

STATE OF THE NATION ADDRESS  
BY  
HIS EXCELLENCY MR. FESTUS G. MOGAE  
PRESIDENT OF THE REPUBLIC OF BOTSWANA

TO THE

FIRST MEETING OF THE FIFTH SESSION  
OF THE EIGHTH PARLIAMENT

***"MEETING THE GLOBAL CHALLENGE"***

**10th November 2003  
GABORONE**

## **INTRODUCTION**

1. Mr. Speaker, it is an honour and privilege for me to once more come before this august assembly to report on the State of our Nation. This moment is particularly significant in that this will be the last time I shall be carrying out this responsibility before our people next go to the polls. In our democracy, it is the people who ultimately pass judgement on the state of their nation. During the coming year, they will be able to exercise their sovereign power by voting for a new and expanded Parliament.

2. I would like at the outset to reiterate a point I made last year, which is that, our progress over the past thirty-seven years, could not have taken place in the absence of a general consensus on our

national goals. To the Honourable Members on my left as well as those on my right, I therefore once more say, that even as we have opposed one another we have, nonetheless, travelled together in the knowledge of our shared destiny. That which divides us will thus always be less than that which binds us together. Our diversity should, therefore, be appreciated as a source of strength, rather than weakness.

3. Mr. Speaker, having arrived at this special moment in the life of our democracy, it is incumbent upon me to give a balanced assessment of some of the major challenges we face together, along with the strategies and programmes by which this Government intends to meet them. In so doing, I am mindful of the fact that it shall remain our common destiny to endure and prosper as a relatively small landlocked, state in a much larger globalising world. This, in itself, imposes its own peculiar set of challenges.

4. Whether we speak of building a more prosperous and equitable society; preserving and enhancing our unity in cultural diversity; or combating the HIV/AIDS pandemic; we must remember that we exist within a wider "Global Village", where success and failure are determined by common benchmarks.

5. Such a competitive environment demands, that all sectors of our own society, indeed each and every individual, not just Government, must set goals and standards of achievement that are second to none. This is a daunting task, but one that we can achieve within our own Vision 2016 framework, whose ambitious but realisable goals remain the ultimate benchmark for measuring our collective progress.

6. Over a century ago one observer (Elbert Hubbard) concluded that –***"The world is moving so fast these days that the man who says it can't be done is generally interrupted by someone who is doing it."*** Our own forbears showed similar insight when they affirmed the value of urgency and preparedness through such sayings as ***"Mosele wa pula o epswa go sale gale."***

7. If timeless voices from more leisurely eras recognised the need for people to act upon changing circumstances, how much more true is their wisdom in the fast paced world in which we find ourselves today? Globalisation requires constant transformation from all segments of our society. In the process, we must move away from overdependence on the state, towards a greater degree of self-reliance, based on proactive private initiative and community participation.

8. We ought to further accept that, while we may continue to benefit from the advice and assistance of outsiders, in the end we must depend on the efficient mobilization of our own human and material resources.

### **Global Benchmarks**

9. Mr. Speaker, in this current era of globalisation the state of our nation has become a topic of interest to an increasing number of outsiders, whose observations often offer us an unbiased assessment of both our progress and our potential. A growing body of comparative analysis confirms, that in many strategic areas, the State of our Nation rests on a solid foundation of sustained achievement.

10. While some critics may nonetheless continue to cynically persist, in seeing that our proverbial glass always remains half empty, an increasing body of opinion affirms our country's status as a worldwide, as well as African, leader in various fields of endeavour. As evidence of this emerging consensus, I shall here confine myself to citing but a few prominent examples, of what others have been saying about us in just the last few months.

### **Good Governance**

11. Let me begin by citing the United Nations (UN) latest, July 2003, Economic Report on Africa, which singles out Botswana as the overall number one performer on this continent. In so doing the report, among other things, concluded, that our legal system was more effective at enforcing contracts, that our laws and regulations are more predictable, transparent, and uniformly applied, that the quality of the civil service is better, and the

access to and reliability of telecommunications, transport and electricity are greater, in the aggregate, than elsewhere on the continent. We were further commended for having made notable efforts to promote women's access to education and health, while moving towards gender equality in employment.

12. Our nation's well established tradition of good governance was further highlighted last June at the World Economic Forum in Durban, where our public institutions were once more proclaimed to be the "Best in Africa" in terms of their quality, low levels of corruption and respect for the rule of law. This past month, we were also ranked number one in Africa in the World Economic Forum's 2003-2004 Global Competitiveness Report. This influential survey examines key factors that contribute to an enabling environment for sustained growth, such as macro-economic policy, the quality of public institutions, and the state of infrastructure.

