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*The Botswana Investment and Trade Centre was established by an act of Parliament as an integrated investment and trade promotion authority. The organization's mission: "To creatively develop and promote Botswana as a competitive and attractive destination for investment and trade, and accelerate sustainable economic growth and diversification."*

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# SmartLessons

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## Making Cross-Border Trade Easier: Lessons from Botswana

*With technical assistance from the World Bank's Trade Facilitation Support Program (TFSP), Botswana has built a Web-based trade information platform that is sure to change the face of cross-border trade in the Southern African country. This SmartLesson assesses the challenges and lessons learned throughout the implementation journey.*



### BACKGROUND TO THE TRADE PORTAL

Each year, Botswana gets a lot of rain in late December and early January. And with these downpours—in a country that is mostly semi-arid desert throughout the rest of the year—comes a natural bounty of a seasonal treat called mophani worms. This caterpillar-like delicacy—when harvested, cooked, and dried—becomes a revered dish in many homes throughout most parts of Southern Africa.

It is during this rainy season that a sense of modest cross-border entrepreneurship is awakened among

most people, especially women in rural areas, who harvest and sell this treat across the border into South Africa and other parts of the region. But there comes a catch: most of these part-time traders do not know how to navigate the tedious procedures that go with importing and exporting the delicacy across borders. Most important, they have no idea what forms to fill in or what the costs of these would be.

To find answers to this myriad of questions, the women must endure the additional task of approaching several government entities dealing with trade to inquire about procedures. Even there, they are sometimes given conflicting advice by the various trade support agencies, and in the process many of them end up losing out on a one-off opportunity to trade across borders.

That, and many other similar examples throughout the year, prompted the government of Botswana, through the Ministry of Investment, Trade and Industry, to write an official letter to the World Bank Group requesting technical assistance from



Seven months down the line—after much toiling to collect, analyze, and upload all the necessary trade-related regulations and procedures into the virtual platform—the Botswana Trade Portal was launched in the capital, Gaborone. Speaking at a glitzy launch event on January 26, 2016, the chief executive of the Botswana Investment and Trade Centre (BITC), the implementing agency of the project, aptly said that, prior to the implementation of the project, there was no single authoritative point of reference for traders and business people seeking advice on export, import, and transit of goods into and out of Botswana.

the Trade Facilitation Support Program to develop and implement the Botswana Trade Portal.

In a nutshell, the Trade Portal is an advanced Web-based system that provides comprehensive, timely, and up-to-date critical information relating to cross-border trade with Botswana, on demand, for the business community—both locally and globally. Currently, the Trade Portal is used to store all documents relating to trade in Botswana, including but not limited to prohibitions, restrictions, technical standards, sanitary and phytosanitary measures, and non-tariff measures, as well as all procedures for license application and clearance in the exportation and importation of goods.

Clearly, development of this portal is an important milestone in the country's efforts to make reliable and current information available to traders and other stakeholders. It is part of a wide range of regulatory reforms aimed at making it easier to do business with Botswana

The main objective of this initiative was to make all trade regulatory information easily and readily available to exporters and importers through a single integrated website. This would ultimately provide the much-needed transparency and predictability of trade regulations and procedures and, in doing so, increase the compliance level at border posts and consequently reduce the cost of engaging in cross-border trade in Botswana.

Traders, he said, had to seek information from various trade support agencies—while under considerable pressure from international buyers to deliver on supplies.

The Trade Portal currently stores information relating to existing trade regulations and procedures, including but not limited to laws, administrative procedures, guidance notes, applicable fees, forms, licenses, permits, and penalties applicable in case of breach. The Trade Portal also catalogs international, regional, or bilateral trade agreements to which Botswana is a party, including the applicable rules and requirements as well as the benefits devolving from them. At some point in the future, the Trade Portal is expected to be a building block of the proposed National Single Window, which will handle on-line processing of trade documents.

Establishment of the Trade Portal also served to bring Botswana into line with the World Trade Organization's General Agreement on Tariffs and Trade, which states that all trade-related information "shall be published promptly in such a manner as to enable governments and traders to become acquainted with them." This enhances transparency and competitiveness in trade, resulting in business efficiency.

