

JITAP

Joint Integrated Technical Assistance Programme
Programme Intégré Conjoint d'Assistance Technique



UNCTAD XI JITAP EVENT

JITAP: CAPACITY BUILDING IN ASSURING DEVELOPMENTAL GAINS
FROM THE MULTILATERAL TRADING SYSTEM

DISCUSSION PAPER: BOTSWANA

Anhembi Convention Centre
Room D
São Paulo, Brazil
18 June 2004

BOTSWANA'S EXPERIENCE WITH JITAP II

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Introduction

I would like to start by expressing my gratitude to the Government and people of Brazil for hosting the UNCTAD XI conference in the beautiful city of Sao Paulo, and for the excellent facilities at our disposal.

I would also like to express my gratitude to the management of the three agencies, namely the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO) and the International Trade Centre (ITC) for designing such an appropriate technical assistance programme for developing countries. I commend them for their foresight in this regard, as capacity building is critical to effective participation in the Multilateral Trading System (MTS).

As I understand it, the three agencies announced their commitment to assist developing countries at UNCTAD IX in Midrand, South Africa in 1996. That commitment led to the development of the Joint Integrated Technical Assistance Programme (JITAP), providing technical assistance to strengthen or build capacity of the African countries to effectively participate, benefit and integrate into the Multilateral trading System (MTS). JITAP started with eight countries and has now been extended to other countries including Botswana.

This assistance could not have come at an opportune time for Botswana. The JITAP assistance has come at a time when the Ministry of Trade and Industry, which is the focal point, is in the process of restructuring, and thus offering an opportunity to leverage on the resources provided under the programme.

Background

Botswana is at the heart of Southern Africa, bordering on Namibia in the west, South Africa in the south and Zambia and Zimbabwe in the north. The population of Botswana is about 1.7 million. Botswana adopted an open market economy strategy of development since independence in 1966. It is however a mineral led economy and as early as 1982 the Government of Botswana decided to diversify the country's economy away from the mining sector.

The Ministry of Trade and Industry plays an important role in economic diversification. The Ministry is charged with the responsibility to create an enabling environment for private sector growth, attracting investment and promoting exports, and negotiating trade agreements amongst others.

From inception the Ministry was christened the Ministry of Commerce and Industry. It was responsible for development and promotion of wildlife, tourism, consumer protection, trade licensing, industrial licensing, registering

of companies, intellectual property rights issues, setting of petroleum prices, entrepreneurial development and small business promotion.

A Presidential Directive (decree) of 2001 was that the Ministry be reorganized and strengthened to focus on policy formulation and implementation and monitoring. The implementation of policy and programmes has been devolved to specialized autonomous organizations. It was also decided that the Ministry be renamed the Ministry of Trade, Industry, Wildlife and Tourism.

The Presidential Directive to reorganise the Ministry included the creation of a Local Enterprise Authority (LEA). LEA would amalgamate the responsibility for entrepreneurial development such as the Integrated Field Services, Small Business Promotion Agency, Rural Industries Promotion Company and National Food Technology Research Centre. The reorganisation also involves the creation of a Tourism Board, Wildlife and National Parks Board and a Competition Authority. The restructuring of the Ministry has also created a new Department, a new policy and programme implementation agencies and the transfer of some departments to existing or new Ministries.

The departments in the Ministry of Trade Industry, Wildlife and Tourism were Department of industrial Affairs, Department of Trade and Consumer Affairs, Registrar of Companies, Department of Tourism, Department of Wildlife and National Parks, and the Department of Small Business Promotion Agency. Both the Department of Tourism and the Department of Wildlife and National Parks have since been transferred to a new Ministry of Environment, Wildlife and Tourism in 2002.

The Ministry became the Ministry of Trade and Industry following the transfer of the two departments. In 2003 a decision was taken to establish the Department of International Trade in order to focus on trade matters. This decision was taken against the background of the evolving international trade agenda.

International Trade Agenda

The trade portfolio had grown tremendously as a result of the development in the international trade arena. The responsibilities of the Ministry in the area of international trade have grown considerably since the conclusion of the Uruguay Round (UR) of multilateral trade negotiations in 1994 and the subsequent establishment of the WTO in 1995. The UR negotiations had extended trade issues from the traditional tariffs and non-tariff barriers to agriculture, trade in services, trade related aspects of intellectual property rights, and trade related investment measures etc.

Regional Agenda

Some WTO member states continue to forge regional trade arrangements amongst themselves. In the Southern African context, the Southern African Development Community (SADC) member states are in the process of

negotiating concessions for trade in industrial goods and services amongst themselves. At the same time, the Southern African Customs Union (SACU) member states are negotiating parallel trade arrangements with other countries and regions.

Botswana is involved in the regional negotiations in Southern Africa as a member of both SACU and SADC. The negotiations of the SADC Protocol on Trade that started in 1996 are still on going. Botswana is also involved in the negotiation of reciprocal trade arrangements between the African, Caribbean and Pacific (ACP) States and the European Union (EU) that were launched in September 2002 with the aim of creating free trade areas between the ACP regions and the EU. The negotiations with the EU are being carried out under the auspices of SADC.

The new SACU Agreement was signed in October 2002 and there are several annexes, which need to be negotiated. These include annexes on the regional industrial, agricultural, and competition policies. The SACU Member States still have to negotiate amongst themselves to come to some agreement in these areas.

The new SACU Agreement provides for the establishment of a common negotiating mechanism for purposes of negotiating with third parties. As a consequence the SACU countries have commenced negotiations for a free trade agreement with the United States of America; the European Free Trade Area (EFTA) and Common Market of the Southern Cone countries (MERCOSUR). The EFTA countries are Switzerland, Norway, Liechtenstein and Iceland, MERCOSUR comprise Brazil, Argentina, Paraguay and Uruguay. SACU will also negotiate trade arrangements with China, India, Kenya, and Nigeria.