13. Mr. Speaker, in this era of global competition, I am pleased to further inform this House that our nation also recently received the highest accolades in the Economic Freedom of the World: 2003 Annual Report, which was released by the Washington D.C. based Cato Institute, in conjunction with the Fraser Institute of Canada and more than fifty other high level economic think tanks from around the world. This year's report specifically singled out our country as "A Shining Example." In the same report we were ranked alongside Norway and Japan as having among the world's highest levels of economic freedom.

### **Fighting Corruption**

14. Around the world, the favourable image of our country has been reinforced, on an annual basis by the independent corruption perception studies, that have been carried out by Transparency International. This highly respected body has consistently rated us as not only the least corrupt country in Africa, and the developing world for that matter, but indeed among the best in the world! Our status is a tribute in part to a commitment to "zero tolerance" for corruption. Our resolve continues to be that corrupt practices must here remain a "high risk low return undertaking".

### **Gender Equality**

15. Without seeking to minimise the need for additional progress, we can also take pride in our continued progress towards achieving greater gender equality. This is especially manifest in the latest 2003 UN Human Development report in which Botswana was ranked sixteenth in the world, alongside Canada and Estonia, in terms of its total percentage of “females serving as legislators, senior officials and managers”. According to this Report, the combined figure for women occupying senior leadership positions in our country as of 2002 was 35%, which placed us ahead of the majority of the Organisation of Economic Cooperation and Development (OECD), including all of the current member states of the European Union. In the same report, we also number among the handful of countries, where females are now actually in the majority in the combined category of professional and technical employment at (52%). These figures demonstrate that our society has both the will and capacity to change with the times.

### **International Outreach**

16. Where possible we have sought to take advantage of our favourable ratings, to market our country to potential overseas investors. It is for this reason that I was pleased this year to be the keynote speaker at such high profile fora as the UN Economic and Social Commission for Asia and the Pacific, the Nigeria Economic Summit, and the US-Africa Business Summit.

17. I wish to here emphasise, that such engagements are only useful if, they are followed up. In this respect they are supplementary to broader outreach efforts that are being undertaken on an ongoing basis by the appropriate Ministries, working alongside such strategic public sector agencies, as the Botswana Export Development and Investment Authority (BEDIA), the International Financial Services Centre (IFSC) and the private sector Confederation of Commerce, Industry and Manpower (BOCCIM).

18. The increasing respect that our country now commands on the global stage was further reflected in the leading role we played at the recent World Trade Organisation (WTO) talks in Cancun,

Mexico, where Botswana was chosen to speak for the Africa, Caribbean and Pacific group. As such it was our responsibility to articulate the demands of nations such as ourselves for a more equitable global trading order.

## **Sound Macro-Economic Management**

19. Other international achievements include our continued superior sovereign credit ratings as determined by such leading arbiters as Standard & Poor's and Moody's Investors Service. These ratings are testaments of international confidence in our economic management. Moreover, they have facilitated the launching in March of this year of three Government bonds of different maturities in order to alleviate the shortage of long term domestic financial assets, while further helping to develop the local capital market.

## **Belief in Ourselves**

20. In considering the value of external praise I am further cautioned by the wisdom of our founding father, the late Sir Seretse Khama, who, in voicing opposition at the then Joint Advisory Council to proposed incorporation into the Central African Federation all the way back in April of 1958, observed:

***"I must say, quite frankly that I have been rather disturbed to find that on the whole there is a tendency to look always over our shoulders. Perhaps I am wrong, if so I stand corrected. We want to see what is happening elsewhere instead of getting on with what we know is peculiar to us and to the country itself. We should get on and have no fear that we may incur someone's displeasure... And if we are right, I am afraid emotion must come into this, we should not bother very much with what anyone might say. We have ample opportunity in this country to teach people how human beings can live together."***

If our first President could articulate such confidence forty-five years ago, that is nearly a decade before our actual independence, how much more faith should we have in ourselves today?

## **Human Resource Development**

21. As some of us can recall, before independence no more than ten percent of our population had achieved basic literacy, while only a handful had progressed beyond primary school. Today our youth literacy rate stands at about 90%, while most of our children are now progressing to secondary school. Last month, it was my pleasure to preside over the graduation of a record number of students from our University, while the total number of students currently sponsored by government for tertiary studies and training, both within and outside our borders, at over 28 thousand, has never been higher.

