						
Result: Ensuring Entrepreneurship Culture & Business Growth						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C1. Promote entrepreneurship culture for business growth Obj. Def.: <u>Inculcate entrepreneurship culture for business growth</u></p> <p>C2. Improve Customer Satisfaction Obj. Def.: <u>Ensure that enterprises are customer centric</u></p> <p>C3. Empower Business Communities Obj. Def.: <u>Promote exploitation of community based natural resources</u></p> <p>C4. Promote Safety, Health and Environment Obj. Def.: <u>Ensure Safe Working Environment</u></p> <p>C5. Improve Business Regulatory Environment Obj. Def.: <u>Ensure conducive entrepreneurial environment</u></p> <p>C6. Improve marketing and promotion Obj. Def.: <u>Ensure market availability for prioritised sectors through 4P's</u></p>	<p>C1.</p> <p>1. Increased number of business entrepreneurs</p> <p>2. Increased number of business start-ups by entrepreneurs</p> <p>C2.</p> <p>Improved Customer Satisfaction Index</p> <p>C3.</p> <p>1. % increase in number of community based projects</p> <p>2. Equitable distribution of community based projects</p> <p>C4.</p> <p>1. % decrease in work place accidents</p> <p>2. % increase number of green companies</p> <p>C5. Improved competitiveness Indices</p> <p>C6.</p> <p>1. Increased level of product range</p> <p>2. Increased product brands</p>	<p>C1.</p> <p>1. Create a conducive environment for entrepreneurship activity</p> <p>2. Develop sector/sub-sector clusters</p> <p>C2.</p> <p>1. Market segmentation</p> <p>2. Improve work ethics</p> <p>3. Improve product knowledge</p> <p>4. Brand Botswana</p> <p>5. Address customers' concerns</p> <p>C3.</p> <p>1. Promote community owned enterprises</p> <p>2. Protect infant industries</p> <p>3. Develop Reservation and preference schemes</p> <p>4. Decentralize entrepreneurial funding</p> <p>5. Facilitate establishment of community business forums</p> <p>6. Integrate entrepreneurial skills in curricula at all levels of education/training</p> <p>7. Effective Implementation of empowerment programmes</p> <p>C4.</p> <p>1. Encourage environmental cleanliness (fine polluter per day)</p> <p>2. Sensitize business community on SHE</p> <p>3. Develop SHE Programmes</p> <p>4. Preserve and promote bio-diversity</p> <p>C5.</p> <p>1. Address regulatory factors that make Botswana perform poorly in competitiveness indices</p> <p>2. Align /harmonise sector policies, strategies and programmes</p> <p>C6.</p> <p>1. Implement the four P's (Product, Place, Promotion and Price).</p> <p>2. Establish a database</p> <p>3. Develop Suppliers' Directory</p> <p>4. Packaging and branding</p> <p>5. Promote research and development</p>	<p>C1.</p> <p>TBD</p> <p>C2.</p> <p>TBD</p> <p>C3.</p> <p>TBD</p> <p>C4.</p> <p>C4</p> <p>C5.</p> <p>TBD</p> <p>C6.</p> <p>TBD</p>	<p>C1.</p> <p>LEA/BITC/MFDP/MOA/MMEWR/MIST/MEWT/MLHA/CEDA/DFIs/BSE/Hubs/SB/BIH</p> <p>C2.</p> <p>LEA/BITC/MFDP/MOA/MMEWR/MIST/MEWT/MLHA</p> <p>C3.</p> <p>LEA/CEDA/BITC/MFDP/MOA/MMEWR/MIST/MEWT/MLHA/MLG/ MOH/ HUBS/BOCCIM/BEMA/BOCONGO/MINISTERS' FRATERNITY/ DIKGOSI/SB</p> <p>C4.</p> <p>BNPC/DPSM/MOESD/BOCCIM/BEMA</p> <p>C5.</p> <p>LEA/CEDA/BITC/MFDP/MOA/MMWER/MIST/MEWT/MLHA/MLG/ MOH/ HUBS/BOCCIM/BEMA/BOCONGO/MINISTERS' FRATERNITY/ DIKGOSI/CSO</p>	<p>C1.</p> <p>MTI</p> <p>C2.</p> <p>MTI</p> <p>C3.</p> <p>MTI</p> <p>C4.</p> <p>MTI</p> <p>C5.</p> <p>C5</p> <p>TBD</p>

Table 3.7: Entrepreneurial Development						
Result: Ensuring Entrepreneurship Culture & Business Growth						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Customer	<p>C5. Promote Safety Health and Environment (SHE)</p> <p>Obj. Def.: <u>Ensure safe working environment</u></p>	<p>C5.</p> <p>1. % decrease in workplace accidents</p> <p>2. % increase in number of green Companies</p>	<p>C5.</p> <p>1. Encourage environmental protection (Fine polluter per day)</p> <p>2. Sensitise business community on SHE</p> <p>3. Develop SHE programmes</p> <p>4. Preserve and Promote Bio-Diversity</p>	<p>C5.</p> <p>TBD</p>	<p>C5.</p> <p>MFDP/MOA/MMWE R/MIST/MEWT/MLH A/MLG/MOH/HUBS/BOCCIM/BEMA/BOCONGO/MINISTERS'FRATERNITY/DIKGOSI</p>	<p>C5.</p> <p>MTI</p>
	<p>C6. Improve Business Regulatory Environment</p> <p>Obj. Def.: <u>Ensure a conducive entrepreneurial environment</u></p>	<p>C6.</p> <p>1. Improved competitiveness indices</p>	<p>C6.</p> <p>1. Improve the current regulatory framework (Remove regulatory barriers).</p> <p>2. Wean-off businesses from dependence on Government support</p> <p>3. Undertake diagnostic performance Audits</p> <p>4. Align and harmonise procurement regulations</p>	<p>C6.</p> <p>TBD</p>	<p>C6.</p> <p>LEA/CEDA/BDC/MIST/BOCCIM/BOBS/BEMA/MTI/MFDP/PPADB/BNPC/MOESD/MLG</p>	<p>C6.</p> <p>MTI</p>

Stewardship	<p>S1. Promote entrepreneurship funding</p> <p>Obj. Def.: <u>Ensure availability of diversified entrepreneurship funding</u></p> <p>OR</p> <p>S2. Facilitate access to entrepreneurial finance</p> <p>Obj. Def.: <u>Ensure diversified funding for entrepreneurship development</u></p>	<p>S1./S2</p> <p>1. % increase in entrepreneurship funding</p> <p>2. Diversified entrepreneurship funding</p> <p>3. % increase in FDI</p>	<p>S1/S2.</p> <ol style="list-style-type: none"> 1. Promote diversified entrepreneurship funding 2. Promote Corporate Social investment 3. Encourage equity investment to promote commitment 4. Disseminate information on business opportunities 5. Mobilize funding from development partners 6. Promote effective use of secured funding 7. Promote focused FDI 	<p>S1.</p> <p>TBD</p>	<p>S1.</p> <p>LEA/CEDA/BDC/PFI/BOCCIM/BOBS/ BEMA/MTI/MFDP/BNPC/MOESD/ MLG/BITC/CDE/USAID/ EU/ADF/MFDP/ WFHB</p>	<p>S1.</p> <p>MTI</p>
-------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------

Table 3.7: Entrepreneurial Development						
Result: Ensuring Entrepreneurship Culture & Business Growth						
Perspectives	Objectives	Measures	Strategic Initiatives	Targets	Objective Owner	Lead Measure
Process	<p>P1. Diversify distribution channels Obj. Def.: <u>Ensure diversified distribution channels</u></p> <p>P2. Strengthen Business Development Service providers/institutions Obj. Def.: <u>Ensure improved capacity for Business Development Service (BDS) providers</u></p> <p>P3. Promote cluster development/ Business Linkages Obj. Def.: <u>Ensure business relationships between small, micro and medium size businesses (SMMEs) on the one hand and locally-established large companies, foreign companies and Government on the other hand</u></p>	<p>P1. Increased variety of distribution channels</p> <p>P2. 1. Number of BDS with improved capacity 2. % increase in firm level performance</p> <p>P3. 1. Increased number of sector/sub-sector clusters 2. % increase in sustainable businesses</p>	<p>P1. 1. Develop open market systems 2. Set up one-stop-shop/Department Store for local products</p> <p>P2. 1. Conduct a diagnostic audit of BDS 2. Promote BDS certification by BOTA 3. Facilitate coordination of BDS services. 4. Develop data base for BDSs 5. Facilitate the development of sector/sub-sector strategies</p> <p>P3. 1. Facilitate development of business linkages 2. Promote business outsourcing 3. Encourage corporate social responsibility 4. Facilitate SMMEs access to procurement opportunities. 5. Promote cross border business linkages</p>	<p>P1. TBD</p> <p>P2. TBD</p> <p>P3. TBD</p>	<p>P1. LEA/CEDA/BDC/PFI/BOCCIM/BOBS/BEMA/MTI/MFDP/BNPC/MOESD/MLG/BITC/CDE/USAID/EU/ADF/MFDP/WFHB</p> <p>P2. LEA/CEDA/BDC/PFI/BOCCIM/BOBS/BEMA/MTI/MFDP/BNPC/MOESD/MLG/BITC/CDE/MFDP</p> <p>P3. LEA/CEDA/BDC/PFI/BOCCIM/BOBS/BEMA/MTI/MFDP/BNPC/MOESD/MLG/BITC/CDE/MFDP</p>	<p>P1. MTI</p> <p>P2. MTI</p> <p>P3. MTI</p>

