

PART I –POLICIES AND OBJECTIVES

Table of Contents

	PAGES
List of Tables	xviii
List of Charts	xx
List of Boxes	xxi
List of Maps	xxi
Abbreviations and Acronyms	xxii
Foreword	xxvi
Introduction	xxvii
CHAPTER 1	1
COUNTRY AND PEOPLE	1
INTRODUCTION	1
THE REPUBLIC OF BOTSWANA	1
Constitutional Framework.....	1
Administrative Structure	2
International Links	2
GEOGRAPHY AND ENVIRONMENT	2
Physical Features.....	2
Climate	6
Temperatures.....	6
Vegetation and Soil.....	6
Natural Resources	10
PEOPLE	10
Main Population Characteristics	10
CHAPTER 2	13
SOCIO-ECONOMIC DEVELOPMENT IN THE LONG TERM	13
INTRODUCTION	13
Vision 2016	13
POPULATION SITUATION AND DEVELOPMENT PROSPECTS	14
Population Size and Growth.....	14
Population Age Structure and Population Growth Momentum	15
Urbanisation	17
Population Distribution and Land	19
Population and Water Resources.....	19
Population and Energy Resources.....	20
Population and the Environment.....	21

Health	22
Education.....	23
HIV/AIDS	23
Population and Poverty	25
CONCLUSIONS AND FUTURE CHALLENGES	26
CHAPTER 3	28
ECONOMIC PERFORMANCE AND PROSPECTS	28
INTRODUCTION	28
ECONOMIC PERFORMANCE DURING NDP 8	29
National Gross Domestic Product and Sectoral Output	29
Labour Market Developments.....	33
Government Finance	36
Budget Position	36
External Sector Development.....	42
Price Developments.....	43
Monetary Developments	45
Exchange Rates	46
ECONOMIC PROJECTIONS FOR NDP 9	48
The Base Case Scenario	49
Gross Domestic and Sectoral Product.....	50
Employment	51
Aggregate Demand.....	51
Government Sector.....	54
Balance of Payments	56
Alternative Scenarios	56
The Optimistic Scenario.....	57
The Pessimistic Scenario.....	57
CHAPTER 4	61
PLANNING AND STRATEGY FOR DEVELOPMENT	61
INTRODUCTION	61
PLANNING, COORDINATION AND IMPLEMENTATION	61
STRATEGY FOR DEVELOPMENT	62
ECONOMIC DIVERSIFICATION, EMPLOYMENT CREATION AND POVERTY ALLEVIATION	62
Economic Diversification and Employment Creation	62
Poverty Reduction.....	64
MAINTAINING MACROECONOMIC STABILITY AND FINANCIAL DISCIPLINE	65
Fiscal Policy	66
Monetary Policy	68
Exchange Rate Policy.....	69
PUBLIC SECTOR REFORMS	70
Performance Management System (PMS).....	70
Privatisation Policy	70
ENVIRONMENTAL PROTECTION	71
RURAL DEVELOPMENT	72

HUMAN RESOURCE DEVELOPMENT	73
SCIENCE AND TECHNOLOGY	73
Development and Implementation of NRST Plan.....	74
DISASTER MANAGEMENT	74
CHAPTER 5	76
PUBLIC SECTOR EXPENDITURE AND MANPOWER CEILINGS	76
INTRODUCTION	76
MINISTRIES' DEVELOPMENT EXPENDITURE DURING NDP 8	76
MINISTERIAL RECURRENT EXPENDITURE DURING NDP 8	79
Estimates and NDP 8 Forecasts (Pula Million, Current Prices).....	81
Functional Analysis of Government Expenditures	81
PUBLIC SECTOR MANPOWER DURING NDP 8	82
Allocation of Posts during NDP 8.....	84
Vacancies	84
PRINCIPLES OF PUBLIC SECTOR RESOURCE ALLOCATION FOR NDP 9	85
Sustainable Budgeting.....	88
PROPOSED PUBLIC SECTOR EXPENDITURE PROGRAMME, 2003/04-2008/09	88
NDP 9 Development Expenditure Ceilings	88
NDP 9 Recurrent Expenditure Ceilings	89
NDP 9 Manpower Establishment Ceilings.....	90
CONCLUSION	91
CHAPTER 6	92
FINANCE AND BANKING	92
INTRODUCTION	92
REVIEW OF FINANCIAL SECTOR PERFORMANCE DURING NDP 8	92
Evolution of the Financial Sector.....	92
FINANCIAL SECTOR DEVELOPMENT DURING NDP 8	95
Banking System.....	95
International Financial Service Centre (IFSC).....	96
Insurance and Pension Funds	97
The Botswana Stock Exchange (BSE)	98
Collective Investment Undertakings	100
Exchange Controls	100
Letlole National Savings Certificates.....	101
FINANCIAL SECTOR STRATEGY FOR NDP 9	101
Regulatory and Supervisory Developments during NDP 9	102
The Role of Supervision in the Development of Financial Markets.....	102
Pre-Conditions for Effective Financial Sector Supervision	102
The Creation of a Financial Services Authority (FSA).....	104
Development of Financial Markets	104
Money Markets	104
Capital Markets	106
International Financial Services Centre (IFSC)	106
Insurance and Pension Funds	107
Towards a Strategy for Developing Capital Markets.....	108

Botswana Stock Exchange	109
National Payments and Settlement Systems	109
Central Securities Depository.....	110
Consumer Protection	111
CHAPTER 7	112
TRADE AND INDUSTRY	112
INTRODUCTION	112
Institutional Framework	113
The Ministry of Trade and Industry	113
REVIEW OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT DURING	
NDP 8	114
Industrial Output and Performance	114
Commercial Sector Performance	114
Construction Industry Performance	114
International Trade	115
Regional and International Trade Agreements.....	115
African Growth and Opportunity Act (AGOA)	116
EU/RSA Agreement on Trade, Development and Cooperation	117
SADC Trade Protocol	117
Review and Formulation of Policies and Programmes during NDP 8.....	117
The Industrial Development Policy.....	117
The Small, Medium and Micro Enterprises Policy	118
Foreign Trade Policy.....	118
National Export Strategy.....	119
Foreign Investment Policy	119
Competition Policy.....	119
Industrial Property Act.....	119
Companies Act.....	120
Consumer Protection Act	120
Export Development and Investment Promotion.....	120
Botswana Bureau of Standards (BOBS)	121
Technology Development and Transfer.....	121
Trading Regulations	122
Non-Citizens Operating Reserved Activities	123
Composition of the Local Licensing Authorities	123
Incentive Programmes.....	124
Financial Incentives.....	124
Local Procurement Programme (LPP)	126
Rural Industrial Development	127
Industrial Relations	128
TRADE AND INDUSTRY STRATEGY FOR NDP 9	129
Overview	129
Export Orientation and Competitiveness	130
Foreign Trade and International Trade Relations	130
Capacity Building.....	130
International Agreements	131

Investment Policy and Related Issues	131
Sector Specific Policies and Programmes	131
Promotion of SMMEs and Rural Industrial Development.....	132
Entrepreneurship and the Youth.....	134
Improvement of Product Quality and Standards	134
The Local Procurement Programme	134
Registrar of Companies	135
Internal Trade	135
Consumer Protection	135
Establishment of a Competition and Consumer Protection Authority.....	135
Regulations and Codes of Conduct	135
Reactivation of Consumer Groups	136
Cost Recovery	136
HIV/AIDS	136
Development Projects	137
CHAPTER 8	138
WORKS, TRANSPORT AND COMMUNICATIONS	138
INTRODUCTION	138
REVIEW OF WORKS, TRANSPORT AND COMMUNICATIONS	139
DURING NDP 8	139
WORKS	139
Architecture and Building Services and Electrical and Mechanical Services	139
TRANSPORT.....	140
Road Transport.....	140
Personalised Passenger Services	143
Cross-border Transport Agreements	143
Computerisation	143
Review of the Road Traffic Act	143
Vehicle Roadworthiness Testing.....	143
Improvements in Driver Training and Testing.....	143
Railways	143
Road Infrastructure.....	144
Civil Aviation.....	146
Air Botswana.....	147
Central Transport Organisation.....	147
COMMUNICATIONS.....	148
Liberalised Telecommunications Policy	148
Frequency Spectrum Management.....	149
Fixed Network Services	149
Numbering Plan.....	149
Rural Telecommunication Programme	150
Postal Services.....	150
Meteorological Services.....	150
WORKS, TRANSPORT AND COMMUNICATIONS POLICY FOR NDP 9	150
WORKS	150
Architectural and Building Services and Mechanical and Electrical Services ...	150

TRANSPORT.....	152
Road Transport.....	152
Road Transport Infrastructure	152
Institutional Capacity Building	152
Road Safety	152
Railways	153
Road Development.....	153
Road Maintenance.....	153
Privatisation.....	154
Labour Based Methods.....	154
Cost Recovery and Road User Charges	154
Civil Aviation.....	155
Air Botswana.....	155
Privatisation.....	155
Central Transport Organisation.....	156
COMMUNICATIONS.....	156
Information and Communication Technologies (ICT) Policy and Plan	156
Challenges of Bridging the Digital Divide.....	157
Universal Service and Access	157
Postal Services.....	158
Meteorological Services.....	159
HIV/AIDS	159
CHAPTER 9	160
ENERGY	160
INTRODUCTION	160
Institutional Framework	161
REVIEW OF PERFORMANCE DURING NDP 8	161
Energy Planning and Management	162
Petroleum	163
Electricity	164
Centralised Power Supply Systems.....	165
Rural Electrification	165
Tariffs	165
Coal	165
Biomass	166
New and Renewable Sources of Energy (NRSE)	167
Energy Efficiency and Conservation.....	167
ENERGY SECTOR POLICY AND STRATEGY FOR NDP 9	168
Energy Policy	168
Energy policy objectives for NDP 9:	168
Energy Planning and Management	169
The Role of Government.....	169
Household Energy	169
Petroleum Products	170
Electricity	171
Centralised Power Supply System	171

Rural Electrification	171
Coal	172
Biomass (Fuelwood)	172
New and Renewable Sources of Energy	173
Energy Efficiency and Conservation.....	173
Regional Cooperation.....	173
HIV/AIDS	174
CHAPTER 10	175
AGRICULTURE	175
INTRODUCTION	175
REVIEW OF PERFORMANCE DURING NDP 8	175
Review of implementation of stated Policy Objectives	177
Food Security	177
Diversification.....	178
Agricultural output and productivity.....	178
Livestock Production.....	179
Secure and Productive Environment.....	182
Conservation of Natural Agricultural Resources	183
Technology Development	184
Cooperative Development.....	184
Pricing	184
Subsidies.....	184
Human Resources Development and Extension Service	185
National Master Plan for Arable Agriculture and Dairy Development (NAMPAADD)	186
AGRICULTURAL POLICY AND STRATEGY FOR NDP 9	186
Policy Statement.....	187
Productivity	187
Arable Agriculture.....	188
Irrigated Agriculture.....	188
Dairy Farming	189
Agricultural Insurance and Credit	189
Diversification.....	189
Subsidies.....	190
Agricultural Commodity Pricing.....	190
Cost Recovery Measures in Agriculture	190
Privatisation.....	190
Basic Infrastructure for Agricultural Development	191
Gazettement of Agricultural Land.....	191
Extension Delivery Strategy.....	191
Human Resource Management	191
Organisation and Management (O&M) Exercise.....	192
Skills Development and Career Paths	192
Staff Accommodation	192
HIV/AIDS	192
Prioritised Response for NDP 9	192

Internal Response	192
External Response	193
Human Resource Strategy for BCA	193
SPECIFIC STRATEGIES	193
Livestock Sub-Sector	193
Animal Disease and Pest Control.....	193
Veterinary Public Health and Food Safety.....	194
Range Resource Management.....	194
Poultry Production.....	194
Pig Production.....	194
Fishery.....	195
Animal Breeding/Artificial Insemination.....	195
Ostriches.....	195
Smallstock.....	195
Livestock Marketing	196
Arable Sub-Sector	196
Field Crops	196
Horticulture	196
Crop Marketing	196
Plant Protection	197
Natural Resources Management.....	197
Irrigation and Water Development Strategies	197
Soil Conservation	198
Forestry and Beekeeping.....	198
Agricultural Research and Technology Development	198
Cooperative Sub-Sector.....	199
Agricultural Planning and Statistics.....	199
Food Insecurity and Vulnerability Information Strategy	200
Performance Targets for NDP 9.....	201
CHAPTER 11	203
MINERAL DEVELOPMENT	203
INTRODUCTION	203
Institutional Framework	203
Known Mineral Resources.....	203
Diamonds	204
Copper-Nickel	204
Coal	205
Soda Ash	205
REVIEW OF MINERAL SECTOR PERFORMANCE DURING NDP 8	205
Exploration	205
Mineral Production.....	207
Diamonds	207
Copper-Nickel	208
Soda Ash and Salt	209
Coal	209
Gold.....	209

Other Mining Activities	209
Air Pollution.....	209
Employment	210
MINERAL SECTOR POLICY AND STRATEGIES FOR NDP 9	212
Conserving and protecting the environment	213
Productivity Improvement.....	214
Human Resources.....	214
Information Technology (IT)	215
CHAPTER 12	216
WATER RESOURCES	216
INTRODUCTION	216
Institutional Framework	216
REVIEW OF THE WATER SECTOR PERFORMANCE DURING NDP 8	217
Urban Water Supply and Demand	218
Major Village Water Supply	219
Regional Buildings.....	220
Rural Village Water Supply	221
Agricultural Water Use	222
Miscellaneous Water Supplies	222
Water Tariffs	222
Information Technology (IT)	223
Water Resources Investigation and Development	224
Water Quality, Protection, and Conservation.....	226
Data Collection and Management	227
Research and New Technologies	228
Contracting Services	228
National Water Master Plan.....	228
International Cooperation.....	229
Human Resources Development	229
Lessons Learnt in NDP 8	230
WATER SECTOR POLICY FOR NDP 9	230
Planning and Institutional Development.....	232
Water Resources Investigation and Development	233
Water Tariffs	233
Data Collection and Management	234
Information Technology.....	234
Water Quality, Protection and Conservation.....	234
Contracting Services	234
Land Areas Water Supply	235
Implementation Capacity	235
Irrigation and Water Development.....	235
Productivity Improvement.....	235
CHAPTER 13	236
WILDLIFE, NATIONAL PARKS AND TOURISM	236
INTRODUCTION	236
Institutional Framework	237

TOURISM SECTOR PERFORMANCE DURING NDP 8	238
International Trends	238
Regional Trends	238
Domestic Trends	239
Parks and Game Reserves	240
Tourist Accommodation Facilities	240
Tourism Policy and Programmes during NDP 8.....	241
Botswana Tourism Development Programme	241
Botswana Tourism Board.....	241
Gaming and Gambling Sector	241
Tourism Statistics Database	241
Marketing Activities.....	242
Overseas Marketing Representation.....	242
International Cooperation.....	242
Tourism Development.....	242
Eco-Tourism.....	243
Licensing and Inspection.....	243
Grading and Classification	243
WILDLIFE	243
Status of Wildlife in Botswana.....	243
The Human, Livestock and Wildlife Conflict.....	245
HIV/AIDS	246
TOURISM AND WILDLIFE POLICY AND STRATEGY FOR NDP 9	247
Tourism Policy Objectives	248
Product Diversification	249
Eco-Tourism.....	250
Tourism Awareness, Education, and Training	250
The Tourism Development Framework	250
Gaming and Gambling	251
Tourism Statistics.....	251
Tourism Policy Review	251
Wildlife Policy for NDP 9.....	251
Wildlife Conservation Policy	252
Predator Conservation Strategy.....	252
Game Ranching Policy.....	252
Elephant Management Plan Review	252
Exotic Species Policy	253
Management Plans	253
DISCUSSION OF THE COMPREHENSIVE STRATEGIC PLAN	253
CHAPTER 14	255
ENVIRONMENTAL MANAGEMENT	255
INTRODUCTION	255
Institutional Framework	255
REVIEW OF NDP 8	256
National Conservation Strategy (NCS) Action Plan	256
Institutional Review	256

Legislative Framework.....	256
Environmental Economics	257
Natural Resources Accounts (NRA)	257
Environmental Education and Public Awareness	257
Wetlands Policy and Strategy	258
Environmental Research	259
Natural Resource Utilisation	259
Multilateral Environmental Agreements (MEAs).....	259
Capacity Building and Training	261
Financing Environmental Action	261
Environmental Planning Programme	261
POLICY AND STRATEGY FOR NDP 9	262
Environmental Institutions	262
Public Institutions, Participation and Awareness	262
Optimal Use of Natural Resources.....	263
Environmental-Economic Instruments.....	263
Policy Framework	264
Project Appraisal and Environmental Impact Assessment	264
Environmental Legislation	264
Multilateral Environmental Agreements (MEAs).....	265
Wetlands.....	265
Convention on Biodiversity	265
Capacity Development and Training.....	265
Environmental Education and Awareness.....	266
Research	266
Financing Environmental Programmes/Projects.....	266
Natural Resource Utilisation	267
CHAPTER 15	268
EDUCATION AND TRAINING	268
INTRODUCTION	268
DEVELOPMENTS DURING NDP 8	269
The Revised National Policy on Education.....	269
Examinations, Research and Testing	270
Curriculum Development and Evaluation.....	270
Pre-primary Curriculum	270
Primary Education Curriculum	270
Secondary Education Curriculum	271
Support Services.....	271
PRIMARY EDUCATION	271
Pre-School Education.....	271
Primary Education.....	272
SECONDARY EDUCATION	272
TEACHER EDUCATION	272
TEACHING SERVICE MANAGEMENT	273
UNIVERSITY EDUCATION.....	273
VOCATIONAL EDUCATION AND TRAINING	274

SPECIAL EDUCATION	275
NON-FORMAL EDUCATION	276
BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING (BOCODOL).....	276
STUDENT PLACEMENT AND WELFARE	276
Information Technology.....	277
National Council on Education	277
EDUCATION STRATEGY FOR NDP 9	277
Administration of Education	278
Tertiary Education Council	278
Cost Sharing and Cost Recovery.....	279
Information Technology.....	280
HIV/AIDS	280
Privatisation.....	281
Private Education	281
Performance Management System.....	281
MINISTRY MANAGEMENT.....	282
National Council on Education	282
Public Relations.....	282
Transport Requirements	282
Botswana National Commission for UNESCO	282
EXAMINATIONS, RESEARCH AND TESTING	283
CURRICULUM DEVELOPMENT AND EVALUATION	284
Pre-primary Education Curriculum.....	284
Primary Education Curriculum	284
Secondary Education Curriculum	284
Guidance and Counselling	284
Teaching Aids Production.....	285
Educational Broadcasting.....	285
Educational Publications	285
PRIMARY EDUCATION	285
Pre-Primary Education	285
SECONDARY EDUCATION	288
TEACHER EDUCATION	289
Teaching Service Management	290
UNIVERSITY EDUCATION.....	291
Access and Participation	291
Quality Academic Programmes	291
Scholarship, Research and Graduate Studies	293
Engagement.....	294
Enhancing Capabilities.....	294
MEDICAL SCHOOL.....	296
SECOND UNIVERSITY	296
TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING	296
NON-FORMAL EDUCATION	299
Programme Development.....	299

Programme Marketing.....	300
HIV/AIDS and Out-of-School Education	300
BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING (BOCODOL).....	300
Programme Development.....	302
ICT and Media	302
Transport requirements	302
Manpower Implications.....	302
SPECIAL EDUCATION	302
STUDENT PLACEMENT AND WELFARE	303
CHAPTER 16	305
HEALTH	305
INTRODUCTION	305
Network of Health Care Facilities.....	305
REVIEW OF PERFORMANCE DURING NDP 8	306
Human Resource Development.....	306
Curriculum review and development	306
Training	306
Health Sector Reform.....	309
Strengthening of Health Policy	309
National Health Accounts	310
Strengthening of Health Services: Secondary Health and Improvements in Tertiary Facilities	310
Hospital Services.....	310
Primary Health care.....	311
Cervical cancer screening.....	312
New programmes introduced in NDP 8	312
Infant and under-five mortality rate	314
Polio Eradication.....	314
Immunization coverage.....	314
Participatory Methodology.....	315
The National Plan of Action for Nutrition (NPAN).....	315
Monitoring the Nutritional status	316
Infant and Young Child Nutrition	316
Nutrition Education and Training	318
Tuberculosis	320
Leprosy.....	321
HIV/AIDS	321
The National Response to HIV/AIDS	322
Major Challenges	322
HIV/AIDS Programmes	323
Counselling.....	325
HEALTH SECTOR POLICY AND PLANNED DEVELOPMENT STRATEGY FOR NDP 9	327
Linkage between the ministry strategic plan and vision 2016	328
Health Manpower.....	330

Primary Health	330
Hospital services	331
Technical Support	331
Computerisation	331
Fleet Development	331
CHAPTER 17	332
LAND MANAGEMENT, HOUSING AND SETTLEMENT	332
INTRODUCTION	332
Institutional Framework	332
Housing Sector	332
Land Tribunal	333
REVIEW OF NDP 8	333
District and Institutional Housing	335
Role of the Private Sector	335
Botswana Housing Corporation	335
Regional Master Plans	337
District Settlement Strategies	337
Land Use Plans	337
Settlement Development Plans	337
Other Land Use Activities	337
Settlement Trends during NDP 8	338
National Policy on Agriculture Development	338
Wildlife Management Areas	338
Land Boards Development	338
Land Tribunal	339
Government Office Blocks	339
HIV / AIDS	339
POLICY AND STRATEGY FOR NDP 9	340
Housing Sector	340
The SHHA Turnkey Project	341
District and Institutional Housing	341
Botswana Housing Corporation	341
Regional Master Plans	341
District Settlement Strategies	341
Settlement Development Plans	342
Land Use Planning and Administration	342
Rural State Land Management	342
Land Use Planning	343
National Policy on Agriculture Development	343
Land Tribunal	343
HIV / AIDS	344
CHAPTER 18	345
CULTURE AND SOCIAL SERVICES	345
INTRODUCTION	345
Institutional Framework	345
Cultural services	345

Social services	345
Industrial Court	346
Immigration and Citizenship.....	346
Civil and National Registration.....	346
Prisons and Rehabilitation.....	347
Labour and Social Security	347
Botswana National Library Service	347
National Museum, Monuments and Art Gallery	348
Culture and Youth	348
Women’s Affairs	348
Sport and Recreation	349
National Archives and Records Services	349
Information and Broadcasting.....	349
REVIEW OF PERFORMANCE DURING NDP 8	349
Social Welfare Division	349
Industrial Court	350
Civil and National Registration.....	351
Labour and Social Security	351
Botswana National Library Services (BNLS).....	351
National Museum, Monuments and Art Gallery	351
Culture and Youth	352
Women’s Affairs	353
Sport and Recreation	353
Junior Sport Programme.....	354
National Archives and Records Services	354
Information and Broadcasting.....	354
POLICIES AND PROGRAMMES FOR NDP 9	355
Child Welfare Services.....	355
Industrial Court	356
Civil and National Registration.....	356
Labour and Social Services	356
Botswana National Library Service	357
National Museum, Monuments and Art Gallery	357
Gender and Development during NDP 9	358
Culture and Youth	359
Botswana National Youth Council.....	359
Culture and Performing Arts	359
National Archives and Records Services	359
Sports and Recreation during NDP 9	360
Sport facilities development.....	360
Sport and Education	360
Gender mobilization	360
Sport, Health and Productivity	360
District Sport Committees.....	361
Sport and Environment.....	361
Information and Broadcasting during NDP 9	361

CHAPTER 19	363
PUBLIC SECTOR MANAGEMENT	363
INTRODUCTION	363
Institutional Framework	364
Local Government Service.....	364
Teaching Service	364
Parastatal Sector	364
Public Service.....	365
REVIEW OF PERFORMANCE DURING NDP 8	366
The Public Service Reform Programme.....	366
HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT POLICIES AND STRATEGIES	373
Size and Structure of the Public Service	374
POLICIES AND STRATEGIES FOR MANAGING THE PUBLIC SECTOR DURING NDP 9	381
Public Service Reforms	383
POLICIES AND STRATEGIES FOR MANAGING PARASTATAL ORGANIZATIONS DURING NDP 9	387
CHAPTER 20	389
LOCAL GOVERNMENT	389
INTRODUCTION	389
Local Government Structure	390
REVIEW OF PERFORMANCE DURING NDP 8	391
Local Authorities.....	391
Local Authority Finance Management.....	392
Human Resource Development.....	393
Organisation and Methods	393
Physical Infrastructure and Service Provision	393
Village Infrastructure	393
Urban Land Servicing	394
Rural Water Supply and Wastewater	394
Labour Intensive Public Works Programme	395
Community Projects Programme	395
Remote Area Development Programme	395
Roads Programme	395
Waste Management and Sanitation	396
Other Services	396
Food Relief Programme	396
Local Level Development Plans	396
Development Planning & HIV/AIDS	397
National Settlement Policy.....	397
STRATEGY FOR NDP 9	398
Overall Objective	398
Public Sector Reforms.....	398
HIV/AIDS: Integration of HIV/AIDS into Development Planning.....	402
Community Mobilisation	403

Local Economic Development (LED).....	403
National Settlement Policy.....	404
Physical and Social Infrastructure.....	404
CHAPTER 21	408
LAW, JUSTICE, SECURITY AND FOREIGN RELATIONS	408
INTRODUCTION	408
Overview	408
Parliament.....	408
Office of the Ombudsman.....	408
Administration of Justice (AOJ)	408
Attorney General (AG).....	409
Auditor General.....	409
Botswana Police Service	409
Directorate on Corruption and Economic Crime (DCEC).....	409
Department of Immigration and Citizenship.....	410
Department of Prisons and Rehabilitation	411
Botswana Defence Force (BDF)	411
Independent Electoral Commission (IEC)	411
Foreign Affairs	412
REVIEW OF PERFORMANCE DURING NDP 8	412
Parliament.....	412
Administration of Justice (AOJ)	412
Attorney General s Chambers	413
Auditor General.....	413
Botswana Police Service	414
Directorate on Corruption and Economic Crime (DCEC).....	417
Ombudsman	419
Immigration.....	419
Prisons and Rehabilitation.....	420
Independent Electoral Commission	421
Defence.....	421
Foreign Affairs	421
STRATEGY FOR NDP 9	421
Parliament.....	421
Administration of Justice	422
Attorney General s Chambers	422
Auditor General.....	423
Botswana Police Service	423
DCEC	424
Ombudsman	424
Independent Electoral Commission	425
Objectives.....	425
Immigration.....	425
Prisons and Rehabilitation.....	425
Botswana Defence Force.....	426
Foreign Affairs	426

LIST OF TABLES

1.1	1971, 1981, 1991 and 2001 Census Demographic Indicators	11
2.1	Growth of Population in Urban Settlements, 1971-2001	17
3.1	GDP by Economic Activity (Constant Prices)	28
3.2	GDP at Current Prices by Broad Categories.....	29
3.3	GDP at Constant Prices by Broad Categories.....	30
3.4	NDP 8 Government Budget Review.....	37
3.5	Balance of Payments Summary.....	42
3.6	Annual Inflation Rates 1997/98 – 2002/03.....	43
3.7	Share of FDI Stock by Industry as at 31 December 2000.....	51
3.8	FDI Flows in Botswana by Years.....	52
3.9	Major Economic Indicators for NDP 9 under Base Case Scenario.....	57
3.10	Central Government Budget Position for NDP 9.....	58
3.11	Summary of the Balance of Payments for NDP 9.....	58
3.12	Comparison of Base Case, Optimistic and Pessimistic Scenarios on Budget Position	59
5.1	NDP 8 Original and Latest TECs.....	76
5.2	NDP 8 Planned versus Actual Expenditures.....	77
5.3	NDP 8 Latest TECs, Actual Expenditures and Carry-Over.....	77
5.4	NDP 8 Development Programme Financing by Funding Sources.....	78
5.5	NDP 8 Ministerial Recurrent Expenditures.....	79
5.6	2001/02 Ministerial Recurrent Expenditures.....	80
5.7	Functional Classification of Government Development & Recurrent Expenditures.....	81
5.8	NDP 8 Establishment Growth by Manpower Category by Year.....	82
5.9	Vacancies in Ministries/Departments during NDP 8.....	84
5.10	Ministerial Development Expenditure Ceilings for NDP 9.....	88
5.11	Ministerial Recurrent Expenditure Ceiling for NDP 9.....	89
5.12	Manpower Establishment Ceiling for NDP 9.....	90
6.1	Establishment of Botswana's Financial Institutions	93
7.1	Number of Consumer Complaints Received in 2000 and 2001.....	119
7.2	Number of FAP projects by Value and Location.....	124
7.3	Approved LPP applications- 1997/98 to 2001/02.....	125
7.4	IFS Number of Entrepreneurs Trained, 1997 to 2001.....	127
8.1	Passenger Transport Permits (P-Permits) by Year 1997-2001.....	141
8.2	Freight Transport Permits (BA-Permits) by Year 1997-2001.....	141
8.3	Completed NDP 8 Projects.....	144
8.4	Government Fleets Statistics, 1993/94 – 2001/02.....	147
8.5	Cost Recovery in the Road Sector -1998/99 – 2002/03 (P'000).	153
9.1	BPC's Performance Data	163
10.1	Agricultural Contribution to the Economy.....	176
10.2	Annual Cereal Balance Sheet during NDP 8.....	177
10.3	Annual Total National Production of Maize/Sorghum.....	178
10.4	National Diary Herd Survey.....	179

10.5 Livestock Productivity Indicators	..	181
10.6 Livestock Population	.	181
10.7 Yield and Net Returns per ha of high value vegetables at Maun	..	184
11.1 Contribution of Minerals to Government Revenues		205
11.2 Contribution of Minerals to Exports	.	206
11.3 Number of Prospecting Mineral Concessions per mineral group during NDP 8	.	206
11.4 Botswana s Mineral Production , 1997-2001	..	207
11.5 Average Concentrations of Selected Pollutants in Botswana obtained using continuous Gas Analyzers during 1997-2001		210
11.6 Employment in the Mining Industry		211
12.1 Performance Indicators for Water Utilities Corporation, 1996/97-2000/01		219
12.2 Increase in the Number of Private Connections over NDP 8 in the 17 major villages	..	221
13.1 International Tourist Arrivals by Regional Groupings		238
13.2 International Tourism Receipts by Regional Groupings		238
13.3 Africa: Preliminary Regional Arrivals and Revenue Statistics	.	239
13.4 Number of Visitors and Revenue Generated from Parks and Reserves		240
13.5 Number of Hotel Rooms and Occupancy	.	240
13.6 Mean Annual Estimates of Selected Wildlife Species in Botswana	.	244
15.1 Primary Education Targets and Achievements	.	269
15.2 Colleges of Education Enrolments, 1995-2002	.	272
15.3 Colleges of Education Output, 1995-2000	.	273
15.4 DVET Staff Development Project	.	275
15.5 Special Education Enrolments,1997-2002	..	275
15.6 Primary School Enrolment Projections for NDP 9	.	287
15.7 Secondary School Enrolment Projections for NDP 9	.	288
15.8 Colleges of Education Enrolments, 2002-2008	.	290
15.9 Student Enrolment Data, NDP 8 and NDP 9	..	292
15.10 University of Botswana Student Enrolment Projections for NDP 9		295
15.11 University of Botswana Student Output Projections for NDP 9		296
15.12 Enrolment Figures for Non-Formal Education, 1980 2000		299
15.13 Enrolment Projections for BOCODOL	..	301
16.1 Ministry of Health Training Needs and Training Targets		308
16.2 Reproductive Health Indicators	.	313
17.1 Financial Performance of BHC	..	336
17.2 Construction Activity during NDP 8	.	336
17.3 Expected Construction starts from 2003/04 to 2005/06	.	341
18.1 Cases Registered and Heard by the Industrial Court		350
19.1 BIAC Student Enrolment Projections	.	388
21.1 Cases in Circuit Court from 1997-2001	..	412
21.2 Serious Crimes from 1996-2000	..	415
21.3 Road Traffic Accidents	.	415
21.4 Investigations Commenced	.	418

LIST OF CHARTS AND FIGURES

1.1 Botswana Government Organisational Chart	3
2.1 Botswana Population Distribution	15
2.2 Percentage Urban Population for Botswana 1971 – 2001	16
3.1 Real Per Capita GDP Growth over NDP 8	31
3.2 Comparison of NDP 8 Actual and Revised Projections of GDP Growth Rates	31
3.3 Sectoral Composition of GDP during NDP 8	32
3.4 Employment, Unemployment and Unemployment Rates	33
3.5 Formal Sector Employment Growth	33
3.6 Formal Sector Employment Share	34
3.7 Growth in Labour Productivity in Percentage over NDP 8	35
3.8 Comparison of Plan and Actual NDP 8 Revenue and Expenditures	36
3.9 Comparison of NDP 8 Plan and Actual Revenue	38
3.10 Comparison of NDP 8 Plan and Actual Expenditures	39
3.11 Government Budget Outturn relative to GDP during NDP 8	40
3.12 Budget Sustainability Ratio	41
3.13 Comparison of NDP 8, Original and Revised Estimates of Inflation	43
3.14 Annual Inflation Rates in Botswana and South Africa	44
3.15 Real Interest Rate and Money Supply Growth	45
3.16 Real Exchange Rate for the Pula against Selected Currencies	46
3.17 Share of FDI Stock by Sectors, 2000	51
3.18 Real FDI Flows in Botswana by Years	53
3.19 Projected Government Revenues and Expenditures	54
3.20 Projected Budget Sustainability Ratio Profile	54
3.21 Current Account Balance and Overall Balance of Payments	55
5.1 Establishment Growth by Manpower Category	82
5.2 Manpower Establishment for NDP 8	83
6.1 Growth Rates in Deposits, Advances, Total Banking Assets and Banking Capital	94
6.2 Commercial Bank Service Points	95
6.3 BSE Capitalisation and Liquidity	98
8.1 Total Percentage of Vehicles by Use, Year 2003 (Estimates)	140
9.1 Primary Energy Supply	161
9.2 Sectoral Energy Consumption	161
10.1 Local Chicken Meat Production and Imports	182
11.1 Average Annual Copper/Nickel Prices (US\$/lb 1996-2001)	209
11.2 Accident Occurrences in the Mineral Industry during NDP 8	211
12.1 No. of Private Water Connections and Metered Consumption in Major Villages	219
12.2 Water Sales and Arrears of Revenue in major villages 1996/97-2000/01	220
16.1 Nutritional Problems	315
16.2 Trends in Prevalence of Protein-Energy Malnutrition	316
16.3 Malaria Notifications 1983-2001	319
16.4 TB Notifications Botswana, 1975-2000	320

19.1 Resignation by Age	..	376
19.2 Resignation by Grade	..	376
19.3 Death by Age 1997-2001		377
19.4 Death by Grade 1997-20001	..	377
19.5 Age of Current Employees		378
19.6 Projected Retirement by Year		379
19.7 Projected Retirement by Ministries/Departments		379
19.8 Gender Distribution by Grade	..	380
19.9 Gender Distribution by Ministry	..	381
21.1 Road Traffic Accidents		416
21.2 Incidents of Corruption and Economic Crime	..	418
21.3 Cases Resolved 1998-2002	..	419
21.4 Illegal Immigrants 1998-2001	.	420

LIST OF BOXES

3.1 Budget Sustainability Ratio	.	40
3.2 The Base Case Scenario Assumption	.	48
4.1 Macroeconomic Policy Trade-Offs	..	65
7.1 Definition of Commercial, Industrial and Trade Sectors		111
7.2 African Growth and Opportunity Act		115
7.3 Southern Africa Customs Union	..	115
7.4 The Local Enterprise Agency	..	132
10.1 Ministry of Agriculture Performance Targets for NDP 9		201
11.1 MMWEA Key Result Areas and Goals	..	214
15.1 Functions of the TEC	..	279
15.2 Ministry of Education KRA and Goals		282
17.1 Housing Plan		335
17.2 Land Use Activities		338
17.3 Requirements for Land Board Member	.	339
20.1 Objectives of the National Settlement Policy	..	398

LIST OF MAPS

1.1 Botswana Location Map	..	4
1.2 Republic of Botswana		6
1.3 Annual Rainfall Distribution		7
1.4 Vegetation of Botswana	.	8
1.5 National Parks and Game Reserves		10
10.1 Agricultural Land Use Map	..	175
21.1 Botswana Border Posts	..	411

PART II .Thumbnail Sketches

ABBREVIATIONS AND ACRONYMS

ACHPR	African Charter on Human and People' s Rights of Women in Africa
AIDS	Acquired Immunity Deficiency Syndrome
ACP	African, Caribbean and Pacific
AGOA	African Growth and Opportunity Act
AI	Artificial Insemination
AIDS	Acquired Immune Deficiency Syndrome
ALDEP	Arable Lands Development Programme
ALSP	Accelerated Land Servicing Programme
ARV	Anti-Retroviral Drug
ATM	Automatic Teller Machines
BAMCU	Botswana Agricultural Marketing Cooperative Union
BBCA	Botswana Business Coalition on AIDS
BCL	Bamangwato Concessions Limited
BCP	Botswana Congress Party
BDF	Botswana Defence Force
BDP	Botswana Democratic Party
BEDIA	Botswana Export Development and Investment Authority
BFHS	Botswana Family Health Survey
BIAC	Botswana Institute of Administration and Commerce
BIDPA	Botswana Institute for Development Policy Analysis
BMBFI	Baby and Mother Friendly Hospital Initiative
BNF	Botswana National Front
BNNSS	Botswana National Nutrition Surveillance System
BNOC	Botswana National Olympic Committee
BNPC	Botswana B57National Productivity Centre
BNSC	Botswana National Sports Council
BOB	Bank of Botswana
BOBS	Botswana Bureau of Standards
BOCAIP	Botswana Christian AIDS Intervention Programme
BOCCIM	Botswana Confederation of Commerce Industry and Manpower
BOCOBONET	Botswana Community Based Organisation Network
BOCODOL	Botswana College of Distance and Open Learning
BONASO	Botswana Network of AIDS Service Organisations
BONEPWA	Botswana Network of People Living with AIDS
BOTA	Botswana Training Authority
BOTEC	Botswana Technology Centre
BOTUSA	Botswana/CDC USA Collaboration
BPC	Botswana Power Corporation
BR	Botswana Railways
BRIMP	Botswana Rangeland Inventory and Monitoring Programme
BSAP	Biodiversity Strategy and Action Plan
BSB	Botswana Savings Bank
BSE	Botswana Stock Exchange
BTA	Botswana Telecommunications Authority
BTC	Botswana Telecommunications Corporation
BTEP	Botswana Technical Education Programme
BVI	Botswana Vaccine Institute
CBD	Convention on Biodiversity
CBM	Coal-bed Methane
CBNRM	Community Based Natural Resource Management
CBPP	Contagious Bovine Pleuro-Pneumonia
CDDP	Control of Diarrhea Diseases Programme
CEDA	Citizen Entrepreneurial Development Agency

CEDAW	Convention on the elimination of All Forms of Discrimination Ag
CEDAW	Convention on the elimination of All Forms of Discrimination Against Women
CHBC	Community Home Based Care
CITES	Convention on International Trade in Endangered Species
CIU	Collective Investment Undertakings
CJSS	Community Junior Secondary Schools
CKGR	Central Kalahari Game Reserve
CPMS	Computerized Personnel Management System
CPSS	Centralised Power Supply System
CRT	Criterion-Referenced Testing
CSD	Central Securities Depository
CSO	Central Statistical Office
CTB	Central Tender Board
CTO	Central Transport Organisation
DA	District Administration
DABS	Department of Architectural and Building Services
DAPS	Division of Agricultural Planning and Statistics
DCEC	Directorate on Corruption and Economic Crime
DDC	District Development Committee
DDP	District Development Plan
DEMS	Department of Electrical and Mechanical Services
DGS	Department of Geological Survey
DLGSM	Department of Local Government Service Management
DMSACs	District Multisectoral AIDS Committees
DPSM	Directorate of Public Service Management
DSWM	Department of Sanitation and Waste Management
DTRP	Department of Town and Regional Planning
DWA	Department of Water Affairs
EAD	Energy Affairs Department
EDMS	Exploration Drillhole Management System
EDN	Education Data Network
EElS	Environmental-Economic Instruments
EFA	Education for All
EIA	Environmental Impact Assessment
EU	European Union
FAP	Financial Assistance Policy
FDI	Foreign Direct Investment
FISIM	Financial Intermediation Services Indirectly Measured
FIVIMS	Food Insecurity and Vulnerability Information Mapping System
FMD	Foot and Mouth Disease
FSA	Financial Service Authority
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
HIV	Human Immuno-Deficiency Virus
HYDATA	Hydrological Database
ICT	Information and Communication Technology
IDNDR	International Decade for National Disaster Reduction
IEP	Integrated Energy Planning
IFS	Integrated Field Services
IFSC	International Financial Service Centre
IHS	Institute of Health Science
IMCI	Integrated Management of Childhood Infection
IPT	Isoniazid TB Prevention Therapy
ISO	International Standard Organisation
IUCNROSA	World Conservation Union Regional Office for Southern Africa
IWU	International Water Unit

KGR	Kutse Game Reserve
KRA _s	Key Result Areas
LATI	Local Authority Training Institute
LEA	Local Enterprise Agency
LED	Local Economic Development
LGSC	Local Government Structure Commission
LIMCOM	Limpopo River Basin Commission
LIPW	Labour Intensive Public Works
LITS	Livestock Identification Track-back System
LPG	Liquefied Petroleum Gas
LPP	Local Procurement Programme
LRAC	Long Run Average Cost
LRMC	Long Run Marginal Cost
LWDP	Livestock Water Development Programme
MCB	Motor Company of Botswana
MEA	Multilateral Environmental Agreements
MLG	Ministry of Local Government
MOFAIC	Ministry of Foreign Affairs and International Cooperation
MTCT	Mother to Child Transmission
MTTC	Madirelo Training and Testing Centre
MW	Medium Wave
NAC	National AIDS Council
NACA	National AIDS Coordinating Agency
NAMPAADD	National Master Plan for Arable Agriculture and Dairy Development
NCPA	National Committee on Disaster Preparedness
NCSA	National Conservation Strategy Coordinating Agency
NCST	National Commission for Science and Technology
NDB	National Development Bank
NDHP	National Dental Health Plan
NEWS	National Early Warning System
NFTRC	National Food Technology Research Centre
NLP	National Literacy Programme
NORAD	Norwegian Agency for Development
NPAN	National Plan of Action for Nutrition
NPVREP	National Photovoltaic Rural Electrification Programme
NRSP	National Rural Sanitation Programme
NRT	Norm-Referenced Testing
NSCWP	North South Carrier Water Project
NSP	National Settlement Policy
NRSP	National Rural Sanitation Programme
NRT	Norm-Referenced Testing
NSCWP	North South Carrier Water Project
NSP	National Settlement Policy
NRSP	National Rural Sanitation Programme
NWMP	National Water Master Plan
OIE	Office International des Epizooties
OKACOM	Okavanga River Basin Commission
OMANG	National Identity Cards
ORASECOM	Orange-Senqu River Commission
OSSCA	One Stop Service Centre for Agriculture
PAC	Problem Animal Control
PBR _S	Performance Based Reward System
PDSF	Public Debt Service Fund
PEEPA	Public Enterprises Evaluation and Privatisation Agency
PEM	Protein-Energy Malnutrition
PLWA	People Living With AIDS

PMS	Performance Management System
PMTCT	Prevention of Mother-to-Child Transmission
PPR	Pestes des Petit Ruminant
PRICE	Pioneer Rural Industry Centre
PTC	Primary Teacher Certificate
PTTCs	Primary Teachers Training Colleges
PV	Photovoltaic
RADs	Remote Area Dwellers
RASA	Remote Area Service Allowance
RBM	Roll Back Malaria
RCS	Rural Electrification Collective System
RDDP	Remote Area Development Programme
REPN	Regional Energy Planning Network
RIIC	Rural Industry Innovation Centre
RIPCO	Rural Industries Promotion Company
RNPE	Revised National Policy on Education
SACMEQ	Southern African Consortium for the Monitoring of Education Quality
SACU	Southern African Custom Union
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SBPA	Small Business Promotion Agency
SHHA	Self Help Housing Agencies
SLOCA	Services to Livestock Owners in Communal Areas
SMME	Small, Medium and Micro Enterprises
SOUR	Statement of Users Requirements
SSKA	Sir Seretse Khama Airport
STI	Sexually Transmitted Infection
TA	Tribal Administration
TDF	Tourism Development Framework
TDS	Total Dissolved Solids
TIMSS	Trends in Mathematics and Science Study
TJ	Terajoules
TSM	Teaching Service Management
TVET	Technical and Vocational Education and Training
UDP	Urban Development Plan
UNCCD	UN Convention to Combat Desertification
UNCED	UN Conference on Environment and Development
UNFCCC	UN Framework Convention on Climate Change
VAD	Vitamin A Deficiency
VAT	Value-Added Tax
VCCS	Voice Communication Control System
VCT	Voluntary Counselling and Testing
VDC	Village Development Committee
VET	Village Extension Teams
VHF	Very High Frequency
VIP	Ventilated Improved Pitlatrines
VRLS	Vehicle Registration and Licensing System
WDC	Ward Development Committee
WITs	Work Improvement Teams
WMAs	Wildlife Management Areas
WRIS	Water Resources Information Systems
WTO	World Trade Organization
WUC	Water Utilities Corporation
ZAMCOM	Zambezi River Basin Commission

FOREWORD

The ninth National Development Plan (NDP 9) marks the first major step towards integration of the long-term vision for Botswana, *Vision 2016: Towards Prosperity for All*, into the development planning process. The theme of this Plan is “*Towards Realisation of Vision 2016: Sustainable and Diversified Development through Competitiveness in Global Markets*”. This calls on every citizen to work hard to help the country forge ahead in the global village. Since Independence in 1966, real per capita GDP has grown from P1 682 to P9 788 in 2001/02. Over the same period, formal sector employment grew from 25 000 to 274 413. In addition, the nation’s infrastructure, such as roads, schools, health facilities, electricity grid, and housing, have grown sharply. Over the same period, Botswana has graduated from being one of the poorest and least developed countries in the world to a middle income country. It is crucial that this momentum is not lost. It should be maintained in order to achieve the objectives of Vision 2016.