22. Such quantitative progress has been accompanied by qualitative improvements in the curricula, and the human and material resources of all of our educational institutions. This achievement, I should add, has come at great expense. We have continued to devote over 25% of our budget to education and training, in per-capita terms amongst the highest in the world, because we have always looked upon our allocations to education as an investment in our future. As I observe the increased confidence of some of our young people, I believe that this has been money well spent.

## **Recognition in Sports**

23. In speaking of more youthful undertakings, it gives me special pleasure to pause here, for a moment, in order to pay tribute to the increased recognition our country has also been receiving, as a result of the improved performance of our sports codes in various international competitions, such as at the All Africa Games held last month in Abuja, as well as the improved standing of our national football team- who have the support of the nation in this coming weekend's qualifying match in Maseru.

24. I am sure this entire House shares with me special pride in the performance of Kabelo Mmono who, having earned his gold in the high jump, did us all proud through his moving solo rendition of the National Anthem during the Abuja medals' ceremony.

25. Mr. Speaker, I have spoken at some length of our internationally recognised achievements, because, when taken together, they support the contention, that we as a nation have it in ourselves to not only compete with the best on our continent, but indeed in the world. But, there is always a difference between having the capacity for success and actually succeeding. In the end nations, like individuals, can only realise their full potential by applying themselves. The favourable perceptions of outsiders will count for little if we the citizens of this country do not share their confidence in our own ability to meet the global challenge. In this we must avoid the temptations of protectionism and xenophobia.

26. Moreover, while my Government and I are justly proud of these recognised achievements, we know there is no room for complacency. In the coming years I intend to demand and preside over even better performance for the benefit of this nation and its people.

## **CHALLENGES**

27. Mr. Speaker, while our collective potential may have never been greater, the same can also be said of the serious challenges we currently face. We must here acknowledge that there remains much hard work to be done if we are to achieve our Vision 2016 goals.

### **Poverty Eradication**

28. After the need to halt the spread of HIV, to which I shall return, our top priority is the elimination of poverty. In this, we have already made some notable progress by reducing our poverty rate from 59% in 1986 to 47% in 1994 and to our latest, 2002, figure of 36%. This has earned us the further accolade (in the 2003 Economic Report on Africa) of being this continent's leader in poverty reduction. But, clearly, we still have a long way to go. It is for this reason, that the National Strategy for Poverty Reduction was tabled before this Parliament last May. When Government approved this strategy, it directed that a multi-sectoral Committee on Poverty Reduction, be put in place to help assure implementation.



29. Our commitment to the wellbeing of the least fortunate has also been manifest in the Poverty Alleviation and Housing Scheme, which since its inauguration has modestly exceeded its targets, in facilitating low-income home ownership. But, elsewhere our efforts in this area are being compromised by a rise in the number of Self Help Housing Agency (SHHA) beneficiaries who do not honour their loan repayments.

## **Land Use**

30. Our efforts to provide our people with access to land on a fair and appropriate basis are also undermined, when people who are allocated plots fail to develop them, with the result that some infrastructure such as electric cables, light bulbs, and telephone poles are vandalised or stolen, as happened in Block 3 in Gaborone. The cost to the public of providing such infrastructure as roads, electricity, telephones, and water services is very high. Government therefore expects that once land has been allocated, it should be promptly put to use for either residential or commercial purposes. The latter is especially critical as it is linked to the issues of economic diversification and employment creation.

31. People who engage in illegal land allocations are another problem, that should never be tolerated. The self-allocation of land is a form of theft that robs the Nation as a whole. Yet another problem is the illicit sale of land, especially to non-citizens. This creates the perception among ordinary people that Government does not have the welfare of its own citizens at heart.

## **Creating Employment**

32. The challenges of unemployment and underemployment go hand in hand with the need to move away from our current overdependence on the capital intensive mineral sector in order to achieve greater economic diversification. This is especially so as up until now there has been an insufficient flow of foreign investment outside the mining sector. Unfortunately, in the context of a continued decline of those seeking rural employment, the rate of employment growth in recent years has not always kept pace with the number of new entries into the urban job market.

## **Trade and Investment**

33. We need to urgently address the remaining impediments to investment in the manufacturing and service sectors. These have contributed to the private sector's slow response in taking full advantage of the potential benefits, accruing from the various preferential trade agreements, such as the Africa Growth and Opportunity Act II (AGOA II) and our access to the European Union (EU) market, which we have struggled to negotiate.

34. Given the small size of our domestic market, we have little choice but to look towards export led growth, which in turn requires that we substantially open up our own market. Balanced against this is our determination to support our own citizens in entering and remaining in business by continuing to promote a sustainable enabling environment for citizen self-empowerment, while welcoming skills and investment from outside.