People, Tools and Technology	<p>PTT1. Develop entrepreneurship skills</p> <p>Obj. Def.: <u>Ensure availability of entrepreneurship skills knowledge and competencies</u></p>	<p>PTT1.</p> <p>1. % increase in entrepreneurial skills</p>	<p>PTT1.</p> <p>1. Provide training programmes</p> <p>2. Provide mentoring and business coaching</p>	<p>PTT1.</p> <p>TBD</p>	<p>PTT1.</p> <p>LEA/CEDA/BDC/MIST /BOCCIM/BOBS/BEMA/MTI/MFDP/BNPC/MOESD/MLG</p>	<p>PTT1.</p> <p>MTI</p>
	<p>PTT2. Promote the use of ICT</p> <p>Obj. Def.: <u>Ensure widespread usage of ICT</u></p>	<p>PTT2.</p> <p>1. % increase in ICT usage</p>	<p>PTT2.</p> <p>1. Build capacity in ICT</p> <p>2. Strengthen communications infrastructure</p> <p>3. Promote the use of e-commerce</p> <p>4. Increase participation of citizens in e-commerce</p> <p>5. Implement e-commerce legislation</p>	<p>PTT2.</p> <p>TBD</p>	<p>PTT2.</p> <p>MIST/MFDP/MLHA/MLG/MWET/BOCCIM/BEMA/BIH/</p>	<p>PTT2.</p> <p>MTI</p>

4. ECONOMIC DIVERSIFICATION DRIVE AND POVERTY ERADICATION

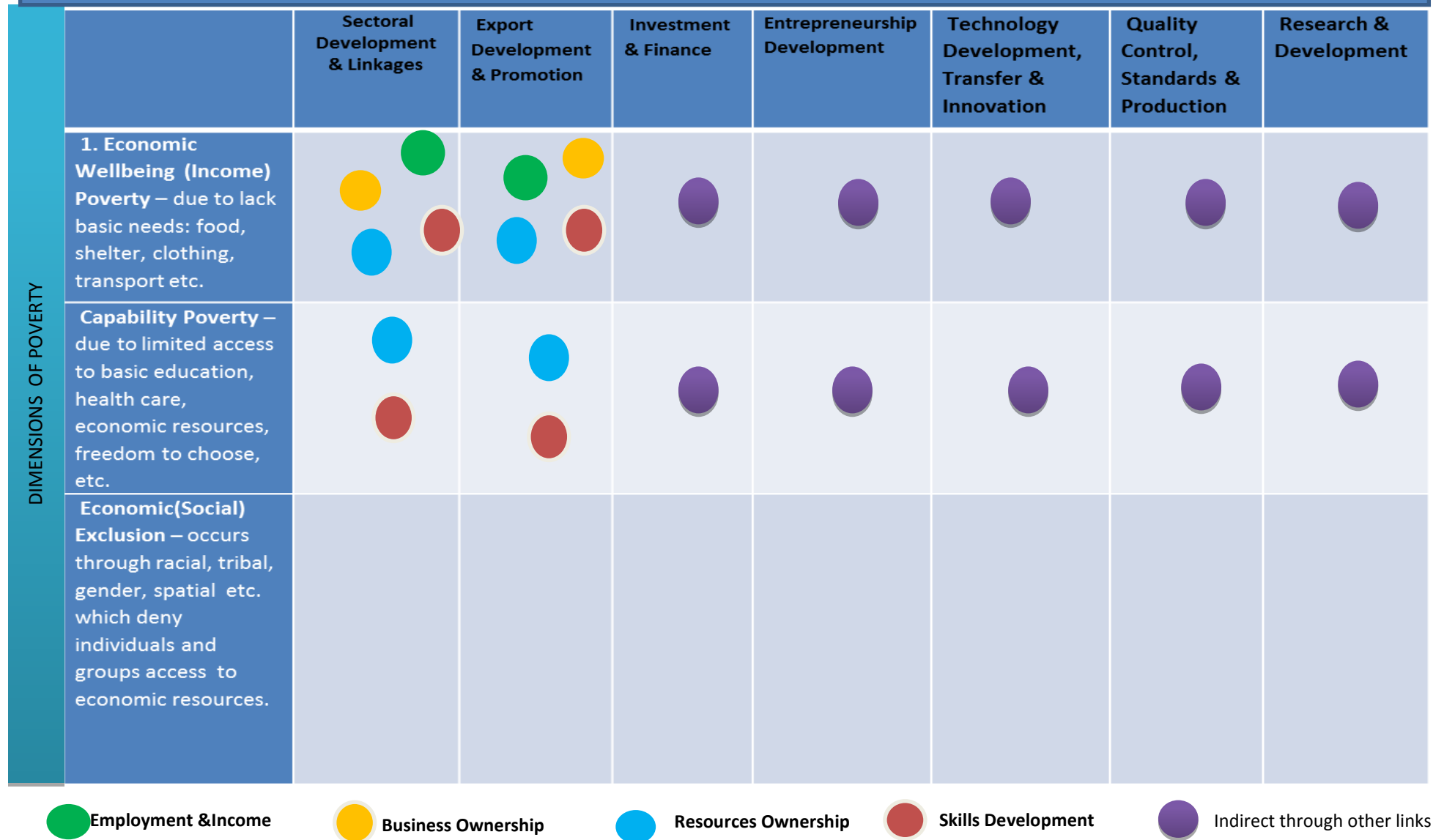
4.1 This Chapter shows the link between the EDD Strategy and Poverty Eradication. Prior to the current Poverty Eradication Programme, Botswana had the National Strategy for Poverty Reduction of 2003. This Strategy defines poverty as a multidimensional concept which includes economic wellbeing or **income poverty** (due to lack of employment opportunities), **capability poverty** (due to limited access to human skills and productive resources) and **participation poverty** (due to exclusion of the poor from decisions that affect their lives). Even though the above core elements of poverty have been maintained, in recent years, Botswana has moved from Poverty Reduction to Poverty Eradication in line with Vision 2016 which aims to eradicate absolute poverty by 2016. The Poverty Eradication Programme is premised on individuals having the basic capability to feed and clothe themselves; being able to work if they wish; being decently housed; being able to access education; and being able to take one's own place in society (Poverty Datum Line Report that followed the HIES of 2002/03).

4.2 Poverty remains one of the urgent challenges facing the country. The percentage of population living below the poverty datum line declined from 59 percent in Household Income Survey (HIES) of 1985/86 to 47 percent in the HIES of 1993/94 and was projected to be 30.6 percent in 2002/03. Because of the high incidence and persistence of poverty, the Mid-Term Review of NDP9 had set targets to reduce the proportion of people living below the poverty datum line to 23 percent by 2009.

4.3 Both the Short-term and Medium to Long-term EDD strategies aim to achieve economic diversification through the promotion of, among others, priority sector development and business linkages; export development and promotion; and promotion of both domestic and foreign investment. As can be seen in **Figure 4.1**, the Medium to Long-term EDD strategy will affect poverty mainly through employment creation and earned income; business ownership, resource ownership and skills development. The Strategy will mainly reduce and ultimately eradicate income and capability poverty through two EDD Thematic Areas, namely, Sectoral Development and Business Linkages; and Export Development and Promotion. The other Thematic Areas will play a complementary role to the above two.