JITAP ASSISTANCE

When the Government of Botswana accepted assistance from the three agencies, it also accepted the conditions thereof. The conditions were that the country had to (i) allocate counterpart resources, both human and financial in the form of budgetary allocations to support activities to be initiated under the programme (ii) setting up a JITAP National Steering Committee and designating a National Focal Point for JITAP, with whom all contacts would be undertaken (iii) institutionalizing an Inter-Institutional Committee on WTO, and (iv) inculcating a commitment to maintaining trade as an instrument for poverty reduction.

Efforts have been made to meet these conditions. The Government will provide budgetary provisions in the project document to match donor funds. Therefore the condition for providing counterpart funding has been met by the Government decision to establish a Special Fund to finance trade policy

research and trade negotiations. The Ministry of Trade and Industry is still in the process of formally establishing the fund.

JITAP assisted Botswana to institutionalize a consultative mechanism for trade policy and negotiations. The project enabled the Government to establish a permanent consultative mechanism and to ensure its continued existence. The National Committee on Trade Policy and Negotiations (NCTPN) was launched on the 11th March 2004 following a Presidential Directive in 2003. The National Committee on Trade Policy and Negotiations was directed to meet once in three months, but it has met four times since March this year. The Department of International Trade serves as the Secretariat of the NCTPN. This is a positive development because in the past there was a similar consultative mechanism at a technical level, but is used to meet on an ad hoc basis.

The members of the NCTPN are twenty-two drawn from the public sector, private and parastatal organizations, academia, trade unions, consumer representatives and research institutions. The Presidential Decree directed the Deputy Permanent Secretaries and Chief Executives of parastatal and private organizations to be members without providing for alternative members. This decision was meant to inculcate commitment and ensure consistency in attending the meetings of the NCTPN.

JITAP required that a national Steering Committee be established for the project. The Government decided to use an existent Steering Committee that was established for another project, the Botswana Trade and Poverty Project (BTPP). Both JITAP and BTPP will assist Botswana in her endeavour to maintain trade as an instrument for poverty reduction. As the Government is receiving trade related assistance from a number of donors, the National Committee on Trade Policy and Negotiations has decided to coordinate the different initiatives through a sub-committee for capacity building. As such, the Steering Committee will be a sub-committee of the NCTPN.

JITAP requires the Inter-Institutional committees to develop annual performance plans with clear performances indicators. This is consistent with the Government of Botswana's reforms. The Government has embarked on transforming itself for better services delivery by adopting initiatives such as Performance Management Systems (PMS) and Work Improvement Teams (WITS). PMS is being implemented through the development of annual performance plans. The Government of Botswana has introduced performance agreements for Permanent Secretaries and Deputy Permanent Secretaries as well as Performance Based Reward System for other officers. The JITAP requirements and expectations are therefore in line with Government reforms.

CHALLENGES

Trade cuts across all sectors of the economy. This is a challenge to the Ministry of Trade and Industry because it has to coordinate development of national positions and reports on progress in bilateral, regional and multilateral agreements as well as ensuring effective participation of all stakeholders in the negotiations.

Trade issues are broad, complex and highly specialised. The Ministry of Trade and Industry on its own cannot adequately represent the Government in all the areas without support and active participation of experts from specialised areas such as trade and environment, telecommunications, intellectual property rights, financial services and tourism.

Trade in services has expanded the scope of trade issues as well as the complexity of the issues. Trade in services has a wide coverage including, amongst others, legal services, financial services, transport services, communication services, telecommunications services, tourism services, environmental services, energy services and the movement of natural persons for purposes of supplying services. Trade issues are not adequately understood by other Ministries especially the concept of trade in services and this makes consultation very difficult. However, the JITAP capacity building assistance will help to break the barriers.

As the membership of the NCTPN includes the Chief Executives of private and parastatal organisation, they have found it difficult to attend meetings, and the Ministry has had to brief Cabinet about this. Consequently, Cabinet decided to allow for alternate members for chief executives only.

The NCTPN has decided to establish eleven sub-committees and this poses a challenge to all members given resource limitations. But all public and private sector organisations must support the NCTPN and the sub-committees.

Conclusion

Botswana has limited financial, technical and human resources to cope with the international trade policy agenda. In addition, the regional trade agenda has also grown over the years, overstretching the limited resources. However, the NCTPN has enabled the Government to utilize the available expertise in the country.

JITAP is expected to assist in building capacity to implement the obligations from the regional arrangements, WTO obligations and to strengthen the local institutions. The project is expected to assist in creating and strengthening the required capacity in the public sector, private sector, academia and research institutions.

The NCTPN focuses on trade policy and negotiations as opposed to other consultative mechanisms such as the National Business Conference which meets every two years and the High Level Consultative Council which meets annually. Even though the Presidential Decree directed the NCTPN to meet once a quarter they have had to meet according to the demands of the trade agenda.

Through the NCTPN, the Government is able to coordinate all trade capacity building initiatives with a view to deriving maximum benefits from such initiatives. These initiatives together with JITAP will empower the officials to play an active and beneficial part in international trade and trade related matters. This will have a positive contribution towards achieving one of the objectives of the country's "Vision 2016", which is, making Botswana a prosperous, productive and innovative nation with full employment. JITAP is therefore expected to capacitate Botswana to effectively, benefit and integrate into the MTS by being able to adapt to the changes in the current era of globalisation.