## **Information and Knowledge Era**

35. Sustaining a competitive environment for attracting both domestic and international investment will be neither easy nor cheap. Investors from the developed world expect facilities no less advanced than those to which they are accustomed in their home countries. They require a state-of-the-art information and communications infrastructure comparable to the best in the world, and a highly literate and technologically innovative workforce, that has easy access to information on global trends and opportunities. We therefore need to urgently upgrade the country's local and international telecommunications capacity and build a strong capability in research, science and technology. This should be supported by the development of our human capital to meet the challenge of the information and knowledge age. Access to affordable internet facilities and the presence of a strong, informative media industry are the cornerstones of a modern educated and informed nation. Our challenge in these areas is to "catch-up" in order to be able to compete more effectively for Foreign Direct Investment in globally traded services, especially against countries in Asia and Eastern Europe.

## **Agriculture**

36. Elsewhere our hopes for economic diversification have been hampered by the continued poor performance of our agricultural sector. High input costs, failure to adopt new technologies, and limited market access particularly on the part of smallholders, have all been contributory factors to its low productivity. We are also challenged by the need to compete with more efficient and better-endowed neighbours.

37. Against this less than encouraging backdrop has been our attainment of self-sufficiency in the poultry sector. In 2002 the sector produced 29 million broilers and raised 500 thousand layers, while providing over five thousand people with employment. With the opening of the Sebele ostrich abattoir there has also been a notable expansion over the past year in our still modest ostrich industry, which has grown from 19 farms with about 2800 birds last year to 45 farms with over 4000 birds this year. There has also been progress in dairy production. In 2003 we produced 4.7 million litres of fresh milk, which represented 43% of our national requirement.

38. Our livestock industry continues to be threatened by animal diseases. The recent outbreak of Foot and Mouth Disease in Matsiloje, Matshelagabedi and Matopi led to the destruction of just over 16000 cattle, as well as the closure of the Francistown abattoir for six weeks, with the resulting loss of income to farmers in the affected areas. This has been a recurring problem. The Francistown abattoir was closed for five whole months in 2002, while the Lobatse abattoir was closed for four weeks in both 2002 and 2003.

39. We have no choice but to continue to work hard to prevent new outbreaks. Our success in maintaining our overall Foot and Mouth disease free status over the past two decades has been the result of the strict control of livestock movement and the production and use of quality vaccines. We shall also continue to co-operate with neighbouring states. But, for the foreseeable future this challenge will remain, calling on us all to maintain our vigilance.

## **Water and Drought Relief**

40. Water is a source of all life. As a drought prone country we must be ever conscious of the scarcity of water. If uncontrolled, the demand for water will eventually exceed supply. The protection of our water resources from pollution and the development of non-conventional water sources are priorities. These will include wastewater treatment and rainwater harvesting. We shall also be constructing new dams at Lotsane, Dikgathong and Ntimbale in line with our ninth National Development Plan (NDP 9) commitments. Every Motswana should, nonetheless, recognise his or her own responsibility to conserve water at all times.

41. The recurrence of drought continues to undermine our agricultural capacity. During the last planting season only 19 percent of the 325 000 hectare arable baseline area was ploughed and planted. In addition, part of the area planted did not germinate and some crops had wilted by February of this year. This past season, arable production dropped to its lowest level in more than 10 years, supplying only about 13% of the total national cereal requirement. The lack of rain has had an equally devastating impact on livestock and water supplies. In order to alleviate these circumstances, in May of this year, I announced emergency relief interventions, whose total cost was estimated at just over P280 million. It is important to note here that, although the preliminary outlook suggests normal or near normal rainfall in the coming year, the forecast does not rule out the possibility of a sub-optimal situation. The nation should therefore remain as vigilant as ever so as to be in a position to face the challenge posed by drought and other adverse weather conditions.

## **Budgetary Constraints**

42. Unfortunately, the diversion of our limited funds for drought relief has come at a time when we are already facing severe budgetary pressures, which are in part due to the appreciation of the pula against the US dollar and the sluggish world economy. The first factor has had a direct bearing on the domestic value of our mineral exports. Thus, notwithstanding an actual increase in our diamond exports, which are now for the first time expected to

exceed 30 million carats, we have had to revise our mineral revenue forecasts downwards. This in turn has led to the possibility of a substantial budgetary deficit, if corrective action is not taken.