Despite all these achievements, the nation faces major challenges, such as HIV/AIDS, as well as the need for economic diversification, public sector reforms, employment creation and poverty reduction, rural development, disaster management, development of science and technology, environment protection, human resource development, as well as continued macroeconomic stability and financial discipline. Other challenges include drought, the outbreak of the Foot and Mouth Disease, as well as poor

performance of export markets and a slowdown in world economic growth. The implementation of policy strategies for NDP 9, aimed at addressing these challenges, will be critical in achieving a sustainable and diversified development through competitiveness in global markets.

The country’s competitiveness can be enhanced through effective participation in regional and international trade initiatives such as the African Growth and Opportunity Act (AGOA) of the USA, Cotonou Agreement, the Southern African Development Community Trade Protocol and the renegotiated Southern African Customs Union Agreement. The promotion of exports through institutions such as Botswana Export Development and Investment Authority and Botswana Development Corporation will also continue to be important. Government will continue to encourage citizen economic empowerment, as well as private sector participation. We should ensure that Botswana positions herself to take advantage of the opportunities that are brought about by the rapid changes in the global economic environment.

We should look forward to the next six years with great enthusiasm and confidence that all Botswana will participate actively in the development of the nation and steer the country ‘towards prosperity for all’.

F. G. Mogae
President of the Republic of Botswana

INTRODUCTION

The ninth National Development Plan covers the period from 1st April 2003 to 31st March 2009. A Mid-Term Review of NDP 9 will be conducted during the Plan period to review progress and, where necessary, make adjustments to reflect more recent circumstances and new data relating to household incomes and expenditure, gross domestic product, employment, trade and balance of payments, as well as progress on the implementation of development policies, programmes and projects. As it was the case with the previous eight Plans, the NDP 9 preparation was guided by the nation's principles of *rapid economic growth, social justice, economic independence and sustained development*. For this Plan, in pursuant of Vision 2016, the concept of *Botho*, which is engrained in the Botswana culture, was adopted as an additional principle. This principle refers to a state of being human, courteous and highly disciplined.

The theme “*Towards Realisation of Vision 2016: Sustainable and Diversified Development through Competitiveness in Global Markets*” has been adopted for NDP 9. The choice of this theme was guided by the fact that NDP 9 provides the first opportunity to integrate Vision 2016 goals and objectives into the national development planning process. By achieving sustainable development through economic diversification, NDP 9 will build on the pillars of Vision 2016. Given the small size of the Botswana market, global competitiveness and trade remain important for achieving sustainable and diversified development.

The overall performance of the economy during NDP 8 was significantly better than was projected in the Plan itself. Real GDP grew at an annual average growth rate of 6.4%, compared to the original forecast of 5.2% at the beginning of the Plan, while formal sector employment grew by 4.0%. The unemployment rate fell from 21.5% in 1996 to 19.5% in 2001, mainly due to an increase in jobs in the private and parastatal sector. Government expenditure was 35% above the original NDP 8 forecast, while total revenues were above the original forecast by 22%. The overall budget was balanced over the entire NDP 8 period as surpluses in some years compensated for deficits in other years. The balance of payments recorded overall surpluses in all the years of NDP 8, although the cumulative total was below the level projected in the Plan, mainly due to below forecast balance in the capital account. The level of foreign exchange reserves in Pula terms turned out to be higher than the original Plan projections due to the more than expected depreciation of the Pula against major international currencies. Another achievement made during NDP 8 is the favourable sovereign credit ratings in the “A” grades for two consecutive years by the Moody's and Standard and Poor's rating agencies.

During NDP 9, real GDP is projected to grow at an average growth rate of 5.5% per annum, while formal sector employment also grows at an average growth rate of 5.5% per annum. The Government budget and balance of payments will be in moderate surpluses throughout the Plan period. This will be achieved through vigorous

implementation of policies aimed at sustainable and diversified growth through competitiveness in global markets. The policy thrusts of NDP 9, therefore, include *economic diversification, employment creation and poverty alleviation; continued maintenance of macroeconomic stability and financial discipline; public sector reforms; environmental protection; rural development; human resource development, including the fight against HIV/AIDS; science and technology development; and disaster management.* In order to implement these policy objectives and strategies, a total budget of P129.8 billion has been allocated for the six years of NDP 9, of which P35.7

billion is the total estimated cost (TEC) of the development programme and P94.1 billion is for recurrent expenditure. The total manpower establishment in the public service, including Local Authorities will increase by 11 464 posts for the entire NDP 9 period.

I would like to implore all citizens of Botswana to redouble their efforts and ensure that the NDP 9 objective of *“towards realisation of Vision 2016”* and achieving *“sustainable and diversified development through competitiveness in global markets”* becomes a reality.

Baledzi Gaolathe
Minister of Finance and Development Planning

CHAPTER 1

COUNTRY AND PEOPLE

INTRODUCTION

1.1 This Chapter is about the country of Botswana and its people. It discusses Botswana's constitutional framework, administrative structure and international links, as well as its physical features. It is meant to inform readers who are not familiar with the country.

1.2 Specifically, Section II presents the constitutional framework and the administrative structure, while Section III illustrates the physical features of Botswana. Section IV is about the people of Botswana, including patterns of settlement and main population characteristics.

1.3 A detailed review of economic developments during the last Plan period (1997/98 – 2002/03) is provided in Chapter 3, followed by the Strategy for Development during NDP 9 in Chapter 4. Public Sector Expenditure and Manpower are discussed in Chapter 5, while more information on the review and development of particular sectors is given in later Chapters of the Plan.

THE REPUBLIC OF BOTSWANA

Constitutional Framework

1.4 Botswana attained self-governance in 1965, after 80 years as a British Protectorate and became independent on 30 September 1966. It is a non-racial country and maintains freedom of

speech, freedom of the press and freedom of association, and affords all citizens equal rights. All these are enshrined in the Constitution of Botswana, which also provides for a unicameral legislature. Members of the National Assembly are directly elected from the constituencies and themselves elect additional specially elected members and a Speaker of the National Assembly.

1.5 The Presidential candidate of the Party with majority of directly elected members of Parliament assumes office. The President selects his Ministers from among the members of the National Assembly.

1.6 The President is head of the Executive arm of Government and presides over Cabinet. He/she must dissolve Parliament and hold a general election after five years, and may do so sooner. National Elections have been held in 1965, 1969, 1974, 1979, 1984, 1989, 1994 and 1999. The Botswana Democratic Party (BDP) has been returned to power on each occasion. The last general elections were contested by five political parties. In the 1999 elections, BDP won 33 seats in Parliament, the Botswana National Front (BNF) won 6 and the Botswana Congress Party (BCP) won 1 seat.

1.7 There is a House of Chiefs which advises on matters affecting custom and

tradition, including reviewing draft bills before their consideration by Parliament.

1.8 An independent judiciary with a High Court is presided over by the Chief Justice. Subordinate courts are Magistrates Courts, which have original jurisdiction to try all offences except capital offences such as murder and treason. Some cases are heard by local chiefs and headmen, or their representatives, and decided in accordance with customary law. The High Court is the appeals court for both branches of the judiciary.

Administrative Structure

1.9 Gaborone became the capital city of Botswana at Independence and is one of the fastest growing cities in the world. The country is divided into various administrative districts. The Central Government is represented in each District by the Department of District Administration, headed by a District Commissioner. There are ten Districts and nine District Councils. There are City Councils for Gaborone and Francistown, Town Councils for Lobatse, Selebi-Phikwe, Jwaneng and a township authority for Sowa Town.

1.10 At the local level, District, City and Town Councils have elected councillors and additional councillors are nominated by the Minister of Local Government. At the political level, a Town/City Council is headed by the Town/City Mayor, while administratively, it is headed by the Town/City Clerk. On the political side, a District Council is headed by a Council Chairperson and a Council Secretary on

the administrative side. Both the Chief Executives and their supporting staff are recruited by the Department of Local Government Service Management.

1.11 The main components of the Central Government are depicted in Chart 1.1. The Permanent Secretary to the President is the head of the Civil Service. Each Ministry is headed at an official level by a Permanent Secretary. The civil service falls under the Directorate of Public Service Management.

International Links

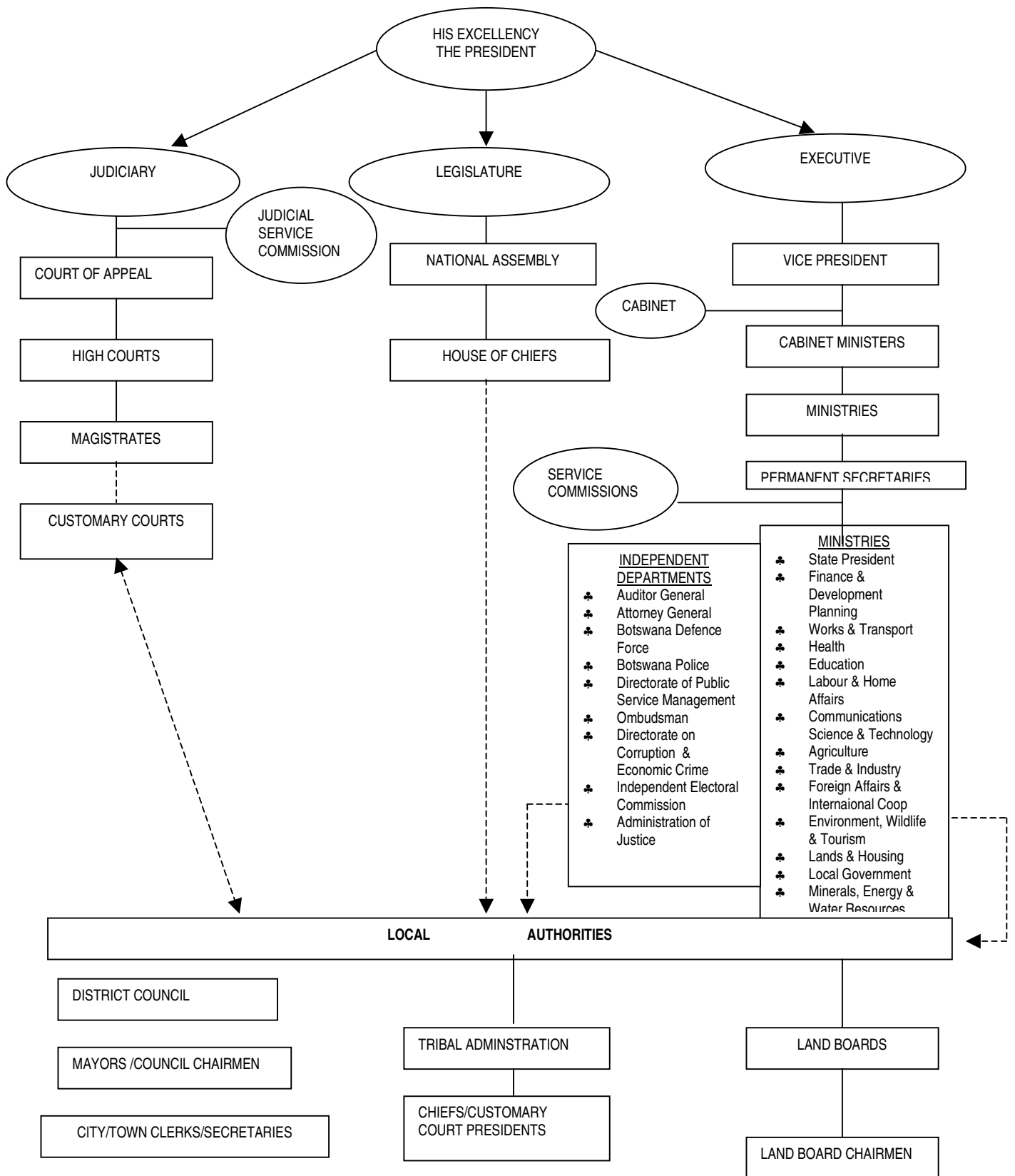
1.12 Botswana is a member of various international organisations, such as the United Nations, the World Bank, the International Monetary Fund (IMF), the World Trade Organisation (WTO), the African Union (AU) and other regional bodies like the Southern African Customs Union (SACU) and the Southern African Development Community (SADC). The headquarters of SADC is in Gaborone.

GEOGRAPHY AND ENVIRONMENT

Physical Features

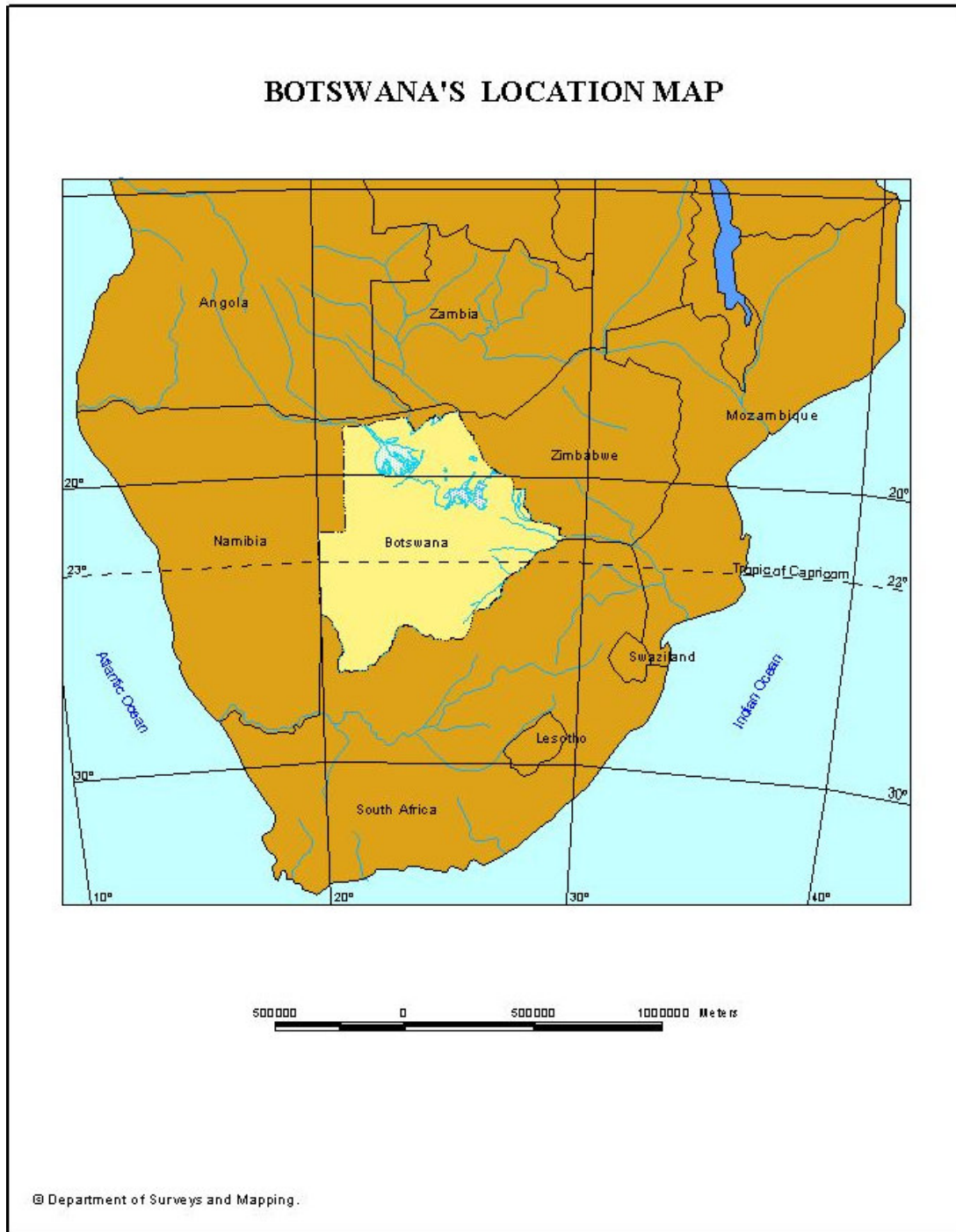
1.13 Botswana is a landlocked, semi-arid country of 582,000 square kilometres, about the same size as Kenya and France. It shares a border with Zimbabwe, South Africa, Namibia and Zambia. Map 1.1 shows Botswana's location within Southern Africa, while Map 1.2 provides a more detailed look at the Republic of Botswana.

CHART 1.1: THE BOTSWANA GOVERNMENT ORGANISATIONAL CHART



Source: DPSM

Map.1.1



1.14 The country is relatively flat, with gentle undulations and occasional rocky outcrops. Botswana's physical environment of dry and poor soils accounts for its varied population

distribution. The population is concentrated in the south eastern parts of the country suited for arable production due to relatively more favourable climatic and soil conditions.

1.15 Due to the semi-arid climate, most rivers and streams in Botswana are ephemeral and as a result, most valleys are usually dry, except during the rains. Perennial rivers include the Okavango and Chobe, which have their sources outside the country. The Makgadikgadi Pans represent the inland drainage basins into which some rivers such as Mosetse, Nata and Boteti flow during the wet seasons.

Climate

1.16 Because of the country's location in the sub-tropical high pressure belt of southern hemisphere in the interior of Southern Africa and away from oceanic influences, rainfall is low and temperatures high. There is, therefore, high inter-annual variability of rainfall and drought is a recurring element of Botswana's climate. Drought adversely affects the already fragile food and agricultural situation in the country and seriously impairs the rural economy and socio-cultural structures.

Temperatures

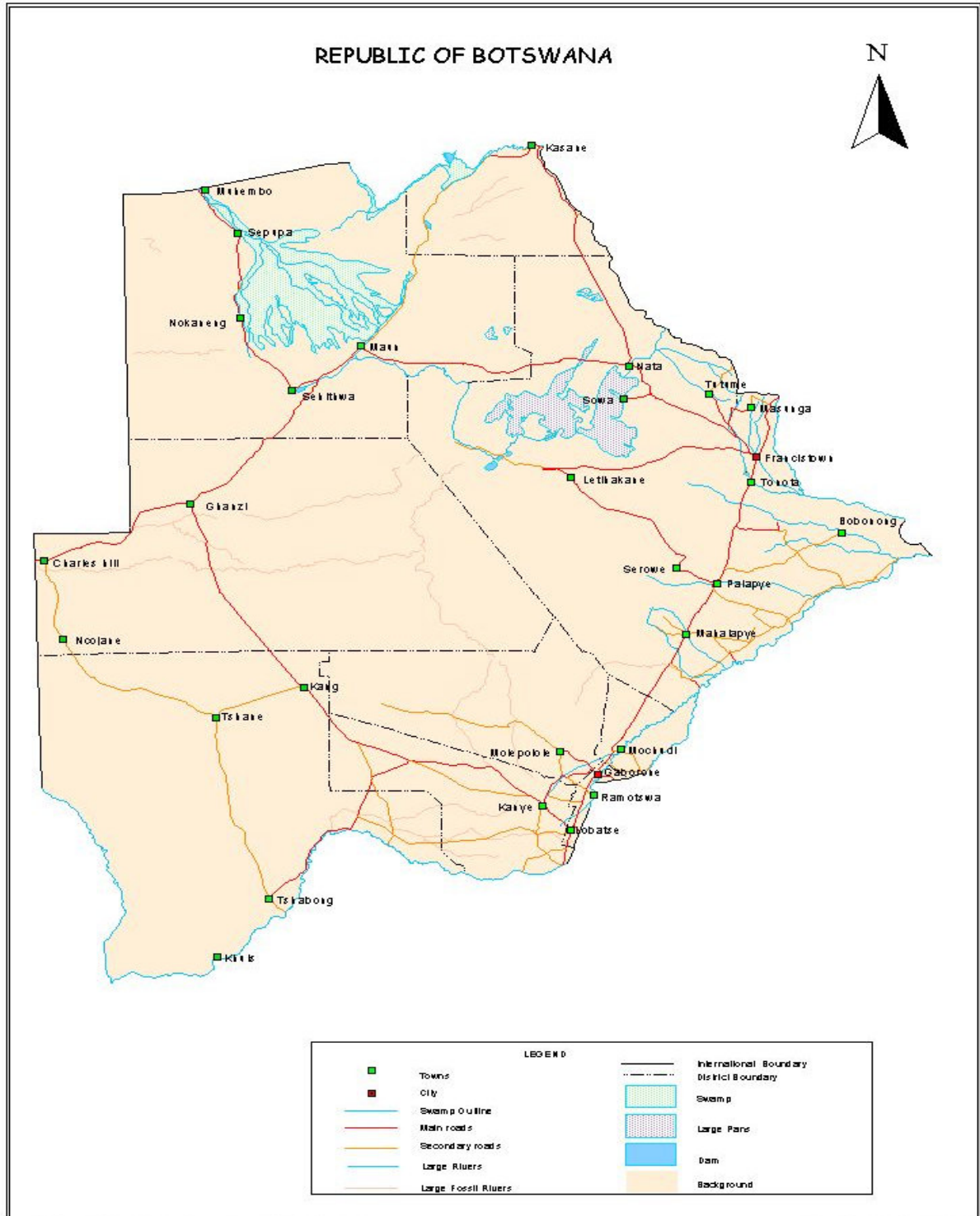
1.17 The mean monthly maximum temperatures range between 23 °C to 25 °C in the Northern parts of the country and 21 °C to 23 °C in the Southern parts. The lowest mean monthly temperatures vary between 1 °C to 5 °C over the eastern areas and 5 °C to 7 °C in the Northern parts of the country.

The highest mean monthly temperatures range between 19 °C and 20 °C and are recorded in the month of January.

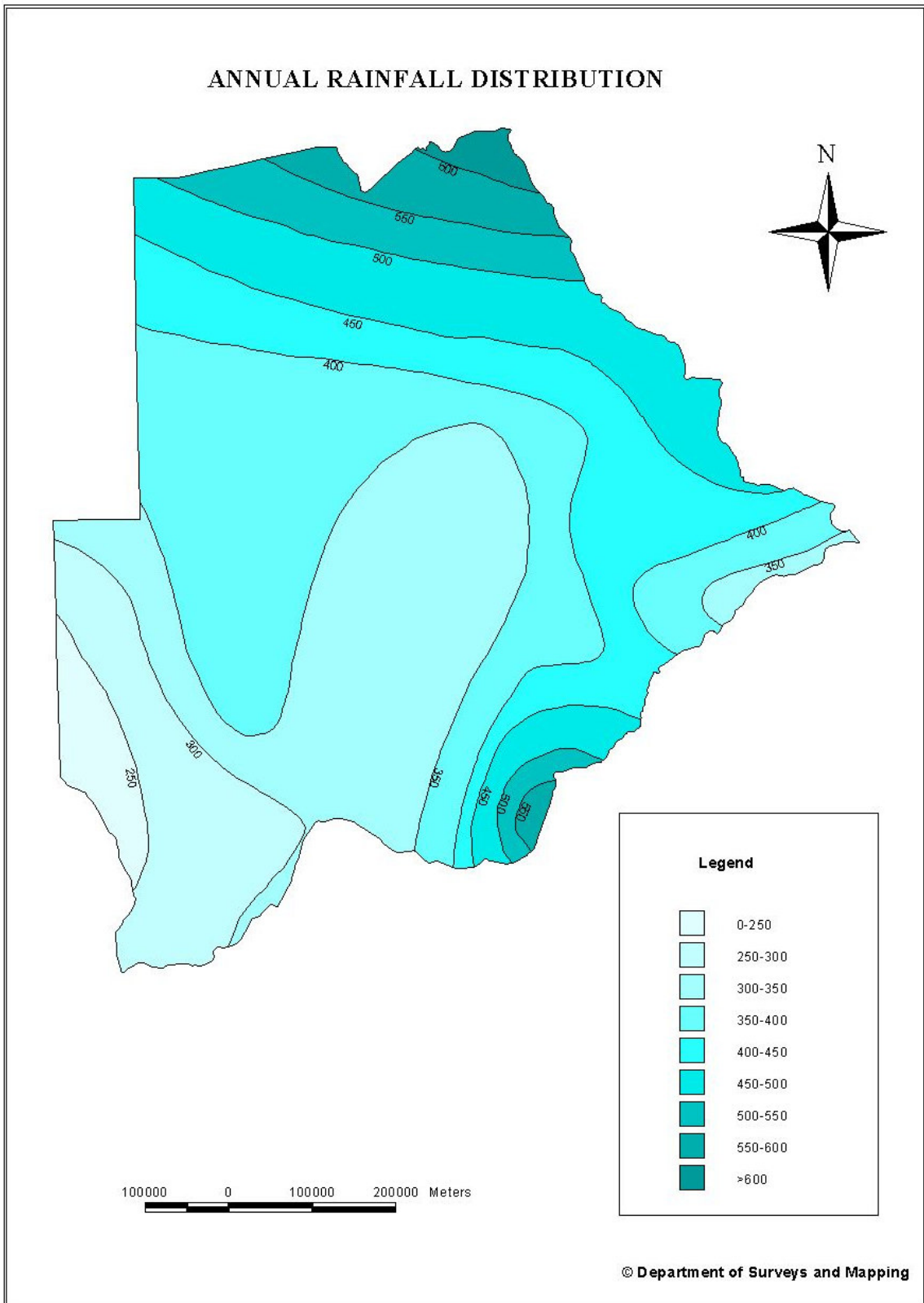
Vegetation and Soil

1.18 Vegetation types are closely correlated with climate as comparison of Map 1.3 (rainfall) and Map 1.4 (vegetation) shows. The vegetation located away from the bush swampland of the Okavango Delta, experience long, dry periods each season and recurring drought. The Chobe District in the north has comparatively high rainfall and therefore sustains belts of indigenous forest and dense bush and some exploitable hardwood resources. The Makgadikgadi pans, located further south are surrounded by treeless grass savanna. The mopane tree dominates the north-east and the hinterland of the Okavango, while more than half of the country supports scrub and tree savanna. The tallest trees and most dense forest are found in areas where there are good rains and best soils, while drier regions mostly here; in the south and west of the Kalahari supports only a low scrub savanna. Low rainfall and poor soils are found particularly in the Kalahari, so that the rangeland supports, at best, a low density livestock and wildlife. Rangeland degradation occurs when the carrying capacity is exceeded, leading to a change in the vegetation patterns of the range.

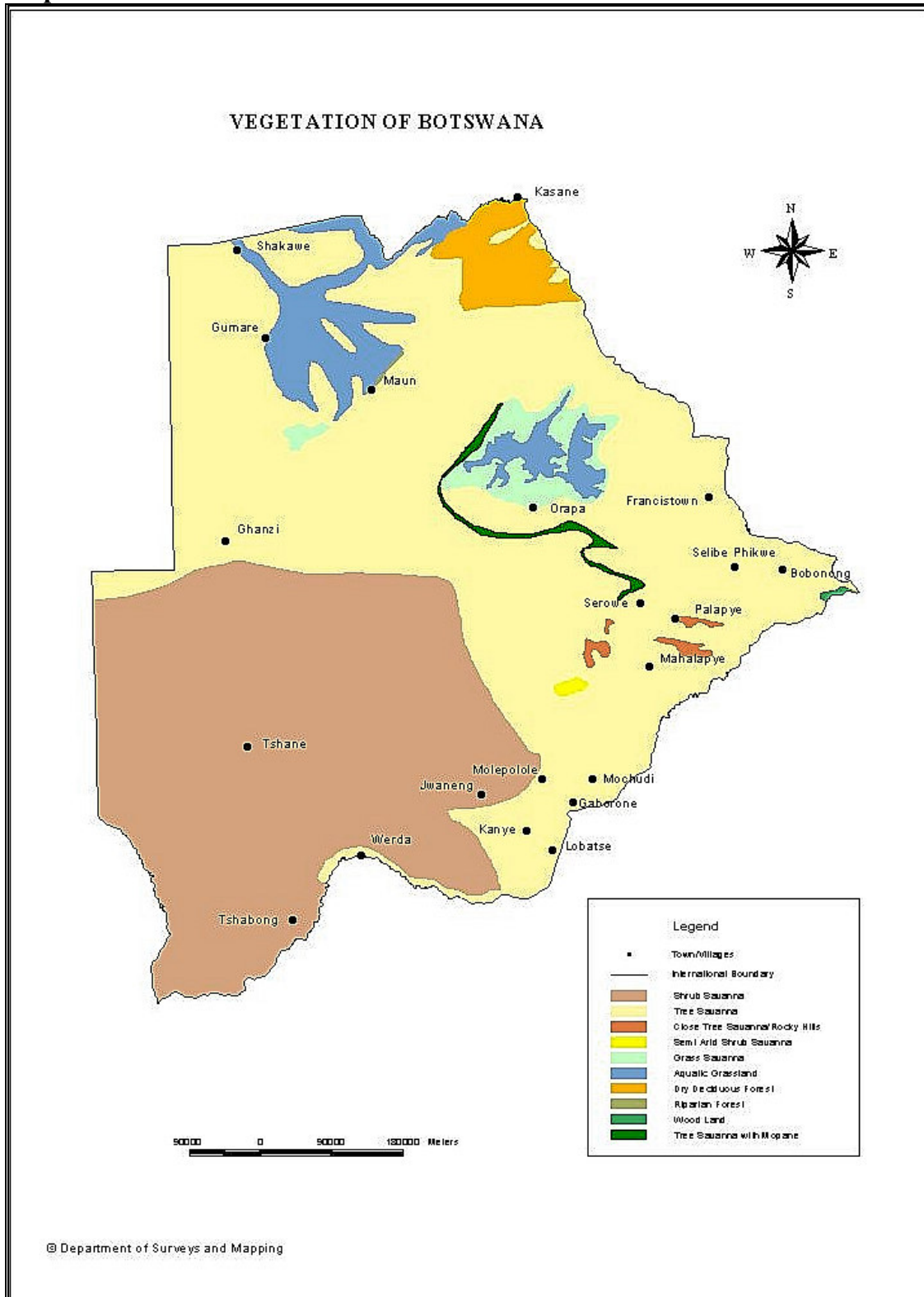
Map 1.2



Map 1.3: ANNUAL RAINFALL DISTRIBUTION



Map 1.4: VEGETATION OF BOTSWANA



Natural Resources

1.19 The natural beauty of Botswana is found in its wilderness, wildlife and cultural diversity. It includes range and arable land, a large wildlife population, and a variety of minerals. Some of the last great populations of wild animals left in Africa are found in Botswana; they constitute a tourist attraction that has yet to be fully exploited. More importantly, they make an important contribution to the subsistence economy of the country. Large areas of the country are designated as National Parks and Game Reserves as shown in Map 1.5; but a considerable number of games are found outside the reserves, though they have been depleted in the more populous areas. Of particular importance for tourism are the Chobe National Park, which contains massive concentrations of large game, and the Okavango Delta, which, besides its outstanding natural beauty, teems with wildlife. Livestock agriculture and game often represent competing uses of marginal land; careful management is required to ensure that such land is used to its best advantage.

1.20 A lot of mineral exploration has been undertaken in recent years, and much continues to be discovered about Botswana's mineral resources. The thick sand covering much of the country obscures the underlying geology, although the eastern part of the country is relatively well mapped geologically. The exploration for gold deposits in the country, particularly at Mupane, resulted

in proven reserves of approximately 795,000 ounces of gold which can be extracted in a space of at least five years. Copper-nickel is mined at Selebi-Phikwe and other potentially exploitable copper resources are known to exist. Mining of coal at Morupule is relatively on small-scale at present, but reserves of billions of tonnes have been proven. Diamond mines at Orapa, Letlhakane, "B/K pipes" near Orapa, Jwaneng and Damtshaa are in production. Salt and soda ash deposits at Sua Pan are effectively unlimited, and are now being exploited.

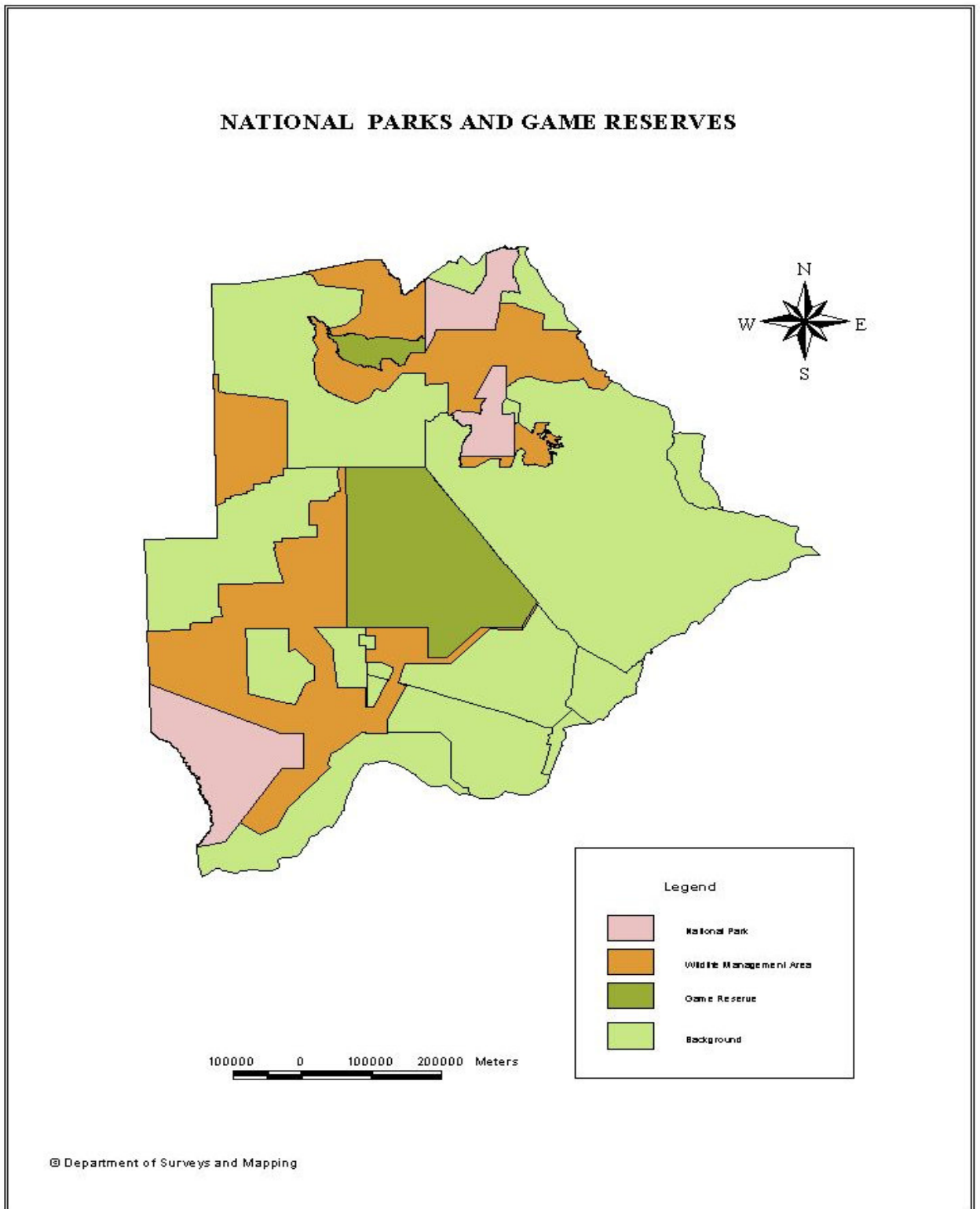
PEOPLE

Main Population Characteristics

1.21 Population characteristics presented in this profile are based on the 2001 Population and Housing Census, the most recent national census. The 2001 census yielded a de facto population count of 1,680,863, compared with 1,326,796 in 1991.

1.22 Botswana's population grew at an average annual rate of 2.4 percent during the inter-census period. The population growth rate in Botswana has been declining over the years. Annual growth rates between 1971 and 1981, and between 1981 and 1991 were 4.5 and 3.5 percent, respectively. While the AIDS pandemic might have contributed somewhat to the decline in recent years, it must be noted that there was a decline also during the pre-HIV/AIDS era.

Map 1.5: NATIONAL PARKS AND GAME RESERVES



Indeed, factors such as declining fertility rates, increased women participation in economic activities, increased literacy rates, access to better healthcare, etc., may have a profound effect on population growth. A summary of the demographic indicators that emerge from a comparison of the 1971, 1981, 1991 and 2001 censuses is presented in Table 1.1. The main features of Botswana's population are: declining

fertility rate, increasing mortality rate and the declining expectation of life. Crude death rate rose between 1991 and 2001, reversing the decreasing trend recorded between 1981 and 1991, due to the HIV/AIDS pandemic. Life expectancy at birth also decreased from 65.3 years in 1991 to 55.7 years in 2001. Regarding fertility, there has been a notable decline in all fertility indicators.