## CHALLENGES IN PROJECT IMPLEMENTATION

The road from concept to development and on to implementation of the project was anything but smooth sailing for the implementation team. Over the seven-month period of data collection, analysis, and uploading, the most significant hurdles had to do with the need to build collaborative structures from all government departments engaged in cross-border trade, as a means to ensure project sustainability.

### Challenge Area 1: Operational and Governance Structures

The development of this national project required the full cooperation of all government agencies involved in the process of trade and cross-border management. As this platform contained all relevant regulations and procedures and had to be kept up to date at all times, it was important for the government to commit to the initiative and ensure high-level support for it at all times. This was why the first invitation to participate had to come from the government, to make this a national initiative.

It was necessary that the government appoint a lead agency to be responsible for the project during the initial implementation and ongoing operation. The lead agency, which was BITC, was also empowered to form and chair a steering committee responsible for policymaking and oversight of the Trade Portal. The steering committee comprised all the stakeholder ministries/agencies that play a regulatory role in the import/export process. Also, each agency had to select a focal person who would ensure continued flow of necessary information.

With these structures in place, it was important for BITC to sign a memorandum of understanding (MoU) with the various government agencies to ensure continuity of information flow. Other options on the table to ensure adherence and compliance in-

cluded presidential decrees, directives, and other such enforcing instruments, but decision makers in Botswana determined that MoUs would serve the purpose just right—and they have.

### Challenge Area 2: Data Collection

With all the governance structures and enabling environment in place, the lead agency, together with the appointed consulting team, Nathan Associates, started the laborious task of collecting and analyzing data from the various government agencies for uploading—not an easy task! The first major hurdle had to do with the need to convince certain government entities to share their prized documents and tariff books and find time to validate and take ownership of all procedures and processes outlined. This is where the signing of the MoUs proved very handy—supported by a careful, patient process for building mutual rapport and agency buy-in.

### Challenge Area 3: Project Sustainability

A critical phase of the implementation process was to ensure that once the World Bank consulting firm, Nathan Associates, was out of the picture, BITC as the lead agency in the project would be able to keep going on a day-to-day basis, including keeping the Trade Portal fully functional and the information current. To do



Ongoing trade activity at the Botswana/Zambia border. In August 2007, the governments of Zambia and Botswana announced a deal to construct a bridge to replace the existing ferry in order to boost trade between the two countries. (Photo courtesy of BITC)



so, BITC appointed a full-time Trade Portal management team to proactively engage with all relevant ministries and agencies and work alongside the appointed consultants to ensure that all the relevant information is provided. Achievement of sustainability depended in part on making sure that the initial letter of request from government included an official commitment to recruit a full and functioning team to keep the project going after the implementation phase.

The management team, which is currently fully functional and is housed at the BITC offices, comprises a Trade Portal manager, a content coordinator, and a data administrator. The content coordinator is responsible for coordinating the collection of information from all the stakeholders; the data administrator uploads data and ensures system functionality of the website; and the Trade Portal manager oversees the day-to-day running of the team and timely updates.

#### **Challenge Area 4: Ensuring User Uptake**

After launch, it was very important that the tool be taken to the people—the actual users being traders. A detailed promotional and marketing plan was drawn up and followed to the letter. Through this, the user uptake process continued to steadily grow, and daily inquiries on export

and import procedures came in from across the world.

### **CONCLUSION: THE WAY FORWARD**

Now that the Botswana Trade Portal has been developed and launched and is operational, it is important for Botswana to work to identify other areas of reforms where specific trade measures and procedures could be simplified to reduce the regulatory burden imposed on traders. This work would entail going back to look more closely at procedures and processes and identifying where reforms, simplifications, and abolition of redundant trade processes/procedures can be made to streamline licensing and trade requirements. This would require working very closely with all relevant agencies to review the current “as is” procedures and to identify potential “to be” procedures that would still ensure that the relevant public policy goals are met. And here, the signed MoUs between the agencies and BITC would come in handy to enforce to some degree a sense of obligation and buy-in.

Similarly, there is scope to consider functional enhancements to the Trade Portal, including adding Services Trade and Investment regulatory requirements to the Trade Portal. And it would include broader work to contribute to the Doing Business agenda.



#### **DISCLAIMER**

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