4.4 The **Poverty Eradication Roadmap** by the Office of the President has identified priority sectors/areas for poverty eradication which include: Backyard gardening; Backyard nurseries; Poultry; Small stock; Bee keeping; Cottage industries/handicrafts; Handymen/women (technicians); Fisheries; Tourism food; Processing (e.g. marotse jam); and sustainable natural resources and beneficiation. These fall within the area of Sectoral Development and Business Linkages in the EDD Strategy and will be expected to impact poverty in the manner indicated in **Figure 4.1**.

Figure 4.1: EDD Thematic Areas and their Impact on the Various Dimensions of Poverty



5. INSTITUTIONAL STRUCTURE: THE NATIONAL ECONOMIC DIVERSIFICATION COUNCIL (NEDC)

5.1 INSTITUTIONAL ARRANGEMENT

The Economic Diversification Drive (EDD) will be driven by the **National Economic Diversification Council (NEDC)** whose role will be to provide strategic direction and guidance to the EDD Secretariat and the Seven Thematic Teams with a view to ensuring the successful implementation, monitoring and evaluation of the Strategy performance. The Council will be housed in the Ministry of Trade and Industry and will report to the Cabinet Committee on the Economy and Employment (CCEE). **Figure 5.1** shows the institutional structure for the Economic Diversification Drive.

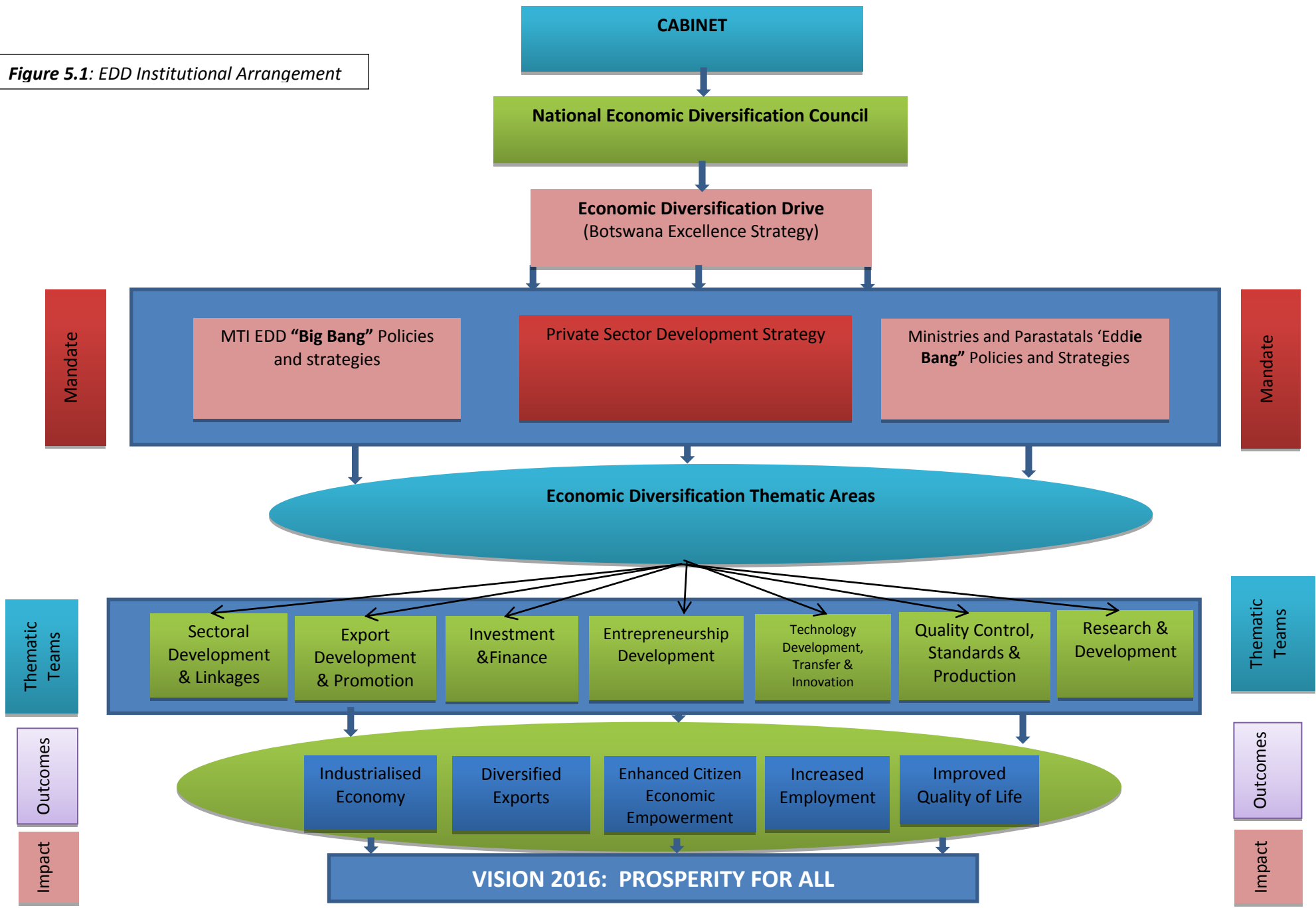
The Council will be chaired by the Minister of Trade and Industry, assisted by a Vice Chairperson chosen from the Private Sector. The Economic Diversification Drive Unit will be the Secretariat for the Council and will be empowered and resourced to ensure full implementation of the Strategy. Council Membership will be drawn from Government Ministries, Independent Departments, Parastatals, the Private Sector, and Civil Society to ensure full representation of stakeholders in accordance with the Strategy thematic areas. The Council will **meet four times in a year** and will be informed by the **Thematic Teams** representing the Strategy Thematic areas. The Team's mandates will be defined by the **strategic objectives of each thematic area** as presented in the Strategy.

Council Membership will be at **Permanent Secretary** and **Director** Levels for Government and **Chief Executive Officer** and **Managing Director** levels for Parastatals, Private Sector and Civil Society.

The Council will comprise:

1. **Chair:** Minister of Trade and Industry
2. **Vice Chair:** Private Sector Representative
3. **Secretariat:** EDD Unit

Figure 5.1: EDD Institutional Arrangement



4. **Ministries:**

- (i) Ministry of Trade and Industry
- (ii) Ministry of Finance, Development and Planning
- (iii) Ministry of Agriculture
- (iv) Ministry of Environment, Wildlife and Tourism
- (v) Ministry of Labour and Home Affairs
- (vi) Ministry of Education and Skills Development
- (vii) Ministry of Transport and Communications
- (viii) Ministry of Lands and Housing
- (ix) Ministry of Health
- (x) Ministry of Foreign Affairs and International Cooperation
- (xi) Ministry of Presidential Affairs and Public Administration
- (xii) Ministry of Defence, Justice and Security
- (xiii) Ministry of Infrastructure, Science and Technology
- (xiv) Ministry of Local Government
- (xv) Ministry of Youth, Sport and Culture

- (xvi) **Parastatals:** Botswana Export Development and Investment Authority (BEDIA), Botswana Development Corporation (BDC), Local Enterprise Authority (LEA), Citizen Entrepreneurial Development Agency (CEDA), Botswana Bureau of Standards (BOBS), Botswana Unified Revenue Service (BURS), Botswana Export Credit Insurance (BECI), Statistics Botswana (SB), Public Procurement Asset Disposal Board (PPADB), Public Enterprise Evaluation and Privatisation Agency (PEEPA) and Botswana Tourism Organisation (BTO).

- (xvii) **Private Sector and Civil Society:** Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) [**5 Representatives**], Botswana Exporters & Manufacturers Association (BEMA), Botswana Institute for Development Policy Analysis (BIDPA), Trade Unions, NGO representative.

- (xviii) **Ministry of Trade and Industry:** Department of International Trade and Department of Industrial Affairs.

- (xix) **Independent Departments:** National Strategy Office (NSO), Selebi-Phikwe Economic Diversification Unit (SPEDU) and the Hub Coordinators.

- (xx) **Chairs of EDD Thematic Teams.**

5.2 DEFINITION OF ROLES

5.2.1 Cabinet will oversee the Strategy implementation and provide strategic direction and guidance to NEDC. It will also provide a strategic roadmap for the EDD.