Table 1.1 1971,1981, 1991 and 2001 Census Demographic Indicators (000s)

Population Characteristics	Census 1971	Census 1981	Census 1991	Census 2001
Enumerated Population	596.9	941.0	1 326.8	1 680.9
Male	272.5	443.1	634.4	813.5
Female	324.5	497.9	692.4	867.4
Non-Botswana	10.9	15.7	29.6	60.7
Botswana Nationals Abroad	45.7	42.0	38.6	28.3
Male	36.7	32.6	27.9	16.8
Female	9.1	9.4	10.7	11.5
Population Distribution (%)				
0-4	17.6	18.8	14.6	11.7
5-14	29.9	28.8	28.6	25.0
15-64	46.9	47.6	51.8	58.3
65 and older	5.6	5.1	4.9	5.0
Percentage of Females aged 15-49	42.8	42.9	46.5	52.2
Dependency Ratio (per 100)	113.0	110.0	93.0	71.4
Child-woman Ratio (per 1000)	759.0	819.0	602.0	432.1
Sex Ratio (Males per 100 Females)	84.0	89.0	92.0	93.8
Percentage Urban	9.0	17.7	45.7	54.2
Population Density (per km)	1.0	1.6	2.3	2.9
Crude Birth Rate (per 1000)	45.3	47.7	39.3	28.8
Crude Death Rate (per 1000)	13.7	13.9	11.5	12.4
Natural Rate of Increase (% per annum)	3.1	3.4	2.7	1.6
General Fertility Rate (per 1000) women aged (15-49)	189.0	210.0	161.0	106.7
Total Fertility Rate(births per woman)	6.5	6.6	4.2	3.3
Life Expectancy at Birth (years)	55.5	56.5	65.3	55.7
Males	52.5	52.3	63.3	52.8
Females	58.6	59.7	67.1	59.0
Mean Age (years)	23.4	22.7	23.0	24.5
Males	22.6	22.0	22.4	23.8
Females	24.1	23.4	23.5	25.2

Source: National Census 1971, 1981, 1991 and 2001

CHAPTER 2

SOCIO-ECONOMIC DEVELOPMENT IN THE LONG TERM

INTRODUCTION

Vision 2016

2.1 The importance of developing a long-term socio-economic development perspective was given recognition through the development in 1997 of “**A Long-Term Vision for Botswana: Towards Prosperity for All**”, popularly known in short as **Vision 2016**. While the national development plans in Botswana have always been guided by the four national principles of *Democracy, Development, Self-reliance and Unity* and they are still considered valid, Vision 2016 argues for a refocusing of these principles to embrace change and to relate them to the country’s current development challenges. The Vision characterises what Botswana should be by the year 2016 by identifying goals to be reached, the major challenges that must be met and opportunities that must be productively exploited to attain these national aspirations.

2.2 Vision 2016 calls for a transformation of Botswana into a nation which is ‘*educated and informed*’, ‘*prosperous, productive and innovative*’, ‘*compassionate, just and caring*’, ‘*safe and secure*’, ‘*open, democratic and accountable*’, ‘*moral and tolerant*’, and ‘*united and proud*’. The Vision therefore provides Botswana with a long term socio-economic planning perspective or framework, which will guide the setting of the national development targets, as

well as provide the basis for measuring the level of the country’s achievements, at any particular point in time.

2.3 There has been considerable international consensus developed since the World Population Conference at Bucharest in 1974 and the International Conference on Population at Mexico City in 1984, on the need to consider the broad issues of interrelationships between population, sustained economic growth and sustainable development. The 1994 International Conference on Population and Development built on this consensus, but with a broader mandate on development issues, reflecting the close interconnectedness of population, poverty, patterns of production and consumption, and the environment, underscoring that none of them can be considered in isolation.

2.4 The daily activities of human beings, communities and countries are interrelated with population change, patterns and levels of use of natural resources, the state of the environment, and the pace and the quality of economic and social development. Persistent and widespread poverty, as well as social and gender inequalities, have significant influence on, and are in turn influenced by demographic parameters such as population growth, structure and distribution. Similarly, unsustainable consumption and production patterns contribute to unsustainable use of natural resources, leading to environmental degradation, thus reinforcing social inequities and poverty, which, in turn, have dire consequences for demographic

parameters. This is a vicious circle which demonstrates the interconnectedness of these variables and hence the interrelationships between population, sustained economic growth and sustainable development. It is in the context of the above that this chapter highlights the medium to long-term population and development prospects for Botswana.

2.5 In view of these interrelationships, the recommendations of the 1994 International Conference on Population and Development have advocated for a paradigm shift in planning. This paradigm shift reflects the recognition that population as a factor and a beneficiary of development is central to social and economic planning and therefore must be integrated into the mainstream development planning process. In pursuance of this goal, the Government of Botswana adopted a comprehensive and multi-sectoral National Population Policy in 1997.

2.6 This Policy is guided by a set of principles such as that: *all human beings are born free and equal in dignity and rights ; the right to development is a universal and inalienable right and an integral part of fundamental human rights ; the human person is the central subject of development; human beings are at the centre of concerns for sustainable development ; and that sustainable development as a means to ensure human well-being, equitably shared by all people, today and in the future, requires that the interrelationships between population, resources, the environment and development should be fully recognised, properly managed and brought into harmonious and dynamic balance .*

2.7 It is, therefore, within the framework of this Policy, in tandem with other sectoral policies, such as the National HIV/AIDS Policy, National Health Policy, the Revised National Policy on Education, the National Settlement Policy, etc., that the dynamics of population and development are being investigated to map out the long term prospects. Since the impact of policies and programmes cannot be evaluated realistically within the medium time-frame of the plan, a long-term planning perspective, such as Vision 2016, is necessary.

POPULATION SITUATION AND DEVELOPMENT PROSPECTS

Population Size and Growth

2.8 The population profile presented in this Chapter is based on the 2001 Population and Housing Census. Table 1.1 of Chapter 1 shows that in 2001 the total de-facto population of Botswana was estimated at 1,680,863, compared with 1,326,796 in 1991, an increase of 354,067 over the ten-year period. This represents an average annual growth rate of 2.4 percent compared to annual growth rates of 3.5 percent between 1981 and 1991, and 4.5 percent during the period 1971-1981. The national average annual population growth rate has been declining over the years.

2.9 This is mainly a result of the declining natural rate of increase from 3.4 percent in 1981 to 1.6 percent in 2001. Although there has been a notable decline in the total fertility rate from 6.6 in 1981 to 3.3 in 2001, there is evidence also of increasing mortality rates. The crude death rate rose from 11.5 to 13.5

between 1991 and 2001, reversing the decreasing trend recorded between 1981 and 1991. The increase in the mortality rates has impacted negatively on the life expectancy at birth, which is now estimated at 55.7 years in 2001, a loss of approximately 10 years from 65.3 years in 1991. This is most probably a result of HIV and AIDS. This has far reaching socio-economic policy and programmatic implications for Botswana, in the short to long term.

2.10 The growth rate of the population has not been uniform throughout the country, with district population growth rates varying considerably. The average annual growth rates range from the lowest rate of 0.36 percent in Orapa to the highest rate of 3.57 percent in Chobe¹. Orapa is a closed mining town, which is restricted to mine employees and their families. The population growth rate of this town is a good example that demonstrates how Government policy can impact on the development of any settlement.

2.11 There is a general pattern that is emerging which shows that villages in close proximity to the towns and cities have experienced more growth than elsewhere in the country. For example, the population in villages in the periphery of Gaborone such as Mogoditshane, Gabane, Morope, Mmopane, Metsimotlhabe, and Gaphatshwa has more than doubled, with average annual growth rates between 8.81 percent and 10.89 percent in the inter-censal period. A similar pattern is observed for villages within the periphery of Francistown.. For instance, the population of Tati Siding rose by 6.18 percent while that of

Borolong increased 9.10 percent per annum between 1991 and 2001. Perhaps this is to be expected since such villages usually act as 'dormitory' places to those who work in the two cities, because they either cannot find or cannot afford residential accommodation in the City. This is most likely to be a permanent phenomenon. While there may be nothing wrong with this, this development has important policy implications. While Mogoditshane and Gabane were already classified as urban, the other villages are likely to, in the very near future, depict characteristics similar to towns and cities, such that their demands for services will be urban in character. There is, therefore, a need to look closely at the infrastructural capacity (land servicing, roads, sanitation, etc.) of these villages to offer such services, as well as the capacity of the institutional and administrative structures to cope with such demands. However, apart from growth around the cities, there has been considerable population growth in some parts of north-western Botswana. This might reflect people's responsiveness to the call for diversification and, in particular, to tourism being promoted as a new engine of economic growth.

Population Age Structure and Population Growth Momentum

2.12 Although the national population is growing at a slower rate of 2.4 percent, the continued youthfulness of the population indicates that the population will continue to grow positively for some time to come. This is because the population aged less than 15 years constitutes approximately 36.7 percent of the total population, while the 65 plus is only 5 percent in 2001. This is

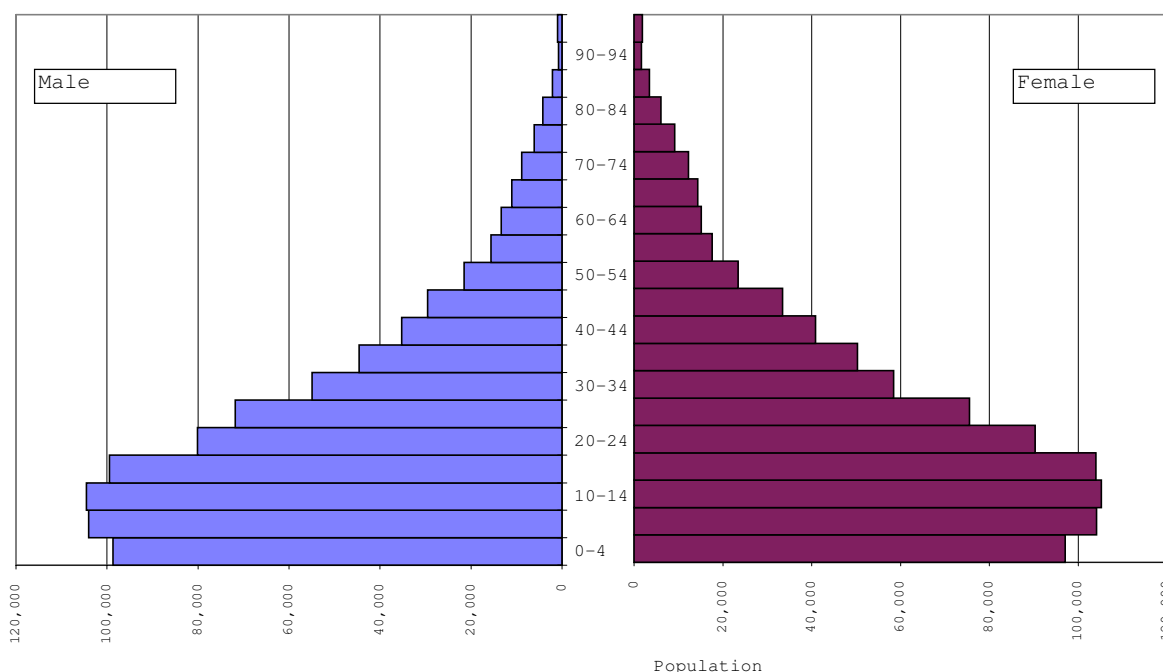
¹ 2001 Preliminary Census

despite the evidence of a decline in the proportion of the under 15-year population age group, from the 1981 and 1991 levels of 47.7 and 43.2 percent, respectively. This is likely to be a consequence of combined effects of the increasing infant and under-five mortality rates due to HIV/AIDS and reduced fertility due to the increase in contraceptive prevalence rates among women in the childbearing ages. Infant mortality was in 2000 estimated at a rate of 57, up from 48 in 1996, under-five mortality at 75, up from 38 in 1996 and childhood mortality at 20 per 1000 live births in 2000, compared to 16 in 1996. The contraceptive prevalence rate was estimated to be 44 percent in 2000 from 42 in 1996.

demographic transition stages, the population of Botswana will continue to grow for some years to come. This is largely because of the large number of young women entering the reproductive age bracket. In 2001, the proportion of young women in the reproductive age group (15-49 years) in the total female population was 52.5 percent. Although the total fertility rate is declining while mortality is increasing, the fertility levels are not falling fast enough. The youthfulness of the population and the persistent high levels of fertility have therefore imparted a strong population momentum. The population can be expected to continue growing for some years in the future, even after its average fertility drops to population replacement levels.

2.13 As it is the case with countries still at the lower end of their

Chart 2.1: Botswana Population Distribution
Population by Age and Sex

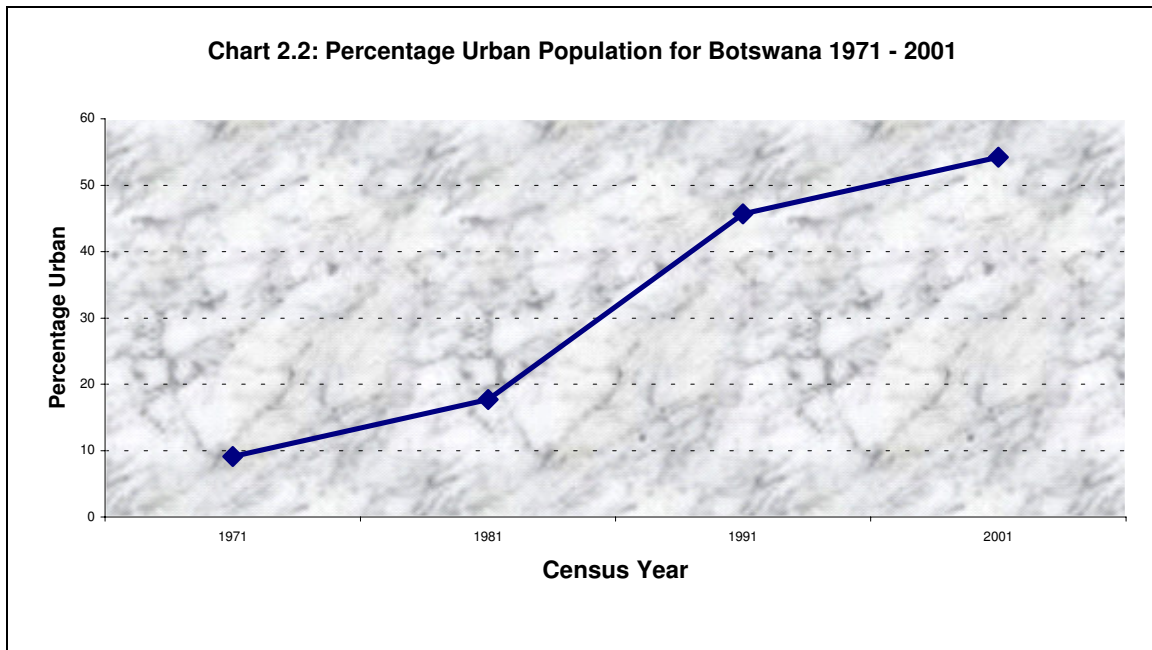


Source: Preliminary Results 2001 Population and Housing Census

2.14 In spite of the growing population and the youthful age structure, there are indications that 'demographic transition' is taking root. Evidence is provided in the increasing mean age of the population that has increased from 23 years in 1991 to 24.5 years in 2001. The reduction of the dependency ratio from 93 in 1991 to 71 in 2001 and the expected further declines provides evidence of this. This is because of reduced number of births and reduced life expectancy.

Urbanisation

2.15 In accordance with the statistical definition of urban areas as, if at least 75 percent of its workforce is engaged in non-agricultural activities and its population is at least 5,000, the population trends point to fast increasing urbanisation in Botswana over the years, perhaps supported by the growing concentration of the population around towns and cities. The Chart and Table below demonstrate the proportion of the urban population since 1971.



Source: National Census 1971, 1981, 1991 and 2001

Table 2.1: Growth of Population in Urban Settlements, 1971- 2001 (^000)

	1971	1981	1991	2001
Gaborone	17.7	59.7	133.5	186.0
Francistown	18.6	31.1	65.2	83.0
Lobatse	11.9	19.0	26.0	29.7
Selebi-Phikwe	4.9	29.5	39.8	49.8
Orapa	1.2	5.2	8.8	9.2
Jwaneng		5.6	11.2	15.2
Palapye		9.6	17.3	26.3
Tlokweng		6.7	12.5	21.1
Mogoditshane			14.2	32.8
Serowe			30.3	42.4
Mahalapye			28.1	39.7
Maun			26.8	43.8
Letlhakane			8.6	15.0
Kasane			4.3	7.6
Ghanzi			5.5	9.9
Sowa			2.2	2.9
Kanye			31.4	40.6
Moshupa			11.4	16.9
Ramotswa			18.7	20.7
Molepolole			36.9	54.6
Thamaga			13.0	18.1
Gabane			6.0	10.4
Mochudi			25.5	37.0
Bobonong			7.7	14.6
Tonota			11.1	15.6
Tutume			10.1	13.7
Mmadinare				10.9
Shoshong				7.5
Tshabong				6.6
Gumare				6.1
Letlhakeng				6.0
Lerala				5.7
Kopong				5.6
Maitengwe				5.3
Total Urban	54.3	166.4	606.3	910.5
Total Population	596.9	941.0	1326.8	1680.9
Urban Pop (%)	9.1	17.7	45.7	54.2

Source: National Census 1971, 1981, 1991 and 2001

2.16 This trend creates additional pressure on the provision and distribution of goods and services such as water, food, electricity, sewerage and housing, and also on opportunities for education, health and employment. It also has policy and programmatic

implications for rural development. While policy interventions or considerations have been biased towards addressing rural-urban migration, it is becoming increasingly clear that there is now another dimension to the concept of urbanisation in Botswana, viz. *the*

transformation of whole settlements from rural to urban status. This change in status has been due to the impact of economic developments on the population, both in these areas and in towns and cities adjacent to them.

Population Distribution and Land

2.17 With a population of 1,680,863 over a fixed land area of 581,730 square kilometres, the average population density has increased from 2 persons in 1991 to 3 persons per square kilometre in 2001. The population densities for Gaborone and Francistown are at least 1,000 persons per square kilometre, as compared to densities well below 1,000 in 1991. These densities depict an important spatial feature in the average growth patterns of the population. While most district population densities have increased during the period 1991-2001, with the exception of the sparsely populated ones, significant changes are evident in the cities and towns. It is worth noting that most of these areas, experiencing rising population densities are in the south-eastern parts of the country, where only 5 percent of the total land is suitable for arable agriculture. Increases in population in these areas will result in more industrial and residential construction, as well as construction of physical infrastructure.

2.18 On the other hand, though districts such as Kgalagadi, Ghanzi, Chobe, Okavango, North East and Central Boteti have experienced positive growth rates, they have on average experienced no change in their population densities limit, a feature that may be indicative of the economic growth potential of these areas.

Sparseness of the population in these areas has serious cost implications for the delivery of various social services, such as education, health and sanitation.

Population and Water Resources

2.19 Water is a scarce commodity in Botswana. This scarcity is exacerbated by the persistent droughts, which are becoming a common feature of the country. The country's limited water supplies are under continual pressure from the still rapidly increasing population, particularly in urban areas, where demand is estimated to have trebled between 1990 and 2000. Increased consumption, in combination with a very limited national recharge rate (3 mm per annum), requires constant sinking of new boreholes, leading to a significant fall in the groundwater table.

2.20 To complement the underground water resources, the Government has during NDP 8 under the North-South Carrier Water Supply Project transferred the water resources from Letsibogo Dam in the north to the greater Gaborone Area, surrounding villages and those along the Gaborone-Lobatse corridor. The country continues to provide the basis for water resource development through the 'National Water Master Plan', which includes the development of Lower Shashe Dam to be completed during this Plan period.

2.21 The National Water Master Plan and related water plans, while being responsive to increases in demand at the national level resulting from population increases, also have to accommodate population shifts due to changing population densities and spatial distribution. Such shifts are

characterised by the increase of the urban population from 45.7 percent in 1991 to 54.2 percent in 2001 and by faster rates of growth in villages around cities and towns. The development of more human settlements has the potential to result in water pollution due to disposal of waste. This creates major challenges for enhanced water management and protection.

2.22 Though the 2001 Census estimates that only 88 percent of all households have access to potable water, there is evidence that some improvements have, however, been made in the provision of potable water nationwide.

2.23 The main constraint has been the declining yields of boreholes induced by persistent droughts and diminishing water sources due to contamination and overloading. This is likely to be exacerbated by the proliferation of settlements, due to the revised National Settlement Policy's reduction of the settlement population threshold from 500 to 250. Water is, indeed, already a major constraint for Botswana's development efforts. This, therefore, calls for continued investigations and assessments on both surface and ground water resources. For these reasons, enhanced water conservation and protection becomes just as critical as improved water management. Government will undertake more technological research to assist in identifying sustainable solutions to these problems and concerns.

Population and Energy Resources

2.24 The importance of energy in the development process for Botswana cannot be overemphasised since it plays a vital role both for households and industry. Vision 2016 points out that *energy is a pre-requisite for successful industrialisation and Botswana must therefore seek to develop cost-effective sources of energy*. The Vision further notes that *Botswana has a tremendous potential for solar energy that must be exploited, especially for rural communities not catered for by the national grid*.

2.25 In 2000, the country's primary energy supply was comprised of 34 percent as coal, 32 percent as petroleum products, 30 percent as fuel-wood, 4 percent as electricity and 2 percent as solar-energy. The Energy Statistics also indicate that, in 2000, the residential sector consumed 42 percent of the energy resources, mainly fuel-wood, followed by transport and the industrial sectors at 27 and 23 percent, respectively.

2.26 According to the 2001 Population Census, there has been a shift in the usage of energy sources for lighting and cooking. In 2001, 25 percent of households, compared to 10 percent in 1991, used electricity, and 59 percent, compared to 64 percent in 1991, used paraffin for lighting. As regards fuel for cooking, the proportion using LPG gas increased to 41.1 percent in 2001, from 21.7 percent in 1991, while the proportion using fuel-wood dropped to 46 percent in 2001, from 64 percent in 1991. In the past, the main source of

energy used by rural households for both cooking and lighting was fuel-wood. Current trends now show that LPG gas and electricity are making inroads as major sources of energy for cooking, without necessarily replacing fuel-wood. Urban households which have relatively higher incomes and better access to most energy sources have a higher connection rate of electricity at 43 percent, compared to 18 percent of rural households. It is estimated that about 80 percent of wood produced in the country is used to produce energy for cooking, heating and lighting and that wood supplies 98 percent of domestic energy to 78 percent of the rural households and 79 per cent of domestic energy to 22 percent of the urban households.

2.27 It is evident from the above statistics that, despite the decrease in the use of fuel-wood from 64 percent in 1991 to 46 percent in 2001, fuel-wood continues to be the primary source of energy for the rural population and possibly the poorer segments of urban population. Yet, the availability of fuel-wood has now reached critical levels in certain areas in eastern Botswana; a part of the country where most of the population is situated and in which, higher population growth rates have been experienced over the recent past. The over-exploitation of this resource is one of the major environmental concerns not only for depletion considerations, but also due to resulting problems of deforestation and land degradation.

2.28 To meet the long-term energy needs of the increasing Botswana population in a sustainable manner, there is an urgent need to enhance efforts for diversifying household energy through new and renewable sources, such as

solar energy, particularly for water heating and power generation. There is, therefore, a need to actively promote research and development in this area, with a view to cutting down the initial capital costs for the solar equipment. Government, through the Botswana Technology Centre, is doing a lot of research in this area of renewable energy sources, including solar energy as an alternative cost-effective energy source. Alongside these efforts, Government continues to intensify its efforts and accelerate the rural electrification programme and explore the feasibility of integrating the grid and the non-grid technologies for rural electrification. The utilisation of coal will also be encouraged, particularly in Government institutions.

Population and the Environment

2.29 All sections of the population depend on the country's natural resources, namely climate, fuel-wood, veld products, wildlife, land, water, air. The loss, through depletion or degradation of these resources, also affects everyone, particularly the poor. The rapid urbanisation of Botswana's population during the past three decades has resulted in increased pressure on and competition for arable land used for food production. This has, in turn, resulted in pollution caused by waste from the extraction of raw materials from the earth, from the consumption of raw materials or products and from the excretion of human waste. In 1998, it was estimated that 270,425 tons of solid waste were disposed of annually in landfill and dumping sites. An additional 34,610 tons of hazardous waste and

liquid waste were also produced². Urban dwellers produce more solid waste than people in rural areas due to their varied consumption patterns.

2.30 Wastewater consists of polluted water from homes, schools, hospitals, industries, offices and shops. It includes sewage from septic tanks and pit-latrines. Such waste can cause pollution of ground water supplies, which also has the potential for endangering the health of people and animals. The amount of wastewater produced in Botswana is increasing rapidly. It is predicted to rise from 117,000 cubic metres per day in 2000 to 287,000 in 2020³. With rapid population increase, in particular, the rapid urbanisation and continued industrialisation, these estimates are likely to increase phenomenally.

2.31 Botswana is highly vulnerable to climate changes due to high levels of greenhouse gases. Fuel-wood, a coal-fired power station, a soda ash plant, a copper-nickel smelter, small amounts of fuels burned for domestic cooking and heating and petroleum products for transport fuel are the main sources of carbon dioxide emissions. In addition, due to population growth, urbanisation and the demand for industrialisation, the energy demand in Botswana is increasing rapidly. The environment affects population change in a variety of ways also. Recurring drought spells have, among other things, induced migration from rural to urban areas in search of productive employment due to loss of opportunities on the land and

other sources of livelihood, such as livestock.

Health

2.32 The increase in numbers of women in the reproductive age group (15-49 years) will continue to create additional demand for health services such as reproductive health, including family planning. Major achievements have been made in this sector. There has been a reduction in total fertility rate from 4.2 in 1991 to 3.3 in 2001. This is attributable to the contraceptive prevalence rate which in 2000 stood at 44 percent for all women, the increased proportion of supervised deliveries at 99 percent; and the expansion of health services and facilities throughout the country, etc. However, the HIV/AIDS pandemic has impacted negatively on some key indicators and reversed some of the achievements from the past. The infant and under-five mortality rates have, respectively increased between 1996 and 2000 from 38 to 57 per 1,000 and from 48 to 75 per 1,000, leading to an overall life expectancy of 55.7 years in 2001, compared to 65.3 years in 1991.

2.33 Teenage pregnancy continues to be one of the major sexual and reproductive health concerns, with 17 percent of teenage girls being mothers and over 85 percent of these being unplanned. This is particularly worrying in this era of high HIV prevalence among young people. The relatively high incidence of teenage pregnancy continues to jeopardise the future of young girls. In 1996, 62.1 percent of teenagers (teenage-girls) were pregnant. Slightly more than 2 percent of the first pregnancies were teenagers below 15 years of age. Teenage pregnancies are

² Botswana: Towards National Prosperity
Common Country Assessment 2001 UN System
for Botswana

³ Botswana: Towards National Prosperity
Common Country Assessment 2001

positively associated with higher morbidity and mortality for both mothers and children. Pregnancy among teenagers also interferes with education prospects and consequently, the potential for productive life. Lower levels of education have been associated with higher poverty levels.

2.34 Adolescents are faced with multiple sexual and reproductive health problems, including HIV/AIDS, unplanned pregnancies and unsafe abortions. Between 1995 and 2000, national sentinel surveys among pregnant women have consistently recorded HIV prevalence of over 20 percent among 15-19 year old adolescents. For every one adolescent boy, there are 4 adolescent girls infected with HIV. Studies also show that over 90 percent of adolescents in Botswana were aware of HIV, although in most instances this knowledge did not result in behavioural change. Access to friendly reproductive health services is limited. However, with the current efforts to reorient the Maternal and Child Health/Family Planning Programme to the Sexual and Reproductive Health Programme, most of these concerns are being addressed.

Education

2.35 A remarkable achievement in education has been the 92 percent primary school enrolment ratio in 2000. Since access is high, focus is now on improving the quality of education. Opportunities for early childhood stimulation and learning are very limited. According to the 2000 Multiple Indicators Survey, only an estimated 9 percent of children have had access to pre-school education. The private sector,

Non-Governmental Organisations and some local authorities provide very limited early childhood care and education. As stipulated in the Revised National Policy on Education, Government limits its participation to creating an enabling environment, monitoring and ensuring standards on early childhood education and care, which is a critical area in which Government continues to take particular interest.

2.36 Government continues to review the entire education system with the aim of improving the quality and the relevance of basic education. Such efforts include the revision of the curriculum for the ten-year Basic Education Programme. These improvements include increasing the practical orientation of the three-year secondary education programme and the infusion of Population-Family Life Education dimensions. The draft Adolescent Sexual and Reproductive Health Programme has been designed in such a way that facts about sexuality and health, including HIV/AIDS, are a part of the examinable school curriculum.

HIV/AIDS

2.37 One of the major challenges facing the country now and over the past two decades is HIV/AIDS. According to the *Botswana 2001 HIV Sero-Prevalence Sentinel Survey* (December 2001) amongst pregnant women and men with sexually transmitted diseases, HIV prevalence rate among pregnant women was 38.8% and 29.8% among the adult (15-49 years) population in 2001. High prevalence rates were reported among the younger age groups,

the most sexually active and productive sectors of the population.

2.38 The impact of HIV/AIDS is now manifested in increased mortality rates and reduced expectation of life as reported earlier in the Chapter. In the year 2000, it was estimated that patients with HIV/AIDS and related conditions occupied more than 50 percent of hospital beds. The increased morbidity and mortality also put considerable pressure on the health system. Most AIDS deaths occur in adults of childbearing age leaving behind orphans dependent on aged grandparents or relatives. There were an estimated 78,000 orphans below the age of 15 years in 2000. If the present trend of the spread of HIV infection continues, children in unprecedented numbers will be left without parental care and traditional caring mechanisms will soon be unable to cope. The number of child headed households will increase significantly and is expected to continue to one in every five children by the year 2010 unless appropriate measures are put in place to contain the situation.

2.39 The 2000 Study on the 'Macro-Economic Impacts of HIV/AIDS in Botswana' by the Botswana Institute for Development Policy Analysis, indicates that HIV/AIDS poses a great threat to continued economic growth in Botswana, mostly because of its impact on the labour force, savings and investment. The study forecasts that AIDS will have the effect of shifting the labour force to a slightly younger generation by about 3 years, thus negatively impacting on work experience, particularly for the skilled labour force. The labour supply will, however, continue to grow, but at a

slower rate. The impact of HIV/AIDS on productivity will always be negative due to lost days due to absenteeism and illness.

2.40 HIV/AIDS can affect the macro-economic performance because there is likely to be a reduction in domestic savings. A reduction in savings is, in turn, likely to lead to an overall fall in investment. Investment may also fall because of loss of profitability, due to higher labour costs or expected fall in the returns to investment. A fall in investment will impact negatively on the rate of growth of the economy. This has far-reaching implications for the Vision 2016 goal of the required investment of 41 percent of GDP, in order to realise an overall economic growth of 8 percent per annum until 2016 that will accommodate a population growth of 2.1 percent. While the average annual population growth rate is likely to reduce further from the 2.4 percent of 2001, the impact of HIV and AIDS on savings and investment is a major threat to the investment target, unless the pandemic is brought under control.

2.41 The Government's response to HIV/AIDS is enshrined in the National HIV/AIDS Policy, and its National HIV/AIDS Strategic Plan for the period 2003-2009. Both documents highlight the multisectoral nature of the response, facilitating the participation of all sector/Ministries, districts and communities, civil society, including people living with HIV/AIDS and the private sector, and international development partners in lowering the incidence and minimizing the impact of HIV/AIDS. During the Plan period, NACA will facilitate and coordinate implementation of various HIV/AIDS

interventions by the different sectors. Efforts will be geared towards taking messages to the people through educational campaigns and provision of HIV/AIDS services. Lessons learned from previous National HIV/AIDS Strategies identify three key areas of focus for the current Strategy. Firstly, there will be coordination of both planning and implementation of HIV/AIDS initiatives across sector/Ministries, districts and civil society. Secondly, HIV/AIDS will be mainstreamed into the national development process. Thirdly, there needs to be an intensified focus at the district level, engaging communities and local stakeholders in the specific issues of relevance to HIV/AIDS, which differ from district to district.

Population and Poverty

2.42 Poverty remains one of the major development challenges for Botswana. The concept of poverty refers to an individual's or a family's inability to achieve minimal standards in fulfilling basic human needs such as food, clothing, shelter, health, education and sanitation services. Poverty therefore presents itself in many different forms. A number of studies worldwide have, however, shown that evidence for the impact of population growth on poverty is strongest at the micro level, that is, at the level of households and communities. It has been found that larger families tend to save less than smaller families of similar socio-economic status.

2.43 On the other hand, the statistical link between population growth rates and overall economic performance has been more difficult to isolate to get

discernible and conclusive patterns. However, there has been a clear and logical link between high population growth rates and lower wages. The greater the supply of labour, the lower the wage rate in the marketplace. There has been plenty of anecdotal evidence that rapid population growth can quickly overburden essential social services such as health, sanitation, water supplies and education. Measures to reduce population growth alone will not, however, solve Botswana's economic problems or, more specifically, do a great deal to reduce poverty in the short-term. But given that a sustained decline in this rate, particularly in total fertility, presents long-term economic opportunities, a well-articulated policy on population growth deserves to be an important component of a broad-based strategy to attack the causes of poverty.

2.44 In 1994, it was estimated that 47 percent of households in Botswana were living below the poverty datum line. The data also indicated that 23 percent of the population lived on less than US\$1 per day. Rural areas were the most affected, with the most widespread and severe poverty found in the western districts of Ghanzi and Kgalagadi. The percentage of the population living below the poverty datum line is estimated to have fallen to 36.7 percent by 2001, according to the consultancy on the formulation of a national poverty reduction strategy. The goal of Vision 2016 is, however, to reduce the proportion of the population living below appropriate poverty datum line to 23 percent by the year 2007 and to zero by the year 2016. The devastating impact of HIV/AIDS is likely to render this goal almost unattainable.

2.45 Although the 2000 Study on the *Macro-Economic Impacts of HIV/AIDS in Botswana* has not been able to provide precise estimates on the magnitude of the impact of HIV/AIDS at the household level, it predicts that in the long-term, with the current prevalence rates, the proportion of households below the Poverty Datum Line will rise by 6 percent, while that of poor individuals will rise by 4 percent. It predicts that the national income dependency ratio will rise from 5.4 to 6.4, that is, “every income earner can on average expect one extra dependant as a result of HIV/AIDS over the next ten years”. Unless the Government continues with HIV/AIDS social programmes, the situation is expected to be worse for the poorest 25 percent of the households, where “every income earner in this category can on average expect an extra 8 dependants as a result of HIV/AIDS”.

2.46 Household resources are being reallocated for assisting AIDS patients. This epidemic is most likely, therefore, to dissipate household incomes which will result in greater levels of poverty in the general population emanating from loss of bread-winners, increased rate of orphanhood, increased costs in health, loss of income earning opportunities due to ill-health, etc. Government has, however, in January 2002, introduced universal access in phases to the Anti-retroviral Therapy, as well as expanded coverage of the Programme on Mother-To-Child Transmission. These measures are likely to mitigate some of these impacts.

CONCLUSIONS AND FUTURE CHALLENGES

2.47 The development challenges facing Botswana are complex. In order for Botswana to significantly improve their standard of living by 2016, the real economic growth rate must be sustainably higher than the population growth rate. This will require, among other things, enhanced productivity of the labour force, through higher investment in education, training, health and sanitation.

2.48 As the economy is structurally changing and modernizing, the demand for land, water and energy is also changing. Increases in the population, coupled with its redistribution, also dictate changes in the nature of demand on natural resources. The environment in terms of these resources also directly or indirectly affects some population changes, e.g., its distribution, etc. In this regard, the question of sustainable resource use becomes an important issue to address. This requires greater understanding of the complex interrelationships between population and development. Government will, therefore, continue to undertake policy-oriented research on the interrelationships between population and development.

2.49 Population cannot be looked at only in terms of numbers and rates. It is both a recipient of development as well as a resource for development. Government will, therefore, continue to expand social infrastructure and improve on the quality of public services. Given the high costs associated with the provision of these services and other priorities such as HIV/AIDS,

Government will continue to explore more sustainable and cost-effective ways for delivery.

2.50 Since land is a non-expandable resource, it is now becoming imperative that ways are identified to increase the productivity of land. There are many competing demands on this scarce resource. Government will, therefore, expedite the implementation of the 'Science and Technology Policy for

Botswana' to come up with more cost effective and environmentally friendly ways to improve the productivity of land in a sustainable manner. The same goes for water and energy.

2.51 In order for Botswana to attain Vision 2016 goals, Government will explore more avenues for development co-operation and cost-sharing with the private sector and communities. This is in concert with the spirit of self-reliance.

CHAPTER 3

ECONOMIC PERFORMANCE AND PROSPECTS

INTRODUCTION

3.1 This Chapter examines the performance of the economy in some detail, and gives the basic forecast for NDP 9, as well as some of the alternative scenarios the country might face over the period from 2003/04 to 2008/09. Chapter 2 has already described the country's long-term economic prospects and the challenges it faces in achieving its Vision 2016 objectives, including sustainable economic development.

3.2 At Independence Botswana was dependent mainly on agriculture for a livelihood. Beef production was the mainstay of the economy in terms of output and export earnings. Communication and infrastructure were not developed, except for the railway line. Prospects for rapid development of the economy seemed bleak and Government depended on foreign aid not only for investment projects, but also to finance most of its recurrent expenditures.

3.3 Since then, the country has recorded remarkable social and economic transformation, with the discovery and production of minerals, resulting in both growth and change in the structure of the economy as shown in Table 3.1. Currently, mineral revenues account for over 50 percent of all

Government revenues. Other significant contributors to Government revenue include revenue from SACU, income from investment of foreign exchange reserves and non-mineral income tax. The improved revenue situation enabled Government to increase spending on physical infrastructure such as roads, education and health facilities.

3.4 Although the mining sector has dominated the economy since the second half of 1970s, there are indications that the economy is beginning to diversify. The highest share of the mining sector to GDP was 52.6 percent in 1983/84, but its contribution to GDP by 2000/01 had dropped to 36.5 percent. Other sectors such as Government, Finance and Business services, and Trade have made a significant contribution to the economy during this period.

3.5 Botswana's key to sustainable development centres on global competitiveness and economic diversification. Every country, including Botswana, faces great challenges from increasing globalisation, which requires domestic economic policies and strategies to be responsive to global challenges. Botswana's economy, an open economy with high trade-to-GDP ratio, is closely intertwined with the overarching global economies.

Table 3.1: GDP by Economic Activity –Selected Years (Constant 1993/94 Prices) P million

Economic Activity	1966		1975/76		1985/86		2000/01	
	Value	Share	Value	Share	Value	Share	Value	Share
		%		%		%		%
Agriculture	387.6	42.7	431.1	20.7	318.9	5.6	434.0	2.6
Mining & Quarrying	-	-	365.3	17.5	2,790.8	48.9	6,027.2	36.5
Manufacturing	51.4	5.7	159.2	7.6	224.9	3.9	681.3	4.1
Water and Electricity	5.2	0.6	48.4	2.3	113.1	2.0	391.3	2.4
Construction	71.2	7.8	267.1	12.8	260.7	4.6	954.8	5.8
Trade, Hotels & Restaurants	81.4	9.0	179.0	8.6	361.6	6.3	1,700.0	10.3
Transport	39.4	4.3	23.5	1.1	141.5	2.5	623.7	3.8
Banks, Insurance & Business Services	183.0	20.1	97.5	4.7	367.4	6.4	1,794.7	10.9
General Government	89.2	9.8	305.0	14.6	730.5	12.8	2,640.6	16.0
Social and Personal Services	-	-	57.8	2.8	145.4	2.5	663.2	4.0
+ Adjustments items:								
* FISIM	-	-	-14.8	-0.7	-114.7	-2.0	-548.3	-3.3
Net Taxes on products/production	-	-	164.3	7.9	368.0	6.4	1,229.9	7.4
= GDP total at constant market prices	908.6	100.0	2,083.5	100.0	5,708.1	100.0	16,524.4	100.0
GDP excluding Mining Value added	908.6	100.0	1,718.1	82.5	2,917.3	51.1	10,497.1	63.5
GDP Per Capita (Pula)	1,682.5		2,861.9		5,175.0		9,793.4	
GDP Per Capita (Excl. Mining) Pula	1,682.5		2,360.1		2,644.9		6,221.3	
Real GDP Growth rate %	-		18.4		7.7		8.4	
Real GDP Growth rate excl. Mining %	-		11.8		11.6		4.0	

Source: CSO

Note. Table 3.1 shows the growth and change in the structure of the economy of Botswana for selected years. GDP growth has averaged around 9.2 percent per annum in real terms over the entire post-Independence period up to the beginning of NDP 8. When expressed at 1993/94 constant prices, annual GDP per capita increased from P1, 682 in 1966 to P9,793.4 in 2000/01. * Financial Intermediation Services Indirectly Measured.

ECONOMIC PERFORMANCE DURING NDP 8

National Gross Domestic Product and Sectoral Output

3.6 Using the latest GDP data available for the period up to 2000/01 and the latest medium-term projections, the overall economic performance during

the National Development Plan 8 period is expected to be significantly better than what was initially projected in the Plan. GDP in current prices rose as shown in Table 3.2 from slightly above P18.2

billion at the end of National Development Plan 7 to P38.6 billion at the end of National Development Plan 8, an increase of 13.3 percent per annum. In per capita terms, incomes are

expected to nearly double over the Plan period, rising from P11,615 in 1996/97 to a revised projection of P21,309 in 2002/03.

Table 3.2: GDP at Current Prices by Broad Sectoral Categories (Pula Million)

Economic Sector	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	Av. Growth
Agriculture	601.9	689.3	654.2	665.2	716.0	823.0	932.0	7.57
Mining	6,908.3	7,665.1	6,692.9	8,389.4	10,286.5	11,000.0	11,323.0	8.58
Manufacturing	882.7	1,011.3	1,127.7	1,239.9	1,367.7	1,623.0	1,812.0	12.74
Electricity and Water	319.6	370.8	458.1	567.5	691.5	831.0	922.0	19.32
Construction	1,017.2	1,153.8	1,360.2	1,423.6	1,562.7	1,827.0	2,045.0	12.34
Trade	2,971.2	3,519.1	4,116.5	5,161.5	5,696.5	6,964.8	8,108.2	18.21
Transport	575.0	667.2	813.6	935.4	1,089.1	1,318.0	1,541.0	17.86
Finance	1,775.1	2,079.4	2,410.4	2,761.1	3,159.0	3,717.0	4,193.5	15.41
Services	681.7	746.5	870.2	993.8	1,090.2	1,337.8	1,505.6	14.12
Government	2,478.5	2,918.6	3,751.3	4,104.6	4,654.2	5,929.1	6,176.5	16.44
TOTAL	18,211.2	20,821.6	22,255.0	26,242.0	30,313.0	35,370.0	38,560.0	13.32
Non-Mineral	10,831.9	12,497.5	14,830.8	16,973.3	19,066.0	23,287.2	26,015.0	15.72
Non-Mineral Growth	15.19	15.38	18.67	14.45	12.33	22.10	11.70	

Source: CSO and MFDP Model

3.7 Real GDP growth over the Plan period as shown in Table 3.3 is now expected to average around 6.4 percent per annum, while the initial projection in the Plan was for an annual average growth of 5.2 percent. Better than anticipated growth in mining, trade, hotels and restaurants, transport and communications and government accounted for most of the more favourable economic performance during NDP 8. In constant 1993/94 prices, GDP is expected to increase from P13.0 billion to P18.4 billion over the same period. Non-Mining GDP is expected to grow at an average annual rate of about 7 percent, from P8.4 billion at the end of NDP 7 to P12.6 billion at the end of NDP 8, while Mining GDP is expected to rise from P 4.3 billion to P

5.9 billion, an increase of 5.2 percent per annum, over the same period. Except for agriculture, which may record a sluggish real growth of 0.8 percent per annum over NDP 8, other sectors will register high real average annual growth ranging between 5 and 9 percent.

