

Investment
facilitation
framework
In the SPEDU
Region
Eligibility Criteria





1.0 OVERVIEW

SPEDU is an investment promotion company limited by guarantee whose sole shareholder is Government of Botswana (GoB). The company is a vehicle through which GoB aims at promoting SPEDU region as an investment hub, attracting investments, export promotion and development.

In an endeavor, to focus the investment facilitation process and provide investors with a speedy service, SPEDU has developed this guide to provide a transparent and predictable criterion for assisting investors.

2.0 SPEDU PRIORITY SECTORS FOR INVESTMENT

In line with government's initiative of diversifying the economy from over reliance in the mineral sector, SPEDU has designated the following sectors as priority sectors for investment;

- Agribusiness & Agro-processing;
- Manufacturing & industry development;
- Information Communication Technology (ICT);
- Tourism & Services;
- Infrastructure development & Real Estate

3.0 APPLICATION FOR INVESTMENT REGISTRATION

SPEDU offers a wide range of incentives to investors in the form of exemptions & concessions. These exemptions and concessions are issued to companies investing in the three priority sectors (Manufacturing, Tourism and Agribusiness) or products as stipulated in the Botswana Excellence Strategy, National Export Strategy, Selebi Phikwe revitalization and the Economic Diversification Drive (EDD). Investors wishing to apply for SPEDU registration should follow the following procedures:

3.1 Requirements for Investment Registration

In order to facilitate investment promotion for both domestic and foreign investors, SPEDU requests submission of a business plan or feasibility study which is then subjected to detailed and transparent project appraisal/assessment. The requirements for SPEDU registration are as follows;

1. Application form for investment registration with the SPEDU Investment Promotion Department;
2. Submission of a Business Plan or a Feasibility Study with detailed market analysis;
3. Investment plan over a five year period including expansion plans;
4. The level of equity and loan financing and proof thereof;
5. Projected income and expenditure statements and balance sheets over 5 years;
6. CVs of all shareholders
7. Identification of all shareholders
8. Company extract
9. Certificate of Company Incorporation



3.2 Registration Approval

Once the project is appraised by the evaluation committee, SPEDU will communicate the decision to the investor within 14 days. In the event that a project does not qualify for investment registration, SPEDU will avail reasons stipulating why the project has been deferred.

4.0 QUALIFYING THRESHOLDS AND CRITERIA FOR BUSINESS FACILITATION

Subsequent to appraisal of the project by the evaluation committee, SPEDU will facilitate speedy conversion of the project into realized investment. In this regard, SPEDU has developed clear set of investment thresholds and eligibility criteria for both foreign and domestic investors in order to qualify for fiscal and non-fiscal incentives.

4.1 Eligibility Criteria- Thresh-hold

Business facilitation services will be made available to new and existing projects. SPEDU facilitates two categories of investors with the following thresholds.

Table 1: Minimum Investment Threshold

Type of Investment	Minimum level of Investment
Domestic Investment (Citizens)	P250,000.00 and above
Foreign Investment (Non-Citizens)	P 500,000.00 and above

5 INCENTIVES

SPEDU will facilitate both financial and non-financial incentives to qualifying investment projects who meet the stipulated criteria. Investors will be assisted through the investment promotions desk and the Botswana One Stop Service Centre (BOSSC). SPEDU will facilitate automatic granting of work and residence permits for deserving Investors. The number of permits issued will be dependent on the level of investment and employment created.

5.2 SPEDU Business Facilitation Services

SPEDU will facilitate and fast track the following requirements for investors;

- Business registration
- Income tax and VAT registration
- Entry visas, work and residence permits
- Business license applications
- Access to Industrial and commercial land allocation and construction permits
- Allocation of factory space (subject to availability)
- Environmental Impact Assessment (EIA) certificate
- Provision of information on the Botswana business climate, investment opportunities, sources of capital etc.
- Access to SPEDU Market Access Programme;



5.3 Investment Incentives

Fiscal

- Corporate tax for the first five years - 5 percent
- Corporate tax thereafter - 10 percent

Zero customs duty on imported raw material

1. Rebate of Customs duties and Value Added Tax under Schedule 4 - Rebate Item 470.03, and VAT Act Third Schedule - Item 470.03 for manufacturing exclusively for export outside the Common Customs Area (CCA)
2. Rebate of Customs duties and Value Added Tax for imports of raw materials under Schedule 3 of the customs tariff and VAT act