### **Balancing Consumption with Production**

43. Our projected budgetary shortfall is a warning to all of us, about the need to strike greater balance between our ever-increasing demands for consumption and the uncertain proceeds of production. Over the past year there has been a great deal of focus in the media on the demands of various public sector labour organizations for further sharp increases in wages and benefits. But, as I recently noted in a broadcast statement to the Nation, any such increases can only come about at the expense of development priorities and/or through further increases in state revenue collection, including already ongoing efforts to ensure greater compliance in the payment of taxes. To improve our efforts in this area, a draft bill on tax reform will be submitted to the next sitting of Parliament.

### **Cost Sharing and Savings**

44. The sustainability of many public benefits will, moreover, become increasingly dependent on our willingness to move forward with increased levels of cost sharing and cost recovery. This will require us to both increase fees and introduce new ones for certain services. In this respect a Cost Recovery Unit has been established. Government will also continue to seek ways of achieving greater cost savings through the more efficient allocation and use of its financial and material resources.

### **Maintenance of Public Infrastructure**

45. Notwithstanding our budgetary constraints, Government is committed to providing funding for the clearing of the maintenance backlog of public infrastructure. This commitment was made in recognition of the fact, that the maintenance backlog had been compounded by insufficient preventive maintenance in the past. The new Department of Building and Engineering Services has now drawn up a comprehensive plan to eliminate the

backlog during NDP 9. The programme will be undertaken in three phases. The first phase, which involves the identification of required remedial works in senior secondary schools, colleges of education, prisons, airports and health facilities has been completed.

### **Public Private Partnership**

46. Another strategy that has been adopted to more effectively cater for public infrastructure is the use of the Public Private Partnership (PPP) approach. Such partnerships enable the public sector to harness the commercial dynamism, innovation and expertise of the private sector. We will continue to extend this concept across a wide and diverse range of public activities.

47. Other savings will take place through such remedial measures as the better management of Government vehicles. This will involve strategies to promote the more efficient use of the Government fleet. We further intend to ensure, that the costs emanating from the misuse of Government vehicles are borne by those involved in such practices, and not the public.

### **Urbanisation**

48. The relative decline of our rural economy has undoubtedly contributed to the rapid urbanisation we have been experiencing, which in turn has resulted in the demand for serviced urban land and housing units exceeding the supply.

49. The pressure of rural-urban migration and illegal immigration have further aggravated the wave of crime which has been taking place in recent years. To combat this, our security services are adopting proactive strategies of intervention. The need to maintain a safe and secure nation will continue to tax our resources.

### **Social Delinquency**

50. While I have touched on the role of illegal migrants, we need to admit that much of the indiscipline currently afflicting our society is homegrown. Especially disturbing is the growing levels of hooliganism and substance abuse on the part of some of our

youths. The recent tragedy at Matsha Secondary School, in particular, should be a wake up call to all of us about the dangers of adopting a lax attitude towards social delinquency. Within the schools my Government is committed to taking vigorous measures to restore order, which will include empowering Headteachers to suspend and expel and a reaffirmation of the appropriate use of corporal punishment. This should be complemented by suitable discipline by parents. We shall not spoil the child by sparing the rod.

### **Combating HIV/AIDS**

51. Mr. Speaker, I am sure it will come as no surprise to this House that the fight against HIV/AIDS remains the greatest single challenge we face as a Nation. This year too many of us once more found ourselves spending too much of our time burying people who should otherwise still be among us. With each premature death we are being diminished as a Nation. Our tragedy is thus not measured by the passing away of so many thousands, so much as the human loss of individual friends and family members, multiplied several thousand times.

52. We have often spoken of the HIV/AIDS pandemic as a war that needs to be won. Yet in this war, we remain our own worst enemies. The continued generosity of international friends, such as the Bill and Melinda Gates Foundation, may assist us. But, it is we, and we alone, who through behaviour change, must achieve our victory. The stigma surrounding the disease remains one of the greatest barriers to the implementation of various care and prevention strategies. This is why, even with our ability to now offer such interventions as Anti-Retroviral (ARV) therapy to preserve the living and protect the unborn, the majority of our sexually active people still do not know their HIV status.

53. At this point, I feel compelled to reiterate my recent message to the Nation on HIV routine testing. On the recommendation of the National AIDS Council, Government has decided that, with effect from January 2004, the detection of HIV should become a regular part of blood tests conducted in Government health facilities for medical purposes. Such tests will be routine, but not

compulsory. In other words HIV will be tested for unless an individual declines to be so tested.

54. We hope to continue to receive generous assistance from international friends in our fight against HIV/AIDS. But, the real onus is on us, to help ourselves by knowing our status and acting responsibly. I need not appeal to the Honourable Members of this House to maintain their leadership role in this fight, for I know all of you are painfully aware of the effects this scourge is having in your constituencies.

