



BUSINESSBOTSWANA



AFRICAN DEVELOPMENT BANK GROUP

PRIVATE SECTOR DEVELOPMENT STRATEGY AND PROGRAMME (PSDS/PSDP) 2025-2029



SUMMARY BOOKLET

OVERVIEW

Business Botswana has developed a new strategy to guide private sector development for the next four years, from 2025 to 2029. The Private Sector Development Strategy (PSDS) is an update to the initial strategy that was designed for implementation from 2009 to 2013, along with its associated Private Sector Development Programme (PSDP), which ran from 2013 to 2017. Since then, various environmental changes have occurred, introducing new opportunities, challenges, and ways of doing business. These changes, combined with the lessons learned from the previous phase, will help define the future direction of private sector development initiatives.

The new PSDS will be implemented over four years, with a review and reflection period after the first two years. The first two years of planning will align with the second Transitional National Development Plan (TNDP). Additionally, the new PSDP is designed to align with the priorities outlined in National Development Plan 12 (NDP12), which plays a critical role in achieving the goals set out in Vision 2036.

The PSDP therefore aims, to drive economic growth and reduce poverty by stimulating private sector activity in Botswana, optimizing locally available resources, and addressing gaps within existing viable value chains or ecosystems.



VISION

To foster a private sector led, export oriented, high-income model economy in Southern Africa



MISSION

Support the diversification of an industrialized and export-oriented economy dominated by the private sector through strengthened value chains, employment-creation, export, and product diversification to achieve prosperity for all.

Table 2: Goals and Strategic Pillars

Goals	Strategic Pillars
Promote and strengthening value chain development and beneficiation in the private sector	Diversify the economy and increase production capacity
Promote sector specific skills set in line with the industry needs	Diversify Botswana exports basket.
Mainstream and support the informal sector and micro and small enterprises that are sustainable	Mainstream the Informal Sector and Developing SMMEs
Strengthen the sector specific private associations	Improve competitiveness and productivity nexus
Strengthen the role of private sector in national economic development	Increase private sector participation and leadership of strategy implementation

STRATEGIC PILLAR 1 | DIVERSIFYING THE ECONOMY AND INCREASING PRODUCTION CAPACITY

This pillar focuses on key activities to enhance the beneficiation of locally available natural resources, develop viable resource-based industries, and increase value addition within Botswana. It also emphasizes the development of sector-specific skills to support these industries. By doing so, more opportunities for private sector investment will be created through both Public-Private Partnerships (PPPs) and Private-Private Partnerships (PPPs).

Export Growth Promotion

Encourages economic growth through the export of products aligned with trade agreements.



Sustainable Resource Management

Focuses on the sustainable use and beneficiation of natural resources.



Private Investment Strengthening

Seeks to enhance private investment through incentives and reduced barriers.



High-Potential Sector Development

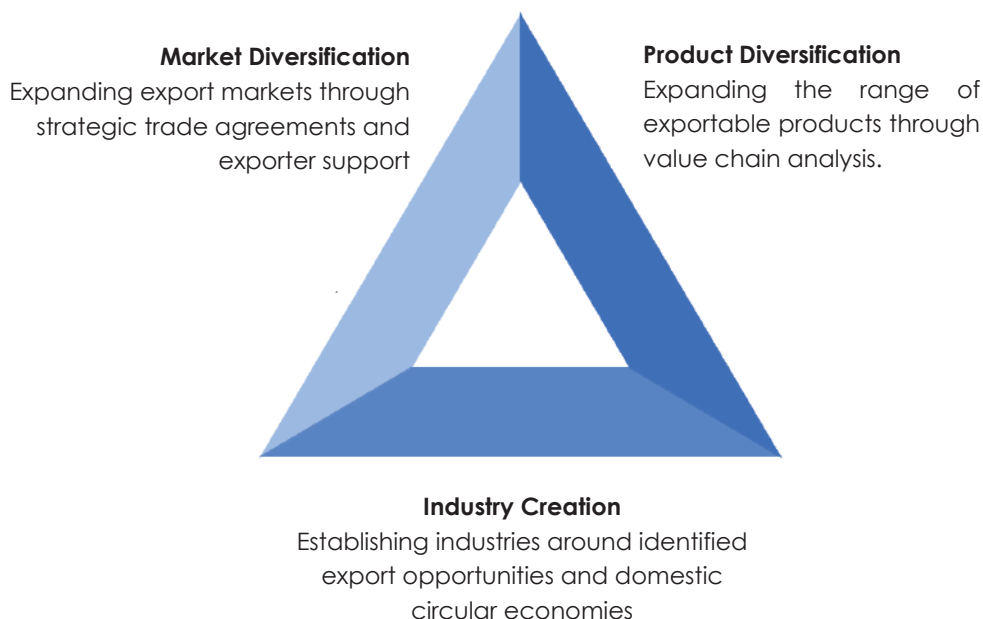
Aims to promote and support sectors with high potential for job creation.