Government Off-take

Direct Government off-take on procurement of at least 30 percent (first preference on government procurement provided quantity, quality and price requirements are met), in line with the Government Economic Diversification Drive (EDD)

Land Provision

Minimum 50-year land lease

Input Costs

1. Provision of internet connectivity with bandwidth that promotes business competitiveness
2. Preferential ICT rates (telecommunications, data and voice rates) as already provided for International Financial Services Centre (IFSC) companies

Labour Laws

Special Economic Zones (SEZs) Employer/Employee Relations

Facilitation of work environment which promotes productivity and harmonious employer/employee relations

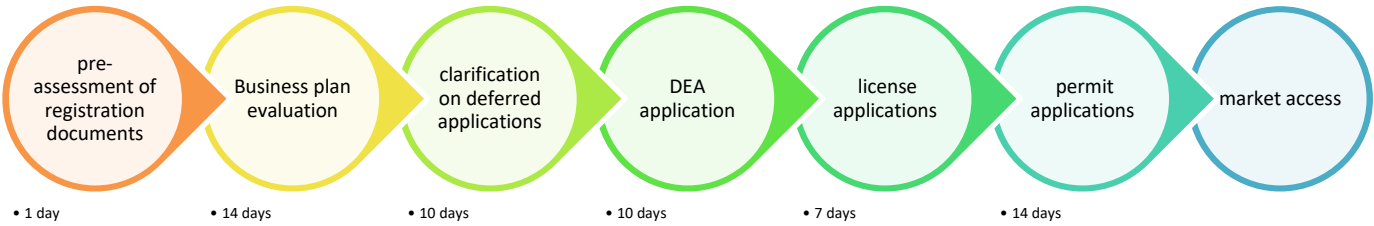
One Stop Service Centre

Dedicated and empowered One Stop Service Centre

1. Delegated authority and responsibility for issuance of licenses and permits
2. Streamlined processes for issuance of Work and Residence Permits
3. Conducting Strategic Impact Analysis (SIA) and issuance of all-inclusive Environmental Impact Assessment (EIA) permits.



5.4 Facilitation Timelines



SPEDU APPLICATION FORM

A. APPLICANT IDENTIFICATION

NAMES OF APPLICANT (MR/MS/MRS):

POSITION IN COMPANY:

COMPANY NAME:

REGISTRATION NUMBER:

EMAIL:

CONTACT NUMBER(S):

PHYSICAL ADDRESS:

POSTAL ADDRESS:

- ALTERNATIVE CONTACT PERSON DETAILS -

NAMES:

EMAIL:

CONTACT NUMBER(S):

POSITION IN COMPANY:

B. BUSINESS IDENTIFICATION

***PLEASE TICK WHERE NECESSARY. ***

I. SPEDU SECTORS

AGRIBUSINESS

☐

TOURISM & SERVICES

☐

**MANUFACTURING &
INDUSTRY DEVELOPMENT**

☐

INFRASTRUCTURE

☐

II. COMPANY OWNERSHIP

CITIZEN-OWNED

☐

FOREIGN-OWNED

☐

JOINT-VENTURE

☐

III. SOURCE OF FUNDS

LOCAL INSTITUTION

☐

FOREIGN INSTITUTION

☐

SELF FUNDED

☐

OTHER (SPECIFY)

IV. SHAREHOLDERS IDENTIFICATION

NAMES OF SHAREHOLDERS	NATIONALITY	NUMBER/PERCENTAGE OF SHARES

V. PRODUCTS & (OR) SERVICES (LIST)

VI. INVESTMENT LEVEL & JOB CREATION

INVESTMENT LEVEL (BWP)

250,000 – 999,999

☐

1,000,000 – 4,999,999

☐

5,000,000 & ABOVE

☐

JOB LEVEL

10 - 49

☐

50 – 150

☐

151 & ABOVE

☐

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C. FACILITATION REQUIRED

*** PLEASE TICK WHERE NECESSARY ***

FACILITATION OFFERED

COMMENT

☐ Factory Shell (In Square Meters)

☐ Land (In Hectares)

☐ Work & (Or) Residence Permits

☐ Environmental Affairs Clearance

☐ Operating License

☐ Investment Incentives (Fiscal, Government Off-Take)