5.2.2 The National Economic Diversification Council (NEDC) will be an intellectual architect and power-house for the EDD strategy and will provide strategic and tactical advice to the CCEE. The specific functions of the NEDC include:

- i. Advising the Cabinet Committee on the Economy and Employment (CCEE) on the EDD progress and performance;*
- ii. Provision of strategic guidance on the coordination and implementation of the EDD Strategy;*
- iii. Assigning EDD priority initiatives to the Secretariat and ensuring its capacity to carry them out by continually reviewing its work;*
- iv. Continuously monitoring policy and legislation bottlenecks encountered by investors and removing them;*
- v. Formulating appropriate negotiating positions for the country;*
- vi. Resource mobilisation;*
- vii. EDD Advocacy;*
- viii. Monitoring and Evaluation of EDD implementation;*
- ix. Creating and/or dissolving specialised Committees as and when the need arises;*
- x. Co-opting any person(s) into the Council or any area of its structures as and when necessary;*
- xi. Preparing and submitting quarterly reports on EDD progress and performance to the CCEE.*

5.2.3 The EDD Unit

The EDD Unit is the Secretariat to the NEDC and the Thematic Teams for the Strategy. Its functions are as follows:

- i. Record Minutes of all NEDC Meetings and coordinate assignments handed out by the Council.*
- ii. Manages the affairs of the Council within the limits of operating policies, regulations and guidelines.*
- iii. Provides research-based economic advice to the NEDC;*
- iv. Assists the NEDC to map the country's optimal development path;*
- v. Administers NEDC assignments and implements the strategy objectives;*
- vi. Prepares budget submissions to finance implementation of the strategy;*
- vii. Resource mobilisation from Government and Development Partners;*
- viii. Ensures effective utilisation of financial and human resources.*
- ix. Comprehensively analyses the prevailing economic environment and advises NEDC on appropriate response to support the EDD strategy;*
- x. Information dissemination and consultation;*
- xi. Monitoring and Evaluation of EDD implementation*

- xii. *Preparation and submission of quarterly reports on EDD progress and performance to the NEDC.*

5.2.4 *The functions of the **Thematic Teams** include:*

- (i) Overseeing the implementation of thematic areas;*
- (ii) Providing expert direction and guidance;*
- (iii) Populating the initiative template and operationalising them;*
- (iv) Monitoring and evaluation of strategic objective implementation;*
- (v) Developing linkages with other Thematic Teams;*
- (vi) Effective utilisation of resources;*
- (vii) Collaborating with EDD Unit;*
- (viii) Developing data base for each thematic area.*
- (ix) Information dissemination and consultation;*
- (x) Preparing and submitting quarterly reports on thematic area performance to the NEDC;*

5.3 AGENDA OF THE COUNCIL

- (i) The Secretariat shall, in consultation with the Chairperson, establish an agenda for Council Meetings. Members of NEDC and its respective Committees will contribute Agenda items.
- (ii) Each Member Organisation at the Council's General meeting, may bring an issue that falls within the functions of the NEDC to the attention of the Secretariat for referral to the Council for debate and deliberation
- (iii) The Secretariat shall prepare, under the authority of the Chairperson, a summary report on the issues that are placed on the agenda, along with any relevant supporting documents, that are to be referred to the Council's General meeting.
- (iv) Reports by Thematic Teams shall always form standing agenda of the Meetings. The Teams will also be responsible for preparing detailed reports on issues to be presented.

5.4 DELIBERATIONS AND VOTING

- (i) The Council shall form a quorum when two thirds of the total number of NEDC representatives is present at a meeting.
- (ii) Each representative shall have opportunity to participate on all deliberations of the NEDC Meetings.
- (iii) The NEDC Meeting's resolutions are to be adopted, to the extent possible, by a simple majority.
- (iv) Each representative shall have one vote at the meeting. In the event of deadlock, the Chairperson or alternative Chair shall have a casting vote.

5.5 COMMUNICATION AND CONSULTATION

- i. The successful implementation of the Economic Diversification Strategy requires the involvement of all relevant Stakeholders. It is therefore imperative that there is a sustained effective process that links the implementing agents and provides due public awareness of the Strategy. Such linkages will include the Sectoral High Level Consultative Meetings (HLCC), Botswana Economic and Advisory Council (BEAC), the NCTPN, National Strategy Office (NSO), and the EDD Thematic Teams.
- ii. Active web sites for online access to EDD information.
- iii. Regular country wide public awareness campaigns and consultations on the EDD progress e.g. kgotla meetings, Pitso forums, leaders' addresses, etc.
- iv. Nationwide publicity through electronic and print media.

5.6 MONITORING AND EVALUATION

The Council achievements will be reviewed quarterly. The Council will put in place objective measures to monitor and evaluate the indicators and outcomes of the various Thematic Areas on a continuous basis and to effect adjustments where necessary.

The actual evaluation process will be done as follows:

- i) Each objective is guided by specific quantifiable measures;
- ii) An appropriate evaluation system will be developed and agreed upon by stakeholders;
- iii) Ministries will submit data for purposes of measuring and evaluation;
- iv) The Council will determine the desired target to measure achievement;
- v) Quarterly progress report of the EDD Strategy will be submitted to the Council.

This strategy will run from **2011-2016**, and will be reviewed during its mid-term in 2013, unless the situation dictates otherwise.

6. THE EDD MEDIUM TO LONG TERM STRATEGY IMPLEMENTATION MODEL

The EDD Medium to Long-term Strategy promises a lot on economic diversification, not only due to its well thought-out and packaged strategy objectives and initiatives, but also because of the involvement and contribution of all key Stakeholders and their buy-in. Notwithstanding this, the Strategy will only be a success if it can be implemented effectively and timeously. Hence, the need for an implementation model for the Strategy as outlined in this chapter. The following sections cover the principles underlying EDD implementation, the processes and the functions of the implementing Thematic Teams.

6.1 THE EDD UNDERLYING PRINCIPLES

The EDD implementation process outlined in this Chapter will be guided by the following principles:

- i. A Concept Paper will be developed for each EDD Sector/Sub-Sector development initiative;
- ii. EDD priority Sectors/Sub-Sectors Concept Papers will be developed by **Thematic Technical Experts** in consultation with relevant **Industry Practitioners**;
- iii. Institutions will contribute EDD priority Sectors/Sub-Sectors from their **own mandates**;
- iv. A consolidated list of prioritised Sectors/Sub-Sectors will be driven by the EDD Thematic Areas;
- v. Where EDD outputs and recommendations differ from those of an institution, the EDD Unit will facilitate a meeting between the affected institutions to resolve the issues;
- vi. All EDD Sectors/Sub-Sectors development will include **a swot analysis, value chain mapping, and cluster development for business linkages**;
- vii. All EDD sectors/sub-sectors development will identify business opportunities for uptake by the business community and general public;
- viii. The EDD Strategy will follow balanced and equitable distribution of sectors/sub-sectors' development across the country;
- ix. The EDD Sectors/Sub-Sectors will be planned and implemented as a collective and integrated effort;
- x. All EDD Sectors/Sub-Sectors will develop their own strategies aligned to the EDD strategy;
- xi. EDD prioritised Sectors/Sub-Sectors will be private sector driven;
- xii. The **Thematic Teams** contributions to the EDD mandate will be customised to the specific Sectors/Sub-Sectors;

- xiii. The EDD strategy will have an electronic Monitoring and Evaluation System (e-M & E); and
- xiv. The EDD strategy will adopt a **Silent Consent Principle** which means that, where an institution has been consulted for input/comment for a reasonable period of time and has remained silent, they will be taken to have consented on the matter.

6.2 THE EDD IMPLEMENTATION PROCESSES

The EDD Strategy will be built around **Sectoral Development** and **Export Promotion** Thematic Areas. **Technical Experts**, in consultation with **Industry Practitioners**, will develop a Concept Paper for each EDD sector/sub-sector development initiative. The Concept Paper will define the necessary elements for the successful development of each Sector/Sub-Sector. For example, LEA has prioritised four Sub-Sectors, namely, **Horticulture, Piggery, Dairy and Leather**. Under EDD, LEA will submit these Sectors to the EDD so that they form a **Consolidated List of EDD Priority Sectors/Sub-Sectors** with those from other Stakeholders as explained below.

To develop, say Horticulture Sub-Sector, **Technical Experts from the Ministry of Agriculture** will develop a **Concept Paper** which defines the necessary requirements for Horticultural Development in Botswana. **The Paper will define the best areas for the Sub-Sector development, map its value and supply chain and business opportunities; map its clusters, and outline the necessary institutional support** for the Sub-Sector to succeed. The outcome of the Concept Paper, which will be developed in consultation with relevant **Industry Practitioners**, will be a **Horticulture Sub-Sector Strategy** for implementation.