STRATEGIC PILLAR 2 | DIVERSIFYING BOTSWANA'S EXPORT BASKET

It aims to optimise the implementation of existing value chain studies, focusing on advancing industries within prioritized value chains that can position Botswana as a market leader in its identified regional niches. A key component of this strategy is the need to assess the current export portfolio, supporting infrastructure, and overall capability.

Strengthening cluster development, fostering circular economies, and enhancing business linkages within the identified export potential value chains are critical aspects. This is particularly important for sectors with high-income opportunities that have yet to be fully explored or optimized for domestic, regional, and international markets.



STRATEGIC PILLAR 3 | MAINSTREAMING THE INFORMAL SECTOR AND DEVELOPING MICRO AND SMES

The informal sector, which constitutes a significant portion of Botswana's economy, is often underreported in terms of its contribution to national economic growth. The accelerated digital transformation driven by the COVID-19 pandemic in 2021/22 has led to the emergence of a high-value segment within the informal economy that remains largely unsupported. Historically, the informal sector has not received sufficient attention in previous PSDPs.

The inclusion of the informal sector in the new strategy requires the transformation and strengthening of institutions responsible for its oversight, such as local municipalities, city councils, and other local authorities. Additionally, it is essential to begin converging Small, Medium, and Micro Enterprises (SMMEs) with larger SMEs. This approach will help consolidate internal supply chains and foster supplier development through aggregation and organisation.

Formalisation Support

Facilitate micro-enterprises in becoming formal entities

Financing Schemes

Providing appropriate financial instruments and support



Intermediary Organisation

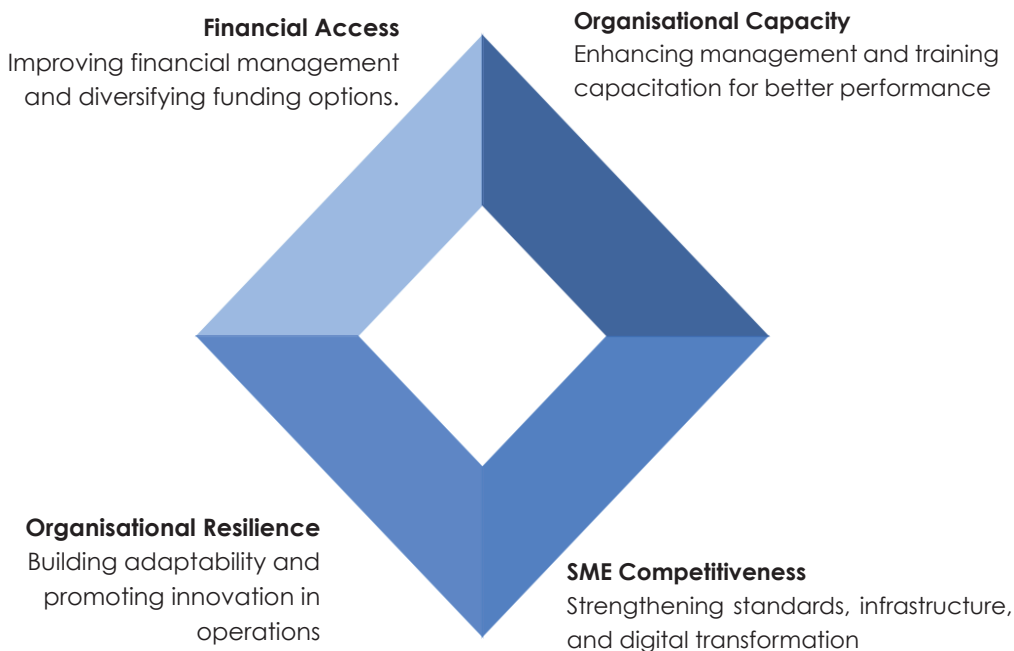
Development
Improve the role of intermediary for informal sector growth and development organisations

Knowledge Database Creation

Enhances the central informal sector knowledge database

STRATEGIC PILLAR 4 | IMPROVING COMPETITIVENESS AND PRODUCTIVITY

This pillar aims to enhance the resilience of private sector enterprises, enabling them to adapt to ever-evolving domestic and international markets. Despite progress, productivity and competitiveness remain ongoing challenges for many industries within the private sector, especially as market dynamics and the global economy continue to evolve.