☐ Business To Business Connection (B2B)

☐ Market Access

☐ Other (Specify):

D. ATTACHMENTS

*** PLEASE TICK WHERE NECESSARY ***

ATTACHMENTS

BUSINESS PLAN ATTACHMENTS

☐ SPEDU Application Form

☐ Letters Of Intent (From Potential Clients)

☐ Certificate Of Incorporation

☐ 5 Year Financial Projections

☐ Company Extract

☐ Approved Architectural Plans (Where Applicable)

☐ Certified Copies Of All Shareholders Identification

☐ Land Lease/ Right (Where Applicable)

☐ Copies Of All Shareholders Profiles / Resumes

☐ Factory Shell Lease/ Right (Where Applicable)

☐ Tax Clearance (Where Applicable)

☐ Proof Of Project Finance (6 Months Bank Statement/
Audited Financial Statement/ Confirmation Letter From
Bank)

☐ Other (specify):

E. DECLARATION

I _____ hereby agree that the information provided is truthful according to my knowledge and understanding. I will hereby be held accountable for any misinformation provided to SPEDU.

SIGNATURE: _____

DATE: _____

FOR OFFICIAL USE ONLY

RECEIVED BY: _____

DATE: _____

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BUSINESS PLAN OUTLINE

ELEMENTS OF THE BUSINESS PLAN

- Executive summary
 - i. Should cover all aspects of the business without one having to go through the whole document. It must provide a brief summary of the project owners, project location, products/services, investment, employment, market share, project funding, annual net profit, total assets among others;
- Business objectives
 - ii. Must be specific, measurable, achievable, reasonable and time bound. The objectives should satisfy quantitative and qualitative features of an objective.
- Mission and vision statements
 - iii. Should define the primary purpose of the organisation. The statements explain why you exist as a business, both to members of the organisation and to the people outside.

1 The Business

- i. Description of business
 - A. List all products/services exhaustively
 - B. Source of raw materials
 - C. Technology used
 - D. Source of water and electricity
- ii. Production process
 - A. Description of process from input to output
 - B. Size of operating space

- C. State potential suppliers of machinery
 - D. Machinery maintenance
- iii. Value chain outline
 - A. What value chain opportunities does the project present
- iv. Diversification / product uniqueness
 - A. Should be demonstrated through the attributes of the final products/services
- v. Market analysis
 - A. Competitor analysis
 - B. Market share
 - C. Demonstrate market availability (letters of consent)
 - D. Marketing strategy
 - E. Pricing strategy
 - F. SWOT analysis
 - G. Risk analysis
 - H. Distribution channels
 - I. Carry out market research on potential location of operation
- vi. Export promotion
- vii. Use of human resources
 - A. Employment levels (at Phase 1 and at full operation)
 - B. Organisational structure
 - C. Citizen participation
 - D. Technological and skill transfer (innovation)
- viii. Contribution to downstream and upstream industries
 - A. Relationships with input suppliers and logistics
- ix. Corporate Social Responsibility
 - A. How the business will positively affect the community around it and its employees
- x. Implementation time frame
 - A. Show key milestones of the project and how it is phased out. May include timeframes of project roll out.

2 Financial Data (Annually Reported)

- i. Budget
- ii. Investment value
 - A. Source of start-up capital
- iii. 3 – 5 year summary report
 - A. Income statement
 - B. Balance sheet
 - C. Cash flow statement
- iv. Assumptions upon which data was based
- v. Proof of funding

N.B: This is only a basic outline of what the business plan should contain. Kindly elaborate and be precise in the information provided. Maintain a maximum of 25 - 30 page document unless supporting documents are attached. Any document submitted via electronic means should be in PDF format, including financials and other supporting documents. Incomplete document submission will not suffice to registration of your company with SPEDU.

RESPONSE TIMELINE

Assessment of business plan	14 working days
Clarification on project	10 working days
Facilitation	Depends on client requirements

N.B: Timeline is **NOT STRINGENT**. It is, however, for estimation purposes.

ATTACHMENTS

- i. SPEDU application form
- ii. Company documents (Certificate of Incorporation and Company Extract)
- iii. Copies of all shareholders' identification
- iv. Copies of all shareholders' resumes
- v. Letters of intent (where necessary)