3.8 Non-Mining GDP is expected to grow fairly steadily over the Plan period. Mining sector GDP, on the other hand, has fluctuated markedly over NDP 8, with negative growth of about 2.8 percent recorded in 1998/99 as a result of the East Asian financial crisis, followed by strong recovery with growth rates of 12.1 percent and 19.6 percent in 1999/00 and 2000/01, respectively. The robust growth in those years was largely attributable to the Orapa 2000 project,

which doubled its production capacity. Some of the fluctuations in GDP from the Mining sector from one national accounts years (July-June) to the next also occur due to variations in the rate of

production during the two halves of the calendar years, which are used as reference periods for Debswana's production budgets.

Table 3.3: GDP at Constant 1993/94 Prices by Broad Sectoral Categories (Pula Million)

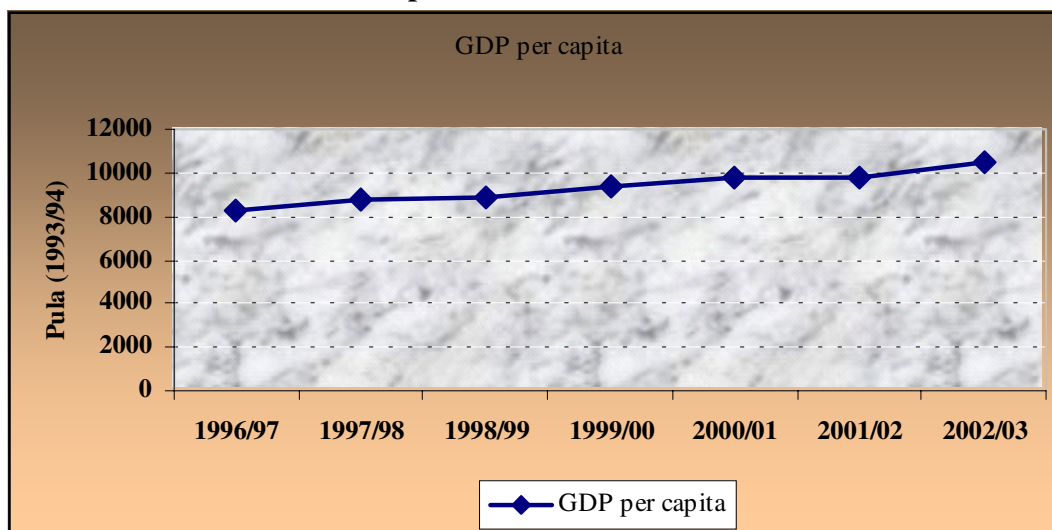
Economic Sector	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	Average Growth
Agriculture	453.1	479.9	443.4	404.6	434.0	423.2	476.0	0.83
Mining	4,310.7	4,721.8	4,588.5	5,142.3	6,027.2	5,838.6	5,853.0	5.23
Manufacturing	593.7	625.8	661.4	684.3	681.3	682.5	793.0	4.95
Electricity and Water	268.8	295.4	333.5	371.1	391.3	405.7	455.0	9.16
Construction	787.9	822.1	916.9	939.4	954.8	999.7	1,076.0	5.33
Trade	2,251.1	2,476.6	2,666.4	3,021.5	3,104.7	3,415.3	3,805.4	9.14
Transport	456.4	497.8	578.7	594.0	623.7	667.4	759.8	6.61
Finance	1,367.9	1,500.8	1,636.3	1,707.3	1,794.7	1,922.2	2,008.3	5.68
Services	558.1	574.6	617.7	645.2	663.2	704.6	777.3	6.99
Government	2,009.4	2,195.7	2,333.3	2,474.2	2,640.6	2,861.0	3,013.2	9.37
TOTAL GDP	12,703.7	13,728.6	14,295.6	15,451.0	16,524.4	16,911.5	18,412.0	6.38
Growth	5.60	8.07	4.13	8.08	8.40	2.30	8.87	
NON-MINING GDP	8,393.0	9,006.8	9,707.1	10,308.6	10,497.1	11,072.9	12,559.0	6.95
Growth	5.53	7.31	7.78	5.67	4.40	5.49	13.42	
GDP Per Capita	8,317.5	8,769.3	8,908.8	9,359.4	9,793.4	9,788.0	10,508.0	3.30

Source: CSO and MFDP Model

3.9 During the first four years of NDP 8, the economy grew at about 7.3 percent per annum in real terms. Economic performance during NDP 8 led to sustained increases in real per capita incomes, with GDP per capita in

constant 1993/94 prices rising from P8,317.5 at the end of NDP 7 to a projected P10,508.0 at the end of NDP 8, at a rate of 3.3 percent per annum. Chart 3.1 shows real per capita GDP growth over NDP 8.

Chart 3.1: Real Per Capita GDP Growth over NDP 8

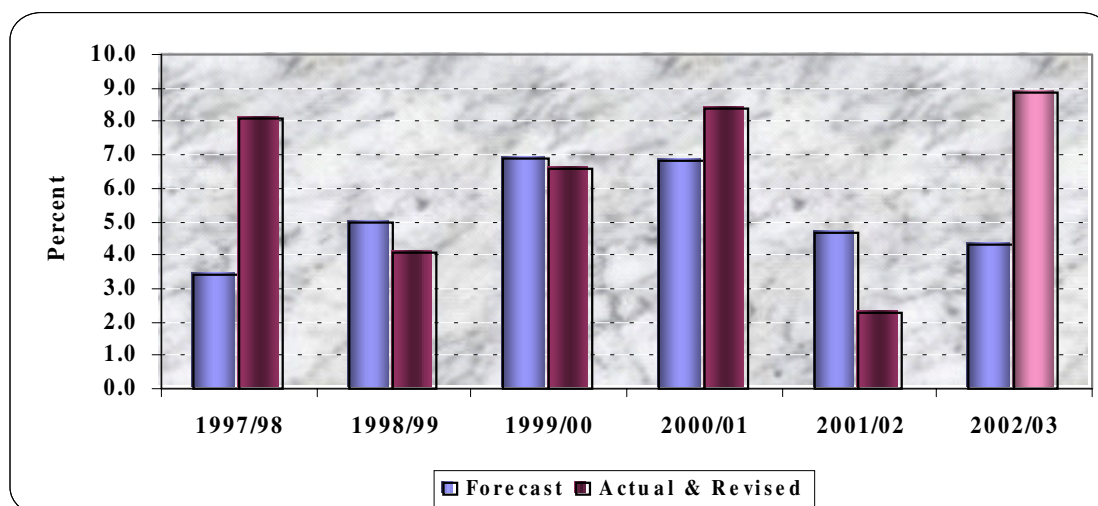


Source: CSO and MFDP Model

3.10 Chart 3.2 depicts a comparison between annual growth rates of real GDP that were forecast in NDP 8, vis-à-

vis those that actually occurred and the revised projections.

Chart 3.2: Comparison of NDP 8, Actual and Revised Projections of GDP Growth Rates



Source NDP 8, CSO and MFDP Model

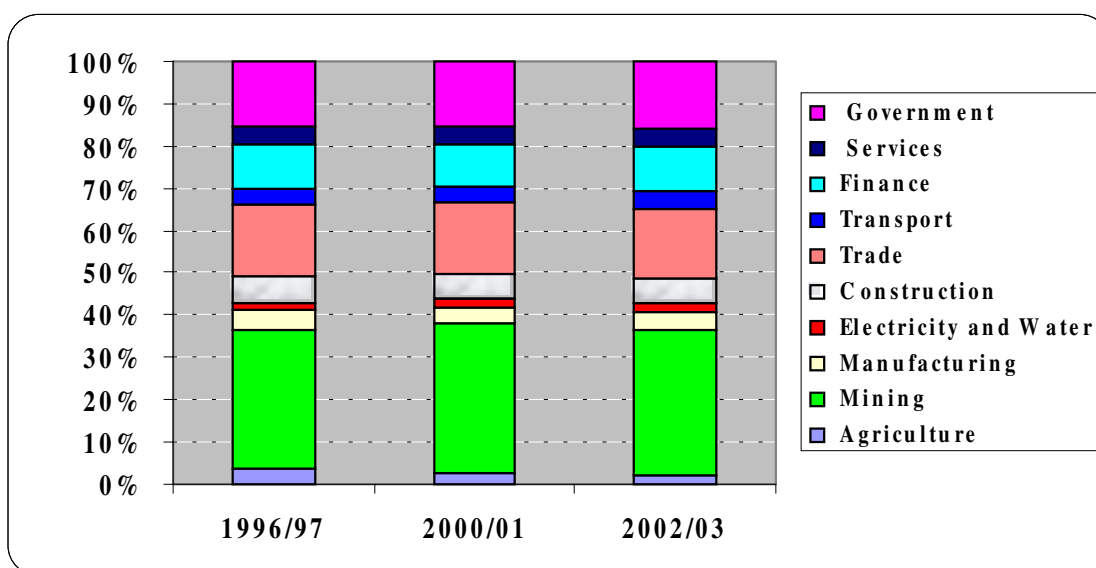
3.11 Differences in the sectoral economic performances during NDP 8 resulted in modest changes in the structure of the economy (Chart 3.3). The weak agricultural performance resulted in the sector's share of total

GDP declining from 3.6 percent at the end of NDP 7 to 2.6 percent at the end of NDP 8. The finance and trade sectors have grown in terms of GDP share from 10.8 and 17.7 percent respectively in 1996/97 to nearly 10.9 and 20.7 percent

in 2002/03 respectively. Government's share of GDP rose modestly to 16.4 percent at the end of NDP 8 compared to 15.8 percent at the end of NDP 7. The changing structure of the economy indicated some success in achieving diversification to sectors other than

mining. The rise in the share of non-mining sectors in total GDP at constant prices was a little less than planned, recording 68.2 percent against the target of 69.4 percent in NDP 8. This was due to much faster growth in mining sector GDP than projected.

Chart 3.3: Sectoral Composition of GDP during NDP 8



Source: CSO and MFDP Model

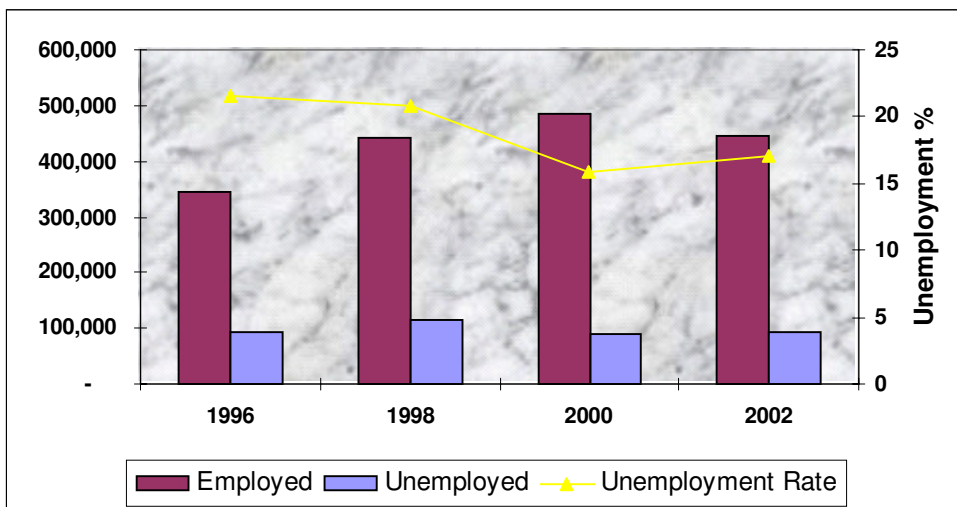
Labour Market Developments

3.12 Labour market conditions improved substantially during NDP 8. According to the 1995/96 Labour Force Survey and the 2000 Multiple Indicators Survey, total employment opportunities in the economy, grew from 345,400 in 1996 to 483,400 in 2000, an average annual rate of growth of 8 percent. Much of that employment growth was

due to increases in employment opportunities in the informal sector.

3.13 The labour force, on the other hand, also grew rapidly during the early part of NDP 8, increasing from 439,900 in 1996 to 574,100 in 2000, an increase of 5.5 percent per annum. With employment growth of nearly 8 percent, exceeding the labour force growth, the unemployment rate fell from 21.5 percent in 1996 to 15.8 percent in 2000.

Chart 3.4: Employment, Unemployment and Unemployment Rate



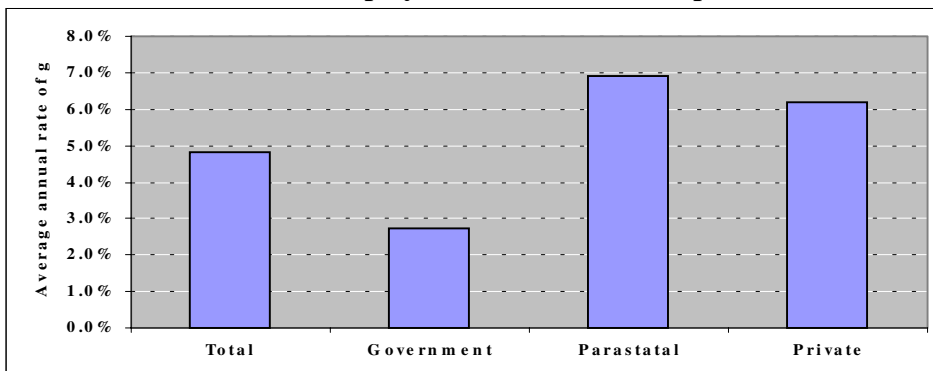
Source: CSO and MFDP Model

3.14 Recorded formal sector employment did not increase as rapidly as expected during NDP 8, although the growth rate was very close to that expected. In part, this was due to a change in statistical coverage implemented with the September 1997 Employment Survey. The Plan had envisaged formal sector employment growing from 255,600 in 1997 to 324,100 in 2002, an increase of 4.9 percent per annum over the period. In the event, employment in the formal sector grew from 226,800 in September 1997 to 272,800 in March 2001. It is

now projected to reach 287,000 in September 2002, representing an average annual growth rate of 4.8 percent over the five year period to 2002.

3.15 In terms of broad sectoral categories, employment in the private and parastatal sectors grew rapidly over NDP 8, with average annual rates of growth from 1997 to 2002 of 6.5 percent. In contrast, employment in Government only grew by 2.7 percent per annum from September 1997 to September 2002.

Chart 3.5: Formal Sector Employment Growth from September 1997 to March 2001

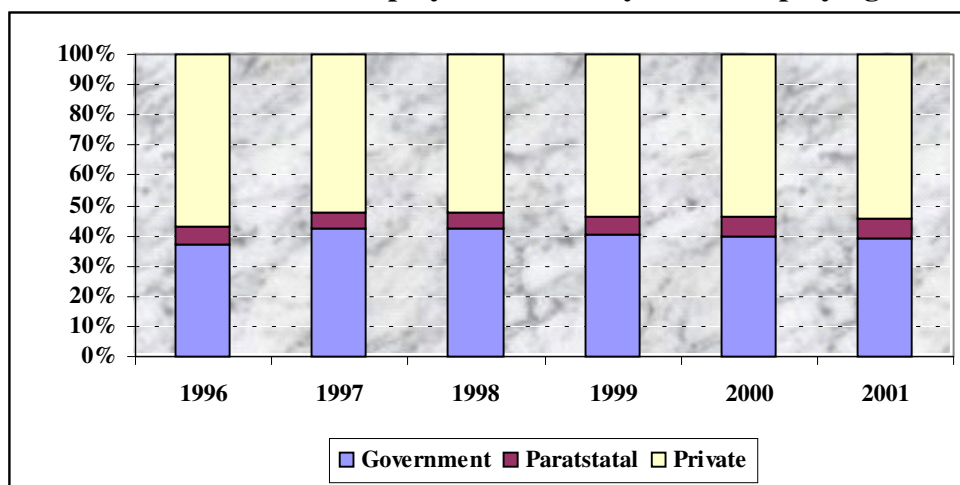


Source: CSO

3.16 As a result of the less rapid growth of Government employment, its share of total formal sector employment fell from 42.2 percent in 1997 to 39.2 percent in 2001 and is expected to fall again to 38.2 percent in 2002. The private sector's

share of formal sector employment, which started NDP 8 at 52.0 percent, increased to 55.5 percent in 2001. The parastatals sector also saw its share increase from 5.8 percent in 1997 to 6.3 percent in 2001

Chart 3.6: Formal sector employment share by broad employing sector



Source: CSO and MFDP Model

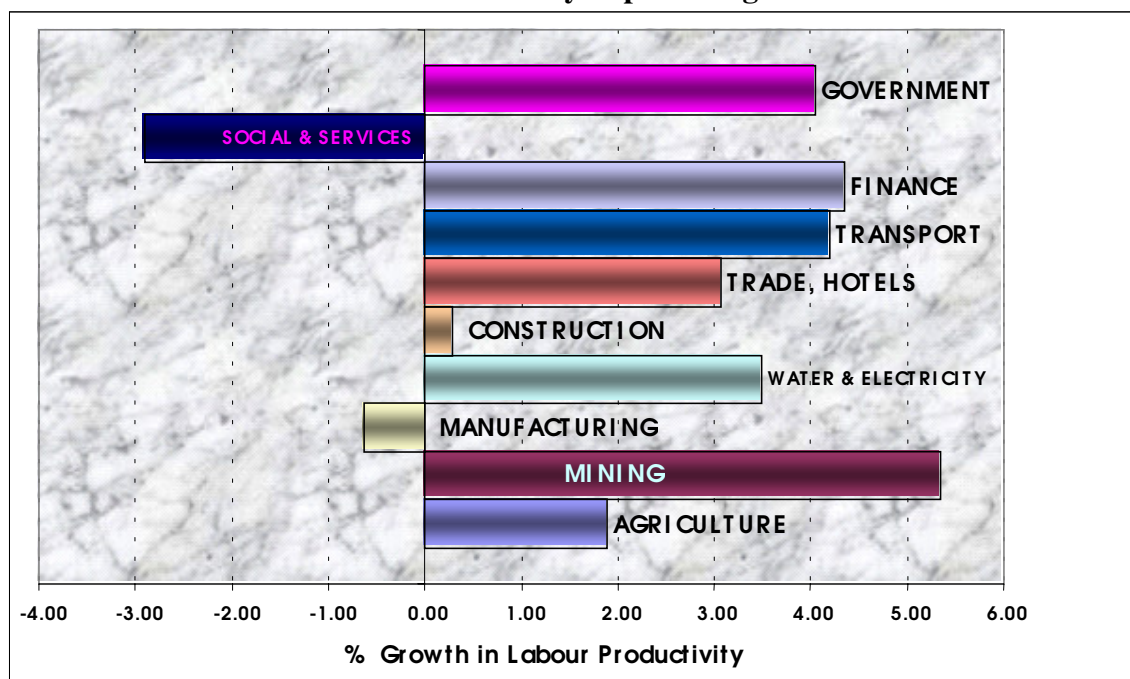
Note: Sharp change in 1997 was mainly due to a change in statistical coverage as of March to September.

3.17 Data on actual employment and revised projections for formal sector employment during NDP 8 indicate that the average growth rate for the entire period will be 4.0 percent, compared to the 4.9 percent rate of growth projected in the Plan. Actual and revised estimated GDP growth, at 6.4 percent per annum, is, on the other hand, higher than the 5.2 percent per annum growth projected. This implies that average labour productivity (i.e., value added per worker) increased more rapidly than was originally anticipated. Part of the reason for this is the considerable restructuring that occurred in the private sector, with a view to saving costs and improving profitability, through raising labour productivity. It is also due, in part, to

the fact that much of the higher GDP growth registered during NDP 8 came from higher than expected growth of the mining sector, which is relatively capital-intensive.

3.18 During the NDP 8 period, high productivity growth was achieved in mining, trade, hotels and restaurants, transport, Government, finance, and water and electricity sectors, with average annual labour productivity growth rates ranging between 3 and 5 percent. On the other hand, declines in labour productivity were recorded in services and manufacturing. Overall, the economy-wide labour productivity growth rate was 2.3 percent per annum.

Chart 3.7: Growth in Labour Productivity in percentage terms over NDP 8



Source: CSO and MFDP Model

Government Finance

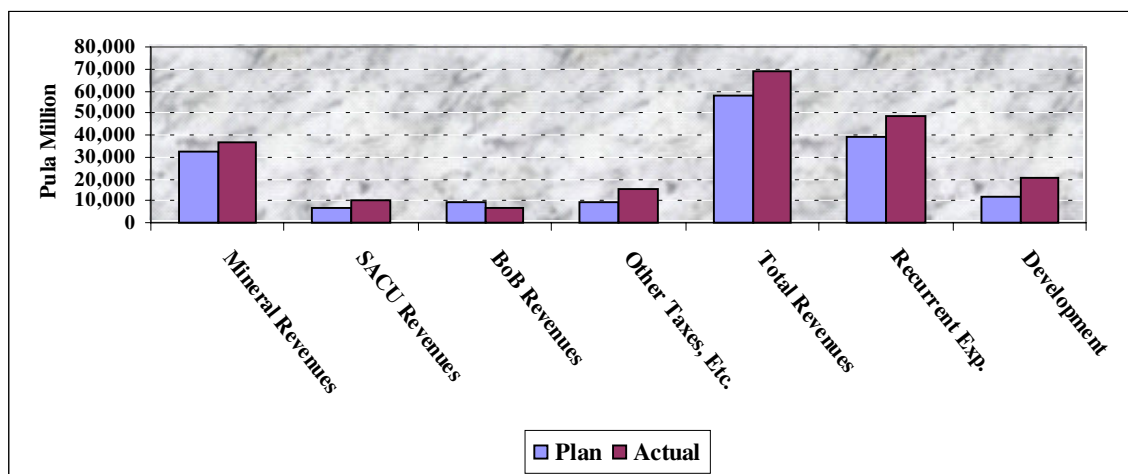
Budget Position

3.19 When National Development Plan 8 was approved by Parliament in 1997, Government envisaged total revenues and grants of P57.8 billion over the Plan period (see Table 3.4), comprising P32.0 billion of mineral revenues (55%), P6.7 billion of SACU revenues (12%), P9.4 billion of revenues from the Bank of Botswana (16%) and P9.7 billion from other taxes, fees and grants (17%). The revenue forecasts supported budget expenditure allocations of P51.2 billion, which included recurrent expenditure of P39.3 billion (77% of total expenditure) and development, net lending and FAP expenditure of P11.9 billion (23%). The Plan forecast surpluses (and some

provision for contingencies) of P6.6 billion over the six year period, equivalent to 11% of the total revenues envisaged. In the event, there were significant departures from the Plan forecasts, for both revenues and expenditures.

3.20 Using the actual budget outturns for the first four years of the Plan, the revised estimates for 2001/02 and the budget estimates for 2002/03, the actual and latest estimates of Government revenues and expenditures can be compared with those initially forecast in the Plan.

Chart 3.8: Comparison of Plan and Actual NDP 8 Revenues and Expenditures



Source: CSO and MFDP Model

3.21 Adding the provisional actual for 2001/02 and the budget estimates for 2002/03 to the actual outturn data for the first four years of National Development Plan 8 allows a further comparison with the Plan forecasts (see Table 3.4). Total revenues over the Plan period are estimated to be P69.2 billion, 20% above the Plan forecast, while total expenditures, now estimated at P68.9 billion, are 14% above the forecast. The mineral and SACU revenues over National Development Plan 8 have been substantially higher than the amounts projected. In contrast, Bank of Botswana revenues to Government, according to the latest estimates, are expected to be less than the Plan forecast. For the six year period ending in 2002/03, the total of actual and latest estimated recurrent expenditure amounts to P48.3 billion, which is 18% more than initially forecast. Cumulative development expenditures, net lending and FAP are now expected to be 70% greater than that originally forecast for National Development Plan 8.

3.22 A deficit of P1388 million was recorded for the budget in 1998/99, compared to the originally projected surplus of P279 million. This below Plan performance was due to the adverse impact of the Asian crisis on Government revenue, as well as higher expenditures arising from increases in public sector salaries. This was the first deficit recorded in 16 years; a deficit of P21 million (2.16 percent of GDP) was recorded in 1982/83.

3.23 The Government budget figures for 2002/03 indicate that the budgetary outcome is expected to be a deficit compared to a surplus originally anticipated in NDP 8. The budget outturn for 2000/01 of a P2.6 billion surplus shows an improvement from the original forecast surplus of P1.5 billion. However, the last two years of the Plan, 2001/2002 and 2002/2003, provisional actual and budget estimates indicate budget deficits of P964 million and P2.2 billion, respectively. In 2001/02, revenue was considerably lower than in 2000/01, while recurrent expenditures were higher

primarily due to the salary revisions effected in April and July 2001. Increased expenditures also reflect the additional cost of P150 million to cover

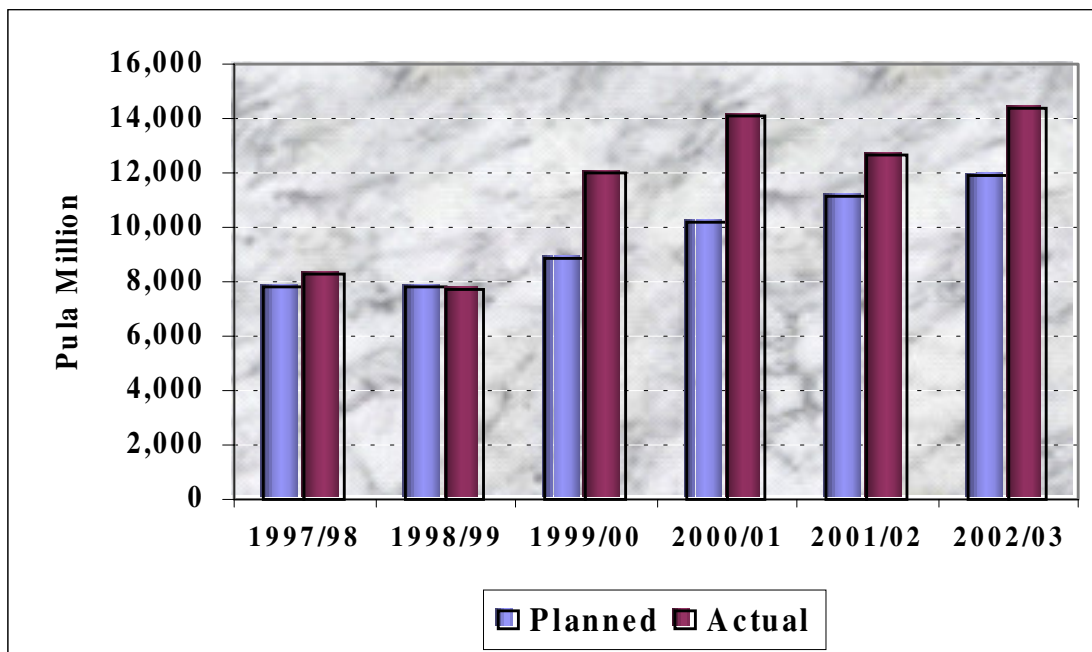
Government's contribution towards the new Public Officers' Pension Fund, which came into effect from 1st April 2001.

Table 3.4: NDP 8 Government Budget Review (Pula, Million)

NDP 8 Forecasts of Government Revenues and Expenditures								
	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	NDP 8 Period	Share of Total
Mineral Revenues	3,627	4,041	4,829	5,912	6,581	6,986	31,976	55.3%
SACU Revenues	1,163	1,112	1,112	1,112	1,112	1,112	6,723	11.6%
BoB Revenues	1,751	1,351	1,431	1,505	1,634	1,756	9,427	16.3%
Other Taxes, Etc.	1,274	1,343	1,491	1,665	1,851	2,066	9,690	16.8%
Total Revenues	7,815	7,846	8,864	10,194	11,178	11,920	57,816	100.0%
Recurrent Expenditure	4,652	5,179	6,060	6,885	7,756	8,740	39,273	76.7%
Development & Net Lending	2,400	2,389	1,792	1,769	1,804	1,773	11,928	23.3%
Total Expenditures	7,052	7,568	7,852	8,655	9,561	10,513	51,200	100.0%
Surplus/Deficit	763	279	1,012	1,539	1,617	1,407	6,616	11.4%
Actual Outturns and Latest Estimates for NDP 8 Period								
	Actual Outturn 1997/98	Actual Outturn 1998/99	Actual Outturn 1999/00	Actual Outturn 2000/01	Provisional Actual 2001/02	Budget Estimate 2002/03	NDP 8 Period	Share of Total
Mineral Revenues	4,681	3,187	6,687	8,368	6,996	7,040	36,959	53.7%
SACU Revenues	1,186	1,261	1,931	2,188	1,732	1,554	9,852	14.3%
BoB Revenues	947	1,217	1,200	1,167	1,167	1,150	6,848	9.9%
Other Taxes, Etc.	1,467	2,012	2,145	2,392	2,837	4,773	15,626	22.7%
Total Revenues	8,281	7,678	11,963	14,115	12,707	14,426	69,170	100.0%
Recurrent Expenditure	4,827	6,157	7,048	8,383	9,935	11,939	48,289	70.1%
Development & Net Lending	2,580	2,908	3,490	3,153	3,698	4,502	20,331	29.5%
Total Expenditures	7,406	9,065	10,538	11,536	13,670	16,642	68,857	100.0%
Surplus/Deficit	875	-1,388	1,426	2,579	-964	-2,216	312	0.5%

Source: NDP 8, MFDP and CSO

Chart 3.9: Comparison of NDP 8 Plan and Actual Revenues



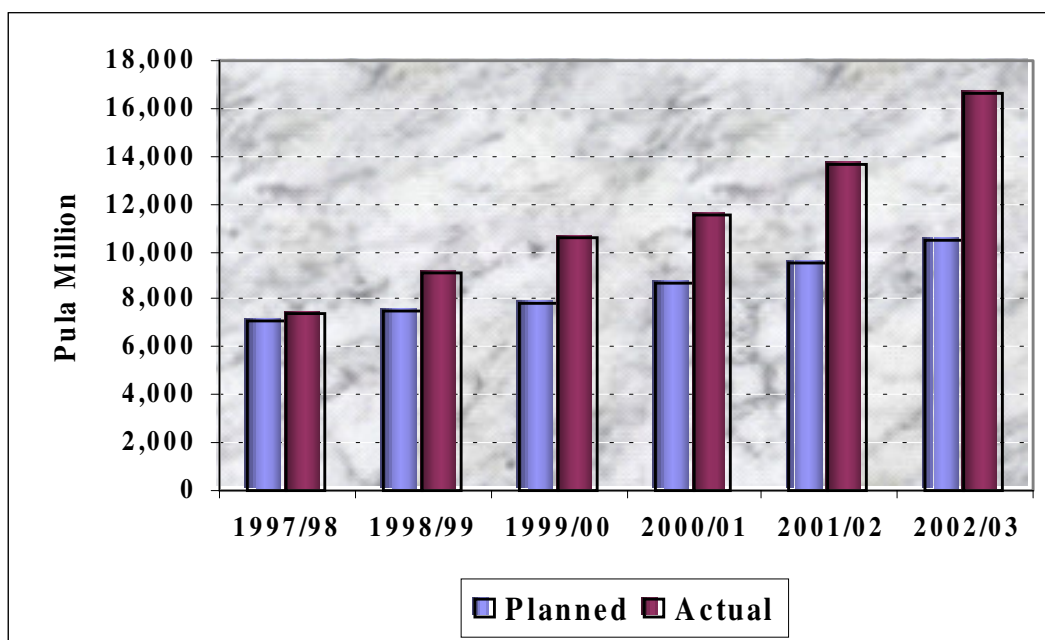
Source: MFDP

3.24 Government revenues were forecast to grow from P7, 815 million in 1997/98 to P11, 920 million in 2002/03, an increase of 8.8 percent per annum over the period. In the actual event, Government revenues were at a higher level of P8, 281 million at the start of NDP 8 and grew more rapidly at 11.7 percent per annum to reach P14,426 million at the end of NDP 8. As a result, the actual revenue outturns increasingly out-performed those originally forecast over NDP 8.

3.25 The higher than expected revenues are attributed to the effect of the

introduction of continuous operations in all diamond mines, the millennium celebrations and improved production in mines, besides the expansion of the Orapa diamond mine. However, there was a fall in mineral revenue in 1998/99 due to the impact of the Asian crisis on the diamond market and an equally sharp increase in 1999/2000, attributed to recovery in the market as well as the incremental diamond sales associated with celebrations of the new millennium. The revenue further declined in 2001/02 due to the global recession during 2001 and 2002. The situation is expected to improve in 2002/03.

Chart 3.10: Comparison of NDP 8 Plan and Actual Expenditures

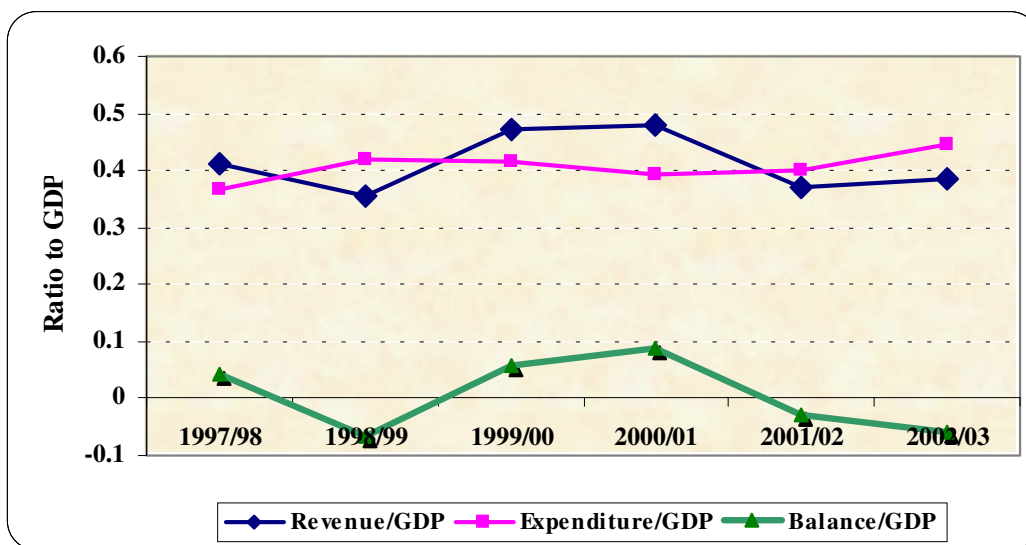


Source: MFDP

3.26 Overall, actual and revised expenditure figures have turned out to be higher than the original NDP 8 projections. The revised projections for the Plan period show the expenditure growth to be more than twice as fast as originally projected in NDP 8. The deviations of actual expenditure from projected expenditure are directly and indirectly due mainly to the high growth in development expenditure. The ratio of total Government expenditure relative to GDP increased from 36.7 percent in

1997/98 to 42.1 percent in 1998/99, but later declined to 41.5 percent in 1999/00. The ratio of expenditure to GDP declined further to 39.3 percent in 2000/01 and stabilized at around that ratio in 2001/02, before rising again at the end of the NDP 8 Plan period. The sharp increases in recurrent expenditure in 1998/99, and again in 2001/02 due to the introduction of revised Public Service Salaries were some of the reasons for the deviations from the Plan forecasts for expenditure.

Chart 3.11: Government Budget Outturn relative to GDP during NDP 8



Source: MFDP

3.27 The sustainability of the Government's fiscal position can be depicted by the ratio of its non-investment expenditures to its recurring non-mineral revenues.

3.28 Government shows an overall improvement on sustainability of fiscal position over the original NDP 8 projections. This improvement is due to

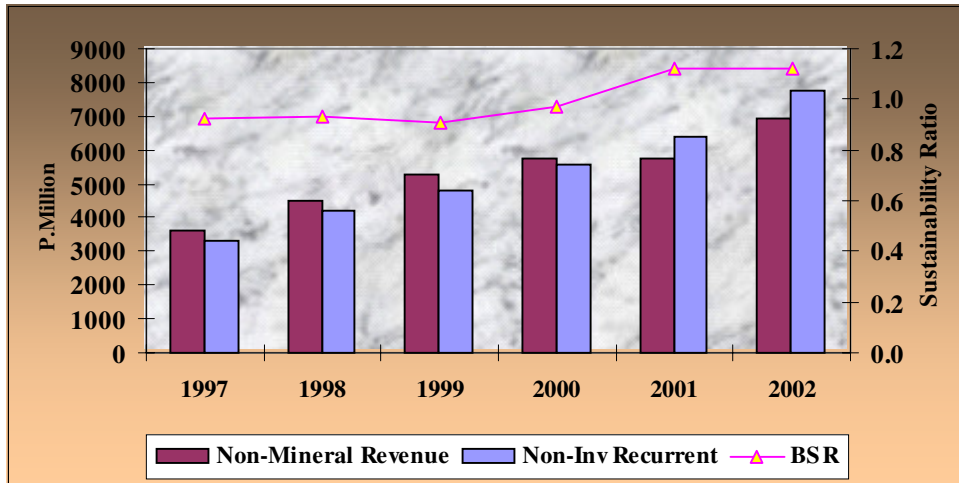
a higher growth in actual and revised non-mineral revenue over the Plan period than originally anticipated. However, for the financial year 2001/02, the projected ratio exceeded the critical value of 1, indicating that Government needed part of its earnings from minerals to finance non-investment related expenditure.

Box 3.1: Budget Sustainability Ratio

The budget sustainability ratio is the ratio of non-investment recurrent expenditure to non-mineral domestic revenues. Mineral revenues are excluded from sustainable budget calculations since they represent the profits from the sale of non-renewable assets. Since the nation's mineral revenues are derived from depleting a non-renewable asset, non-investment recurrent budget expenditure must be financed from other recurring sources of revenues, such as income taxes, VAT and customs duties, or interest earnings on Government savings. Government's investment expenditures, net of any capital depreciation and asset sales, represent the accumulation of new wealth and productive capacity for the country. Such accumulation is essential for sustained development and rising standards of living of the population. Non-investment recurrent expenditure represents public consumption that does not add to the nation's capital stock, including its stock of natural resources, physical man-made capital and human capital. However, some recurrent expenditure, such as expenditure on education, adds

to the nation's productive capacity, and therefore can be financed by revenue generated from mineral resources. As a rough guide, about thirty percent of the total recurrent expenditure is considered investment which is on education, training and health. The budget sustainability ratio ideally should be less than unity, and certainly not greater than unity for any extended period of time.

Chart 3.12: Budget Sustainability Ratio (BSR)



Source: MFDP Model

External Sector Development

External Trade and Balance of Payments

3.29 The increase in construction activity in the private sector, as well as the public sector during NDP 8, resulted in strong growth in import demand. However, on the export front, the sharp rise in diamond export earnings from 1997, with the exception of 1998, gave rise to favourable out-turns for both the trade balance and the overall balance of payments. Table 3.5 shows a summary of the balance of payments over the period 1997/98 to 2002/03 as projected

in NDP 8 compared to the actual data and revised projections. The performance of the current account turned out to be better than was originally forecast in NDP 8, except for 1998/99 when quota restrictions on diamond sales were imposed by the Central Selling Organisation (now the Diamond Trading Company) as a result of the impact of the Asian financial crisis on the international market for diamonds. The performance of the capital account was worse than what was projected in NDP 8. The overall balance of payments, also, has been deteriorating from the year 1999/00 and since then, the actual and revised estimates for the whole Plan period, are expected to be lower than original NDP 8 forecasts.

Table 3.5: Balance of Payments Summary; NDP 8 Forecasts and Actual/Revised Estimates, Pula millions

NDP 8 Forecast	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	NDP 8
Balance on: Goods & Services	1,072	982	1,361	1,696	1,646	1,037	7,794
Current Account	1,166	1,128	1,504	1,864	1,891	1,335	8,888
Capital Account	620	644	636	611	463	404	3,378
Overall Balance	1,785	1,771	2,140	2,475	2,354	1,739	12,264
Actual/Revised Estimates	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	NDP8
Balance on: Goods & Services	2,248	-356	3,844	4,325	917	-714	10,264
Current Account	3,112	380	3,642	3,835	2,097	1,031	14,097
Capital Account	98	115	145	150	192	238	938
Overall Balance	1,290	1,043	1,885	1,482	1,297	216	7,213

Source: Bank of Botswana and MFDP Macro Model.

3.30 The level of foreign exchange reserves in Pula terms have turned out to be higher than the original NDP 8 projection due mainly to deeper depreciation of the Pula against major international currencies than was anticipated in the Plan. The level of foreign exchange reserves increased from P19.1 billion (US\$5.2 billion) at the end of 1996 to P41.2 billion (US\$5.9 billion) in December 2001. The level of international reserves is expected to rise further to P42.7 billion (US\$6.6 billion) at the end of 2002. The months of import cover of goods and services projected in NDP 8 was expected to decline from 33.5 months in 1997/98 to 23.4 months in 2002/03. The actual and revised estimates show a small fall in import

cover from 33.1 months in 1997/98 to 32.1 months in 2002/03.