All the other EDD sectors will follow this approach as this will ensure a holistic approach to each Sector/Sub-Sector's development. Below is an outline of the steps for the process of implementation of the EDD Medium to Long-Term Strategy as discussed above. The Strategy will follow three major Stages:

Stage I: The Development of a Priority List of the EDD Sectors/Subsectors

The EDD Strategy will be anchored on **Sectoral development** based on value chain mapping, cluster development and business linkages. Therefore, the kick-start programme will involve the following:

- i. The EDD Unit will develop a **Concept Paper on Sectoral development**. The paper will define the parameters for sectoral development, modalities, resource requirements, opportunities and constraints as well as expected input by various Stakeholders. Thereafter, the Paper will be shared with all EDD Stakeholders, including Government Ministries and Independent Departments, Parastatals, Private Sector Institutions, Industry Practitioners, Labour Organisations and Civil Society, for input and contribution of their prioritised sectors to the EDD. The EDD Unit will then use Stakeholder's input to write a **Consolidated Concept Paper on Sectoral development**.
- ii. **Stakeholder Consultative Workshop** will be convened to deliberate on the paper and come up with (a) a **priority list of Sectors/Sub-Sectors** to develop under the EDD (b) **agreement on the formation of sector associations or charters** that will drive the prioritised sectors (iii) Institutional Support Areas for the development of the priority Sectors/Sub-sectors; and so forth.
- iii. **Approval of Priority Sectors/Sub-Sectors** – once agreed at the technical level, the list will be taken to NEDC and finally CCEE for consideration and approval.

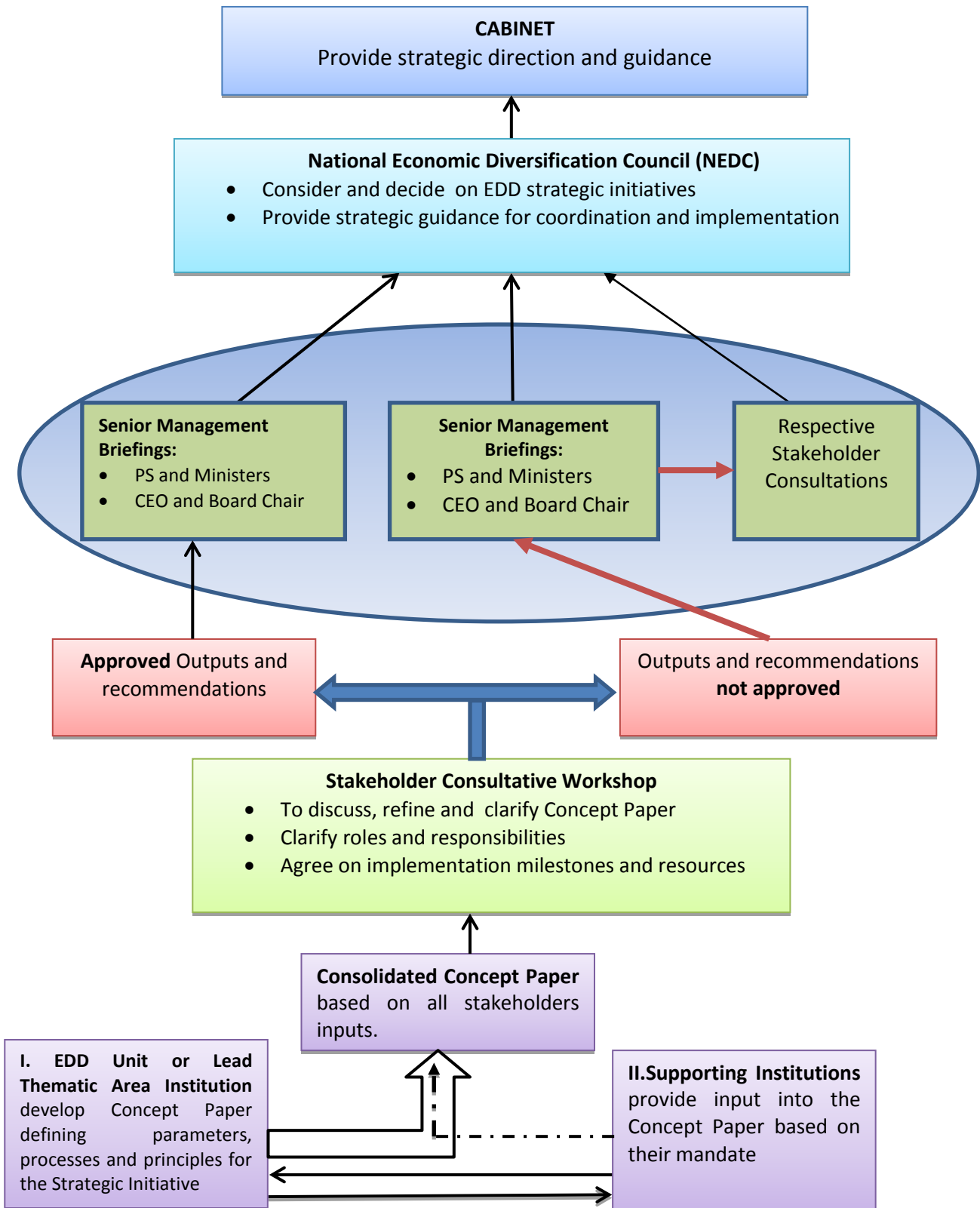
Stage II: The Development of Sector/Sub-Sector Specific Strategies

The implementation process follows a **bottom-up approach** illustrated in **Model I overleaf**. Below is a brief outline of the processes that will be involved in the implementation of the strategy.

- i. **Concept Paper:** a concept paper on an EDD Sector/Sub-Sector/initiative will be developed by the **EDD Unit or the Lead Thematic Area Institution**. For example, for the **Horticulture Sub-Sector cited above, the Ministry of Agriculture** will outline the modalities for the development of the Sub-Sector, its resource requirements, opportunities and constraints as well as expected input by various Stakeholders. The Paper will then be shared with relevant Stakeholders who will provide input based on their respective mandates and send the paper back to the originator for consolidation;
- ii. The **Consolidated Concept Paper** will form the basis for discussion at a **Stakeholder Consultative Workshop**. The Workshop will discuss, refine and clarify issues and responsibilities as well as agree on implementation milestones and resource requirements. In this case, the various Thematic Teams and Stakeholders will be expected to provide their **customized support** to the **Horticulture Sub-Sector**. For instance, **BOBS** will define its quality contribution to the Sub-sector, **Financial Institutions** will identify investment opportunities to finance; **Export Promotion Institutions and Exporters** will identify export opportunities to be developed; **Research Institutions** will identify research areas necessary to inform the development of the Sub-Sector while **Entrepreneurs** will look into the Sub-Sector for business opportunities rarely seen by other investors.

MODEL 1: IMPLEMENTATION MODEL FOR THE EDD MEDIUM TO LONG-TERM

i. **Stakeholder Consultative Workshop Outputs** – these will fall into two categories.



- **Category A** will comprise issues that were agreed and approved by the Stakeholders. On the **Horticulture Sub-Sector**, the Stakeholders listed in Point ii above will each brief their respective **Senior Management (PS/Ministers and CEO/Board Chair)** on the contribution they have agreed to provide to the Horticulture Sub-Sector. The agreed contributions will then form the core elements of the **Horticulture Sub-Sector Strategy** and the Consolidated Paper for NEDC Agenda.
 - **Category B** will comprise issues that were not agreed/approved by the Stakeholders. For any unresolved issues relating to the **Horticulture Sub-Sector** development, affected Stakeholders will brief their respective **Senior Management (PS/Ministers and CEO/Board Chair)** with a view to finding solution(s) to the issues. This could include further consultation(s) with affected Stakeholders to resolve the issues before they go into the **NEDC Agenda**.
- i. **National Economic Diversification Council (NEDC)** - The council will Consider and decide on EDD implementation initiatives agreed by Stakeholders during the above processes. The Council will further provide strategic guidance for coordination and implementation of the agreed issues and assist with finding solutions for unresolved issues.
 - ii. **Cabinet Committee on Economy and Employment (CCEE)** - will provide strategic direction and guidance on EDD implementation initiatives and resolve outstanding issues.