### **OPPORTUNITIES FOR ACTION**

55. Mr. Speaker, our progress since independence has not been due to luck, but rather a matter of us acting upon opportunity. In this light, the many new and continuing challenges I have already outlined need to be understood as opportunities to move forward rather than excuses for stagnation.

### **Performance Management System**

56. For Government to effectively play its role in meeting the many challenges facing this nation, it must continue to transform itself to assure better service delivery. This will mean, in part, pressing ahead with the implementation of Performance Management System (PMS) through the development of strategic and annual performance plans. In order to facilitate the effective management of ministerial plans, the government further intends to introduce performance agreements for all Permanent Secretaries and Deputy Permanent Secretaries in the coming financial year. We also plan to introduce at the same time a performance based reward system for cadres below Deputy Permanent Secretaries. Taken together, these measures will provide an objective way of better managing the Public Service.

57. Among the many areas of Government, which have suffered from capacity constraints, including an acute shortage of human resources, is the Attorney General's Chambers. This has adversely affected the delivery of justice. Besides investing in the Chamber's capacity, Government will be proactively considering further options for its restructuring.



## **Unitary Pay Structure**

58. Regarding the ongoing reform and restructuring of the Public Service, I can now announce, that the Government has accepted the recommendations of the De Villiers Commission, on the Pay Structure of the Public Service, with modifications. These modifications were made in order to remove the need for protected pay scales, which would have resulted from the implementation of the Pay Structure recommended by the Commission. In making these adjustments, Government took cognisance of the need to strike a reasonable balance among considerations of equity and social justice, technical correctness, competitiveness and affordability of the Pay Structure.

59. This will result in structural salary adjustments of the following magnitudes: 3% to 29% in the A Band; 16% to 28% in the B Band; 12% to 16% in the C Band; 10% to 16% in the D Band; 14% to 22% in the E Band and 13% at the bottom and 10% at the top of the F Band. The total cost will amount to about P618 million which represents 15% of the current wage bill. This Pay Structure will come into force on 1<sup>st</sup> April 2004 and will be communicated through a Public Service Management Directive shortly.

60. As Honourable Members will recall, the objective of the Commission was to review the Pay Structure in the Public Service and not to review salaries. Any increases in salaries are therefore incidental. This notwithstanding, the total budgetary impact is quite significant. This implies that hard choices and trade offs will have to be made, in order to meet the resultant expenditure. A conscious decision will therefore be made on projects and programmes in NDP 9, which will have to be forgone with the approval of this Honourable House. I wish to make it abundantly clear, that the implementation of the new pay structure will come at a cost, which will include, as I have mentioned earlier, sacrificing projects as well as through other cost recovery and cost-sharing measures such as increase in taxes and reduction in subsidies.

61. I call upon Honourable Members, Public Servants and the Nation at large to carefully examine what best serves our national interests and to desist from making additional demands. Public service and duty also requires personal sacrifice for the good of our Nation. I also hope that none of us will seek to derive political mileage from Government's response to the Commission's Report. Productivity will have to be commensurate with the budgetary sacrifices we are going to make. In addition, it has to be appreciated that Government has a duty to promote the welfare of the entire Nation in addition to its employees. It would be neither correct nor fair for public servants to pre-empt resources to the detriment of the welfare of the Nation as a whole.

### **Health Care**

62. Mr. Speaker, in fighting our war against HIV/AIDS we should not lose sight of the many other priorities affecting our health sector such as malaria, tuberculosis, and the rehabilitation of accident victims. Ongoing efforts to upgrade our health facilities and personnel shall continue. In terms of facilities this will be done through the implementation of the District Hospitals Upgrading Programme, as well as the construction of new primary hospitals.

63. To reach our health goals we shall also move forward with legislative initiatives in the field of public health. These will include a Chemical Substances and Products Bill, whose objective is to protect human health and the environment from the hazards presented by chemicals used in industry and households and a Traditional Health Practice Bill, whose objective will be to regulate traditional health practices. Proposals will also be submitted to Parliament to amend the Public Health Act of 1971, to bring it up to date with current environment and developmental changes. We shall also seek to amend the Control of Smoking Act of 1992, to provide improved health protection from second hand smoke in enclosed public and work places.

64. Government is also formulating a national port health strategy, to ensure maximum security against the international spread of communicable diseases and other threats to public health. The global Severe Acute Respiratory Syndrome (SARS) scare earlier this year, which was controlled through concerted international

action, further underscored the need for such measures. In this respect, I believe the Nation owes a debt of gratitude to our own health workers for their proactive efforts in keeping Botswana SARS free.