Price Developments

3.31 The average rate of annual inflation, as shown in Table 3.6, declined in the first two years of NDP 8 to reach 6.7 percent in 1998/99. It then rose over the next two years, reaching an average annual rate of 8.0 percent in 2000/01. Inflation then receded to 6.0 percent in 2001/02, and is expected to rise again to 9.0 percent in 2002/03, due, in part, to the impact of the VAT, which was introduced in July, 2002. In all years of NDP 8, except for 1999/2000 and 2002/2003, the average annual rate of inflation was below that forecast in the Plan.

Table 3.6: Annual Inflation Rates 1997/98-2002/03

Year	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
NDP 8 Forecast	9.2	9.1	8.1	8.1	7.1	7.0
Actual and Revised	7.7	6.7	8.4	8.0	6.0	9.0

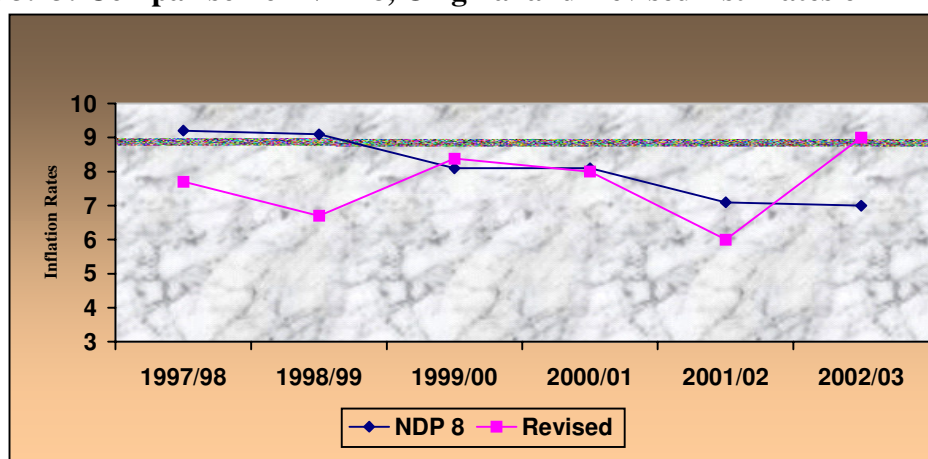
Source: Central Statistics Office and MFDP model

Note: Only the last two years are revised projections and annual inflation rates are the average for the national accounts year.

3.32 The improved inflation performance is a result of continuing low inflation in Botswana's major trading partner countries, including the Republic of South Africa (RSA), which supplies about 80 percent of Botswana's imports. Global inflation receded during the NDP 8 period, despite the financial crises in Asia and other emerging markets, oil price shocks, the terrorist attacks in the USA and other international conflicts. But, inflation in Botswana was also restrained by tight monetary policy, which sought to

combat inflation by restraining credit growth and by lower Government expenditure as a percentage of GDP, which fell from 42.1 percent in 1998/99 to 38.3 percent in 2000/01. The appreciation of the Pula against the South African Rand also served to moderate imported inflation from that source. The inflation rate for tradable goods in the Botswana consumer price index, especially for imported tradable, declined over NDP 8, and became markedly lower than the inflation rate for non-tradable goods and services.

Chart 3.13: Comparison of NDP 8, Original and Revised Estimates of Inflation



Source: CSO and MFDP model

Note: The revised estimates have incorporated actuals from 1997/98 to 2000/01

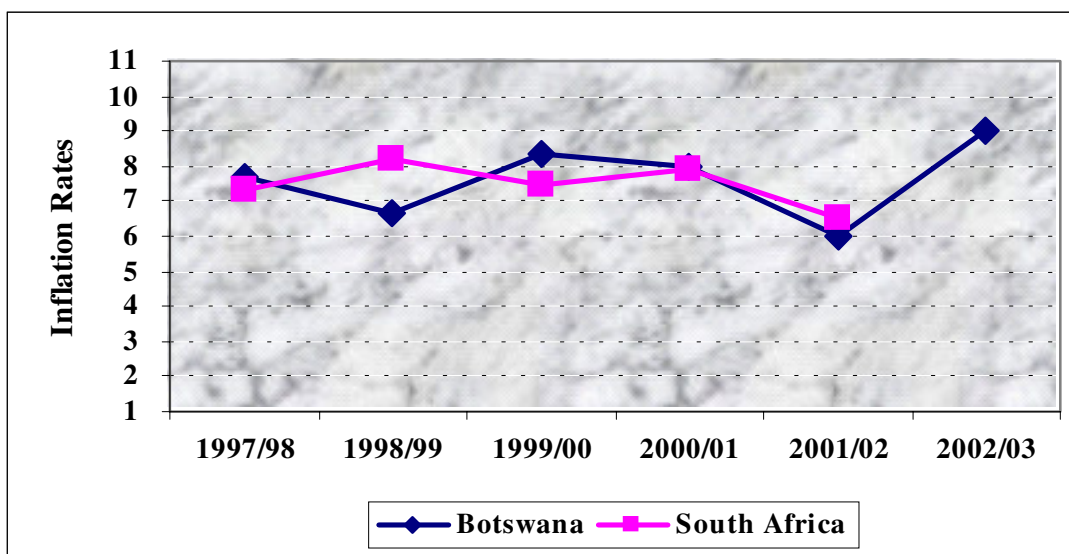
3.33 The annual inflation rates in RSA (using "core" inflation) and Botswana over NDP 8 have not been very different

from each other, although the changes in the rates have not always been in the same direction. Inflation in Botswana

rose above the level in RSA in 1999/2000 due to high growth in Government expenditure, a surge in domestic credit growth and increases in Botswana Housing Corporation rentals. This trend has since been reversed and inflation in Botswana has been declining

after reaching a peak of 8.4 percent during NDP 8 in 1999/2000. As noted already, the revised projections for NDP 8 show that the inflation will rise to about 9.0 percent in 2002/03 after falling to 6 percent in 2001/02.

Chart 3.14: Annual Inflation Rates in Botswana and South Africa



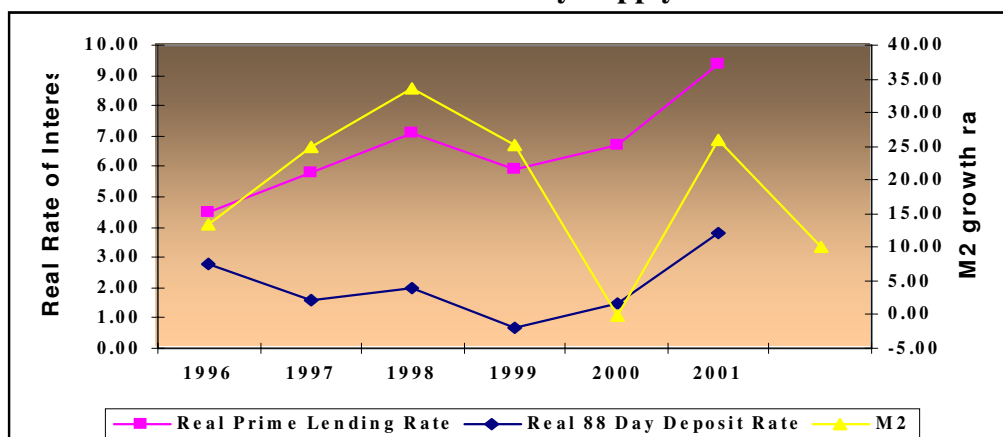
Source: Ministry of Finance and Development Planning

Monetary Developments

3.34 During NDP 8, monetary policy continued to focus on achieving price stability, exchange rate stability and positive real interest rates, which are comparable to rates prevailing in the international capital markets. Maintaining monetary stability has important implications for overall macroeconomic stability and the economic environment needed for

private sector development and economic diversification. International crude oil price increases associated with supply shocks contributed to a rise in inflation in 1999. At the same time, domestic credit increased sharply in 1998 and 1999, by 55.5 percent and 38.7 percent, respectively.

Chart 3.15: Real Interest Rate and Money Supply Growth



Source: Bank of Botswana

3.35 Developments in the monetary sector show the annual (year-on-year to December) growth rate of money supply, M2, which includes currency outside banks, demand deposits, call, savings, notice and time deposits. The annual growth rate of money supply shows a steady upward trend at the beginning of the Plan period, before declining during the course of 1999. To restrain expenditure growth and thus contain inflation, tight monetary stance has been adopted since 2000. Positive real interest rates were maintained during the review period, and were slightly higher than those in South Africa.

Exchange Rates

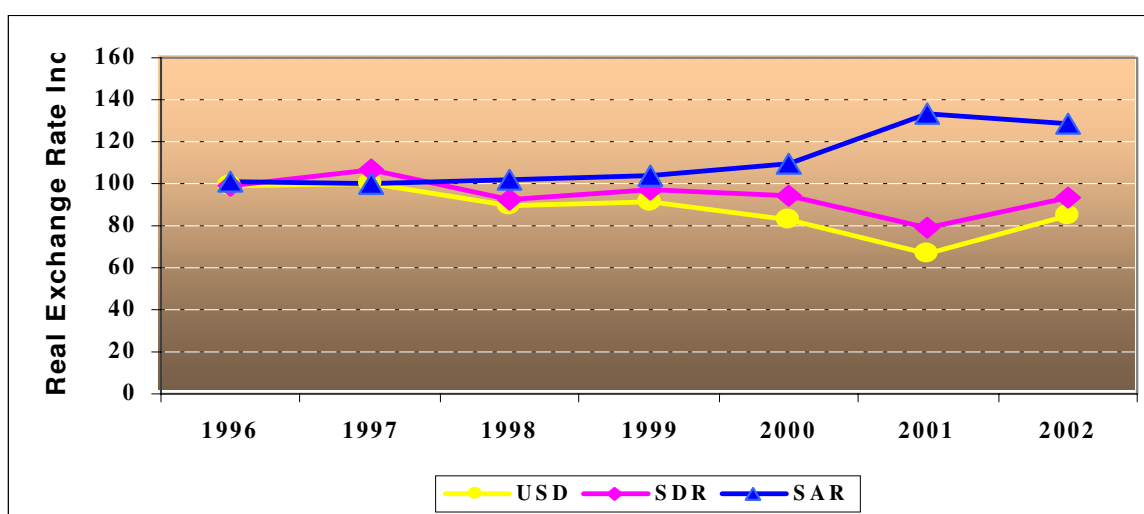
3.36 The Pula continued to be pegged to a basket of trading partner countries' currencies during NDP 8, taking into account the influence that such trade has on the economy in terms of output growth, incomes, jobs, Government revenue, exports and the balance of payments. This basket consists of the South African Rand and the SDR, which itself is a composite of the US Dollar, the Pound Sterling, the Euro and the Japanese Yen.

3.37 In nominal terms, the Pula appreciated sharply against the South African Rand over the first five years of NDP 8, rising from R1.28 per Pula at the end of 1996 to R1.72 at the end of 2001 an increase of 34.4 percent over the period. The Pula lost value slightly to R1.68 by the end of August 2002. The US Dollar/Pula exchange rate fell from US\$0.2743 at the end of 1996 to US\$0.1432 at the end of 2001, a nominal depreciation of 47.8 percent over the first 5 years of NDP 8. It appreciated slightly by the end of August 2002 to US\$0.1585, an increase of 10.7 percent. The Pula also depreciated against the SDR during NDP 8, but to a lesser extent, reflecting that the US Dollar strengthened against the other major currencies comprising the SDR over the period. There were sharp depreciations against the SDR in 1998 and 2001, of 16.5 percent and 28.3 percent, respectively. Against the Pound Sterling and the Euro, the Pula depreciated by 36.9 percent and 27.1 percent, respectively, over NDP 8, while against the Zimbabwe Dollar, the Pula appreciated by 193.2 percent over the same period.

3.38 In real terms, the Pula depreciated against the US Dollar by 33.2 percent, while it appreciated by 32.9 percent against the Rand. The depreciation of the South African Rand against the US Dollar was greater than the inflation differential between the two countries, and thus South Africa achieved a real depreciation of its currency over the

period. In real terms, the appreciation of the Pula against the South African Rand is the same in magnitude as the appreciation in terms of the nominal exchange rate. This is due to similar trends in the inflation rate in Botswana and South Africa.

Chart 3.16: Real Exchange Rate for the Pula against selected currencies



Source: Bank of Botswana

3.39 However the real effective exchange rate of the Pula against the currencies of its main trading partners remained broadly stable over the period as the real appreciation against the South African Rand being counter-balanced by the real depreciation against the US Dollar and other major currencies. The index of the real exchange rate of the Pula against the South African Rand increased from 100.5 at the end of 1996 to 133.6 at the end of 2001, and is expected to decline slightly by the end of the Plan period.

3.40 This real appreciation vis-à-vis the South African Rand indicates a loss of competitiveness in the South African market, and in markets in which Botswana producers must compete with South African producers. However, the real depreciation against the US Dollar during NDP 8, as reflected in the real exchange rate index falling from 99.1 at the end of 1996 to 66.2 at the end of 2001, a decrease of 32.9, indicates that the competitiveness of Botswana producers in US, UK and other major international markets has improved. Competitiveness in these other markets is crucial to Botswana's strategies for

realising Vision 2016 goals of sustainable and diversified development

through competitiveness in global markets.

ECONOMIC PROJECTIONS FOR NDP 9

3.41 The NDP 9 projected outlook for the economy reflects the importance of the broad policy issues that were drawn from the Mid-Term Review of NDP 8 and discussed widely with stakeholders in the development planning processes. These issues include, *inter alia*, HIV/AIDS, unemployment, poverty, economic diversification, public sector reform and financial discipline.

3.42 Economic forecasts are informed guesses of the likely trends – the balance of forces that will weigh upon the economy over some forecasting horizon. Because of this uncertainty, this section explores a number of scenarios, in order to identify the implications that important differences in the assumptions being made will have on key policies and strategies which Government wants to pursue. A Base Case Scenario of what is felt to be the most likely outcome is presented, along with the results obtained from more optimistic and pessimistic assumptions regarding a key economic variable, viz., the price of diamonds.

3.43 Botswana is a small and open economy, implying that, in general, the country is a price taker in international markets. This and other exogenous factors are taken into account in forecasting developments in the Botswana economy. Factors, such as drought, outbreak of animal diseases, movements in the world prices of minerals, and structural changes emanating from the impact of new policy initiatives like privatisation and

public sector reforms, can and do significantly affect the performance of the economy. Therefore, assumptions have to be made regarding these factors in the process of preparing macroeconomic projections for NDP 9. Specifying alternative assumptions also allows the projections to give some indications of the economic impacts of the uncertainties Botswana faces by creating different scenarios, both less and more favourable. The main macroeconomic projections will be reviewed annually through the budgets, as well as during the Mid-Term Review of the Plan.

3.44 The projections are based on the MFDP macro-model, consisting of a set of equations, estimated econometrically from historical data. There are six major blocks of equations, covering the areas of employment; real GDP; government finance; balance of payments; consumption and investment; and money, credit and prices.

3.45 The NDP 9 Base Case Scenario is presented first. The key strategy under this scenario is budgetary sustainability by the end of the Plan period, while the rapid private sector development leads to significant progress with respect to sustainable economic diversification. The Base Case Scenario represents what can be achieved if the policies, programmes and projects set out in the Plan are fully implemented. The Optimistic Scenario, with large increases in Government revenues, will allow for adjustments later in the Plan period that could lower taxes and/or expand other

initiatives to foster more rapid private sector development. In contrast, the Pessimistic Scenario would necessitate adjustments to curtail government

spending, both development and recurrent expenditure, in order to have a sustainable fiscal position by the end of the Plan period.

The Base Case Scenario

3.46 Projections in the Base Case Scenario were based on a number of assumptions on the likely changes in key variables determining the performance

of the economy [see Box 3.2]. This Scenario has been adopted for NDP 9.

Box 3.2: The Base Case Scenario Assumptions

- i. *The output of diamonds will average 26 million carats with the output realised being higher during the first half of NDP 9, and expected to taper off towards the end of the Plan period.*
- ii. *Diamond prices in US Dollar terms will increase in line with US inflation of 2% per annum on average from 2002 onwards*
- iii. *Government fiscal policy will be targeted at achieving a balanced and sustainable budget in the medium term, both through expenditure control and higher revenue collection, through, among others, enhanced cost recovery measures.*
- iv. *In particular, on the revenue forecasts, it is assumed that:*
 - *The new SACU revenue sharing formula will become operational from the second year of NDP 9.*
 - *There will be substantial collection of revenue from VAT reflecting, among others, the extensive coverage and institutional reforms through the merging of the Department of Taxes and the Department of Customs and Excise into a unified Botswana Revenue Service.*
 - *There will be significant amounts of revenue collected through cost recovery, through both better administration of existing measures, and introduction of new measures.*
- v. *Possible occurrences of natural disasters, such as droughts, floods and outbreak of animal diseases, have not been factored into the projections.*
- vi. *On average, investment as a percentage of Real GDP will oscillate around 30% during NDP 9, rising from 24 percent in 2000/2001. Most of the additional*

investment will be directed to the major non-mining sectors of the economy, thus assisting in the further diversification of the economy.

vii. The annual average inflation over the NDP 9 period will be around 4.5%, falling from 6% in the first year to around 4% by the end of NDP 9. Inflation in South Africa will decline gradually from a level of around 8% in 2000/01 to around 3.5% by 2008/09, while industrial countries' inflation will be around 2.0%.

viii. The real effective exchange rate of the Pula, which is a trade-weighted exchange rate, vis-à-vis currencies of major trading partner countries, adjusted for differences in inflation rates, will remain relatively stable.

3.47 A detailed discussion of the projections from the Base Case Scenario is presented below.

Gross Domestic and Sectoral Product

3.48 The average growth rate of total GDP over the NDP 9 period is estimated to be 5.5 percent per annum. The construction, manufacturing and the trade, hotels and restaurants sectors will be the fastest growing sectors with expected growth rates ranging from 7.0 to 10.5 percent, in real terms. The mining sector is expected to register growth in the first half of the Plan period, but decline in the second half, with an average rate of decline of 0.35 percent per annum over the entire NDP 9 period. With diamond output expected to plateau in NDP 9, the country will have to accelerate the process of identification of alternative sources of growth, involving private sector development and attracting foreign investment. The projections assume that Government's continuing efforts in further diversifying the economy will be successful in attracting substantial volumes of

investment, both domestic and foreign, into sectors like manufacturing, tourism and services.

3.49 Vision 2016 set a target of trebling of per capita real income of Botswana over the 20 year period from 1996 to 2016. This would require per capita real GDP to grow over the period at an average annual rate of over 5.6 per cent and total real GDP to grow at about 8 per cent per year. As compared to this target, the actual average growth rate of total GDP from 1995/96 to 2000/01 has been lower at about 7.0 per cent per annum. This, together with the latest projections, indicates that the average growth rate from 1995/96 to 2008/09 (i.e., up to the end of the NDP 9 period) will be about 5.9 per cent per year. With the population growing at an average rate of 2.1 per cent per year, per capita income will grow at about 3.7 per cent per year over this period, as compared to the 5.6 per cent growth targeted in Vision 2016.

3.50 An interesting question to ask would be: what growth rate will the nation need to achieve between 2008/09 and the critical year 2015/16 to make up for this shortfall in growth up to 2008/09

and still achieve the Vision target of trebling Botswana's real per capita income by 2015/16? Assuming that the country's population continues to grow at 2.1 per cent per year over that period, the required growth rate during this period will be about 9.5 per cent for per capita GDP and 11.8 per cent for total GDP.

3.51 By the year 2015/16, the country will have completed the implementation of another National Development Plan (NDP 10) and gone into the first year of the following plan, NDP 11. If the target of 5.5 per cent average growth projected for the NDP 9 period is achieved, it will not be unreasonable to expect that a somewhat higher annual growth rate of about 6.0 per cent per year will be attainable during NDP 10 and NDP 11. The fact that we project a GDP growth of 5.5 percent during NDP 9, which is less than the Vision target of 8 percent, is a challenge to Government, the private business sector and the people at large to do much more to achieve the Vision target during NDP 9, 10 and 11 periods.

Employment

3.52 During NDP 9, growth in employment is expected to average 5.6 percent per annum. The trade, hotel and restaurants and manufacturing sectors are projected to record strong growth of employment, in view of their high labour intensity and the projected high GDP growth rates. The Government sector is projected to move away from its role as one of the major employers, with an extraneously imposed projection of 2.4 percent growth of employment per annum, bringing down its share in employment by 5.2 percentage points

during NDP 9. This relatively weak growth of employment in the Government sector is expected to pave the way for higher employment growth rates in the private sector. In light of this development, policies such as privatisation and the right-sizing of the public sector should be pursued in full force in order to sustain this trend. On the other hand, employment in the mining sector will decline by 0.1 percent due to the expected decline of output in the sector.

Aggregate Demand

3.53 Over the NDP 9 period, investment as a percentage of GDP is expected to rise from a projected 26.6 percent in 2002/03 to 31.9 percent in 2008/09, despite the projected low growth in Government development expenditure. In absolute terms, real investment will increase by 8.7 percent per annum. Significant investment growth is expected in agriculture; manufacturing; construction; finance; trade, hotel and restaurants and services sectors. Mining is expected to attain modest growth in investment, while investment in the Government sector will decline marginally. These sectoral investment growth rates reflect the nation's drive to diversify the economy away from the mining and Government sectors. The NDP 9 Base Case Scenario assumes an average investment to GDP ratio of a little over 30 percent over the Plan period. Further significant growth in the investment ratio, taking it towards the Vision goal of 41%, should be realised over the next Plan period, when the Privatisation Policy now being put in place and other measures will have been firmly entrenched. Total consumption is expected to grow at 4.8 percent per

annum in real terms in NDP 9, comprising of 2.0 percent and 7.7 percent growth rates for public and private sectors, respectively. Imports of goods and services are projected to grow at an average of 4.7 percent per annum, while exports will grow at 3.8 percent per annum, due mainly to the expected stagnation of diamond exports in real terms.

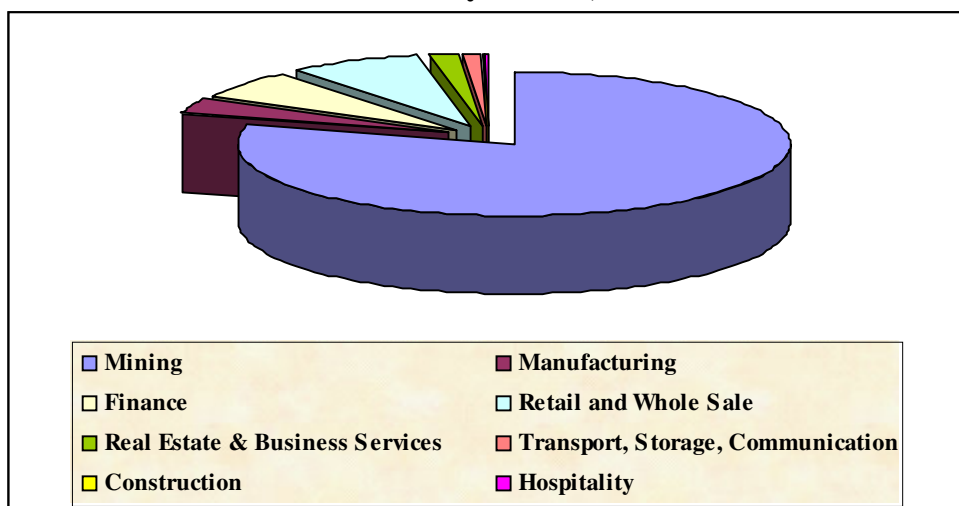
3.54 The stock of Foreign Direct Investment (FDI) and share by industry, according to Bank of Botswana, as of end-December 2000 is shown below:

Table 3.7: Share of FDI Stock by Industry, as at 31 December 2000

STOCKS OF FDI BY INDUSTRY	P.MILLIONS	RATIO
Mining	7,791.74	79.29
Manufacturing	343.49	3.50
Finance	618.92	6.30
Retail and Whole Sale	773.02	7.87
Real Estate & Business Services	161.15	1.64
Transport, Storage, Communication	105.18	1.07
Construction	15.62	0.16
Hospitality	17.37	0.18
Total	9,826.49	100.00

Source: Bank of Botswana

Chart 3.17: Share of FDI Stock by Sectors, 2000



Source: Bank of Botswana

3.55 Capital investment in Botswana has succeeded in building an impressive infrastructure. The Base Case Scenario indicates that by the end of NDP 9, investment to GDP ratio will reach about

32 percent, compared to 26.5 percent achieved in 2001/02, which in turn, implies that a significant amount has to be harnessed from foreign investment as shown in Table 3.8 below:

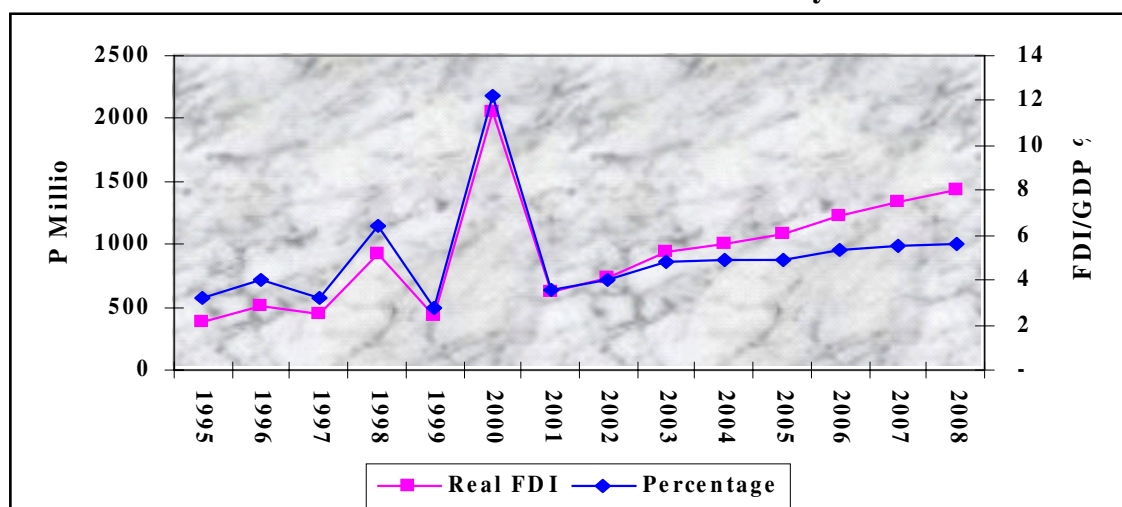
Table 3.8: FDI Flows in Botswana by Years

Years	Real FDI Pula Million at Constant (1993/94) prices	Real GDP P.Millions	FDI/GDP
1995	385.11	12,029.5	3.20
1996	504.97	12,703.7	3.97
1997	440.95	13,728.6	3.21
1998	916.37	14,295.6	6.41
1999	431.49	15,450.9	2.80
2000	2,058.16	16,865.8	12.21
Forecast			
2001 Est.	615.94	17,349.9	3.55
2002	738.99	18,411.9	4.01
2003	934.28	19,349.9	4.83
2004	1,010.05	20,487.4	4.93
2005	1,082.78	21,835.4	4.96
2006	1,233.05	22,905.9	5.38
2007	1,341.40	24,053.1	5.58
2008	1,432.14	25,342.2	5.65

Source: Actual data from Bank of Botswana and forecast calculated based on past data and FDI/GDP ratio⁴.

⁴ Forecast of FDI/GDP ratio is based on interpolation of 1995 and 1998 and plotted into the Plan period subject to efforts to revert the down turn trend from 2001. The real FDI for the plan period is then derived by plotted FDI/GDP ratio and GDP forecast from MFDP Model.

Chart 3.18: Real FDI Flows in Botswana by Years



Source: Actual data from Bank of Botswana and forecast calculated based on past data and FDI/GDP ratio.

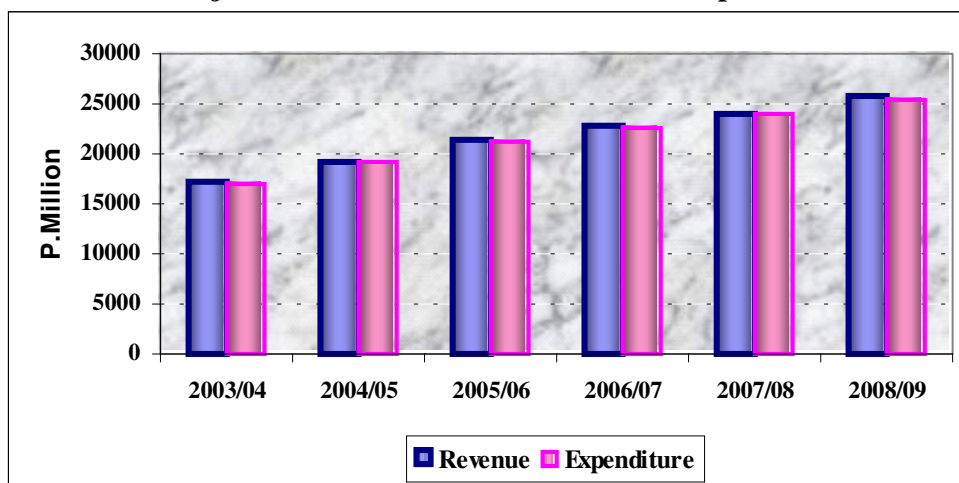
3.56 As shown in the Table 3.8 and Chart 3.18, most of the accumulated foreign direct investment at the end of 1999 was in the mining sector. It peaked in 1998 and slowed down afterward. The other significant shares were in manufacturing, trade and finance. However, the share of manufacturing sector declined from 5.4 percent in 1998 to 3.7 percent in 1999. The slowdown of foreign direct investment in the mining sector, the decline in manufacturing sector, and BCL's indebtedness for loans and accrued interest had an impact on foreign direct investment, resulting in a sharp decline in 2001 according to the provisional estimates of the Bank of Botswana. In order to realize the target 41 percent of real investment to GDP ratio, vigorous efforts have to be made to attract private investment, including foreign direct investment into manufacturing; trade, hotels and restaurants and finance sectors. In the past, the principal sources of foreign

direct investment were the Republic of South Africa and the European Union, which accounted for 50 and 47 percent, respectively, of the total FDI at the end of 1999.

Government Sector

3.57 Total revenues accruing to Government are expected to grow at 9.0 percent per annum, on average, with mineral revenues growing at 2.0 percent per annum. The major impetus of this growth is expected to emanate from the introduction of Value Added Tax (VAT) in 2002 and implementation of significant cost recovery measures. The revenue growth of 9.0 percent is faster than expenditure growth of 7.0 percent per annum during the Plan period, resulting in moderate budget surpluses in all years of the Plan period.

Chart 3.19: Projected Government Revenues and Expenditures

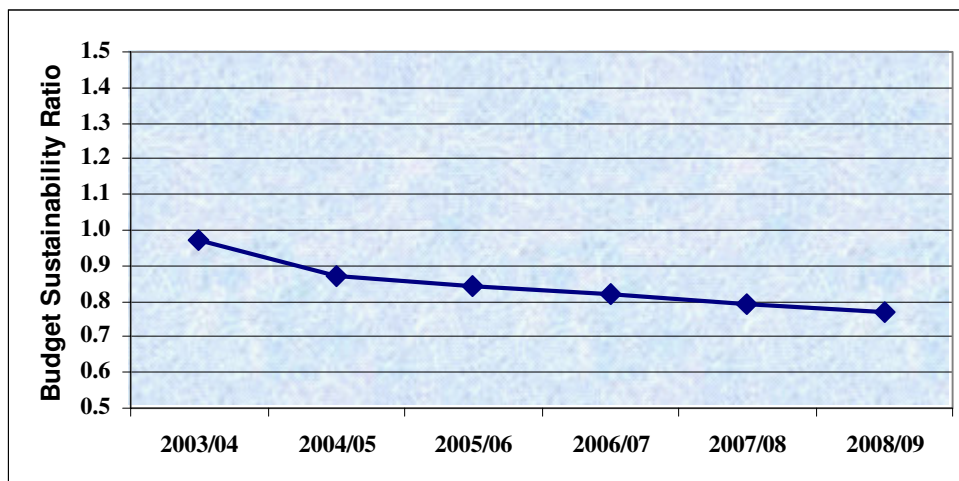


Source: MFDP Model

3.58 The projected budget sustainability ratio will remain below unity, improving from 0.97 to 0.77 at the end of the Plan. This will call for, among others, vigorous efforts to collect non-mineral

taxes and non-tax revenue, through progressive improvement in collection efficiency and broadening of the tax base.

Chart 3.20: Projected Budget Sustainability Ratio Profile



Source: MFDP Model

3.59 According to the study on ‘Macro-economic Impacts of the HIV/AIDS Epidemic in Botswana’ done by BIDPA in August 2000, AIDS will inevitably have an impact on Government expenditure. Health spending will be

expected to increase significantly following the decision to make Anti-Retroviral (ARV) drugs available to Botswana in 2001. Given that combating HIV/AIDS pandemic is a national priority, any additional expenditure implications will be addressed through

reallocation among programmes and public-private partnerships.

Balance of Payments

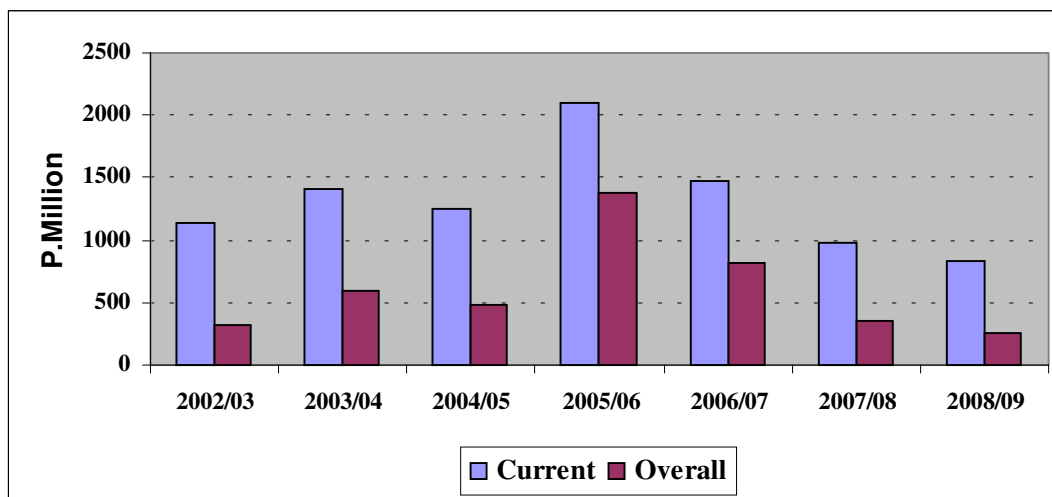
3.60 Growth of exports of goods and services in nominal terms is expected to be at 9.1 percent per annum, while imports will grow at a slightly higher rate of 10.1 percent during NDP 9 period. This indicates that during the Plan period, the balance of trade in goods and services will decline gradually until it moves into deficit towards the end of the period. This is primarily due to sluggish growth in exports of diamonds. Diamond exports will grow at 5.1 percent per annum, and copper/nickel at 4.7 percent per annum. This growth is due to depreciation of the Pula against hard currencies and the expected price increase. Exports of meat

and meat products are expected to grow at a relatively higher rate of 6.8 percent per annum. Growth in exports of other goods is expected to be very high at 16.9 percent per annum, indicating the impact of diversification of the economy and enhanced international competitiveness of Botswana's non-traditional exports.

3.61 The overall balance of payments is expected to remain in surplus. However, it will decline as demand for imports is expected to grow faster than the trends in exports indicated above.

3.62 The major macro-economic indicators and fiscal developments in the Base Case Scenario can be seen in Tables 3.9, 3.10, and 3.11.

Chart 3.21: Current Account Balance and Overall Balance of Payments in P.Million



Source: MFDP Model

Alternative Scenarios

3.63 Because of the importance of the diamond industry in the economy of

Botswana and the need to provide a range of possible economic outcomes over the Plan period, two further scenarios were considered by changing the assumptions for diamond prices in

US Dollars relative to US inflation or, in short, real diamond prices. A change in real diamond prices will have a large impact on the balance of payments and balances of the Government budget.

The Optimistic Scenario

3.64 This Scenario changes a key assumption of the Base Case Scenario with respect to the price of diamonds by assuming that in dollar terms, it will rise 2.5 percent per year faster than the US inflation. In other words, the real diamond price in US Dollar terms will increase by 2.5 percent per annum. This assumption may be realised if the current world economic slowdown is short-lived and there is a resumption of strong growth in the world economy, together with growth of new markets for gem diamonds among the middle class in countries like China and India. An additional assumption made in this Scenario is that the budget surpluses achieved are ploughed back into development and recurrent expenditures, with a view to achieving a higher GDP growth. The results of this Scenario indicate that while the budget remains balanced the GDP growth improves by 0.2 percentage points from 5.5 to 5.7 percent per year. There is also some significant improvement in the country's balance of payments and foreign reserve position by the end of the Plan period.

The Pessimistic Scenario

3.65 Under this Scenario, the Base Case assumption on diamond price is changed to incorporate a 2.5% fall in the diamond price relative to US inflation. The World Consumer Prices are projected at an average annual growth of 2.7 percent for 2000-2010 by the World Bank. According to the December 2001 *World Economic Outlook* published by the International Monetary Fund, prospects for global economic growth have weakened since the beginning of 2001, and growth projections across almost all regions of the world have been revised downwards due to a variety of factors. Inflation in advanced countries remained stable at the same level of 2.2% in 2001 as the previous year. Although the latest data of February, 2002 suggested that America's recession may be almost over, Japan, one of the biggest markets for diamonds, remained mired in recession. The resilience of the economy in the US and Europe has derived from a debt-fuelled consumer boom, which carries its own danger in the long term. The Pessimistic Scenario may come about if the situation in the world economy slips downward further again, rather than recovering. The negative shock of a fall in the real price of diamonds will erode Government revenue and lead to high budget deficits, as shown in the results of this scenario. The country's balance of payments and foreign reserves at the end of the Plan period also become significantly worsened. If that is the case, it will be necessary to scale down current expenditure to bring it into balance with the revenue trend.

TABLE 3.9: MAJOR ECONOMIC INDICATORS, BASE CASE SCENARIO

Indicators	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Real GDP (PM) (1993/94 PRICES)	19,349.9	20,487.4	21,835.4	22,905.9	24,053.1	25,342.2
GDP growth %	5.09	5.88	6.58	4.90	5.01	5.36
Employment Growth Rates %	5.38	5.02	5.24	5.78	5.82	5.69
Government's share in Employment	37.08	36.15	35.18	34.05	32.95	31.93
Investment to GDP, %	26.86	29.13	30.73	31.53	32.07	31.88
BoP (PM)	413.5	201.2	1,077.5	533.8	45.8	-85.7
Reserves as Months of Imports	29.96	27.84	26.50	25.07	23.59	22.02
Budget Surplus/ Deficit (PM)	102.0	136.1	162.1	137.4	76.2	303.3
Reserves in US\$b	6.80	6.83	6.99	7.06	7.07	7.06
Budget Sustainability Ratio	0.97	0.87	0.84	0.82	0.79	0.77

Source: MFDP Model

TABLE 3.10: Central Government Budget Position (P.Millions, Current Prices)

	Sector	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
1	Total Revenue, inclusive of:	17,175	19,256	21,415	22,740	23,996	25,786
	Mineral	8,140	8,500	9,388	9,465	9,328	9,548
	Customs	1,723	2,332	2,571	2,838	3,138	3,522
	Non-mineral income Taxes	1,825	2,238	2,445	2,683	2,948	3,232
	VAT	3,000	3,000	3,437	3,932	4,504	5,144
	Bank of Botswana	1,158	1,424	1,460	1,519	1,565	1,600
	Other Revenues	1,042	1,130	1,237	1,362	1,500	1,649
	Interest received	156	148	139	130	119	109
	Grants	31	34	38	41	45	50
	Cost Recovery	100	450	700	770	849	933
2	Total Expenditures	17,073	19,120	21,252	22,602	23,920	25,483
	Recurrent	13,103	13,992	15,111	16,133	17,251	18,473
	Development	3,905	5,194	6,216	6,550	6,757	7,101
	Net Lending	65	-67	-74	-82	-88	-92
	Surplus/Deficit	102	136	162	137	76	303

Source:MFDP Model

TABLE 3.11: Summary of the Balance of Payments (Pula Millions, Current Prices)

Sector	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Balance on Visible Trade	1,525	1,531	2,567	1,957	1,421	1,372
Balance on Services	-1,852	-2,241	-2,572	-3,037	-3,471	-4,049
Balance on Goods and Services	-327	-710	-5	-1,080	-2,050	-2,677
Balance on Income	-535	-735	-952	-851	-747	-774
Balance on Goods, Services and come	-862	-1,445	-957	-1,931	-2,796	-3,450
Net Transfers	2,090	2,421	2,754	3,120	3,464	3,931
Balance on the Current Account	1,228	977	1,797	1,189	667	481
Balance on the Capital Account	272	315	358	406	451	512
Overall Balance	414	201	1,078	534	46	-86

Source: MFDP Model

TABLE 3.12: COMPARISON OF BASE CASE, OPTIMISTIC AND PESSIMISTIC SCENARIOS ON BUDGET POSITION (Pula Millions)

Scenario / Indicators		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
BASE CASE	BoP	413.53	201.23	1,077.51	533.82	45.80	-85.66
	Budget Surplus/ Deficit	102.0	136.1	162.1	137.44	76.17	303.31
	Foreign Exchange (billion)	44.41	45.76	48.00	49.77	51.09	52.32
OPTIMISTIC	BoP	702.97	703.82	1873.92	1630.37	1463.61	1656.57
	Budget Surplus/ Deficit	429.56	142.66	168.00	167.36	206.68	301.8
	Foreign Exchange (billion)	44.81	46.67	49.73	52.64	55.46	58.54
PESSIMISTIC	BoP	103.59	-497.65	75.44	-702.61	-1414.01	-1835.37
	Budget Surplus/ Deficit	102	-533.17	-848.02	-1164.77	-1442.47	-1520.29
	Foreign Exchange (billion)	44.07	44.69	45.92	46.39	46.17	45.52

Source: MFDP Model

CHAPTER 4

PLANNING AND STRATEGY FOR DEVELOPMENT

INTRODUCTION

4.1 The theme for NDP 9 is *Towards Realisation of Vision 2016: Sustainable and Diversified Development through Competitiveness in Global Markets*. One of the critical development policy thrusts, therefore, will be to enhance Botswana's competitiveness, particularly in key sectors where the country has comparative advantage, in order to attain sustainable economic growth. This theme challenges the nation to aim at working towards the achievement of the Vision goals and objectives during the current Plan period.