Output for Sector/Sub-Sector Specific Strategies' Development

This will result in two categories of output:

Output I: Sector/Sub-Sector Specific Strategy

Output II: Incentive Support System by Government and other business support institutions given in **Table 6.1**.

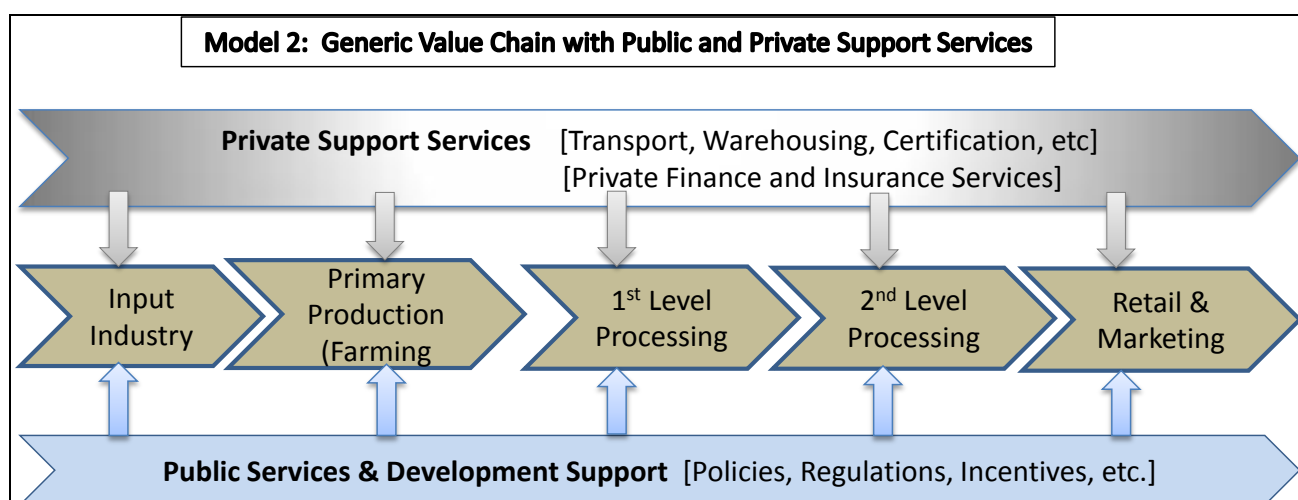
TABLE 6.1: TYPES OF INCENTIVES AND SUPPORT TO PRIVATE SECTOR		
TYPE OF INCENTIVE	DESCRIPTION	COMMENT
Regulatory Incentives	Appropriate programmes, policies and legislation for doing business.	Improve doing business factors
Economic Incentive Regime	Import and Export tariffs; appropriate exchange rate; factor market and tax policies	Improve market access
Support Services	Appropriate infrastructure, accessible and appropriately priced utilities; Financial Institutions (Commercial Banks, Non-Banking Institutions, etc.) ; efficient social services; Support Institutions, etc.	Facilitate domestic and foreign trade
Financial Incentives	Subsidies, tax rebates, tax exemptions, tax reductions; preference margins, etc.	Reduce the cost of doing business

Stage III: The Role of the Private Sector in the Implementation Process

The role of the private Sector in the EDD Medium to Long-Term strategy will be to implement the strategy business initiatives. The Private Sector will participate in the selection and prioritisation of sectors for development under EDD. Once the Sectors for development are agreed, each **Sector or Sub-Sector will form an association or charter** in line with the BOCCIM EDD Chapter (see Chapter 7). For instance, for the LEA example, there will be a **Horticulture Sub-Sector Association** which will be led by a **Sub-Sector Committee**. **The Committee** will articulate the needs of the Sub-Sector which will be packaged in the form of a SWOT (Strength, Weaknesses, Opportunities and Threats). The **SWOT Analysis** will look at the Strength, Weaknesses, Opportunities and Threats of the **Horticulture Sub-Sector** and thus ensure that it is developed from a balanced and holistic perspective. **The Chairperson and Secretary** of the Horticulture Sub-Sector Committee will represent the Sub-Sector at the **Sectoral Development Thematic Team**.

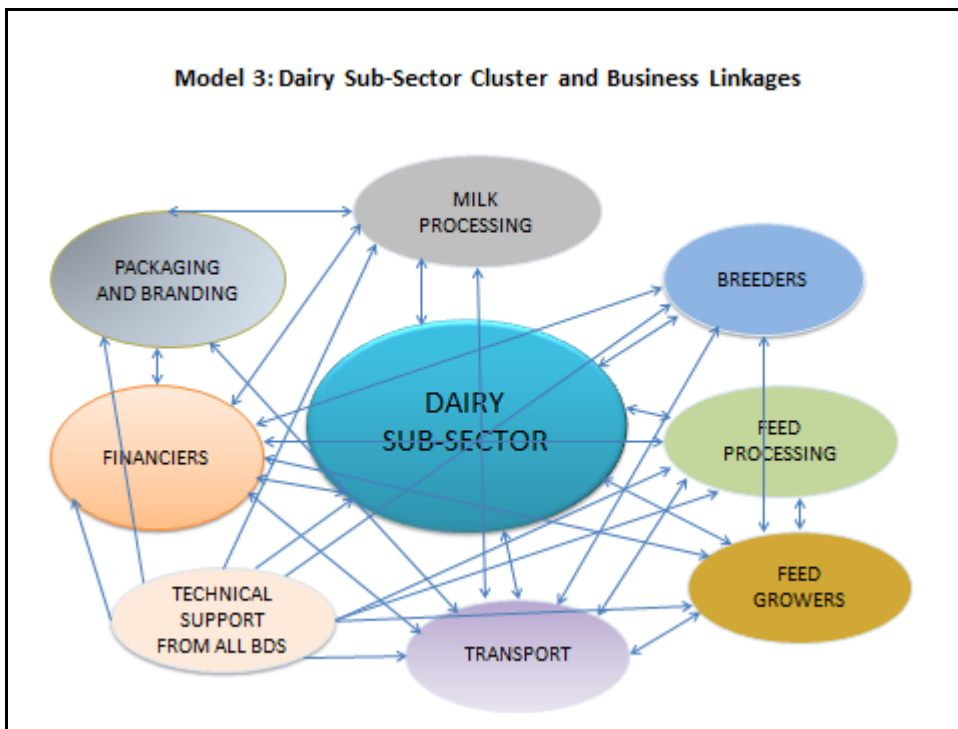
The development of each Sector/Sub-Sector will thus include a **SWOT analysis, Value Chain Analysis, Cluster Development** and the **Development of Business Linkages**. Below is a brief outline of how each of these will be developed:

- **Value Chain Analysis (see Model 2)** is the process of breaking a production chain into its constituent parts which assists policymakers and the business community to identify and understand:
 - Value adding activities in the chain;
 - Value chain business opportunities and challenges of specific actors; and
 - Economic actors at each stage of the value chain and their relationships;
 - Value chain leadership or governance;
 - Requirements for chain formation and strengthening; and
 - **Required appropriate policy interventions to sustain the sector.**



The value Chain Analysis for the **Horticulture Sub-Sector** will be developed following the generic Model 2 above.