## **Towards the Information and Knowledge Society**

65. As already indicated, Information and Communications Technologies (ICT) present us with an opportunity to diversify our economic activity and embark on knowledge intensive ventures such as financial services and other ICT enabled services.

The Government is therefore developing an ICT policy, that will lead to further enabling legislation in such areas as electronic commerce and cyber security.

66. But, as time will not wait, we have already committed P 300 million to rehabilitate and fortify our national telecommunications network. An additional P300 million is being mobilised to provide high capacity international connectivity through undersea cables off the east and west coasts of Africa.

67. There are other, on-going, measures to enhance tele-density and IT access. On the ground already is our **Ntelelsa** programme, which by the end of its first phase in March 2004 will have brought modern telecommunications, including Internet access capability, for the first time to 147 villages. When fully implemented, the project will be of potential benefit to a sizeable part of our rural population. Government is also investigating the establishment of community ICT access facilities as part of the e-government initiative.

68. Another key component in creating a knowledge society is the development of a strong research, science and technology capability. To this end the Government is in the process of restructuring and consolidating existing research, science and technology institutions to better leverage scarce expertise and improve coordination of research efforts.

## **Wider ICT Applications**

69. Our roll out of modern telecommunications to rural areas is also part of a wider range of initiatives that we are taking in line with our Revised National Policy on Rural Development. This action plan further incorporates such sectoral programmes as the National Master Plan for Arable Agriculture and Dairy Development (NAMPAAD), expanded rural electrification, and land policy development. Taken together these initiatives are designed to transform the countryside into an attractive destination for productive investment, as well as a reasonably serviced abode for a large segment of our population.

70. At research level Government is also looking into biotechnology as well as non-traditional and enhanced drought resistant crops as a way of further reviving the arable agriculture sector. A national policy on biotechnology is being formulated, which will include the establishment of a laboratory to create capacity for the identification and associated risk assessment of Genetically Modified Organism (GMO) products.

71. Technology will also play a key role in increasing our administrative efficiency. In this context we have prioritised the computerization of Civil & National Registration in order to improve such functions as our Omang and births and deaths registrations. Government will also be introducing a credit card size driver's licence with effect from tomorrow. The new licence will be renewable every five years.

72. An integrated computerised Government accounting and Budgeting System, is also being developed, which will soon automate the budgeting as well as accounting processes in all Ministries. This will further lead to improved monitoring and management of government finances, which should also serve the public by reducing delays in payments. This initiative dovetails with the Auditor General's introduction of performance audits.

## **Privatisation**

73. Although some of our state enterprises have been performing satisfactorily over the past year, we recognise that there is still

scope for them to further improve their efficiency so as to achieve sustained profitability. Meanwhile, the Public Enterprises Evaluation and Privatisation Agency (PEEPA) has been drafting a Privatisation Master Plan, which should be submitted to Cabinet for finalisation by January 2004. This Plan will constitute a broad strategic framework for further privatisation. Already the privatisation of Air Botswana is at an advanced stage.

74. In the rural areas, Government is committed to the small-scale privatisation and outsourcing of activities and services that can be carried out more efficiently by the private sector. In this respect consideration is to be given to the privatisation of such areas as Livestock Advisory Centres, cordon fence maintenance, the building and maintenance of crushes, construction of earth dams, development of wells, and design of irrigation schemes, as well as various other now in-house services.

#### **Creating an Enabling Environment for Business**

75. In a further effort to enhance the local business environment, I am happy to report that Government will be presenting a new Companies Bill during this session of Parliament. This Bill provides, *inter alia*, for simplified procedures for the incorporation of companies. The intention is to make it speedier and less costly, which should go a long way to accommodate the needs of small businesses.

76. In addition a Foreign Investment Strategy, needed to enhance Botswana's competitiveness in attracting foreign direct investment flows, is being developed. The priority industries and activities to be targeted for investment generation will be those that contribute most to promoting greater economic diversification and competitiveness. As part of this effort Government, in partnership with the World Bank's Foreign Investment Advisory Services Agency, has already embarked upon a comprehensive Study of Administrative and Regulatory Barriers to Investment. The study is looking into such issues as delays in the issuance of work and residence permits, utility connections and access to serviced commercial and industrial land. It is my hope and expectation that this study will assist us in finding solutions to some of the bottlenecks that impede investment.