4.2 Vision 2016 has identified a number of challenges to be faced and opportunities to be taken advantage of. These challenges and opportunities are in the areas of:

- Education and information,
- Prosperity, productivity and innovation,
- Compassion, justice and caring,
- Safety and security,
- Democracy, transparency and accountability,
- Morality and tolerance, and
- Unity and pride.

4.3 Strategies need to be formulated towards addressing these issues during NDP 9 period. These strategies are articulated in the sectoral chapters, indicating the link between their projects, strategies/policies and the Vision goals and objectives.

PLANNING, COORDINATION AND IMPLEMENTATION

4.4 Planning in Botswana is based on the four national principles of *democracy, development, self-reliance and unity*. These national principles are still as relevant today as they were during the previous planning periods. A fifth principle adopted in Vision 2016 is that of "**Botho**", which refers to one of the tenets of the Setswana culture, usually associated with being well mannered, courteous, and highly disciplined in one's endeavours to achieve full potential, while encouraging social justice for all. These five principles set the stage for the planning objectives of *sustained development, rapid economic growth, economic independence and social justice*.

4.5 The medium-term Plan for Botswana outlines specific sequences of actions to be taken over a period of six years, while the long-term Vision 2016 reveals a desired future state of affairs, while not specifying detailed courses of action needed to achieve that state of affairs. The National Development Plan would link measures aimed at addressing current problems with long-term proposals aimed at higher-order national goals and objectives. NDP 9 should, therefore, be seen as the foundation for long-term sustainable development in achieving Vision 2016.

4.6 NDP 9 will be the first National Development Plan to introduce strategic

planning as part and parcel of the national planning process and the focus of attention will be equally put on implementation. Implementation shifts focus from developing the plan to acting upon it. This occurs not only at the national, but also at organisational level, and within each program or project of the organisation. Implementation is, in effect, a reality check on the assumptions and future visioning of the planning process and a test of the organisation' s capacity, unit by unit, to achieve its stated goals.

STRATEGY FOR DEVELOPMENT

4.7 The Mid-Term Review of NDP 8 identified critical issues for economic and social well-being of Batswana, which need to be addressed in the future. These broad issues will remain relevant and need to be fully addressed during NDP 9, if the country is to move towards the achievement of the Vision 2016 goals and objectives. The major policy thrusts of NDP 9 include *economic diversification, employment creation and poverty reduction; continued macroeconomic stability and financial discipline; public sector reforms; environmental protection, rural development; human resource development, including the fight against HIV/AIDS; and disaster management*. These policy strategies continue to be crucial in achieving *sustainable and diversified development through competitiveness in global markets* as envisaged in NDP 9 theme. This policy thrust takes into account the prevailing economic situation, as well as the projected outlook for the economy over NDP 9 period.

ECONOMIC DIVERSIFICATION, EMPLOYMENT CREATION AND POVERTY ALLEVIATION

Economic Diversification and Employment Creation

4.8 The theme for NDP 8 was ‘Sustainable Economic Diversification’. This theme envisaged a broad-based economy, with manufacturing, mining, services and tourism all making substantial contribution to the economy. Without a diversified economy, Botswana will not attain sustainable growth to realise the national vision goals. This issue was also emphasised during the Mid-Term Review of NDP 8 as being critical to sustainable economic growth. Despite the progress achieved so far with respect to economic diversification, Botswana has continued to depend on the mining sector, in particular the diamond industry, as the major contributor to GDP, export earnings and Government revenues. The need to further diversify the economy has become critical in view of the fact that diamonds are non-renewable resources and their prices are dependent on developments in the world market, which are highly unpredictable. Recently, there have been serious threats to the diamond industry owing to international campaigns against trade in ‘conflict diamonds’. In addition, the current global economic slowdown has had adverse consequences for the diamond industry by dampening international demand.

4.9 There is potential for diversification in the agricultural, manufacturing, tourism, and financial services sectors of the economy, in addition to diversification within the mining sector

itself. For all the sectors mentioned above to be competitive, and for the competitiveness to be sustainable in the global markets, Government will invest in research and development in science and technology. With respect to agriculture, the National Master Plan for Arable Agriculture and Dairy Development (NAMPAADD) has come up with a number of recommendations in an effort to address the deficiencies in some areas of the sector. The implementation of this Plan will have to be speeded up during NDP 9 so that the country can begin to reap the benefits as early as possible and increase the contribution of the agricultural sector in the economy. The sector, along with other non-mining sectors, is particularly important for employment creation and poverty alleviation, given that the majority of people in the rural areas are dependent on agriculture. The sector also has many linkages with the rest of the economy.

4.10 Tourism is another sector which has been identified as having potential to be an additional force to drive economic growth, create employment opportunities and contribute to increased Government revenues. The establishment of the Ministry of Environment, Wildlife and Tourism is an important step towards ensuring that the necessary conducive environment for potential investors is created in the tourism sector.

4.11 The role of Government in the diversification process will be limited to that of being a facilitator, by providing a conducive environment for private initiative and innovation to take effect. In the past, Government designed many schemes to support economic diversification in the country. These

schemes have included, among others, the Financial Assistance Policy (FAP) and the Small, Medium and Micro Enterprise (SMME) scheme, which provided financial assistance to potential investors. This assistance has since been reformulated and consolidated into the newly established Citizen Entrepreneurial Development Agency (CEDA). Under CEDA, potential investors are assisted through highly subsidised loans, training, monitoring and mentoring, and provision of a Venture Capital Fund. The Venture Capital Fund provides equity capital to citizens and joint ventures between citizens and foreign investors, while the soft loans are reserved for citizens only. The emphasis in the new scheme, which covers all sectors to encourage broad-based development, is for assisted enterprises to develop supporting mechanisms to achieve sustainability and lessen dependence on Government assistance. The concept of sustainability drives much of the micro finance agenda today. To address this issue, economic empowerment schemes should not be limited to facilitating access to financial resources only, but should also cover monitoring and mentoring. As such, the training, monitoring and mentoring components of CEDA will be critical in ensuring sustainability of the projects beyond the provision of financial assistance. In addition, the competitiveness of these assisted enterprises will largely depend on the extent to which they utilise new knowledge to generate value added goods and services. The proposed Local Enterprise Agency (LEA) will further the training of local entrepreneurs and amalgamate institutions dealing with entrepreneurship development in the country.

4.12 In addition to the above initiatives, part of Government's role in economic diversification is to ensure continued maintenance of conducive macroeconomic conditions in terms of low tax rates, competitive exchange rates and interest rates, an environment free of foreign exchange controls, access to credit, and price stability. In this regard, it will be important that the Incomes Policy is reviewed during NDP 9, with a view to relaxing Government controls with respect to prices, wages and salaries to allow them to respond to market forces and give correct signals to the rest of the economy. The review should also determine the relevance of continued controls on parastatal wages and salaries, and minimum wages offered by the private sector, without compromising financial capabilities, efficiency and sustainability of these institutions. Continued stability of macroeconomic conditions will boost investors' confidence in the economy and attract the necessary foreign direct investment into the country. Policies aimed at diversifying the economy, such as the Privatisation Policy for Botswana, the establishment of Botswana as an International Financial Services Centre, and reforms in public procurement and asset disposal, will be vigorously pursued during NDP 9.

Poverty Reduction

4.13 Poverty continues to be one of the major challenges facing this country. In line with the Vision 2016 aspirations relating to the eradication of the worst forms of poverty, poverty reduction will continue to be a priority area under NDP 9. According to Vision 2016, Botswana will have eradicated absolute poverty by the year 2016, so that no part of the

country will have people living with incomes below the national poverty datum line. The Vision further poses another challenge of reducing poverty from 47 percent of the population in 1993/94 to about 23.0 percent by 2007⁵. It is against this background that Government embarked on the formulation of a National Strategy for Poverty Reduction in October, 2001. The Policy, which is an outcome of intensive and participatory consultation with all key stakeholders, including the poor themselves, identified a need to adopt a multi-dimensional concept of poverty, incorporating incomes issues, human capabilities, and participation. This was in recognition of the interface between these three areas, which contribute to the inability to raise sufficient income for one's upkeep, powerlessness and general loss of self-esteem; the main characteristics of poverty.

4.14 While economic diversification, education and training offer a long-term solution to the problem, Government will, in the short-term, continue to implement programmes aimed at poverty alleviation and improvement of their effectiveness. Programmes that have been designed for certain vulnerable groups will continue to be implemented, monitored, reviewed and targeted in

⁵ It may be noted in this context that the national average poverty datum line (PDL) used in Botswana in 1993/94 (P101 per person per month in June 1994 prices) translates to about US\$37.2 per month or US\$1.23 per day at the 1994 \$/Pula exchange rate. The Botswana PDL is, therefore, a little higher than the well-known "\$1 per person per day" poverty line used by multilateral organizations. The 1993/94 PDL will be updated in the light of the Household Income and Expenditure Survey (HIES) to be carried out later during the financial year 2002/2003.

order to get the maximum intended benefit from them. This support is intended to be a short-term assistance, while beneficiaries acquire the necessary skills to graduate from the system and earn a livelihood.

4.15 In terms of the key strategic issues, the following have been identified as the critical areas which the strategy should, inter alia, address:

- ♣ Expanding employment opportunities through broad-based growth;
- ♣ Addressing the effects of the HIV/AIDS pandemic;
- ♣ Strengthening the organisational and delivery capacity of the poor;
- ♣ Enhancing the accessibility of the poor to social investments that enhance human capabilities;
- ♣ Judicious use of safety nets to protect the poor and vulnerable, whilst avoiding entrenchment of the dependency syndrome;
- ♣ Strengthening the capacity of individuals, families, communities and local institutions to enhance their absorptive capacity for assistance schemes; and
- ♣ Strengthening National Development Management Capacity, particularly in the context of enhancing the effectiveness of poverty reduction initiatives.

4.16 A number of specific programmes and programme refinements have been proposed in line with the foregoing, and these will be implemented as part of the implementation of the sectoral policies and programmes under NDP 9.

4.17 The Strategy has also come up with proposals for a comprehensive institutional structure, framework, and processes for improving the efficiency and effectiveness of the systems for monitoring and coordination of anti-poverty initiatives, which will be implemented as part of the implementation of the overall strategy.

4.18 In addition to the formulation and implementation of the National Strategy for Poverty Reduction, Government has commenced work on the 2002/2003 Household Income and Expenditure Survey (HIES), which will, amongst others, update information on the extent of poverty in Botswana. The availability of this information will accordingly assist in monitoring poverty trends, including, if necessary, revision of targets during NDP 9.

MAINTAINING MACROECONOMIC STABILITY AND FINANCIAL DISCIPLINE

4.19 Vision 2016 calls for an average economic growth rate of 8.0 percent in real GDP per annum, which would require a 41 percent ratio of investment to GDP annually, in order to triple per capita income by 2016. In comparison, the average investment to GDP ratio during the NDP 8 period was around 26 percent. This means that during NDP 9 period, an aggressive mobilisation of Government and domestic private

savings, as well as sustained inflows of foreign capital will have to be pursued. Policies for attracting foreign direct investment should not only be limited to creating a conducive macroeconomic environment, but also, efforts must be made by organisations such as BEDIA, to promote linkages between foreign firms and local companies. This will fill resource gaps not only in private finance, but also in skills, management and technology. During the course of NDP 9, these resources will have to be channelled towards profitable investment opportunities.

4.20 There is a need for improved financial discipline to ensure that implementation of national development programmes and projects are fully cost-

effective. During NDP 9, continued macroeconomic stability would be critical to achieve sustainable and diversified growth, which will be required to address problems facing the country, such as unemployment, poverty, and the HIV/AIDS scourge. Botswana, therefore, will pursue, with more vigour, sound macroeconomic management, with anti-inflationary monetary policy and fiscal discipline. However, in formulating appropriate macroeconomic policies, there is need to strike a balance, in view of the macroeconomic policy trade-offs that often result from implementation of such policies (see Box 4.1). This list of macroeconomic policy trade-offs is, however, not exhaustive.

Box 4.1: Macroeconomic Policy Trade-offs

- i. Policy Trade-off 1. Boosting expenditure to reduce unemployment may trigger higher Inflation.*
- ii. Policy Trade-off 2. Anti-inflation policy can cause unemployment to increase.*
- iii. Policy Trade-off 3. Expansion of consumer spending tends to worsen the trade balance.*
- iv. Policy Trade-off 4. Action to strengthen the balance of payments through stringent policy can increase unemployment.*
- v. Policy Trade-off 5. Measures to redistribute income may harm economic growth.*

Fiscal Policy

4.21 Sound fiscal and monetary policies are critical to macroeconomic stability. The key objective of fiscal policy is to support price stability and promote international competitiveness by keeping public sector demand for resources within the limits imposed by the available supply of those resources. The fiscal strategy for NDP 9 will be to ensure budget sustainability and restrain

the growth of Government expenditure. This would ensure that Government does not crowd out the private sector, which is expected to be the major engine of growth. An important aspect of fiscal sustainability is ensuring that mineral revenue is invested in creating a productive base for the economy rather than being spent on consumption. This will be monitored through the ratio of

non-investment recurrent expenditure to non-mineral revenue being below a value of 1. A value of more than 1 indicates that mineral revenue, from a non-replenishable resource, is not used in a sustainable manner by financing current consumption and is, therefore, limiting the capacity of the economy to grow and prosper in the future.

4.22 The formulation of effective tax policies must take account of the needs of Government in terms of resources required and the need to encourage investment in the economy. There is, therefore, always a need to strike an appropriate balance between the virtues of social justice, stability, equity and income distribution and the Government's revenue needs. Taxes, duties and levies often represent costs to enterprises and their design and implementation impacts, in one way or another, on commercial decisions taken by members of the business community and, ultimately, on the public at large, through their effect on prices and incomes. For taxation to be effective from the point of view of the business community and individual taxpayers, it must be clear, simple, stable, transparent and fairly applied. Government has in the past tried to adhere to these principles in order to create a positive investment climate in Botswana and will continue to do so.

4.23 The recent trend worldwide, in both developed and developing countries, has been a shift towards lower tax rates. Many countries have undertaken reforms that have radically reduced income tax rates, broadened the tax base and shifted from relying heavily on direct taxes to a mix of both direct and indirect taxes. Botswana's tax structure has also undergone changes in

the mix of tax instruments from direct to indirect taxes, and there have been changes in the structure of individual tax instruments, such as creating a broader base and lowering tax rates for individuals and companies. Government has used these instruments as a means of making Botswana a more attractive place for private sector investment, as lower tax rates play a part in promoting investment through the reduced tax burden and increased compliance rate. During NDP 9, the existing tax structure will be kept under constant review to ensure that it is well suited to the country's economic development needs and in line with best international practices.

4.24 In meeting the challenge of mobilising adequate resources for the implementation of the Plan, Government will be strengthening the institutions responsible for mobilising direct and indirect taxes such as the Department of Taxes and the Department of Customs and Excise. A steady shift towards indirect taxation has gathered momentum through the passing of the Value Added Tax (VAT) Act and its introduction in July 2002. During NDP 8, some tax reforms were undertaken to benefit specific sectors of the economy, such as the reduction in corporate tax rate to 15% for the manufacturing and International Financial Services sector, and the review of the taxation for the mining sector to make it more transparent. The implications of these changes on both tax revenue and economic growth will be assessed during the Plan period. Furthermore, the taxation of parastatals will also be reviewed during NDP 9.

4.25 In order to make tax administration more efficient and

effective, Government will, during NDP 9, assess the feasibility of merging the Departments of Taxes and Customs and Excise into a Unified Revenue Authority.

4.26 While no significant changes to personal and corporate tax rates are expected during NDP 9, a substantial amount of revenue will be raised through cost recovery measures. This will entail introduction of new cost recovery measures, as well as improving collection of revenue under existing charges and reviewing existing charges, with a view to increasing some of them, where feasible. Cost recovery is important in ensuring sustainability of service provision and in assisting in the mobilization of adequate resources for future repair and maintenance of projects. Implementation of cost recovery will have to be done in consultation with all stakeholders. A cost recovery unit will be established within MFDP to implement the policy.

4.27 The fiscal strategy for NDP 8, which was developed after extensive consultations with all stakeholders, was undermined by implementation capacity constraints. As a result, cost overruns were incurred on some projects and other projects had to be deferred for consideration during NDP 9 preparation process, if they still remain as priorities. It must be appreciated that financial and human resources projected in the Plan are expected to accrue over the six year Plan period. The other experience is that adequate attention was not given to recurrent costs of projects, which include manpower, operating and maintenance costs. As a result, there was a huge backlog of maintenance of Government infrastructure, for which an accelerated programme was instituted during

2002/03. On the basis of the lessons learnt from the past experience, priority during NDP 9 should be given to maintenance of the existing infrastructure before making provision for new facilities.

4.28 Another important issue is that of the linkage between public sector salaries and productivity. The linkage is that if real wage increases are not compensated for by improved productivity, they would tend to generate inflationary pressures in the economy. In addition to being inflationary, these increases impact negatively on the budget, the balance of payments, investment and employment prospects for new entrants into the labour market, among others. During NDP 9, the introduction of performance-based pay, as part of Performance Management System (PMS), will be critical in ensuring that salary increases are consistent with productivity growth.

Monetary Policy

4.29 The principal objective of monetary policy in Botswana is the achievement of sustainable low inflation. The control of inflation is the means by which monetary policy contributes, along with other Government policies, to a stable macroeconomic environment and the broader national objectives of economic diversification and export competitiveness. The control of inflation helps Botswana generally to maintain competitiveness, but more specifically, to maintain relative stability in the real exchange rate. Given this objective, and a desire not to use devaluation as a tool to achieve competitiveness, Botswana's inflation rate must be (at most) equal to

the weighted average of the inflation rates of its trading partners.

4.30 The main tool of monetary policy used to achieve the inflation objective is the level of interest rates. Changes in interest rates, along with other factors, such as the exchange rate, balance of payments, and the Government's fiscal policy, affect the overall level of demand for goods and services in the economy. In pursuing sustainable low inflation, it is important to be mindful of the negative consequences that an overly tight monetary policy can have for economic activity generally, and employment and investment in particular. Therefore, in the use of interest rates to restrain inflation, there is need to balance the needs of savers and investors by keeping real interest rates high enough to provide a positive return to savers, while not allowing them to be so high that they significantly discourage private sector borrowing to finance viable investment projects. In this regard, the country seeks generally to maintain real interest rates in Botswana at levels that are comparable to those prevailing in international capital markets.

4.31 To implement monetary policy, the Bank of Botswana focuses on intermediate targets that influence the main components of domestic demand. The principal intermediate target in the current policy framework is the rate of growth of credit to the private sector, since it is considered an important contributor to the growth of private consumption and investment and, importantly, can be directly influenced by monetary policy through interest rates. The rate of growth of Government spending is also an important indicator

of domestic demand, given that a large proportion of this demand is derived from expenditure on public consumption and investment. The continuing large role of the Government in the economy underscores the need for complementarity between fiscal and monetary policies. Other indicators besides credit growth and Government expenditure that the Bank considers when assessing the overall stance of its policy are measures of external demand and cost pressures, and indicators of domestic cost pressures, such as wage growth, productivity and capacity growth.

Exchange Rate Policy

4.32 The thrust of the current exchange rate policy is on maintaining a stable exchange rate against a basket of currencies of major trading partners. Since weights of the individual currencies in the basket are based on trade weights, this means a stable nominal effective exchange rate.

4.33 The above monetary and exchange rate policy framework has generally worked well during NDP 8. Nevertheless, policy needs to be flexible in responding to changing circumstances; as conditions change, policy will need to adapt, and in this regard the Monetary Authorities will be reviewing the implications, if any, for monetary and exchange policy of the various anticipated developments during NDP 9. A wide range of developments can impact on the appropriate monetary and exchange rate policies, including structural change in the economy; changing trade patterns and international economic relationships; policy changes among major trading partners; and the

evolution of domestic financial markets. In this respect, a number of anticipated financial sector developments during NDP 9 will need to be taken into account, in particular the increased competition in the financial sector and need for further development of domestic capital markets.

PUBLIC SECTOR REFORMS

4.34 Public sector reform is a broad term, which encompasses issues of “right-sizing” the public sector, productivity improvement programmes, privatisation, etc., with a view to increasing overall economic efficiency and effectiveness. This is achieved through a transparent, publicly accountable Government, with an efficient and cost effective administrative system. In regard to public enterprises, reform entails exposing management to market principles, thus fostering conditions for sustainable growth and job creation in the medium term. One of the challenges identified in Vision 2016 to achieve sustainable growth and diversification is to address productivity and institutional reform in both the public and the private sectors. In order to tackle this challenge, there is need to ensure that pertinent reform initiatives have quantifiable and monitorable targets, as well as implementation schedules.

Performance Management System (PMS)

4.35 Government, on its part, has initiated some of these programmes, one of which is the implementation of the Performance Management System (PMS). Others include computerisation and decentralisation of personnel

management in Government. The reason for introducing these initiatives is to make the public service more efficient, accountable, and disciplined, and to control costs.

4.36 PMS entails the preparation of clear visions, mission statements, and values by all Ministries and Departments, as well as the development of strategic plans for implementation. This process is itself guided by the Public Service Vision and the National Vision (Vision 2016). PMS is an important tool to ensure that Government delivers the implementation of agreed policies effectively. During NDP 9, full implementation of PMS across all Ministries and Departments will be achieved.

Privatisation Policy

4.37 Another public sector reform measure is that of privatisation, which is aimed at increasing the participation of the private sector in the economy. Privatisation, according to the 2000 Privatisation Policy for Botswana, is understood to encompass corporatisation, management contracts, leases, as well as partial or full transfer of ownership to the private sector. The basic objectives of privatisation are to improve efficiency in the delivery of services, and facilitate technology transfer through foreign direct investment in privatised enterprises, among others. This objective recognises the principle of gradual transformation of Government from that of provider and regulator to that of facilitator, in order to achieve developmental goals in “smart” partnership with the private sector. In this regard, Government has established the Public Enterprises Evaluation and Privatisation Agency (PEEPA) to focus

on the development of the overall privatisation implementation strategy and specific strategies for reforming some public enterprises and Government Ministries/Departments. It is envisaged that PEEPA will finalise the Privatisation Master Plan by 2003/04. Furthermore, it is expected that, at least two major parastatals will be privatised by the end of the Plan period. Government will also continue to seek to achieve market liberalisation through the development of a competition policy and the relevant institutional and regulatory framework.

4.38 The development of the private sector will be vigorously encouraged and promoted during NDP 9, including the identification of current Government activities which could be performed more efficiently by the private sector. To this end, one possibility is the financing and development of public facilities to be done by private operators through the Build-Operate-Transfer/Build-Own-Operate-Transfer (BOT/BOOT) system. This is one of the mechanisms in public-private partnership to overcome the shortage of public funds and implementation capacity constraints within Government. At the same time, implementation problems resulting from contractors' abandonment of projects will be addressed through strict enforcement of penalty clauses in contractual agreements, equally for citizen contractors or for others.

ENVIRONMENTAL PROTECTION

4.39 Vision 2016 has emphasised the need, in the process of development to conserve and preserve our environment, the nation's greatest asset, in order to ensure sustainability. This means that, current development should meet the

needs of the present generation without compromising the capacity of future generations to create adequate wealth. Economic growth is not sustainable without a healthy environment. While in the past, including during NDP 8, environmental impact assessments were conducted on selected projects, there is need to move a step further during NDP 9 to fully integrate environmental issues into development policies, programmes and projects. In this regard, environmental issues were taken into consideration in the formulation of policies, programmes and projects. This will, during NDP 9, be supported by the development of appropriate legislative framework and the necessary institutional reform to monitor and enforce such legislation. In the meantime, Government will continue to implement existing laws that deal with environmental issues and implement programmes and projects taking into consideration the need for environmental protection.

4.40 In the absence of a coherent land policy and lack of an integrated water resource management policy and strategy, land and water usage would not be sustainable. The other issues concern inefficient natural resources utilisation, threats to bio-diversity and wetlands conservation, pollution and waste management and unsustainable use of firewood for energy. These will be addressed in conjunction with development opportunities and constraints embedded in natural resources. The main resource development challenge to be addressed in NDP 9 is to raise the productivity of natural resources and to reduce wastage. It is important that all policies and projects in NDP 9 recognise the need to

use natural resources efficiently, fairly and sustainably.

RURAL DEVELOPMENT

4.41 Despite the high rates of urbanisation, which have been witnessed in the past 35 years, rural development still continues to be a high priority for Government. The pursuit of rural development is aimed at achieving social justice by improving access to opportunities by rural dwellers. Rural based resources such as wildlife and tourism offer great opportunities for sustained and diversified development, particularly for the rural population. To this end, a well-articulated and comprehensive rural development policy linking, harmonising, integrating and guiding the various sectoral policies and initiatives, remains as critically important as before. It is against this background that during the latter part of NDP 8, Government undertook a comprehensive review of the Rural Development Policy with a view to sharpening its focus and bringing it in line with the contemporary socio-economic situation. The review process culminated in the adoption of ***Government Paper no. 1 of 2002: The Revised National Policy for Rural Development*** by the National Assembly in April 2002. The Revised Policy aims at maximising the impact of the existing and emerging sectoral policies and programmes through particular focus on the following key thematic areas under which a number of issues have emerged: ***promotion of sustainable rural livelihoods, land and natural resources management, social protection, and re-tooling the institutional framework and capacity for implementing rural development initiatives.***

4.42 Some of the emerging concerns and issues in the context of these thematic areas include:

- Need for a diversified approach to rural livelihoods, amongst others, taking full cognisance of potential livelihood sources other than agriculture; the varying opportunities and potential of the various geographic regions of the country; and emerging niche areas such as infrastructure, proximity and access to markets, demand for certain rural products which could be provided locally;
- Need to provide infrastructure in production areas, adopting a cluster approach and targeting areas of highest potential;
- Need to promote and create the necessary conditions to make agriculture an attractive economic pursuit, particularly for the youth, who are affected most by the unemployment problem and who have the energy and education to transform the agricultural sector, which is currently dominated by the aged;
- Need to remove all administrative and other constraints to speedy land acquisition, including transfers, change of use, and other related matters;
- Need to continue to strengthen property rights in Tribal Land, including, strengthening security of land tenure, facilitation of use of land as security, sub-letting of land, and enhancing the value and overall

utilisation of land as a productive asset in rural areas.

- Need to provide for more accommodative and integrative land-use, which allows compatible economic pursuits and uses under one plot as opposed to a single-use approach, which is uneconomic in terms of land-use.

4.43 In the light of the foregoing, the main thrust of rural development initiatives under NDP 9 would be implementation of the Revised National Policy for Rural Development and its associated strategies. Implementation of these has been incorporated into the NDP 9 sectoral policies and programmes, and other ongoing initiatives.

HUMAN RESOURCE DEVELOPMENT

4.44 Government has recognised the important and significant role of human capital as a key element in achieving economic development, to be able to address unemployment and poverty. The principal thrust of human resource development will be the creation of a strong human resource base with the right knowledge, skills, attitude and values, which will enhance productivity and competitiveness. It is, therefore, imperative that manpower planning and development will focus on developing appropriately trained labour for the market. To that end, the Ministry of Finance and Development Planning has resumed the production of National Manpower Plans, after they were discontinued in 1987, due to capacity constraints. These plans are expected to guide education and training in order to

meet the needs of the economy. Vision 2016 emphasises the need to build an educated and informed nation to take advantage of opportunities as they emerge.

SCIENCE AND TECHNOLOGY

4.45 Most economically successful countries have taken a deliberate decision to transform themselves into knowledge economies. There is evidence in most of them that this has greatly helped them to sustain their economic competitiveness. Botswana with her small economic size has no choice but to also transform herself into a knowledge economy. This would call for a radical departure from the status quo. This has, in fact, already been recognised in Vision 2016, which indicates that: "Botswana must adopt a bold and ambitious strategy for industrialisation". (p39).

4.46 In this connection, the formulation of the Science and Technology Policy was completed in the early part of NDP 8. The implementation of the Science and Technology Policy commenced towards the end of NDP 8 with the establishment of the National Commission for Science and Technology (NCST) and the Ministry of Communications, Science and Technology (MCST). The MCST will, during NDP 9, establish the other structures, such as the Botswana Research Science and Technology Investment Agency. It will also put in place a National Research Science and Technology (NRST) Plan.

Development and Implementation of NRST Plan

4.47 The NRST plan will focus on the exploitation of existing knowledge and the creation of new knowledge in key priority areas in harmony with the country's diversification objectives. These priority areas are still to be determined between the National Commission on Science and Technology (NCST) and the newly created Ministry of Communications, Science and Technology (MCST).

4.48 Experience from other countries has shown that significant investment in research and development in science and technology is a necessary condition for competitiveness. A recent survey of the current levels of investment in research and development in science and technology in Botswana indicates that the levels are dismal in comparison to international benchmark. To this end, more efforts will be made to increase investment in science and technology.

4.49 The key elements of the NRST plan will include the following:

- (i). Establishment of the Botswana Research Science and Technology Investment Agency (BRSTIA).
- (ii). Creation of various research and technology development funds in order to facilitate and encourage research and technology development investigations using existing knowledge and new knowledge to achieve sustainable and diversified economic growth.
- (iii). Accelerated training of research scientists and engineers.

- (iv). Retooling of infrastructure and equipment for existing RST providers.
- (v). Technology forecasting and international collaboration, and
- (vi). Popularisation of RST in schools, private sector and amongst the general public.

4.50 The MCST will review the existing Government funded research and technological organisations and, where necessary, re-organise them in such a way that their impact and effectiveness in achieving diversified economic growth is optimised. The implementation of the new science and technology policy will enhance economic diversification through furthering the research and development capabilities of the economy for effective competitiveness.

DISASTER MANAGEMENT

4.51 Botswana is prone to a number of disasters. Primary among these is drought, but there are other disaster occurrences on a local basis, which can disrupt development. Government has developed an integrated series of activities in response to these to provide effective early warning, especially with regard to drought. Not much has been done in response to other disasters that might occur in terms of mitigation within the National Development Plan and associated programmes. In response to this problem and to also participate actively in the UN's International Decade for Natural Disaster Reduction (IDNDR), a National Committee on Disaster Preparedness (NCPD) was formed in 1993. Other complementary

structures have since been put in place to increase coordination and improve effectiveness in disaster management, and to ensure cost effectiveness in the utilisation of human and other complementary resources in disaster management.

4.52 Government has therefore identified the need to integrate disaster management into development planning and to ensure that it is consistent with development objectives. The activities of disaster management should be as comprehensive as possible to ensure that they are interrelated and are implemented in the context of local,

district and national development. These activities should be implemented in a cost-effective manner, within the framework of existing resources, both financial and human.

4.53 To facilitate the activities of disaster management, Government has put in place a disaster management policy which encompasses the elements of mitigation, preparedness, response and recovery and development. This policy is consistent with other Government policies and strategies and it will continue to be reviewed against other sectoral policy documents to ensure harmony and consistency.

CHAPTER 5

PUBLIC SECTOR EXPENDITURE AND MANPOWER CEILINGS

INTRODUCTION

5.1 The primary focus of Government recurrent budget is to meet the cost of providing progressively better public services to all Botswana. Similarly, development expenditure by Government is aimed primarily at enhancing efficiency and productivity through providing, among others, an adequate, properly regulated, well-maintained and efficient infrastructure. In sum, the Government undertakes expenditures to pursue a variety of economic, social and political goals and to create an enabling environment for the private sector. An appropriate size and composition of public spending is needed to promote development and meet the demands for equity and efficiency.

MINISTRIES' DEVELOPMENT EXPENDITURE DURING NDP 8

5.2 This section provides an analysis of development expenditure during NDP 8 compared to what was initially provided for in the Plan. Such financial analysis only provides a partial assessment of what has been accomplished. While some development projects may have been fully implemented in financial terms during the Plan period, their targets may not have been achieved in physical terms due to cost escalations, programme revisions and other contingencies.

5.3 At the beginning of NDP 8, there were 179 development projects included in the Plan, of which 23 were new projects and 156 were projects carried over from NDP 7. The carry-over of many projects from the previous Plan included some projects which were not completed as envisaged, but also included many projects of an ongoing nature, such as school classrooms, health facilities and water supplies. Over the course of NDP 8, 9 new projects were added to the Plan, thus bringing the total number of projects in the Plan to 188. NDP 8 also included several parastatals projects, for BDC, BHC and BTC, which required Government assistance to undertake marginal projects especially in the rural areas. Government also provided BCL with financial assistance during NDP 8 under the development programme.

5.4 The Total Estimated Cost (TEC) of the 179 development projects, which were initially included in the Plan, amounted to P11.8 billion in current prices. During the course of NDP 8, changes in economic and social circumstances warranted revisions to the development programme. Adapting to such changing circumstances, when justified, is normal in the process of implementing national development plans. NDP 8 was no exception in this regard. The scopes of many ongoing development projects included in NDP 8 were amended and expanded during the Plan period, and new projects, not envisaged at the time of preparation of the Plan, were introduced.

5.5 The original and latest development programme TECs, by Ministry, are presented in Table 5.1. Most of the TEC revisions arose from cost increases that were due to delays in starting projects, extension of projects' completion dates, inclusion of additional components and/or activities to projects, exchange rate fluctuations, etc. During

the Plan period, Botswana also suffered natural calamities and exogenous shocks, such as drought, outbreak of foot-and-mouth disease and an oil price shock. Additional financial resources had to be provided to a number of projects to alleviate the adverse effects of these occurrences.

Table 5.1: NDP 8 Original and Latest TECs (Pula Million, Current Prices)

Ministry	Original NDP 8 TEC	Percentage of Total Plan TEC	Latest NDP 8 TEC	Percentage of Total Plan TEC	Difference In Pula	Difference in Percent
Parliament	15.0	0.13	135.0	0.52	120.0	800.0
State President	1,238.0	10.49	3,459.8	13.34	2,050.0	165.6
MFDP	629.5	5.33	1,284.7	4.95	655.2	104.1
MLHA	311.0	2.63	617.6	2.38	306.6	98.6
MOA	390.7	3.31	859.8	3.32	469.2	120.1
MOE	1,823.0	15.44	2,802.1	10.80	979.1	53.7
MTIWAT	149.3	1.26	423.8	1.63	274.5	183.9
MLGLH	2,645.0	22.40	6,656.6	25.67	3,643.0	137.7
MWTC	1,818.0	15.40	3,739.9	14.42	1,637.0	90.0
MMEWR	2,047.7	17.34	3,793.4	14.63	1,348.0	65.8
MOH	680.0	5.76	1,886.5	7.27	1,117.0	164.3
AOJ	35.2	0.30	144.3	0.56	109.1	309.9
MoFAIC	24.2	0.20	131.0	0.51	106.8	441.3
Total	11,806.6	100.00	25,934.5	100.00	14,127.9	119.7

Source: Ministry of Finance Development Planning

5.6 As a result of the new projects and revisions to existing projects, the overall TEC of the NDP 8 development programme increased by P14,128 million (120 percent), from P11,807 million to P25,935 million. The actual expenditure on development projects during NDP 8 turned out to be about 73 percent above the original TEC of P11.8 billion for the Plan (see Table 5.2).

5.7 The difference between the amount of the TEC expected to be spent and that approved reflects capacity constraints within line ministries, especially in service departments, such as the then Department of Architectural

and Building Services, which is responsible for all Government construction projects. Part of the difference is also due to the carry-over into NDP 9 of some projects that were initiated late in NDP 8, since they need more than the remaining plan period to be completed.

5.8 Table 5.2 shows the pattern of actual development expenditure in current prices over the NDP 8 period compared to that forecast in the Plan. Although the phasing of the development programme in NDP 8 envisaged more expenditure in the first half of the Plan period and a subsequent tapering off of expenditure in the second

half, actual expenditure and the latest estimates of development expenditure now indicate that spending on the

development programme will continue to rise to the end of the Plan period.

Table 5.2: NDP 8 Planned versus Actual Expenditure (Pula Million, Current Prices)

Financial Year	Original NDP 8 TEC	Actual Expenditure	Difference Over/Under in Pula	Difference in Percent
1997/98	2,443.40	2,695.50	252.10	10.32
1998/99	2,707.40	2,934.47	227.07	8.39
1999/00	2,240.40	3,451.02	1,210.62	54.04
2000/01	1,792.00	3,134.60	1,342.60	74.92
2001/02	1,473.20	3,698.20	2,225.00	151.03
2002/03	1,150.20	4,501.58	3,351.38	291.37
Total	11,806.60	20,415.41	8,608.81	72.91

Source: Ministry of Finance and Development Planning

5.9 The carry-over of the TEC from one Plan to the next results not only from implementation constraints, but also from the natural overlap of ongoing projects between Plan periods.

The latest NDP 8 TEC and the actual plan period expenditure for each ministry, together with the unspent balance, are reflected in Table 5.3.

Table 5.3: NDP 8 Latest TECs, Actual Expenditure and Carry Over to NDP 9 (P Million in Current Prices)

Ministry	Latest NDP 8 TEC	Actual expenditure	Difference*
Parliament	135.0	11.27	123.73
State President	3,459.8	3,047.03	412.77
MFDP	1,284.7	1,107.21	177.49
MLHA	617.6	414.80	202.80
MOA	859.8	840.58	19.22
MOE	2,802.1	2,232.36	569.74
MTIWAT	423.8	374.14	49.66
MLG	5,149.0	4,826.54	322.46
MLHE	1,507.6	631.25	876.35
MWTC	3,739.9	2,998.95	740.95
MMEWR	3,793.4	2,918.20	875.20
MOH	1,886.5	798.91	1,087.59
AOJ	144.3	117.07	27.23
MoFAIC	131.0	97.08	33.92
Total	25,934.5	20,415.41	5,519.11

Source: MFDP

Note: *Underspent TEC to be carried over to NDP 9

5.10 Large spillovers to NDP 9 arise from a number of ongoing projects and projects with long gestation periods that started late in the Plan period.

5.11 The financial assistance provided by external funding agencies, in the form of loans and grants, has played a significant role in furthering

Botswana's development in a number of sectors since independence. During NDP 8, a total of P417 million in grants and P767 million in external loans were sourced to finance the development programme (see Table 5.4). At the time of preparation of NDP 9, some of the funding, approximately P1, 053 million,

of the NDP 8 development programme was still to be negotiated; but, most of it was expected to come from the Domestic Development Fund. Thus, well over 90 percent of the financing for the NDP 8 development programme came from domestic resources.

**Table 5.4: NDP 8 Development Programme Financing by Funding Source
Pula Million, Current Prices**

Ministry	Domestic Development Fund	External Grants	External Loans	Funds to be Negotiated	Total Development Expenditure
Parliament	98.39	0.00	0.00	36.61	135
State President	3,399.79	0.00	0.00	60.01	3459.8
MFDP	1089.44	17.72	0.00	177.54	1284.7
MLHA	572.78	1.32	0.00	43.50	617.6
MOA	828.83	6.81	0.98	23.18	859.8
MOE	2,593.22	74.81	9.08	124.99	2802.1
MTIWAT	255.16	49.43	86.60	32.61	423.8
MLG	4,904.01	15.58	-4.61	234.02	5149
MWTC	3,318.29	54.48	243.59	123.54	3739.9
MMEWR	3,067.64	167.45	431.40	126.91	3793.4
MOH	1806.62	29.69	0.00	50.19	1886.5
AOJ	144.3	0.00	0.00	0.00	144.3
MoFAIC	110.64	0.00	0.00	20.36	131.0
MLHE	1,507.60	0.00	0.00	0.00	1,507.60
Total	22,189.11	417.27	767.05	1,053.47	25,934.50

Source: Ministry of Finance and Development Planning

5.12 During NDP 6, donors contributed 28 percent of the total development programme expenditure, while in NDP 7, that figure dropped to 12 percent. Over NDP 8, external support of the much expanded development programme, at P1,184 million, only represented 5.5 percent of total development expenditure. Yet that assistance was valuable, especially in certain key development sectors, such as health, in particular combating HIV/AIDS, water supplies, education, roads and natural resources conservation and management. The relative decline in external assistance reflected the

growing perception in the international community that Botswana has become relatively well off as evidenced by its graduation into an upper middle income country and is now better able to finance most of its development programme from domestic resources.

MINISTERIAL RECURRENT EXPENDITURE DURING NDP 8

5.13 The total Ministerial recurrent expenditure grew at a much more rapid rate than was anticipated when formulating NDP 8. As shown in Table 5.5, recurrent expenditure growth averaged 20.44 percent per annum over the NDP 8 period; almost four times as

fast as the average 5.10 percent per annum rate of growth of recurrent budget expenditures envisaged in the

Plan. All Ministries and Departments, with a few exceptions, had actual growth rates much higher than that projected.