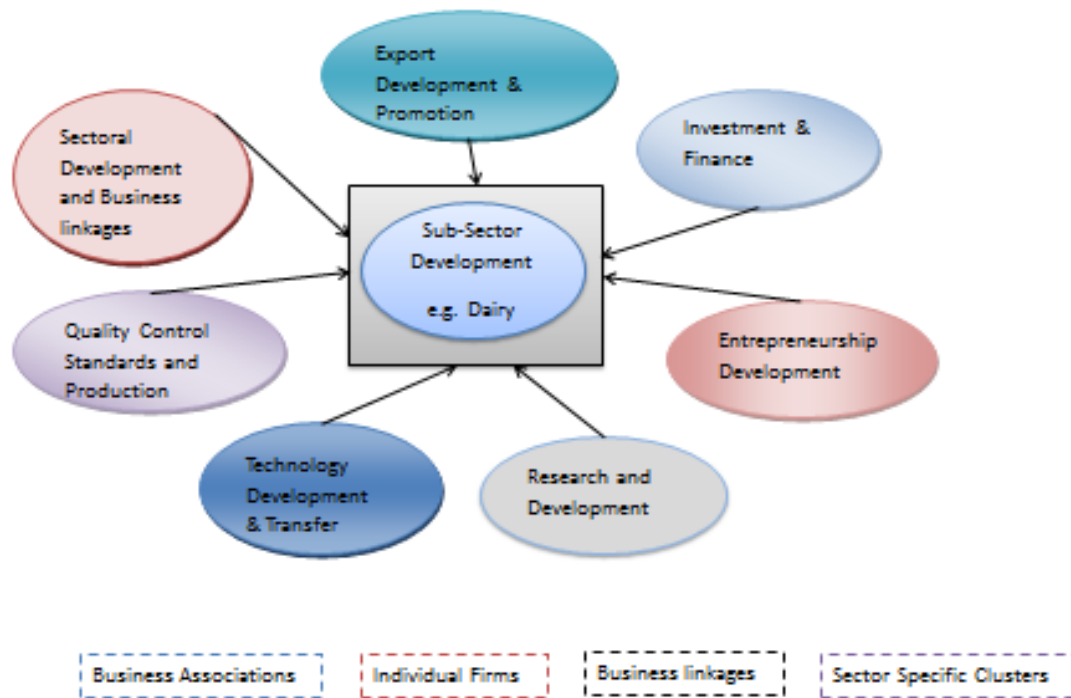
- **Cluster Development and Business Linkages** – for every Sector/Sub-Sector, a concomitant industrial cluster comprising of an agglomeration of interlinked companies, suppliers and service providers linked to the sector will be developed. This will facilitate the development of **business linkages, complementarities, synergies** and **location specific externalities** and thus improve the competitiveness of the sector. **Model 3** illustrates how the dairy cluster, one of the LEA priority Sub-Sectors, will work.



6.3 THEMATIC TEAMS SUPPORT TO PRIVATE SECTOR

As noted above, the EDD will focus on the development of priority Sectors/Sub-Sectors which will be driven by the seven Thematic Areas, one of which will be Sectoral Development and Business Linkages. Once the Sectors/Sub-Sectors have been selected, the work of the other Thematic Teams will be customised to support the selected sectors [See Stage II (ii) above]. This is illustrated in **Model 4** which shows that each of the Seven Thematic Teams will make contributions towards the development of the dairy sector from their mandates.

Model 4: An EDD Model Showing Customised Thematic Area Contribution to a Sector



6.4 EDD THEMATIC TEAMS AND THEIR FUNCTIONS

As noted earlier, The EDD Strategy will be driven by seven Thematic Teams. **Table 6.2** provides a list of the Thematic Teams, their Membership and their Functions. Detailed Thematic Areas as well as their strategic objectives and associated initiatives are as provided in the Strategy Sections 3.1 to 3.7 above.

TABLE 6.2: EDD THEMATIC TEAMS AND THEIR FUNCTIONS

1. SECTORAL DEVELOPMENT AND BUSINESS LINKAGES	2. EXPORT DEVELOPMENT AND PROMOTION
<p>Membership:</p> <p>MOFAIC/BEDIA/IFSC/LEA/BOCCIM/BEMA/MOA/MEWT/MMERW/MIST/MFDP/MTI/HUBS/BDC/BNPC/DPSM/MOESD/BIDPA/CEDA/MOFAIC/BOBS</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Ensure market availability for prioritised sector • Ensure customer focused service delivery. • Identify key growth sectors. • Ensure a conducive regulatory environment for competitiveness • Ensure products/services reach the market • Ensure industry wealth creation and sustainability • Ensure optimal use of financial resources. • Ensure business linkages between small, micro and medium enterprises (SMMEs) on the one hand and locally-established large companies, foreign companies and Government on the other hand. • Ensure use of appropriate production systems. • Ensure optimal use of land/space. • Ensure production of competitive products and services • Ensure availability of quality infrastructure & utilities • Ensure a corruption free society • Ensure ICT is used to leverage performance • Ensure innovation & creativity efforts are encouraged and supported • Ensure use of cutting edge technology • Ensure a healthy business community 	<p>Membership:</p> <p>BEDIA/IFSC/MMEWR/BOCCIM/BEMA/BDC/MEWT/MOFAIC/LEA/MTI/MOFAIC/MMWER/MOA/MFDP/MLG/CEDA/BOBS</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Facilitate for the removal of all barriers that impede access to external markets • Ensure geographically diversified export markets • Ensure diversification of export products • Ensure exporters have access to diversified sources of trade finance as well as access to reliable and timely trade data. • Ensure the monetary policy promotes exporting • Ensure beneficiation of natural resources • Ensure sustainability of businesses through exporter business linkages • Ensure export competitiveness. • Ensure use of Management Information Systems (MIS) through ICT.

<p>3. INVESTMENT AND FINANCE</p> <p>Membership:</p> <p>MFDP/BEDIA/BOCCIM/IFSC/BDC/BEMA/MMEWR/MIST/MTC/MOH /MLH/MOESD/MLHA/MTI</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Implement best practice investment strategies • Promote Botswana’s areas of comparative and competitive advantage to investors • Ensure investment growth in sectors that are growth pillars for the Botswana economy • Ensure increased participation of citizen- owned companies in the economy • Ensure private sector access to investment finance • Target export oriented investment (investors) • Make the private sector internationally competitive • Ensure availability of sector-specific skills and competences • Ensure enterprises capacity to implement the EDD initiative 	<p>4. QUALITY CONTROL, STANDARDS AND PRODUCTION</p> <p>Membership:</p> <p>BOBS/LEA/BNPC/NFRTC/BOCCIM/BEMA/Chamber of Mines/HATAB</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Ensure an enabling environment compliant with quality and safety standards • Ensure compliance with standards • Ensure involvement of stakeholders in standards development • Ensure quality imports/exports • Ensure implementation of standards • Develop market driven rates for quality certification services • Ensure efficient production processes • Ensure competitive products and services • Ensure productivity improvement in the manufacturing and service sectors • Ensure that appropriate skills are developed within industry support system • Ensure technology adoption and transfer
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>5. TECHNOLOGY DEVELOPMENT, INNOVATION AND TRANSFER</p> <p>Membership:</p> <p>BIH/BOTEC/MIST/NFRTC/RICPCO/UB/BCA/BIUST/BIDPA/BOTA/BEDIA/BNPC//TIs</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Ensure technology development based on national priorities and needs • Ensure a system of incentivising stakeholders to venture into technology needy areas • Ensure utilization of develop technologies 	<p>6. RESEARCH AND DEVELOPMENT</p> <p>Membership:</p> <p>BNPC/BIDPA/NFRTC/BIH/MFDP/BOTEC/RIPCO/MIST/UB/BIUST/ MTI/MLG/MOA/ MOESD</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Ensure that research results are accessible to stakeholders • Ensure research outputs meet the needs of EDD Implementing Agencies • Ensure adequate funding to undertake R & D
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<ul style="list-style-type: none"> • Ensure R & D projects are adequately funded • Ensure provision of a conducive environment for R & D • Ensure organization are funded on the basis of performance • Ensure availability of funds for technology acquisition and development • Conduct market research for quick wins in technology development • Ensure linkages among Research Technology Organisations (RTOs) and Tertiary Institutions (TIs), Private Sector and Government • Ensure availability of qualified personnel with the right competences to support TDTs • Ensure innovation efforts are encouraged and supported • Ensure availability of leaders in Research & Technology organizations 	<ul style="list-style-type: none"> • Ensure prudent management of research resources • Ensure policies are harmonized and aligned to EDD objectives • Ensure availability of qualified researchers in EDD priority areas • Ensure availability of accurate and up to date data • Ensure Research Organisations (ROs) are equipped with appropriate tools and technologies to conduct research
<p>7. ENTREPRENEURSHIP DEVELOPMENT</p> <p>Membership:</p> <p>LEA/CEDA/BDC/PFI/BOCCIM/BOBS/BEMA/MTI/MFDP/BNPC/MOES D/MLG/IFSC/BEDIA /MFDP/WFHB/ALL DEVELOPMENT PARTNERS(E.G.CDE,USAID,EU,ADB,ADF, WORLD BANK etc)</p> <p>Functions of the Thematic Team are to:</p> <ul style="list-style-type: none"> • Ensure market availability for prioritised sectors • Ensure that enterprises are customer focused • Promote self-employment opportunities • Promote safety in the work places • Ensure availability of appropriate skills knowledge and competencies • Ensure a conducive entrepreneurial environment • Ensure availability of diversified funding • Ensure diversified distribution channels • Promote use of E-Commerce 	