77. Consistent with the initiatives I have just outlined, a Foreign Investment Law is also being drafted with the aim of attracting investment flows by ensuring the adequate protection of investor assets, while stipulating what is expected of foreign owned companies entering our market.

78. Yet another ongoing initiative is the drafting of a National Export Development Strategy to improve Botswana's production efficiency and export competitiveness. This exercise is scheduled for completion by the end of March 2004.

### **Citizen Entrepreneurship**

79. In order to ensure our citizens are able to participate in our investment initiatives, this House will recall that in August 2001 Government established the Citizen Entrepreneurial Development Agency (CEDA) to provide training, monitoring and mentoring as well as loans to new and expanding citizen-owned businesses.

80. While the Agency has had some teething problems, I am now happy to report that, as of September 2003, 1042 loan applications had been approved with a total value of P 581 million. In terms of sectoral distribution, 45% of the projects were in the services sector, 28% in retail, 7% in agriculture, 12% in manufacturing, and 8% in property development. Together these projects are expected to create over 7000 jobs while further contributing to our diversification efforts. But, for CEDA to ultimately succeed it is important that its direct beneficiaries scrupulously honour their obligations.

81. Another component of CEDA is the newly established Venture Capital Fund, which will provide equity capital and management assistance to viable citizen owned companies and joint ventures between citizens and foreign investors with a view to addressing equity capital constraints among Botswana.

### **Tourism**

82. One area in which we have a significant competitive advantage is tourism. Our unique cultural heritage, as well as flora and fauna, are immense assets, which offer opportunities for the further

diversification of our economy, particularly in the more remote and marginal areas. But, continued prudence will be required on our part in the utilisation of our wildlife, wilderness and cultural heritage resources.

83. An especially challenging area is the management of our elephant herd, whose numbers are creating problems in parts of our country. While they are a major tourist drawcard, their current population is environmentally unsustainable. But, restoring balance will be neither easy nor free of controversy. A start has been made by translocating some of the elephants to Angola and Mozambique.

84. The implementation of the fencing component of the National Policy on Agricultural Development also offers Batswana opportunities to engage in game ranching, including mixed livestock and game ranching. Besides helping us meet our goal of diversification, such initiatives can also provide added resilience against drought.

85. Given the already considerable development of the tourism sector in the northern Chobe-Okavango region, our current efforts to expand the sector are increasingly focusing on other areas, such as the Kalahari and Limpopo regions. In this respect the development of the Kalahari Trans-frontier Park with South Africa is already showing encouraging signs. I am pleased to note that citizen participation in the tourism industry has steadily increased, in terms of both employment and investment.

## **Regional Environment**

86. While it is clear that our success in the pursuit of our opportunities will in large measure depend on our own resolve, it is also evident that the political and security environment among our neighbours will have an impact. It is for this reason that we look with optimism at the consolidation of peace in many of the once troubled parts of our continent.

## **CONCLUSION**

87. Mr. Speaker, to resort to a cliché, it is my contention that the challenges facing our Nation, from the need to promote greater economic diversification to fighting crime, maximising the returns of our tourist industry or securing our public health, will in each case require us to act locally, while thinking globally. In this respect we must remain true to our own identity, while opening ourselves up to the broader challenges of the global village. This is a challenge we shall meet as long as we keep focused on our own values and objectives, including a continued adherence to our national principles and Vision 2016 blueprint. The Vision does not belong to Government or any one political party or segment of our society, but to all. Its implementation will require the commitment of all citizens.

88. The same can be said for the continued health of our democracy. As I noted in the beginning of my address, we are coming up to an election year. Right now the Independent Election Commission (IEC) is registering eligible voters. In the light of our recent experience of low turnouts, I can only appeal to the Nation to respond to this exercise so that whatever Government you choose to elect has a clear mandate to take our country forward.

89. Finally, our success will always be dependent on our commitment to remain a moral, tolerant, united, and proud Nation. This requires us to balance our overarching unity with our internal diversity. As I noted in my Independence Day message to the Nation, we are committed to moving forward with amendments to Sections 77, 78, and 79 of the Constitution, which have defined the membership of the House of Chiefs or Ntlo ya Dikgosi. But, any changes in the law will mean little if our people are divided in their loyalties.

90. Ninety-nine years ago our then imperial overlord, the Colonial Secretary Joseph Chamberlain, proudly proclaimed in a speech in Birmingham, England that: ***“The day of small nations has passed away”***. This modern era challenges us to reaffirm our own identity within the global village. It should therefore be our mission as Batswana, like that of the generations of patriots who came before us, to constantly demonstrate that we as a small nation shall continue to survive and prosper!