Table 5.5: NDP 8 Ministerial Recurrent Expenditures (Pula Million, Current prices)

Ministry	1997/98 Actual	1998/99 Actual	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Revised Estimate	Actual Growth P/A(%)	NDP 8 projected growth P/A%
Parliament	9.79	15.31	17.03	20.58	25.45	30.13	23.05	0.3
State President	774.61	979.9	1,049.96	1,249.05	1,455.34	1,731.26	19.93	4.1
MFDP	367.23	402.77	595.61	615.98	618.18	902.55	24.81	1.6
MLHA	118.86	159.1	179.34	221.13	263.08	326.91	15.71	5.0
MOA	244.44	333.43	357.72	380.8	473.79	565.01	19.30	0.5
MOE	1,201.65	1,576.03	1,758.41	2,329.77	2,800.09	3,186.10	21.37	6.1
MTIWAT	75.37	113.92	125.57	151.51	174.44	226.67	13.07	2.3
MLG	916.31	1,160.95	1,379.13	1,450.82	1,694.44	2,069.76	19.53	6.0
MWTC	428.28	492.03	541.23	591.51	720.30	822.49	12.80	5.2
MMEWR	95.01	153.78	178.05	210.1	271.92	406.75	30.93	5.5
MOH	319.19	395.74	475.86	563.18	713.89	820.01	21.19	8.0
AOJ	13.21	17.53	20.19	26.54	35.31	43.91	26.57	5.6
Attorney General	7.65	9.46	10.73	13.81	19.83	29.63	27.34	0
Auditor General	4.58	6.14	7.47	7.8	10.66	13.53	22.67	0
MoFAIC	55.72	66.68	73.09	90.48	105.19	169.20	23.50	0.4
IEC	4.07	12.69	24.32	6.97	20.38	24.44	69.52	0
Ombudsman	0.31	0.86	1.39	1.89	2.67	4.29	N/A	NA
MLHE	0	0	0	133.78	142.16	180.59	N/A	NA
Total	4,636.28	5,896.32	6,795.10	8,065.70	9,547.12	11,553.23	20.44	5.10%

Source: Ministry of Finance and Development Planning

5.14 Some of the especially high rates of growth of recurrent expenditure were due to the relatively low base from which the expenditures for NDP 8 started; e.g., for the Independent Electoral Commission, the Attorney General and the Auditor General. Other high growth rates arose from increased responsibilities for departments, which could not be adequately forecast when NDP 8 was prepared, such as the Ombudsman's Office and the HIV/AIDS programme. Some increased expenditure also arose from the need to

provide adequate resources to properly operate and maintain existing Government facilities, which had not been allocated sufficient recurrent budgets during NDP 8. However, much of the increased recurrent expenditures arose from the implications of the much expanded development programme, which brought much infrastructure on stream and created new programmes that needed to be funded. The preponing of expenditure on the development programme also meant that recurrent budget implications of development

expenditures arose much earlier in the Plan period, thus contributing to the more rapid rate of growth of recurrent expenditures over the Plan period.

Estimates and NDP 8 Forecasts (Pula Million, Current Prices)

5.15 Table 5.6 shows the comparison of the Provisional Actual of

the Ministerial Recurrent Expenditure for 2001/02 with that forecast in NDP 8 for that year. In NDP 8, total recurrent expenditure for 2001/02 was forecast at P5,512 million, while the revised estimate for that year has such expenditure at P9,547 million; more than 73 percent above the Plan target.

Table 5.6: 2001/02 Ministerial Recurrent Expenditures, Budget

Ministry	Provisional Actual 2001/02	Percentage Share	NDP 8 Forecast 2001/02	Percentage Share	Percent Revised Estimate above NDP 8 Target (%)
Parliament	25.45	0.27	11.00	0.20	131.36
State President	1,455.34	15.24	728.00	13.21	99.91
MFDP	618.18	6.48	320.00	5.81	93.18
MLHA	263.08	2.76	146.00	2.65	80.19
MOA	473.79	4.96	255.00	4.63	85.80
MOE	2,800.09	29.33	1520.00	27.58	84.22
MTIWAT	174.44	1.83	84.00	1.52	107.67
MLGLH	1,694.44	17.75	1241.00	22.51	36.54
MWTC	720.3	7.54	563.00	10.21	27.94
MMEWR	271.92	2.85	130.00	2.36	109.17
MOH	713.89	7.48	419.00	7.60	70.38
AOJ	35.31	0.37	16.00	0.29	120.69
Attorney General	19.83	0.21	10.00	0.18	98.30
Auditor General	10.66	0.11	5.00	0.09	113.20
MoFAIC	105.19	1.10	61.00	1.11	72.44
IEC	20.38	0.21	2.00	0.04	919.00
Ombudsman	2.67	0.03	1.00	0.02	167.00
MLHE	142.16	1.49	0.00	0.00	NA
Total	9,547.12	100	5512.00	100.00	73.21

Source: Ministry of Finance and Development Planning

5.16 As a result of the differences in ministerial growth rates of recurrent expenditures and the variations from the Plan targets, actual expenditure shares

varied from those forecast in the Plan, reflecting the changes in budget priorities over the Plan period.

Functional Analysis of Government Expenditures

5.17 Table 5.7 shows the functional breakdown of total recurrent and development expenditures for 1997/98

and 2002/03, along with the respective shares and percentage growth over the period of NDP 8. The revised estimate

for 2002/03, at P16,642 million, is 125 percent above the NDP 8 projected level

of Government expenditure of P7,406 million for 1997/98.

Table 5.7: Functional Classification of Government Development and Recurrent Expenditures in 1997/98 and 2002/03 (Pula Million, Current Prices)

Functional Category	1997/98		2002/03		Growth in Total Expenditure (%)
	Total Expenditure	Percentage Share	Total Expenditure	Percentage Share	
Public Administration	1,082.20	14.61	2,527.60	14.52	133.6
Defence	625.8	8.45	1,411.10	8.11	125.5
Education	1,787.80	24.14	3,820.80	21.95	113.7
Health	411.2	5.55	1,130.80	6.50	175.0
Food & Social Welfare Programmes	160.3	2.16	168.3	0.97	5.0
Housing, Urban & Regional Development.	430.2	5.81	1,269.90	7.30	195.2
Other Community & Social Services	131.4	1.77	580.5	3.33	341.8
Economic Services	1,701.80	22.98	3,133.50	18.00	84.1
Public Debt Interest	86.2	1.16	104.1	0.60	20.8
Local Authorities	887.2	11.98	2,341.68	17.85	163.9
FAP Grants	102	1.38	154	0.88	51.0
Total	7,406.10	100.00	16,642.28	100.00	124.7

Source: Ministry of Finance and Development Planning

PUBLIC SECTOR MANPOWER DURING NDP 8

5.18 During NDP 8, growth of the Central Government establishment was restrained, with the overall manpower establishment growing from 70,538 in 1996/97 and to 77,277 in 2002/03, an average annual increase of 1.53 percent. Highly skilled manpower in manpower category 'A', typically requiring a post-secondary diploma or degree, experienced the most rapid growth, with an average annual growth rate of 2.6 percent. In spite of the rapid increase in posts in the 'A' category, its growth was constrained, in part because there were a lot of vacant posts in this category. This

also applied to the 'B' manpower category, which is comprised of lower-level skilled manpower (artisans) than category 'A'. The 'B' level manpower establishment did not grow much during NDP 8 due to the problem of retaining qualified artisans.

5.19 The 'C' manpower category consists of the Industrial Class workforce, which has been subject to limited growth during NDP 8. Except for new ministries, departments and agencies, the creation of new 'C' category posts was frozen for all existing institutions during NDP 8. Almost 56 percent of the posts created during NDP 8 were for the 'Other' manpower category, which is comprised of cadres such as Nurses, Teachers, Prison

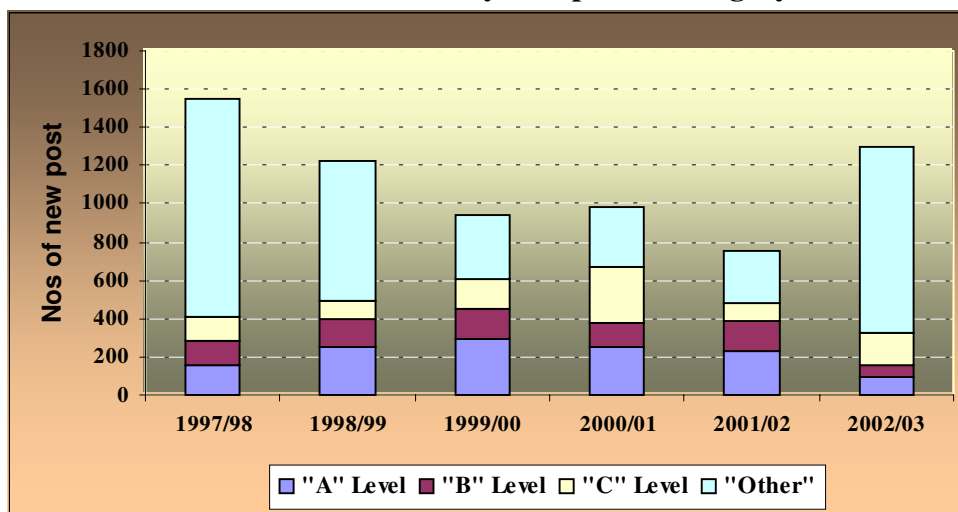
Warders, Government Security Guards, Police and Game Wardens.

Table 5.8 NDP 8 Establishment Growth by Manpower Category by Year

New Posts Established during NDP 8											
Establishment											
Type	96/97 Cumulative	97/98 Cumulative	97/98	98/99	99/00	00/01	01/02	02/03	Total	02/03 Establishment (cumulative)	NDP 8 Annual Average Growth Rate %
A	7,845	8,005	160	254	293	247	227	93	1,274	9,119	2.6
B	7,943	8,062	119	143	159	133	163	62	779	8,722	1.7
C	27,866	27,995	129	98	152	291	92	167	929	28,795	0.6
Other	26,884	28,021	1,137	728	337	309	274	972	3,757	30,641	1.8
Total	70,538	72,083	1,545	1,223	941	980	756	1,294	6,739	77,277	1.5
Percent of New Posts Established during NDP 8											
Establishment											
Type	1996/97	1997/98	97/98	98/99	99/00	00/01	01/02	02/03	NDP 8 Period	% of establish	
A	11.1	11.1	10.4	20.8	31.1	25.2	30.0	7.2	18.9	11.8	
B	11.3	11.2	7.7	11.7	16.9	13.6	21.6	4.8	11.6	11.3	
C	39.5	38.8	8.3	8.0	16.2	29.7	12.2	12.9	13.8	37.3	
Other	38.1	38.9	73.6	59.5	35.8	31.5	36.2	75.1	55.8	39.7	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

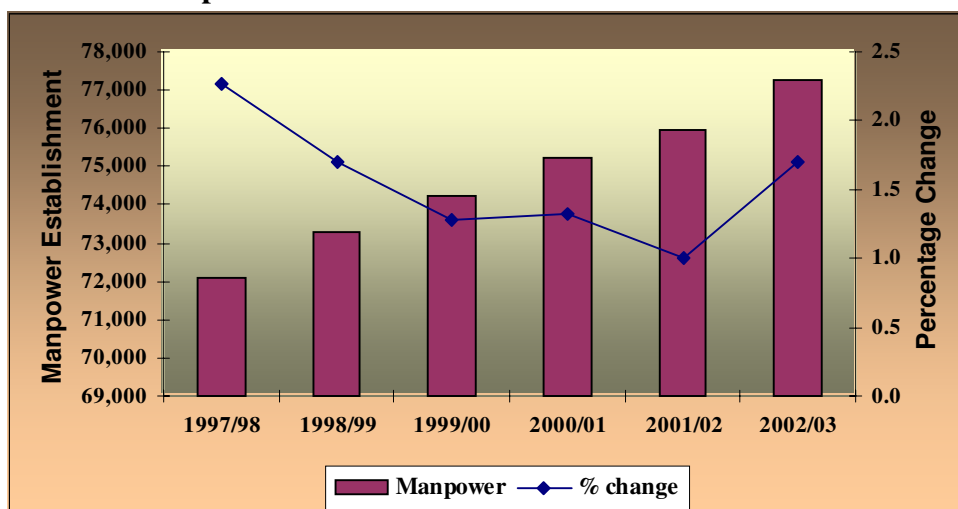
Source: Directorate of Public Service Management

Chart 5.1: Establishment Growth by Manpower Category



Source: Directorate of Public Service Management

Chart 5.2 Manpower Establishment for NDP 8



Source: Directorate of Public Service Management

5.20 National Development Plan 8 (NDP 8) had set the annual growth target of public service manpower at 1.1 percent, in conformity with the policy of ‘right-sizing’ the public service. The 1.1 percent per annum growth target for NDP 8 contrasted sharply with the 5.2 percent per annum manpower growth realised during NDP 7. In the event, the actual growth of the manpower establishment over NDP 8 averaged 1.5 percent per annum (see Chart 5.2), almost 40 percent more than the target rate of manpower growth in the Plan. The total number of established posts in the public service increased by 6,739 during NDP 8, from 70,538 at the end of NDP 7 to 77,277 at the end of NDP 8, a net increase of 9.6 percent over the Plan period. This is in contrast to the 4,853 new posts set as the target growth for manpower for NDP 8.

Allocation of Posts during NDP 8

5.21 While the allocation of manpower to Ministries, departments and agencies was distributed in line with

national priorities, the last year of NDP 8 (2002/03) experienced a higher increase than in the previous years. This was mainly because, during 2002/03, there was a significant increase in the number of posts created through the special arrangement of the Financial Establishment Authority (FEA). Almost 25 percent of the new posts created in 2002/03 were through the FEA. This resort to special authority for creating manpower posts has since prompted Cabinet to direct that any variation of the approved manpower establishment which involves additional budgetary provision must be approved by Parliament as is the case with all financial requests.

Vacancies

5.22 The target for the overall vacancy rate during NDP 8 was set at 2 percent or lower. However, the overall vacancy rate during NDP 8 averaged 4 percent of the manpower establishment. This was a marginal improvement on the performance achieved during NDP 7

when the overall vacancy rate averaged nearly 5 percent.

5.23 Although strategies adopted during NDP 8 kept the vacancy levels relatively low, the Computerisation of the Personnel Management System (CPMS) Project revealed that some Ministries and Departments had been overstating their vacancies. As a result

of the computerisation project, some Ministries and Departments were able to identify some posts which they did not need. These were subsequently deleted from the Establishment Register. This resulted in a net saving of about 700 posts from the establishment, giving rise to negative establishment growth in the financial year 2001/2002.

Table 5.9: Vacancies in Ministries/Departments during NDP 8

Ministry	October 1996	October 1997	October 1998	October 1999	October 2000	October 2001
Parliament	21	8	20	9	83	36
State President	300	227	246	203	228	584
MFDP	521	364	439	170	371	186
MLHA	219	224	229	92	197	51
Agriculture	284	447	275	158	293	411
Education	461	336	234	228	306	293
MTIWAT	189	266	261	208	120	129
MLG	206	129	212	145	44	249
MWTC	633	635	360	208	426	742
MMEWR	71	353	153	120	118	44
MOH	374	202	294	168	178	270
Admin. Of Justice	0	19	59	105	9	165
Attorney General	20	22	14	25	30	24
Auditor General	25	18	9	8	4	9
MoFAIC	14	5	12	24	20	36
Ombudsman		7	10		6	3
IEC				37	8	24
MLHE					55	61
Total Vacancies	3,338	3,262	2,827	1,908	2,496	3,317
Establishment	71,356	72,361	73,185	74,096	75,179	74,523
Vacancy Rate	4.68	4.51	3.86	2.58	3.32	4.45

Source: Directorate of Public Service Management

PRINCIPLES OF PUBLIC SECTOR RESOURCE ALLOCATION FOR NDP 9

5.24 The level of the development budget should be set within the limits defined by the Government's

implementation capacity, both in terms of actually undertaking the development projects and in terms of efficiently operating and maintaining the resulting economic and social infrastructure. Since there is generally a one to two year lag between development expenditure incurred and the full recurrent budget

implications of that expenditure, Government must plan the development programme with a view to matching of recurrent expenditure that can be sustained by Government's non-mineral domestic revenues.

5.25 The main lesson to be learnt from NDP 8 arises from the continuing high vacancy rates and manpower shortages, exacerbated by consequences of HIV/AIDS. The creation of substantial numbers of additional manpower posts, which will take time to fill, means that many completed projects will remain understaffed and/or poorly managed and operated. Projects that will exacerbate already critical manpower shortages should, therefore, be phased back until there are concrete signs that the shortages are being alleviated.

5.26 Government recognises the financial and manpower constraints it faces for NDP 9. These constraints call for careful planning to ensure that the scarce manpower and finance available over the Plan period are allocated efficiently to uses that will contribute most to national development and social welfare. Such allocation of resources must be done fairly, with a view to satisfying the needs of the different sectors of the economy, while ensuring that Government provision of public goods and services grows in line with the resources available. There are a number of key principles which Government takes on board in determining the level of resources it plans to utilise, and their allocation amongst users and ministries, departments and agencies.

5.27 Government expenditure targets for NDP 9 have been set by taking into account, *inter alia*:

- The anticipated levels of Government revenues.
- The need to ensure consistency between recurrent expenditure growth and recurrent revenue growth, so that the fiscal position is sustainable in the medium to long term.
- The recurrent budget implications of development expenditures.
- The effects of Government expenditure on the growth of the private sector, in terms of ensuring that the needed manpower and infrastructure are provided timeously, and a conducive environment for private sector development is maintained.
- The need to have adequate financial reserves to cushion the country from exogenous shocks, such as international market fluctuations for diamonds, drought and outbreak of animal diseases, as well as to support a liberal, outward orientated trade and exchange regime, which can foster high levels of foreign and domestic investment to accelerate sustainable diversification of the economy.
- The requirements for human resources development aimed at alleviating critical manpower shortages and expanding opportunities for Botswana to participate meaningfully in national development.
- The need to win the fight against HIV/AIDS.

5.28 Government is committed to sustainable budgeting, which is the only way to have a sound and viable fiscal

position and avoid budgetary crises in the long run. Since the nation's mineral revenues are derived from depleting a non-renewable asset, non-investment recurrent budget expenditure must be financed from other recurring sources of revenues, such as income taxes, VAT and customs duties, or interest earnings on Government savings. In the last two years of NDP 8, the sustainability ratio exceeded 1, which implies that some of the mineral revenues were used to finance non-investment recurrent expenditure. Consequently, during NDP 9, Government will have to restrain recurrent expenditure growth and augment its efforts to increase cost recovery for the goods and services it provides from those who can afford it.

5.29 Government strategy of re-investing the returns from the mineral wealth is aimed at ensuring that in future when the minerals are depleted, Botswana will be able to sustain the higher levels of income and standards of living the country has been able to enjoy by exploiting the minerals.

5.30 In line with the theme for NDP 9 of "Towards Realisation of Vision 2016: Sustainable and Diversified Development through Competitiveness in Global Markets", Government will vigorously implement policy strategies and schemes to promote the growth and diversification of non-mining sectors. However, Government's role in the diversification process will be limited to being a facilitator, by providing an environment that is conducive for rapid and diversified private sector development.

5.31 Government's fiscal strategy for NDP 9 will take into account

implementation capacity constraints, with a view to avoiding the kinds of substantial cost overruns that were incurred on many projects during NDP 8. Government will give adequate attention to the recurrent costs of development projects, including manpower, operating and maintenance costs. In formulating and implementing its public expenditure strategy, priority will be given to maintenance of the existing infrastructure before making provision for new facilities.

5.32 Through public sector reform, Government will "right-size" the public sector and implement effective productivity improvement programmes. The processes of public sector reform will be transparent, with the responsible authorities held publicly accountable for carrying out their responsibilities in an efficient and cost effective manner. With respect to public enterprises, reform will entail exposing the management of such enterprises to market principles and discipline, thus fostering conditions for sustainable growth and job creation. Government, through the Public Enterprises Evaluation and Privatisation Agency (PEEPA), will selectively privatise some of the functions it currently undertakes; functions which can be performed more efficiently by the private sector. As a result of efficiency gains, Government will be able to achieve some cost savings over NDP 9. To this end, Government will be carrying out detailed analyses of activities and enterprises that are candidates for privatisation before decisions are taken regarding the reforms to be implemented.

Sustainable Budgeting

5.33 While achieving a sustainable budgetary position during NDP 9 is a fiscal policy goal, doing so will require strict financial management, not only on the expenditure front, but also, and equally, on the revenue generation front. Thus, Government will be vigilant in ensuring that “right-sizing” of the public service is pursued, and that all Government assistance programmes are monitored and reviewed to establish their relevance and effectiveness.

PROPOSED PUBLIC SECTOR EXPENDITURE PROGRAMME, 2003/04-2008/09

5.34 The Public Sector Expenditure Programme for NDP 9 entails total Government expenditure and net lending rising from P17.1 billion in 2003/04 to P25.5 billion in 2008/09. Development expenditures will grow at an average rate of 6.95 percent per annum throughout the Plan period. Recurrent expenditures will increase at an average annual rate of growth of 8 percent, from P13.1 billion at the beginning of NDP 9, to reach P18.5 billion in 2008/09. However, the proposed expenditure is dependent upon revenues projected over the Plan period. In the event that the level of projected revenues is not achieved, some projects will have to be scaled down to ensure budgetary sustainability.

NDP 9 Development Expenditure Ceilings

5.35 Table 5.10 presents the breakdown of the development expenditure ceilings by ministry over NDP 9. The development programme

ceilings are based on information regarding the resources expected to be available for the development programme, given the principles for public sector resource allocation for NDP 9 set out above. The ceilings also take into account the spillover of NDP 8 projects to NDP 9, and the information provided by ministries, departments and agencies about new projects that are to be implemented in this Plan period. Some of the main development activities to be financed during NDP 9 include:

- The HIV/AIDS programme
- The expansion of police stations
- The continued implementation of the Revised National Policy on Education
- The implementation of the National Water Master Plan
- The National Sanitation Master Plan
- The National Master Plan for Arable Agricultural and Dairy Development
- The Revised Rural Development Policy
- Construction of Roads
- The upgrading of District Hospitals
- The Poverty Reduction Strategy

Table 5.10: Ministerial Development Expenditure Ceilings for NDP 9, Current P.Million

Expected Phasing of Expenditure								
Ministry	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	NDP 9TEC	Percent of NDP 9 TEC
Parliament	34.00	35.00	36.20	37.30	38.50	39.40	220.40	0.62
State President	570.40	682.57	619.29	711.69	899.78	856.15	4,339.88	12.15
MFDP	35.37	112.50	141.90	92.70	88.86	147.47	618.80	1.73
MLHA	100.00	213.20	227.10	223.91	219.00	248.99	1,232.19	3.45
MOA	187.00	138.19	163.62	181.63	161.84	176.98	1,009.26	2.83
MOE	327.00	635.90	659.50	677.80	696.70	713.00	3,709.90	10.38
MTI	73.66	56.33	34.10	19.76	19.49	49.74	253.08	0.71
MLG	680.18	918.78	1,160.54	1,402.64	1,390.63	1,457.32	7,010.09	19.62
MWT	448.26	525.47	1,080.01	769.18	760.32	656.81	4,240.07	11.87
MMEWR	450.00	784.50	813.70	836.60	766.13	974.60	4,625.53	12.95
MOH	261.70	566.50	587.30	658.94	538.86	660.31	3,273.61	9.16
AOJ	16.00	27.90	28.90	29.70	30.60	47.38	164.50	0.46
MoFAIC	10.00	23.60	24.50	25.10	25.80	26.40	135.40	0.38
MLH	403.94	200.61	239.24	424.94	584.19	580.78	2,433.70	6.81
MCST	143.96	145.15	193.80	206.24	199.17	177.02	1,065.34	2.98
MEWT	179.51	121.11	203.15	249.40	335.93	289.06	1,378.15	3.86
IEC	0	6.88	2.92	2.92	1.46	0	14.18	0.04
Total	3,905.00	5,194.20	6,215.77	6,550.44	6,757.25	7,101.43	35,724.09	100.00

Source: Ministry of Finance and Development Planning

NDP 9 Recurrent Expenditure Ceilings

5.36 Recurrent expenditure ceilings are set to increase at an average annual rate of 8.0 percent over NDP 9, from P13.1 billion in 2003/04 to P18.5 billion

in 2008/09. Most Ministries and Departments have target recurrent budget growth rates of around 8 percent per annum.

Table 5.11: Ministerial Recurrent Expenditure Ceilings for NDP 9
Pula million, Current Prices

Ministry	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total
Parliament	30.43	33.56	36.25	38.63	41.32	44.20	224.40
State President	1,849.98	1,983.83	2,139.77	2,280.54	2,434.49	2,603.25	13,291.86
MFD	995.31	1,145.20	1,231.79	1,310.70	1,396.91	1,491.37	7,571.28
MLHA	352.62	392.20	423.40	452.03	483.24	517.35	2,620.82
MOA	571.73	637.65	688.26	733.54	783.22	837.59	4,251.98
MOE	3,822.83	3,938.19	4,254.82	4,566.98	4,860.62	5,206.76	26,650.20
MTI	85.40	101.74	109.64	114.79	120.48	127.05	659.11
MLG*	2,250.85	2,315.88	2,508.30	2,661.27	2,875.96	3,086.05	15,698.31
MWT	739.85	884.06	953.54	1,015.56	1,083.45	1,157.92	5,834.37
MMEWR	466.11	496.30	535.96	572.23	611.89	655.26	3,337.75
MOH	961.12	1,026.38	1,108.47	1,183.41	1,265.41	1,355.13	6,899.92
AOJ	47.56	46.65	50.43	53.90	57.68	61.76	317.98
Attorney Gen.	28.31	33.57	36.26	38.64	41.23	43.12	221.13
Auditor General	14.45	16.70	17.99	19.28	20.57	21.97	110.96
MoFAIC	139.39	148.78	160.71	171.54	183.47	196.50	1,000.39
IEC	30.81	29.24	31.62	33.81	36.19	38.78	200.45
Ombudsman	4.62	5.33	5.73	6.12	6.52	7.02	35.34
MLH	189.25	192.93	208.46	222.33	237.39	254.04	1,304.40
MCST	330.08	356.49	385.01	415.81	449.07	485.00	2,421.46
MEWT	192.30	207.68	224.30	242.24	261.62	282.55	1,410.69
Total	13,103.00	13,992.36	15,110.71	16,133.35	17,250.73	18,472.61	94,062.82

Source: Ministry of Finance and Development Planning

*includes Local Authorities

NDP 9 Manpower Establishment Ceilings

5.37 Table 5.12 presents the manpower establishment ceilings for each year of NDP 9. The total establishment of Government is set to increase from 102,001 at the end of NDP 8 to 113,465 at the end of NDP 9,

an increase of 1.9 percent per annum. A total of 11,464 posts will be created during the course of the Plan, to cater for both development projects and normal growth.

Table 5.12: Manpower Establishment Ceilings for NDP 9

Ministry	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Parliament	331	341	349	356	364	374
State Pres.	8,178	8,534	8,945	9,324	9,712	10,138
MFDP	3,741	3,774	3,835	3,890	3,952	4,019
MLHA	4,412	4,522	4,637	4,749	4,867	5,000
MOA	8,353	8,440	8,520	8,602	8,693	8,791
MOE	24,135	24,642	25,097	25,531	26,005	26,217
MTI	614	627	641	655	670	685
MLG	2,601	2,673	2,746	2,821	2,902	2,987
Local Authorities	26,288	26,661	27,041	27,415	27,798	28,188
MWT	8,780	8,869	8,967	9,067	9,164	9,261
MMEWR	2,733	2,785	2,828	2,892	2,947	3,003
MOH	7,889	8,039	8,192	8,348	8,506	8,668
AOJ	767	798	830	864	899	935
Attorney General	238	250	262	273	285	294
MoFAIC	379	386	393	401	408	416
IEC	114	115	117	119	121	123
Ombudsman	37	39	42	45	47	48
Auditor General	150	153	156	159	162	165
MLH	645	676	707	743	777	814
MCST	978	989	1,009	1,043	1,070	1,105
MEWT	2,005	2,049	2,094	2,139	2,186	2,234
Total	103,368	105,362	107,408	109,436	111,535	113,465

Source: Directorate of Public Service Management, Ministry of Finance and Development Planning

CONCLUSION

5.38 In order to enable the country to achieve its NDP 9 objective of sustainable growth through the creation of a globally competitive economy, Botswana will ensure its public finances are on a sound and sustainable footing. To enable the country to achieve its development goals, NDP 9 policy will be directed at maintaining macroeconomic stability, ensuring prudent fiscal and monetary management, encouraging more domestic and foreign investment in Botswana, implementing effective poverty eradication programmes and mounting effective programmes to combat the scourge of HIV/AIDS.

5.39 The public expenditure programme set out above provides adequate resources to achieve those objectives. But success will ultimately depend upon how well those resources are utilised in carrying out the specified programmes and projects. All stakeholders – Central Government, Local Government, the private sector, non-governmental organisations, community based organisations, etc. – have important roles and responsibilities in ensuring that NDP 9 policies are pursued vigorously, and that the resources available for development are put to their most effective uses in securing the benefits of development for all Botswana.

CHAPTER 6

FINANCE AND BANKING

INTRODUCTION

6.1 The financial system is one of the most important sectors in the economy as it facilitates the movement of scarce loanable funds from surplus to deficit economic units for use on consumption and investment. By facilitating lending and borrowing, the system provides an impetus to economic growth.

6.2 What happens, therefore, in the financial system has an impact on the productive capacity of the nation's economy. For example, in an economy which is operating below its productive potential, when credit becomes more costly and less available, aggregate demand for goods and services falls. As a result, the economy's growth is curtailed as firms cut back on production and inventories, thereby leading to reduced income and higher unemployment. In contrast, when credit becomes less costly, loanable funds become more readily available, aggregate demand increases, economic growth accelerates, and unemployment falls as more job opportunities become available. However, interest rates and credit are also important from a monetary policy perspective, as excessive credit growth can lead to inflationary pressures. In fact, this sector is an integral part of the entire economic system and as such cannot be viewed in isolation.

REVIEW OF FINANCIAL SECTOR PERFORMANCE DURING NDP 8

Evolution of the Financial Sector

6.3 The institutional structure and the type of financial services available in Botswana have been influenced by both historical factors and progressive global financial innovations over the years, assisted by, more recently, advances in information technology. The development of the financial sector until a few years prior to independence was slow. At the time, only two commercial banks operated with a total of four branches in the country.

6.4 The mineral-led development of the Botswana economy in the post-independence period resulted in the rapid growth of the financial sector. The establishment of Bank of Botswana in 1975, coupled with the introduction of the national currency, the Pula, in 1976, provided the major impetus to the general financial services sector development in Botswana. The Bank of Botswana supervises the banking sector, implements monetary policy and manages the exchange rate of the Pula and foreign exchange reserves.

6.5 There are five commercial banks; namely, Barclays Bank of Botswana, Standard Chartered Bank of Botswana Limited, Stanbic Bank (Botswana), the First National Bank of Botswana, and the Bank of Baroda. In addition to the

commercial banks, the sector includes the Botswana Savings Bank (BSB), the Botswana Building Society (BBS), several microlenders and the insurance industry. The BSB (formerly the Post Office Savings Bank) services small savers and maintains a strong rural presence. Whereas the BBS provides financing for housing, the microlenders provide short-term loans to households and small enterprises. The insurance industry continues to show growth in the number of entities registered, as well as the assets being handled by those entities.

6.6 Although commercial and investment/merchant banks are covered by a single Act (Banking Act 1995), the remainder are established and supervised under different statutes. The commercial banks, Botswana Savings Bank and Collective Investment Undertaking (CIUs) are by law supervised by the

Bank of Botswana, while the Ministry of Finance and Development Planning (MFDP) serves as the regulator of the National Development Bank (NDB), building societies, insurance companies and pension funds. The Stock Exchange Committee, under the overall supervisory oversight of MFDP, runs the Botswana Stock Exchange (BSE).

6.7 Besides commercial banks, the non-bank financial institutions (NBFIs), most of which were established during the 1970s (see Table 6.1), play an important role in providing funds for investment. These include two Government-owned financial institutions (Botswana Development Corporation and the National Development Bank), and the Government's direct lending facility, the Public Debt Service Fund (PDSF). The latter lent mainly to parastatals before such lending was virtually stopped in early 2002.

Table 6.1: Establishment of Botswana's Financial Institutions

Institution	Year started operations	Year of local incorporation
Central Bank		
Bank of Botswana	1975	1975
Commercial Banks		
Barclays Bank of Botswana Limited	1950	1975
Standard Chartered Bank Botswana Limited	1950	1975
First National Bank of Botswana Limited	1991	1991
Stanbic Bank Botswana Limited	1992	1992
Bank of Baroda (Botswana) Limited	2000	2000
Other Financial Institutions		
Botswana Savings Bank	1911	1963
National Development Bank	1964	1964
Botswana Building Society	1970	1977
Botswana Development Corporation	1970	1970
Tswelelo	1984	1984
ULC (Pty)Limited	1990	1990
Investec Bank (Botswana) Limited	2000	2000
Stock Exchange and Stock Broking Companies		
Stockbrokers Botswana	1989	1989
Botswana Stock Exchange	1994	1994
Investec Securities Botswana	1998	1997
Capital Securities	2000	1999
Life Insurance Companies		
Botswana Insurance Fund Management Limited	1970	1970
Botswana Life Insurance Limited	1994	1994
Regent Life Botswana Limited	1997	1997
Metropolitan Life of Botswana Limited	1996	1996

Source: Bank of Botswana Annual Report 1993 and respective institutions.

6.8 More recently, there has been considerable growth in micro-lending activities, with several firms engaged in making small loans from their own resources. Although the number of such loans is large, they account for a

relatively small proportion of total credit.

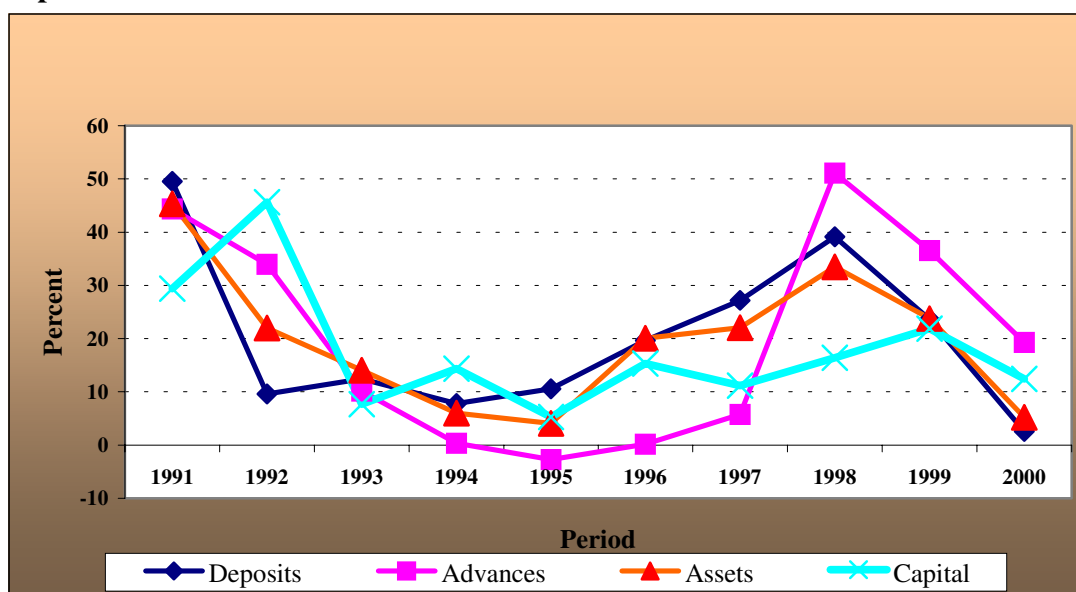
**FINANCIAL SECTOR
DEVELOPMENT DURING NDP 8**

Banking System

6.9 The activities of banks have expanded rapidly during the past decade. Chart 6.1 shows the growth rates for total banking assets, capital, deposits and advances. As shown in the chart, growth rates were low in the middle of the decade but rose through to 1998 before

slowing down in 2000. A number of factors explain this trend. There was a substantial growth in credit from the late 1980s to the early 1990s, leading to concerns that the rate of expansion was unsustainable. By the mid-1990s, however, the rate of increase in credit was severely curtailed through interest rate increases, a slowdown in economic growth and a rise in arrears and bad debts.

Chart 6.1: Growth Rates in Deposits, Advances, Total Banking Assets and Banking Capital



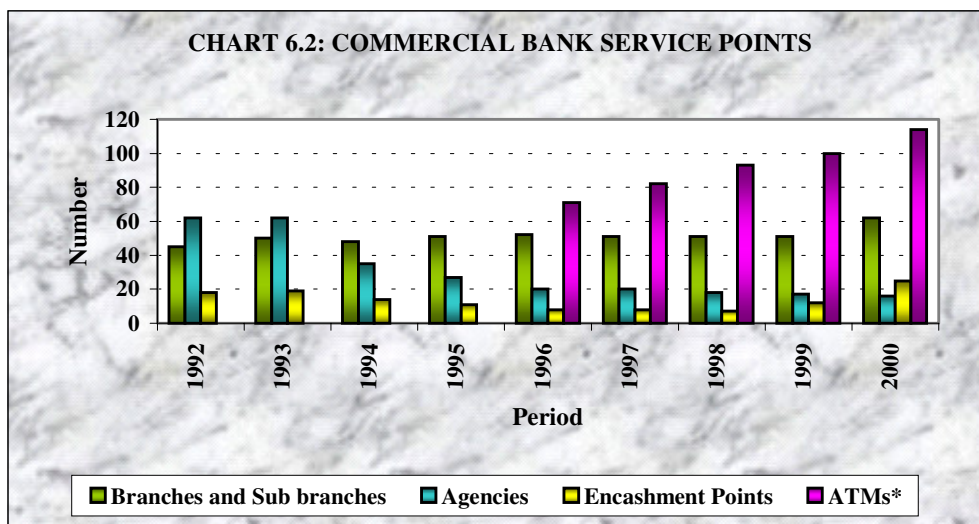
Source: Bank of Botswana

6.10 There has also been considerable expansion in the range of banking outlets during the 1990s. Chart 6.2 shows the composition of commercial bank business points (branches, agencies, encashment points and automatic teller machines (ATMs)) over the years. As at December 2000, the four commercial banks had between them, 59 branches and sub-branches, 17 agencies, 6 encashment points and 112 ATMs countrywide. The introduction of ATMs

in the mid 1990s has had a major and beneficial impact on the provision of bank services, mainly by enabling an increase in the number of business points and an extension of their hours of availability. However, the number of agencies has declined either because of closure or upgrading to full branches. Banking services such as making deposits, cash withdrawals, checking account balances and others provided by encashment points and agencies, could

be provided much more cheaply and efficiently by ATMs.

Chart 6.2 :Commercial Bank Service Points



Source: Bank of Botswana

- data on the number of ATMs is not available prior to 1996

6.11 Of the 59 branches and sub-branches, 43 were in urban areas with the remainder in major villages and rural areas, indicating a concentration in urban areas. While this partly reflects the changing population distribution and increasing urbanisation⁶, there are concerns that substantial segments of the population do not enjoy effective access to banking services. Providing such access in a cost-effective manner will be one of the main tasks facing the banks in the future.

6.12 Data on the number of accounts held at commercial banks indicates that there has been an improvement in the proportion of the population served by the banking system. In 1990, the banks held a total of 235,100 accounts,

representing 320 accounts for every 1,000 adults in the country. By 2000, the number of accounts had nearly doubled to 400,475, representing 430 accounts for every 1,000 adults.

International Financial Service Centre (IFSC)

6.13 During NDP 8, a project to develop Botswana as an International Financial Services Centre was initiated. The first phase of the project was completed in 1999, with the enactment of legislation to provide the tax incentives, project approval process and regulatory structure necessary to create a world-class financial services centre.

6.14 Since the marketing phase, which commenced in 2000, a total of 13 projects have been approved, of which eight (8) have commenced operations. These projects have employment commitments of 150 people

⁶ Preliminary results of the 2001 Population Census indicate that over half of the population resides in areas classified as urban, peri-urban or urban village.

that are well on the way to being achieved. Furthermore, the marketing campaign has generated a further 50 contacts with major financial institutions which have expressed interest in having IFSC operations and these are being actively pursued.

6.15 The range of financial services includes banking, funds management and administration, captive insurance, corporate headquarters and treasury operations, and financial intermediaries. The approvals to date and the growing number of enquiries generated are broadly comparable to the levels achieved at a similar stage of development by other successful IFSC's.

Insurance and Pension Funds

6.16 The insurance sector plays an important role in the achievement and maintenance of economic stability in the country. As an instrument of risk management, insurance allows the release of funds for capital development and structured savings. Between 1997 and 2001, the assets of the insurance industry grew from P780 million to P2.9 billion. The industry grew from 4 insurers and a handful of intermediaries to 12 insurers, 18 insurance brokers and 75 corporate insurance agencies as at July 2002. Botswana's only captive insurer and specialist credit insurer were registered during NDP 8, as was the first local insurer to offer agricultural insurance cover. As a result of these developments, the insuring public in Botswana has access to a wider range of insurance products, at more competitive rates.

6.17 Furthermore, the development of Pension and Provident Funds continues.

Since the enactment of the Pension and Provident Funds Act in 1987, 159 pension funds have been registered with total pension assets in excess of P5.7 billion. Of these, 17 have been established in the last 3 years. One of the major developments during this period was the introduction of a defined contribution pension scheme for public officers. The flow of contractual savings into these funds has been one of the most significant developments in the financial sector over the NDP 8 period.

6.18 However, up to now the bulk of pension fund assets have been invested offshore, mainly because of the need to diversify investment portfolios and a shortage of high-return low-risk domestic investment opportunities. In this regard, pension funds generally invest a relatively large proportion of their assets in long term government bonds, as these have the risk, return and maturity profiles that match their liabilities of funding future pensions. The lack of a Government bond market in Botswana is one of the factors that encourages investment offshore. It should also be noted that pension funds represent a large pool of long-term funds, and at the same time there is a perceived shortage of long-term finance for investment in Botswana. An issue that still faces the financial system is to develop in a way that facilitates the matching of these long-term funds to good long-term investment opportunities. In this regard, development of the stock market and the commercial bond market has the potential to play a very important role.