PRIVATE SECTOR DEVELOPMENT STRATEGY³

6.5 This Chapter defines how the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) will engage with the Government of Botswana (GoB) in the implementation of the National Development Plan 10 (NDP 10) and the Economic Diversification Drive (EDD). BOCCIM input is premised on the assumption that all the fundamentals, namely, policies, institutions, competencies and technologies are in place to make diversification happen. That is, the political will, the reform agencies, developmental government departments, entrepreneurial trainers, venture capital and funding institutions, technology, business development consulting and research parastatals, quality control regulators and the required Regional and International marketing bodies are up and functional. This therefore means that, in addition to the BOCCIM traditional role of advocacy and lobbying Government to reduce the costs of doing business for the Private Sector, BOCCIM will also be engaged in internal restructuring and capacity building to develop resource and manage projects that grow the Private Sector. Further, BOCCIM will implement Private Sector “**Big Bang**” objectives that will achieve Economic Diversification Drive and Citizen Economic Empowerment. To achieve this, BOCCIM will, under the auspices of the EDD, implement the ***Sectoral Development and Business linkages; and Export Development and Promotion Thematic Areas***, along with their strategic objectives and initiatives which include:

- (i) Developing ***Sector Charters*** of strategically important sectors such as the ***Mining Sector*** (Mining Sector Business Development Forum (MSBDF)); the ***Construction Sector*** (Construction Sector Business Development Forum (CSBDF)); the ***Retail Sector*** (Retail Sector Business Development Forums (RSBDF)); and the ***Hospitality Sector*** (Hospitality Sector Business Development Forums (HSBDF));
- (ii) Facilitating the attraction of domestic and foreign direct investment for the development of domestic and foreign-owned enterprises as well as Joint Ventures (VCs);
- (iii) Identifying opportunities within NDP10 Recurrent and Development Budgets where Botswana may create competitive and sustainable businesses;
- (iv) Harnessing Private Sector purchasing and investment power (**business to business procurement opportunities**) to develop local supply chains and business linkages between and among SMMEs and large companies;
- (v) Facilitating the development of local capacity of enterprises in Botswana;
- (vi) Maintaining an up-to-date database of BOCCIM Membership, showing, among others, the goods and services they produce; their production technology and capacity; and where they are located;

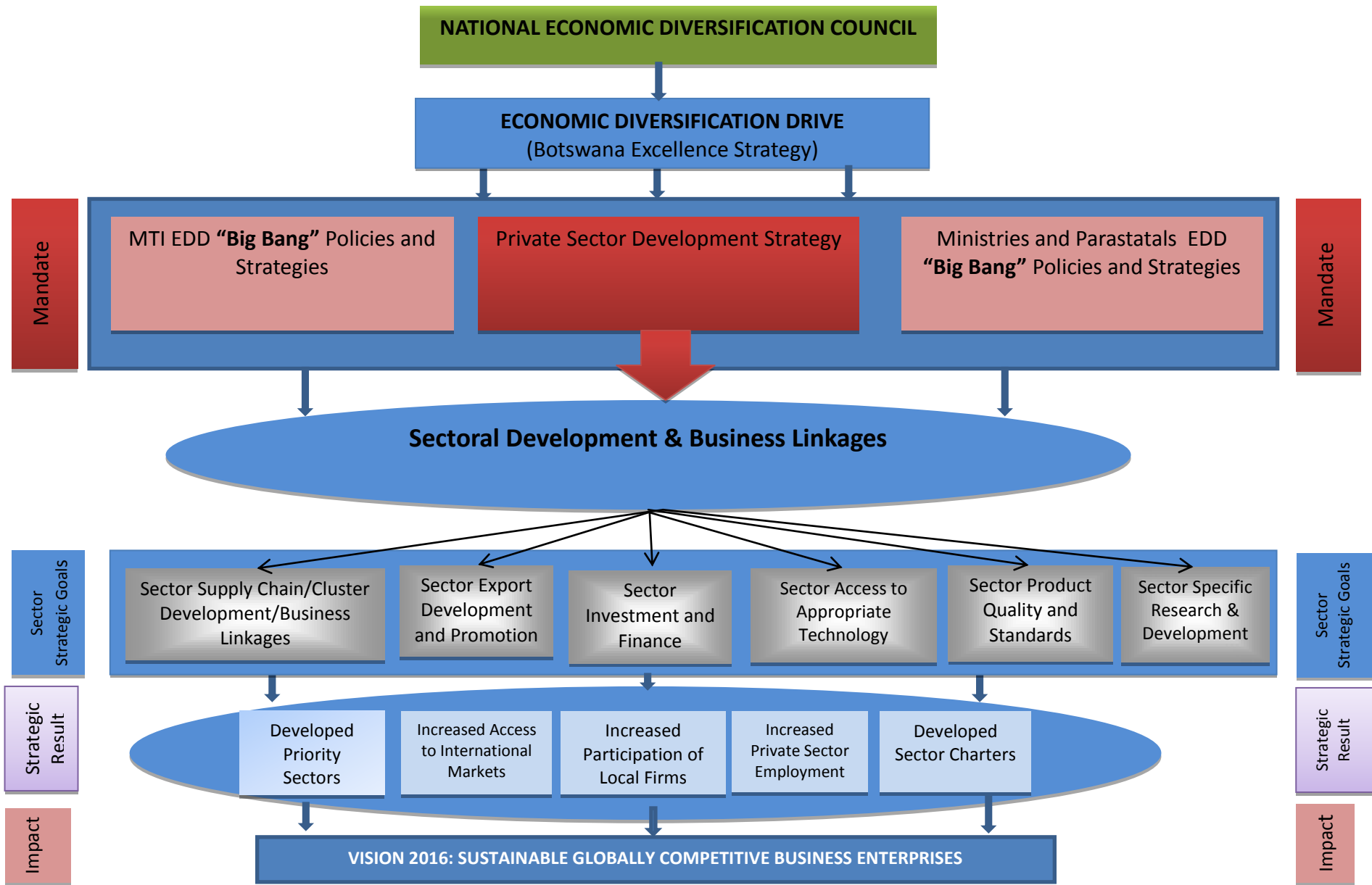
³ This chapter is a BOCCIM contribution to the EDD Strategy. The Chapter defines how the EDD strategy will be implemented from a private sector perspective.

- (vii) Implementing the Code of Conduct developed by BOCCIM/DCEC to promote good corporate governance and business ethics; and
- (viii) Developing a **BOCCIM EDD Unit (BEDDU)** to drive the Strategy from a Private Sector perspective. The **BEDDU** will be organised as follows:

<p>BEDDU Membership</p> <p>Chair: BOCCIM Chief Executive Officer (CEO)</p> <p>Vice Chair: Ministry of Trade and Industry Representative</p> <p>Secretariat: BEDD Unit</p> <p>Additional Members: Botswana Exporters & Manufacturers Association (BEMA), *** Botswana Chamber of Mines; ** Botswana Hub Coordinators; and Woman in Business Association (WIBA). ***</p> <p>BOCCIM Sector Chairpersons Agriculture* Construction** Engineering*** Financial Services** Health Care**</p>	<p>Hospitality and Tourism** Manufacturing*** Petroleum and Chemicals* Printing and Publishing* Retail trade and Wholesale** Information, Communications & Technology (ICT)*</p> <p>Key: * <i>This is both a supply and demand side sector which can utilise its purchasing power to drive import replacement and build its own capacity to replace imports.</i> ** <i>This is a demand side sector which can utilise its purchasing power to drive import replacement.</i> *** <i>This is a supply side sector which can build its own capacity to replace imports.</i></p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

7.2 **Figure 7.1** summarises the role of BOCCIM in the EDD initiative as presented in the above paragraphs. The Figure shows that the strategic result of BOCCIM contribution to the EDD Initiative will include developed priority sectors which will comprise world class companies; increased access to international markets and developed sector charters.

FIGURE 7.1: PRIVATE SECTOR EDD IMPLEMENTATION Model



7.3 The Functions of The BOCCIM Economic Diversification Drive Unit will include:

- Mobilising the targeted demand side sectors to develop sector charters aimed at developing local supply capacity. These are intended to promote business to business income and expenditure activities, whereby the Private Sector will purchase from itself
- Mobilising the targeted supply side sectors to identify opportunities for import replacement (working from the present import schedule) and develop a way forward to increase their capacity to substitute for imports;
- Coordinating the Sector strategy implementation;
- Resource mobilisation;
- Monitoring the implementation process;
- Data management;
- Information dissemination and consultation; and
- Monitoring and Evaluation.