STRATEGIC PILLAR 5 | PRIVATE SECTOR LEADERSHIP

Increase private sector participation and leadership of strategy implementation – this is the core and primary pillar aiming to empower and increase the private sector in market and enterprise leadership, planning, implementation and participation of the strategy.

It is not only critical to create an awareness of opportunities open to private sector participation but to also advocate for the divesting of non-national security business interests from the public sector to the private sector.

The public sector should take stock of public owned enterprises that can be transitioned to the private sector (*with frameworks, resources and transition plans in place*). A consideration of sustainable incentives and viable investment opportunities need to be reviewed and developed (*where absent*) to encourage the private sector to align its business goals with public plans.

It is of great importance that that SOEs offering goods and services of national interest, such as health, education, water and shelter, be strengthened to ensure a productive and healthy nation.

Ownership and Accountability

Encouraging the private sector to take responsibility for strategic plans.

Private Sector Participation

Encouraging active involvement of private entities in national strategic activities

Mindset Change

Promoting a shift in perception to value private sector enterprise

Strengthening Associations

Enhancing the role of sector-specific associations to support national goals

Financial Resources

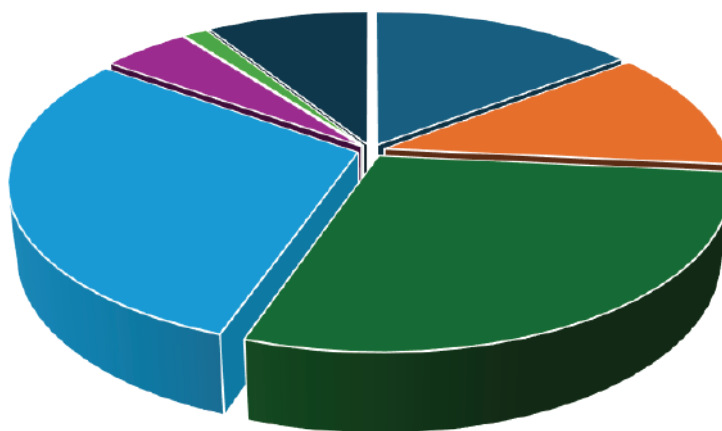
Allocating financial resources to implement key strategic components including resourcing

BOTSWANA PRIVATE SECTOR DEVELOPMENT PROGRAMME (2025-2029)

1: Diversifying the Economy and Increasing Production Capacity	BWP 10,949,950
2: Diversifying Botswana's Export Basket	BWP 8,874,250
3: Mainstreaming the Informal Sector and Developing SMMEs	BWP 21,479,360
4: Improving Competitiveness and Productivity	BWP 22,092,660
5: Private Sector Leadership	BWP 3,608,690
Audit, Monitoring and Evaluation	BWP 1,005,074
Project Management Fee	BWP 6,700,491

TOTAL ESTIMATED BUDGET FOR THE BOTSWANA PSDP **BWP 74,710,475**

Funding for the budget will be sought from identified development funders such as the EU, Africa Development Bank and others.



- 1: Diversifying the economy and increasing production capacity
- 2: Diversifying botswana's export basket
- 3: Mainstreaming the informal sector and developing micro and SMEs
- 4: Improving competitiveness and productivity
- 5: Private sector leadership

IMPLEMENTATION | BUSINESS BOTSWANA BUDGET

The implementation of the PSDP (2025-2029) will take a multi- sectoral and collaborative approach involving stakeholders from the private sector and public sector. These include government ministries, its agencies, state owned enterprises, local authorities, councils, cooperating partners, private sector enterprises and others. Through Business Botswana, supported by its mandate as the functioning business chambers and apex body, it is expected to that the private sector increase its presence in consultation and the implementation of the new PSDP.

In this regard, the implementation plan will call for thorough consideration of programs running with various stakeholders and partners at different levels, across the private and public sector.

Business Botswana will serve as the national project office for coordination and implementation of the PSPS/PSDP 2025-2029.

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