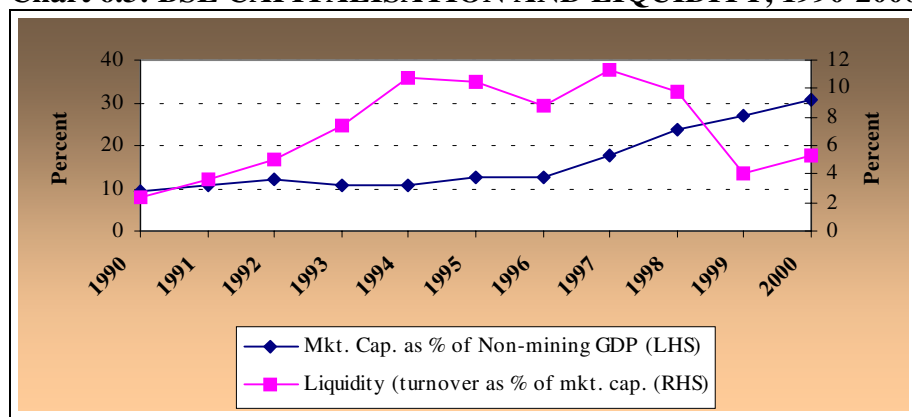
The Botswana Stock Exchange (BSE)

6.19 The Botswana Stock Exchange (BSE) has an important role to play in providing an alternative channel linking savers and investors. The instruments issued and traded on the BSE, corporate equities and bonds have characteristics that are distinctly different – in terms of risk, return, liquidity and maturity - to the loans and deposits offered by the banks. As such, the BSE extends a range of choices available to savers and borrowers, and hence has the potential to improve the efficiency of the financial sector by enabling a closer matching of the preferences of savers and investors.

6.20 The BSE has grown rapidly since its establishment in June 1989. Between 1989 and the end of 2002, the number of listed domestic companies rose from 5 to 18, the domestic companies index rose from 100 to 2,500.74, and market capitalisation rose from P120 million to P9,403.06 million. Six corporate papers were also issued. The amount of money raised through share and bond issues was, however, relatively small compared to the amounts raised directly as loans from financial intermediaries such as banks and (Non-Banking Financial Institutions) NBFIs.

6.21 While the BSE has grown rapidly in size, it has not been particularly liquid. Liquidity, measured by the Turnover Ratio (the total value of stocks traded during a year relative to average market capitalisation), has varied between two and eleven percent since 1990 (Chart 6.3). This is around the average for stock markets in Africa, but is low by the standards of more developed markets. The liquidity of the market depends on both transaction costs and investor willingness to trade securities frequently; these factors influence both the availability of shares and the attractiveness of investing in shares of listed companies vis-à-vis alternative investment opportunities. Most shares on the BSE are held either by controlling interests or by local institutional investors, which contributes to low liquidity. Controlling interests are unwilling to sell for obvious reasons, while institutional investors tend to buy and hold rather than have an active trading strategy because positions, once liquidated, can be difficult to re-establish. To this extent, low liquidity reflects a lack of alternative investment opportunities. Low liquidity retards the deepening of the stock market and reduces its contribution to economic growth; experience elsewhere suggests that stock market liquidity is positively and significantly correlated with capital accumulation, improvements in productivity and economic growth.

Chart 6.3: BSE CAPITALISATION AND LIQUIDITY, 1990-2000



Source: Bank of Botswana

6.22 Public offerings of shares and bonds have exposed the extent of the demand for savings instruments, as all share issues and most bond issues have been oversubscribed. Although shares are held directly by a relatively small group of savers, and the BSE is relatively illiquid, there is a reasonable degree of public confidence in the stock market.

6.23 The listing and information disclosure requirements of the BSE have helped bridge information gaps between the public/institutional investors on the one hand and listed companies on the other and, therefore, encouraged saving in the form of share ownership. Similarly, the favourable treatment of capital gains on disposal of shares of listed companies and the absence of double taxation of dividends have also encouraged share ownership.

6.24 There have been two other important Government schemes for the provision of finance to private sector enterprises. The first is the Financial Assistance Policy (FAP), established in 1982, which provided grants to approved, new or expanding enterprises. The second is the Small, Medium and

Micro Enterprises (SMME) scheme, established in 1999, which provided subsidised loans to approved borrowers. Although FAP is considered to have been reasonably successful in promoting enterprise growth in its early years, especially in the manufacturing sector, by the late 1990s it had grown substantially (costing well over P100 million a year) and had become less cost-effective. Following its fourth evaluation, the FAP Scheme was wound up with effect from mid 2000. There have also been concerns about the effectiveness of the SMME loan scheme, given the rapid draw-down of its initial capital and substantial arrears. Both FAP and SMME have been replaced with a new agency, the Citizen Entrepreneurial Development Agency (CEDA), which provides subsidised loans to commercially viable enterprises, and is also intended to run a venture capital scheme. Unlike its predecessors, CEDA puts emphasis on training, monitoring and mentoring as a way of developing entrepreneurship among Botswana.

Collective Investment Undertakings

6.25 The Collective Investment Undertakings Act, 1996 was repealed and replaced by a more comprehensive and modern Collective Investment Undertakings Act, 1999. The main objective of the new Act was to ensure that it met international best practices standards pertaining to regulation and supervision of investment funds. The Act became effective in 2001 following approval, by the Minister of Finance and Development Planning, of the Collective Investment Undertakings Regulations. The Bank of Botswana has been designated as the Regulatory Authority for collective investment schemes.

6.26 As at March 31, 2001, two fund management companies, African Alliance Botswana Management Company (Pty) Limited and African Alliance International Limited, had been licensed under the Collective Investment Undertakings Act, 1999. The former manages Botswana domestic funds while the latter has been licensed to manage offshore funds under the Botswana International Financial Services Centre rules.

6.27 Collective investment schemes have many advantages to the country and the investing public. For example, in Botswana, where there is a serious dearth of investment instruments, collective investment schemes have added to the limited number of such instruments. In addition, like bank deposits, collective investment schemes mobilize savings. Unlike deposits, collective investment schemes have a longer investment horizon, and funds

can be invested in longer-term projects. With regard to the investing public, they give smaller investors the opportunity to invest in a wider range of stocks by pooling their resources to achieve economies of scale and access investment expertise.

Exchange Controls

6.28 In accordance with the Government's stated objectives of progressive financial liberalization of the financial sector, Botswana abolished all remaining exchange controls on both current and capital account transactions, in 1999. With the increasing globalisation, greater openness and free mobility of capital are important ingredients for achieving higher levels of investment, technological progress, employment creation and economic growth. An exchange control free environment projects confidence and commitment to sound macroeconomic policy management and is expected to market Botswana as a viable and attractive financial services centre. The abolition of exchange controls created significant effects on the Botswana Stock Exchange as evidenced by a number of bond listings that attracted participation by both residents and non-residents.

6.29 In order to counter any adverse impact of the abolition of exchange controls on the banking sector, the Bank of Botswana enhanced prudential standards and guidelines for measuring, controlling and monitoring foreign currency exposure limits. Further, an effective anti-money laundering programme was established with a view to curbing any possible attempts to use

the banking system for criminal activities, including money laundering.

Letlole National Savings Certificates

6.30 The need for financial sector deepening to create alternative saving and investment opportunities for small savers was recognised in both NDP 7 and NDP 8. In June 1999, Government established the Letlole National Savings Certificates (NSC) scheme, administered by the Bank of Botswana, to mobilise long-term savings by citizens. The rate of interest offered on NSCs is attractive and competitive relative to the rates offered by commercial banks. The absence of transaction fees on savings and redemptions provides an added advantage and an incentive to small savers. Over the two years of its existence, the scheme has attracted 2,871 investments, with gross savings in excess of P2.7 million and net savings (less redemptions) of just over P1.6 million.

6.31 The Bank of Botswana continues to market the savings certificates to increase market penetration and investment levels.

FINANCIAL SECTOR STRATEGY FOR NDP 9

6.32 The financial sector strategy outlined in this Chapter takes into account several key features of both national and international financial markets, in particular, financial sector efficiency, service quality and innovation, advances in technology, and the growing internationalisation of financial services. Each of these raises issues of public policy, especially in the

area of the regulation and supervision of the financial sector, that require a commitment of resources on the part of government. The strategy takes account of potential developments during NDP 9 in money and capital markets, insurance and pensions, and focuses on principles, policies, procedures and practices that will be needed to guide those developments against the background of the need to maintain financial sector stability and growth. There are four distinct areas of financial sector development that will be the subject of attention during NDP 9: supervision and regulation; development of markets; consumer protection; and, the national payments system. Each of these is discussed in turn below. What follows immediately is a brief review of the role of the financial sector in economic development and the regulatory and supervisory arrangements currently in place in Botswana.

6.33 As mentioned earlier in paragraph 6.1, financial institutions and markets are a critical component of the economic system of a country. Their primary function is to intermediate between savers and borrowers. Banks also play a central role in the national payments system. In order for the financial sector to perform these functions efficiently and effectively, it should command public confidence. Public confidence and support is instilled by a proper authorisation of financial institutions that establish in those markets, and by their observance of certain prudential requirements stipulated by the supervisory and regulatory bodies. These requirements are aimed at maintaining stability, soundness and efficiency of the country's financial system. Such a

system is better able to promote savings and protect the interests of depositors while responding adequately to the expanding credit requirements of the economy.

Regulatory and Supervisory Developments during NDP 9

The Role of Supervision in the Development of Financial Markets

6.34 The objective of supervising and regulating the financial sector is first and foremost to limit systemic risk. This is the risk that the entire system will fail as a result of failure of one or more of its components. Supervision and regulation aim at ensuring that participants in the financial system have sufficient resources to meet their obligations which, in turn, reduces the chances of failure and engenders public confidence in the system. The second objective is to mitigate information asymmetries between service providers and users that make assessment of risks and returns on products and services difficult. Supervision and regulation provide, as well, an independent assurance about the soundness of firms by insisting on the safety of a financial institution's assets and prudent management, while encouraging appropriate disclosure of information on charges and products, which promotes competition in financial markets.

Pre-Conditions for Effective Financial Sector Supervision

6.35 The authorities responsible for supervising the financial system can do so efficiently and effectively under certain favourable conditions. These are:

- i. sound and sustainable macroeconomic policies;
- ii. a well-developed public infrastructure;
- iii. effective market discipline;
- iv. procedures for efficient resolution of problems in financial markets; and
- v. mechanisms for providing an appropriate level of systemic protection.

6.36 A sound macroeconomic policy environment is distinguished by, inter alia, the pursuit of monetary, fiscal and exchange rate policies that support sustainable growth. The challenge for policy makers is to ensure that such policies also support the safety and soundness of the financial sector, given that financial sector stability and performance and economic growth are integrally linked. Therefore, surveillance of the impact of policy implementation on financial sector performance will need to be sustained during NDP 9 Plan period.

6.37 A well-developed public infrastructure embraces a sound legal basis (effective and well-functioning business laws, such as corporate, bankruptcy, contract, consumer protection and private property laws) for the financial sector; the existence of mechanisms for effective and speedy resolution of contractual disputes; well-defined and implemented accounting, disclosure and auditing standards; effective banking supervision; and a secure and efficient national payments, clearing and settlement system.

6.38 With respect to the efficient resolution of financial sector problems, a variety of problem resolution procedures

should be available to supervisors in order to permit the adoption of remedial measures that are proportional to the problem being experienced. The existence of these procedures helps to instill public confidence in financial institutions and markets.

6.39 In terms of mechanisms for providing an appropriate level of systemic protection, institutional arrangements for handling problem financial institutions, including limited public safety nets, have to be in place.

6.40 It is important to recognise that licensing, regulation and supervision do not prevent failure of financial institutions. Indeed, banks can and have failed even in mature financial systems with the best of regulatory and supervisory frameworks. When a bank fails, a process needs to be in place either to restore the health of the institution or to manage it out of the system. Since Botswana cannot be immune to bank failures, an operating framework with clear objectives and explicit and transparent rules for managing weak institutions will be developed. Such arrangements will also help to manage the "expectation gap" – the expectation that licensing and supervision implicitly guarantee the full recovery of deposits in the event of a bank failure.

6.41 During NDP 9 period, consideration will be given to two critical institutional arrangements to support the financial system in the event of crisis; they are a national contingency plan for handling financial sector crises; and a funded and credible limited

deposit protection scheme⁷ targeting small savers. The design of the deposit protection scheme should neither increase moral hazard nor reduce market discipline. A law establishing the scheme will need to be enacted. As a complementary measure to the deposit insurance scheme, it will be important to endorse the principle that recourse to lender-of-last-resort arrangements would be considered only when the ailing bank is presumed solvent and be applied on a case-by-case basis.

6.42 Improvement of the public infrastructure is another critical area that will receive attention during the current Plan period. In order to deal with problem credits, banks require clear property rights, modern insolvency and company laws, and an efficient judicial system to adjudicate contractual disputes. While the judicial system in Botswana is, by and large, sound, concerns have been raised regarding delays in trying and settling cases. This can be a constraint when quick judgements are required in cases involving banking institutions. The usefulness of commercial courts in this context will be explored. Furthermore, efforts to modernise existing laws and address these concerns will be enhanced. Simultaneously, supervisory bodies will continue to monitor and enforce more

⁷ Its objectives would be to protect depositors against loss of insured deposits in the event of a bank failure and, therefore, contribute to the stability of the financial system. By guaranteeing compensation of insured deposits, the deposit insurance scheme is expected to allay public concerns in the immediate aftermath of a bank failure and prevent a run on bank deposits, which could trigger a more general bank or financial crisis.

closely the requirements that borrowers and banks should adhere to sound accounting, auditing and disclosure standards that are consistent with best international practices.

The Creation of a Financial Services Authority (FSA)

6.43 As indicated earlier, the development of capital markets in Botswana has lagged behind that of money markets. This is an imbalance that may have constrained the development of the real economy. That there are gaps in the provision of long-term debt financing and risk capital, suggests that the further development of capital markets, with the associated infrastructure and improvement in the supervisory and regulatory framework, would be a positive development.

6.44 One of the major challenges in the promotion of the financial sector during NDP 9 will be to ensure balanced growth of the financial sector, through the development of capital markets. A major component of the promotional strategy will be the creation of a Financial Services Authority (FSA), to regulate and provide oversight of a range of non-bank financial institutions and systems not supervised by the central bank. The FSA will need to be operationally independent of but responsible to the Government. It is envisaged that the Government will retain the responsibility to set the policy parameters within which the FSA will function. It is further envisaged that the FSA will work through self-regulated organisations (SROs), which would have direct oversight of the activities of non-bank financial institutions.

6.45 The FSA will seek to attain the following objectives: to foster confidence in the financial system; ensure that the public fully understands the functioning of the capital markets in the financial system; improve financial intermediation; provide a certain degree of consumer protection through proper authorisation that ensures that honest, competent and financially sound firms engage in regulated activities; and guard against and control financial crime such as fraud, dishonesty, money laundering and market manipulation, e.g., insider trading.

Development of Financial Markets

6.46 Financial markets serve a diverse group of market participants with different risk/return expectations that are not necessarily constant over time. Therefore, the challenge for financial markets is to continually provide good quality services and products that are relevant to the changing needs of market participants. Financial markets in Botswana have been broadly successful at playing this role. However, notwithstanding this, gaps exist in certain areas while some aspects of the financial sector require strengthening.

Money Markets

6.47 *Efficiency and quality of service:* A long-standing concern has been the poor quality of some bank services. Despite improvements in recent years, the quality of bank services was rated only average in a recent survey⁸. In particular, concerns were raised regarding delays in the delivery of

⁸ DCDM Botswana, 2001, *National Survey on the Quality of Banking Services in Botswana*.

services, inadequate disclosure of information on charges, and certain infrastructure problems. Despite these concerns, public confidence in the financial system was generally high as customers held banks in high regard. The challenge during NDP 9 would be to continue to adapt both the prudential regulations and anti-money laundering, consistent with prevailing best international practices, to ensure a stable banking system, market integrity and, more broadly, financial deepening and sustainable development of the economy.

6.48 Three issues emerge from this. First, delays in the delivery of services, especially in the context of the predominant use of traditional channels for delivering services, suggests that automation and more extensive use of electronic banking may be the way forward. Second, opaque charge or tariff structures impair informed decision-making and may hamper the mobility of customers across institutions and therefore reduce competition. Third, there is a risk that financial intermediation may be compromised if, in pricing their services, banks do not ensure that their services are affordable as that will militate against growing use of financial services. In light of these, during NDP 9, priority will be given to ensuring the continual improvement of the quality of bank services as it determines the banks' ability to attract and allocate savings efficiently which, in turn, affects investment levels and economic growth. That there continue to be delays in service delivery and those services are not consistently of a high standard may be indicative of weak competition in the financial sector. The expected issuance of Government and

corporate debt may change this to some extent as some bank deposits will shift into these long-term debt instruments, pushing banks to pay more attention to efficiency and the quality of service.

6.49 **Innovation:** Banking facilities are currently highly concentrated in urban areas, despite rapid population growth in non-urban areas. Banks are faced with the challenge to make banking services widely available. This will mean making use of modern technology to bypass constraints imposed on them by the traditional banking model, which requires physical existence of branches. Efforts will also be made to integrate the sale of NSCs into the formal market by establishing arrangements for purchasing certificates through payroll deductions. A study on the feasibility of introducing custodial arrangements for NSCs will also be carried out. Use of technology could potentially reduce service and product costs and ensure affordability and greater use of bank facilities.

6.50 **Supervision:** The switch in 2000 from the full scale, cumbersome and long-cycle on-site examinations⁹ supervisory approach of the Bank of Botswana to a more efficient, effective and on-going risk-based¹⁰ one, is

⁹ The objectives of an examination are to establish the financial soundness and safety of bank operations and compliance with the provisions of the Banking Act, 1995, as well as with the banking regulations and policies.

¹⁰ This is a supervisory and regulatory approach that provides for the identification and understanding of primary business risks faced by supervised financial institutions. It involves the reviewing and examining, both on and off-site on an on-going

expected to impact positively on the soundness of supervised banks during NDP 9. The implementation of the new Basel Committee on Banking Supervision Capital Accord in 2006 should further improve bank soundness. Moreover, a self-assessment by the Bank on compliance with the Core Principles for Effective Banking Supervision¹¹ revealed that local banking supervision arrangements conform to most of the requirements of the core principles, except in the area of market risk, adequacy of resources, freedom to offer attractive salaries and supervision of statutory financial institutions. Strategies to address the observed shortcomings will be explored during NDP 9.

6.51 *Offshore banking:* With the establishment of companies under the International Financial Services Centre (IFSC), it has become necessary to review supervisory requirements in order to provide for the supervision of bank holding companies, as well as develop efficient and comprehensive offshore banking regulations. Ongoing reviews will continue into NDP 9 and will provide guidance for handling offshore banking activities.

Capital Markets

6.52 *Role of capital markets:* It was noted earlier in this chapter that despite clear evidence of diversification of the

basis, of an institution's management systems in order to identify, measure, monitor and control risks. This compares with the previous 1½-2 year-cycle of full scope on-site examination.

¹¹ Internationally accepted principles developed by the Basel Committee on Banking Supervision to which the Bank of Botswana subscribes.

financial sector institutional structure, the role of capital markets in savings mobilisation and allocation remains limited. Therefore, the challenge is to develop capital markets that are deep and liquid in order to provide a wider range of financial instruments for savers and different types of financing for borrowers. The planned bond issue programme by the Government in 2002, and the privatisation of certain state-owned enterprises, should increase the supply of instruments available to investors. As well, the recent decision to fund the civil service pension fund should stimulate demand for these instruments, thereby broadening financial markets. Furthermore, government bond issues will establish a benchmark rate for domestic long-dated instruments and facilitate the development of a yield curve for other participants in the domestic capital market.

6.53 *Long-term funding:* The recent interest shown by banks in raising long-term funding from the market through the securitisation of assets, bond issues and subordinated debt instruments, should be encouraged in support of capital market development.

International Financial Services Centre (IFSC)

6.54 The future development of the IFSC will require the vigorous implementation of the marketing programme in the key markets already identified. The immediate objectives will be the attraction of other known international financial institutions in the banking, funds management and administration, insurance and corporate treasury sectors.

6.55 There is a requirement to strengthen the institutional framework for developing the IFSC by placing it under an appropriate agency of Government. While the current arrangement has worked well up to now, the scale and scope of the administrative and operational activities have now grown to the stage where a new administrative structure is necessary. An important factor to be taken into account is the need for the IFSC agency to have a measure of independence in the performance of its functions.

6.56 The continued cooperation and support of other relevant ministries and parastatals will be vitally important to the success of the project, particularly in areas such as telecommunications, and issuance of work and residence permits. Financial institutions, accountancy and law firms will also play a key role in the future development of the IFSC.

Insurance and Pension Funds

6.57 As was mentioned earlier, the insurance industry recorded significant growth during NDP 8 by, among other things, extending its offerings to include agriculture insurance products. The success of the National Master Plan for Arable Agriculture and Dairy Development (NAMPAADD) will be further enhanced by encouraging partnerships between members of the farming community and providers of agriculture insurance.

6.58 The Insurance Industry Regulations were amended during NDP 8 to bring about improvements in the regulation and monitoring of the insurance industry. These amendments were effected to invoke greater

compliance of the industry with international standards, geared at increasing levels of competence of the industry and the confidence of the insuring public. Further amendments will be effected during NDP 9 to the Insurance Industry Act. A primary aspect of the legislation is the protection of the insuring public. In this regard, the restriction on placement of insurance cover outside Botswana will remain in place. This is an important feature of policyholder protection, since our Regulatory Authority has no jurisdiction to influence the settlement of insurance claims outside Botswana.

6.59 To facilitate the process of increasing levels of professional standing of insurance intermediaries in Botswana, renewals of licences will be approved based on higher levels of professional qualifications. The process was started during NDP 8 by requiring the principal officers of corporate insurance agents to be qualified to a minimum standard of the certificate of proficiency. This drive will continue into NDP 9, with principal officers of corporate insurance agents being required to possess at least the intermediate qualifications. As was the case during NDP 8, facilitation of the process will continue by granting subventions to the Botswana Accountancy College to assist in offering the necessary training.

6.60 Full computerisation of the insurance regulatory unit in the Ministry of Finance and Development Planning during NDP 9, will go a long way in assuring investors and the insuring public of the stability and proper functioning of the industry. Insurance returns will be filed electronically and

members of the industry, the insuring public and other stakeholders will be able to access information, and register queries and complaints on line. In addition, it will be easier to track agents and monitor their activities. These activities will augur well for the credibility of the industry.

6.61 Insurance services provided under the International Financial Services Centre will begin during NDP 9, starting with captive insurance services. This will eventually be extended to include all classes of insurance, but it is expected that the main focus will be on captives and reinsurance service. The provision of life insurance products will also be pursued under the auspices of the Centre.

6.62 The pensions industry is recognized as an important economy driver. As such the integrity of the industry is paramount in order to safeguard the future livelihood of pension funds and pensioners and promote public confidence. This will be achieved during NDP 9 period through increased policing of the industry in general and of pension schemes registered under the Pension and Provident Funds Act 1987. It will also include a review of the standard practices adopted within the industry, disclosure requirements, accountability and self regulation. Consideration will also be given to introduction of legislation for the regulation and supervision of pension fund asset managers who hitherto have not been regulated under the Pension and Provident Fund or any other Act.

6.63 The growth in the pension industry has led to an increase in the number of scheme members making pension contributions. This has brought about a rapid increase in the contractual savings held by households when compared to the deposits made by them in the banking system. This trend is expected to become stronger still further following the introduction of the Botswana Public Officers Pension Fund.

6.64 Further growth in the number of pension funds and their assets is expected during NDP 9. In particular, those assets held by the Public Officers Pension Fund, which is still in its infancy, are expected to increase greatly during the next couple of years. As their assets grow, so too will the need for the funds to diversify their investment portfolios. The long term nature of pension fund liabilities will require that a large proportion of their assets be held in long term assets such as government bonds. The development of such a market for these assets during the period of NDP 9 will help to provide a link between these sources of long term savings and the needs of long term borrowers.

Towards a Strategy for Developing Capital Markets

6.65 Capital markets are part of the financial sector that deal with the provision of long-term finance. Capital markets have two components - the securities component, providing funding through instruments such as shares and bonds, and the non-securities component involving mostly term loans and mortgages. How best to promote capital markets is a question that will be addressed during the course of NDP 9.

Appropriate strategies will be adopted to stimulate capital markets development during NDP 9.

6.66 Capital markets provide a platform for firms and governments to raise capital and investors to acquire securities as a form of investment. However, the ability of firms to raise finance from the primary securities market depends importantly on the liquidity of the secondary securities market. Therefore, both aspects of the capital market have to be developed. At present, the key issue in secondary market development in Botswana is that of illiquidity – as participants in the limited primary market tend to buy and hold securities due to the limited supply of long-term instruments. Therefore, bond trading is limited. Furthermore, stocks and bonds issued to date have been oversubscribed, pointing to imbalances between demand and supply, raising the spectre of upward pressure on stock prices. In order to deal with the imbalances, the supervisory and regulatory environment must find ways to ensure an increase in the supply of stocks (and securities in general) while stimulating new demand for securities.

Botswana Stock Exchange

6.67 The Botswana Stock Exchange will be organised on a formal basis in accordance with best practices prevailing elsewhere. This will be done through broadening the Board of Directors of the Exchange to include representatives of government, institutional and public investors, stockbrokers, lawyers and accountants. During NDP 9 plan period, the Stock Exchange will move from the current call-over trading system to a

continuous auction electronic trading system.

National Payments and Settlement Systems

6.68 The payments system is one of the key components of the financial system. A payments system is the set of arrangements (institutions and processes) that facilitate the flow of funds between accounts at different financial institutions. It also facilitates the transmission of monetary policy signals and enables the Central Bank to make accurate and timely assessments of market responses. Effectively, it underlies the operations of the entire financial system. An inefficient payments system that undermines users' confidence in it, could undermine confidence in the financial system more generally and possibly trigger a collapse of the system.

6.69 In Botswana, the payments system is being reformed, alongside those of other SADC countries, with a view to establishing a modern legal, regulatory and institutional framework as well as developing and introducing the physical infrastructure for a payments system that ensures finality of payments in real time at an optimum cost and minimum risk exposure for both individual payments and the financial system as a whole. These changes are expected to increase both the speed and safety of the system, while minimising costs. Besides the specific legislation governing the system, it will require amending a variety of other laws relevant to the payments system, such as the Bills of Exchange Act, the Criminal Procedures and Evidence Act, the Companies Act and the Insolvency Act.

These changes will be investigated during NDP 9.

6.70 A National Payments System Framework and Strategy Document completed during 2001 will guide the development of the payments system through to 2005, with the aim of being compliant with internationally accepted standards. Furthermore, the National Clearing and Settlement Systems (NCSS) Act was enacted in 2002. The new law addresses a number of key deficiencies in the Botswana payments system. It will close the legal vacuum that exists with respect to the operation and regulation of payments system activity; clarify roles of payments system participants; provide procedures for dealing with failure to settle by any participant; and address long clearing periods, which partly reflect the largely paper-driven and manual nature of the current payments system.

6.71 Efforts to improve the system during NDP 9 will build on on-going work, such as the automation of the clearing and settlement systems and a movement towards the adoption of Real Time Gross Settlement system (allowing settlement on a same-day basis).

Central Securities Depository

6.72 An important element of any developed financial market is a Central Securities Depository (CSD). This is where a register of ownership of authenticated securities, such as shares and bonds, which may be in physical or dematerialised form, is kept¹². It may

¹² A CSD is a facility or an institution for holding securities, which enables securities transactions to be processed by book entry. Physical securities may

also clear and settle securities transactions. Several benefits flow from lodging securities with a CSD. These include controlling the number of counterfeit securities; minimisation of credit, market and systemic risks; reduced clearance and settlement costs; and the provision of safe custody of securities. A CSD therefore contributes to increasing transparency and investor confidence in the securities market.

6.73 It is Government's intention to create a CSD in Botswana. This has been necessitated by the desire to improve efficiency and depth in the financial system including an efficient clearing and settlement system for bonds and equities. An Act of Parliament will be required to establish the CSD. Options regarding the nature, ownership, operation, funding and coverage will be explored during NDP 9. This will require a broad cost-benefit analysis of the options and a clear definition of the objectives to be achieved.

6.74 In the interim, transactions involving Government and Bank of Botswana securities will be cleared and settled through a book entry system owned and operated by the Bank. At some point, consideration will be given to merging the system with a private sector based CSD.

be immobilised and/or dematerialised by the depository (immobilisation involves the placement of certificated securities and financial instruments in a CSD to facilitate book-entry transfers; while dematerialisation means the elimination of physical certificates or documents of title conferring ownership of securities on beneficiaries so that securities exist only as accounting records).

Consumer Protection

6.75 Consumers in the market, in particular financial markets, are not always in possession of the information needed to make decisions on what to buy or the price to pay. The presence of information asymmetries can be exacerbated by market concentration. As financial markets develop, it is important to ensure that there is adequate competition to guard against the possibility of consumer exploitation. As in many other countries, the banking system in Botswana is characterised by the presence of a few large banks. This heightens the risk of practices that are not always in the best interests of consumers. In the absence of appropriate legislation, consumers may

be disadvantaged and yet have no effective recourse to better service or product providers. This could adversely affect consumer confidence in the financial system. Although it is important to have laws that protect consumers of financial services, no law currently provides for this. Therefore, institutional arrangements and a legal basis for such consumer protection will be explored during NDP 9. While, such arrangements would be appropriately located in the Ministry of Trade and Industry, regulation and supervision of banks would remain with the Bank of Botswana. The separation of functions avoids the potential conflict of interest that arises when the two functions are discharged by one entity.

CHAPTER 7

TRADE AND INDUSTRY

INTRODUCTION

7.1 The National Development Plan 9 theme, ‘Towards Realisation of Vision 2016: Sustainable and Diversified Development through Competitiveness in Global Markets’, presents enormous challenges for the industrial and commercial sectors in Botswana. The current international environment is changing rapidly and becoming extremely competitive. As a result of

the liberalization of trade and the globalization of markets, Botswana enterprises are exposed to increased competition for investment resources and market opportunities. At the domestic level, there is an urgent need to encourage the participation of Botswana in business, while at the same time broadening the economic base by facilitating the acquisition of technical and management skills to foster viable and productive enterprises.

Box 7.1 Definition of Commercial, Industrial and Trade sectors

Commercial Sector refers to businesses or individuals engaged in the buying and selling of goods in the domestic market, such as wholesalers and retailers; those providing professional, social and personal services; hotels and restaurants; and those involved in financial services.

Industrial Sector refers to businesses or individuals engaged in the transformation of raw material inputs into semi-finished or finished products for domestic sale or for export, e.g. manufacturing, construction.

Trade refers to businesses or individuals engaged in the buying and selling of goods and services in the domestic market, as well as those involved with the international importation and exportation of goods and services.

7.2 During NDP 8, the Government of Botswana has maintained a macro-economic environment that is conducive to growth and the diversification of the economy. It has also adopted a range of new policies and programmes that will help position the commercial and industrial sectors to contribute meaningfully towards the realization of Vision 2016, and thus create ‘a prosperous, productive and innovative nation’, which is one of its key pillars. Aligned with Vision 2016, the realization of the Vision of the Ministry of Trade and Industry ‘will have enabled Botswana to be a vibrant, self-sustaining and diversified

economy, ranked among the best in the world and the preferred destination for investors by 2016”.

7.3 More specifically, the Ministry has committed itself to implementing efficiently existing policies and programmes and developing new ones in support of sustainable growth and diversification of the economy. This commitment is anchored in the Ministry’s Strategic Plan 2001-2009. Furthermore, the Ministry has undertaken to facilitate and promote the development of productive and competitive enterprises by incorporating in its strategic goals the

crucial elements contained in Vision 2016, as they relate to economic growth and diversification. These goals include:

- enhancing the productivity and competitiveness of enterprises;
- developing a vibrant manufacturing and services sector;
- accessing regional and global markets;
- fostering skills development;
- promoting partnership arrangements between local and foreign investors;
- achieving citizen empowerment;
- eradicating HIV/AIDS;
- ensuring the sustainable use of natural resources;
- protecting the environment;
- gender mainstreaming;
- contributing to poverty alleviation;
- fostering research and developing or acquiring appropriate technologies; and
- playing an advocacy role on behalf of the commercial and industrial sectors.

Institutional Framework

The Ministry of Trade and Industry

7.4 During NDP 8, a comprehensive study on the reorganisation of the Ministry was undertaken in the light of the major changes in its responsibilities that had taken place in recent years. The reorganisation is aimed at improving institutional and organisational efficiency and to better address the needs of the clients. In order to ensure the achievement and sustenance of its organisational effectiveness and efficiency, the Ministry will now accelerate the implementation of the restructuring and re-engineering components of the reorganisation. Rationalisation of portfolio responsibilities and functions of all Ministries and Departments

within Government also continues, and as a result, the Department of Wildlife and National Parks and the Department of Tourism have been relocated to a new Ministry of Environment, Wildlife and Tourism. The responsibility for industrial and commercial issues and for international trade now rests with a new Ministry of Trade and Industry.

7.5 A major responsibility of the Ministry of Trade and Industry is to facilitate the promotion and attraction of both domestic and foreign productive investment in the industrial and commercial sectors so as to achieve sustainable and diversified development.

7.6 The implementation of the various components of the reorganisation is an ongoing process. In this regard, the transfer of the Petroleum Unit to the Ministry of Minerals, Energy and Water Resources (MMEWR) and the Weights and Measures Unit to the Botswana Bureau of Standards (BOBS) have been completed. Consultations towards the establishment of a Tourism Board are being pursued and it is envisaged that this Board will have been established by the beginning of NDP 9.

7.7 The Local Enterprise Agency (LEA) is being established, consolidating small enterprise development and training organisations including the Integrated Field Services (IFS), the Small Business Promotion Agency (SBPA) and Enterprise Botswana (EB). Furthermore, during NDP 9, the Office of the Registrar of Companies, the Consumer Protection Office, and the Competition Authority will be established as autonomous policy and programme implementation agencies.

7.8 The Ministry is among others responsible for the following broad areas:

- (i) **Department of Industrial Affairs** dealing with
 - (i) Industrial Development Policy;
 - (ii) Local Procurement Programme (LPP); and
 - (iii) Training programmes for the development of entrepreneurship.
- (ii) **Department of Trade and Consumer Affairs** is responsible for:
 - (i) the development of the commercial sector, the management of external trade, the regulation of unfair business practices and consumer protection
 - (ii) The Botswana Export Development and Investment Authority (BEDIA)
 - (iii) The Botswana Bureau of Standards (BOBS)
- (iii) **The Office of the Registrar of Companies** is responsible for administering and implementing legislation relating to companies, and the implementation of Intellectual Property Acts.

REVIEW OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT DURING NDP 8

Industrial Output and Performance

7.9 The performance of the manufacturing sector during NDP 8 faced difficult challenges. The closure of the Motor Company of Botswana (MCB) in early 2000 contributed to a notable decline in the sector's growth

rate as output only increased by 3.2 percent. This was the lowest rate of growth since the early 1990s. The weak performance of the regional economy and closure of some textile companies also adversely affected manufacturing output in Botswana.

7.10 Between 1997 and 2001, total employment in the manufacturing sector exhibited an upward trend, increasing by more than 28 percent over the period. In 2001, due to plant closures referred to earlier, employment growth in the manufacturing sector stood at slightly over 5 percent.

Commercial Sector Performance

7.11 During NDP 8, the liberalisation of trading regulations led to a large increase in the number of chain stores and franchises. These businesses procure the bulk of their stock through their central purchasing offices outside Botswana, where they often enjoy large discounts. The consumers, therefore, are attracted to chain stores as they offer promotions on the most popular products. The General Dealer businesses that are citizen-owned could not withstand this competition and either closed down or experienced stagnation. The General Dealers are traditional customers of wholesalers. Since the chain stores were able to compete on price directly with the wholesale sector, they could easily out compete the General Dealers.

Construction Industry Performance

7.12 The construction industry remains one of the important sectors of the economy as it determines the cost of investment in the industrial, commercial, infrastructure and housing areas, in addition to creating

employment and contributing to national income.

7.13 Between 1997 and 2000, the construction industry accounted for some 6% of the total GDP. In terms of employment, the industry was on an expansion path, with the number of employees in the sector increasing by 24.4 percent in 1999, followed by a modest 3.3 percent growth in 2000. On the whole, the sector can be said to have performed well during NDP 8.

7.14 Firm sizes in the construction industry ranged from large and well-established international firms to very small citizen contractors, accounting for a very large majority. Given the availability of incentives for smaller projects, there appears to have been very little progress made by citizen contractors, in terms of growth and qualification for higher value contracts. The number of small companies registered with the Central Tender Board (CTB) for construction works are far in excess of the jobs available in the market. Furthermore, the skill-base of this category of contractors is very limited and, hence, in the majority of cases, they find it difficult to submit competitive bids.

International Trade

7.15 The Common Customs Area (CCA) remains Botswana's main source of imports, accounting for 76 percent of imports in 1999. Europe supplied some 10 percent of Botswana imports in the same year, followed by Zimbabwe, with about 4 percent.

7.16 Europe is the main destination for Botswana's exports. Botswana's diamonds are exported mainly through the Diamond Trading Company in London. Copper and nickel are

exported to Norway through the Generalised System of Preferences (GSP). Beef and textiles are exported to the European Union under the Cotonou Agreement.

Regional and International Trade Agreements

7.17 Botswana is a member of several regional and international trade agreements. These include the Southern African Customs Union (SACU), the Southern African Development Community (SADC) Protocol on Trade Cooperation, the Cotonou Agreement and the World Trade Organization (WTO) Agreements. During NDP 8, there were also several bilateral trade agreements between Botswana and other countries, the most important of which was the Botswana/Zimbabwe Trade Agreement. Botswana also benefits under the Generalized System of Preferences (GSP) programmes from some developed countries. These include the African Growth and Opportunity Act (AGOA) of the United States of America. The other important GSP programme is that of Norway through which Botswana exports copper and nickel.

7.18 The Cotonou agreement is a successor to the Lome IV Convention and allows products from African, Caribbean and Pacific (ACP) countries to enter the European Union (EU) market free of customs duties, or at preferential rates of duty.

7.19 However, this Agreement, like the earlier Lome Convention, is not compatible with some of the World Trade Organization (WTO) provisions. However, it is currently protected by a waiver from the WTO agreed at the Fourth Ministerial Conference held in Doha in November 2001. The waiver

was approved on condition that WTO-compatible trade arrangements between the EU and ACP States be negotiated and put in place by the year 2008. Consequently, the Cotonou Agreement is being re-negotiated, starting in September 2002, with an expected finalisation date of December 2007.

7.20 For textile and apparel products, AGOA required beneficiary Sub-Saharan African (SSA) countries to put in place counter-transshipment mechanisms called Visa System. The Visa System for Botswana was approved by the USA in August 2001, following the amendment of the

Customs and Excise Act. Botswana's benefits under AGOA initially, were limited by the fact that it is a middle-income country, which prevented it from sourcing raw materials from third countries that are not AGOA beneficiaries. However, the US Government has since re-classified it as a least developed country to enable local textile manufacturers to source lower-priced raw materials from non-African third countries and still qualify for AGOA preferences.

Box 7.2: African Growth and Opportunity Act (AGOA)

African Growth and Opportunity Act (AGOA)

The AGOA was passed into law by the Congress of the United States of America (USA) in May 2000. The main objective of the Act is to improve trade and economic cooperation between the USA and eligible Sub-Saharan African (SSA) countries. The AGOA allows duty and quota free access for most products from SSA to the USA market, for a period of 8 years. It also provides support for USA investors who want to locate in SSA countries.

Box 7.3 : Southern African Customs Union

The Southern African Customs Union (SACU) Agreement was concluded in December 1969 and replaced the 1910 Customs Union agreement that linked the former British protectorates of Botswana, Lesotho and Swaziland with South Africa. Namibia became a de jure member in 1990.

The aims of the SACU are to advance the economic development of member countries, diversify their economies and afford all parties equitable benefits arising from intra-Union and international trade.

Under the SACU agreement, members apply common customs duties, including tariffs and excise duties, sales anti-dumping, countervailing and safeguard duties to goods imported to the common customs area from third countries outside the Union.

7.21 The main activity under SACU during NDP 8 was the renegotiation of the 1969 Agreement. Botswana's main objective during the renegotiation process was improvement of the country's benefits under the Agreement and the democratization of the Customs Union to provide for participation of all Member States in the decision-making process, including the management of the common external tariff. It would also allow all Member States to participate as one region in the negotiation of any new preferential agreements with third countries. The new Agreement provides for negotiation of specific agreements in areas such as industrial policy, agricultural policy, unfair trade practices, and competition policy. Modalities for the management of the Common Revenue Pool are also being developed.

EU/RSA Agreement on Trade, Development and Cooperation

7.22 Although not a party to the EU/RSA Agreement, Botswana will nonetheless be affected by it due to her membership of the SACU. EU products will increase competition for Botswana products in the SACU market. There will also be increased competition for investment between South Africa and other SACU members. There will be a need, therefore, to assess further the impact of the EU/RSA Agreement on BLNS (Botswana, Lesotho, Namibia and Swaziland) countries, as the Agreement is being implemented.

SADC Trade Protocol

7.23 In line with Botswana's policy of improving market access and sourcing of raw materials from countries in the region, Botswana participated actively in the negotiations of the SADC Trade Protocol. One of

the main objectives of the Protocol is to create a free trade area in the SADC region by the year 2008. Implementation of the Protocol was launched in September 2000, even though the negotiations had not been concluded. As part of the Protocol, SACU Member States made a combined tariff concession to non-SACU SADC countries. The Member States have not yet reached agreement on the rules of origin with respect to textiles, motor vehicles, plastic products, wheat products, machinery and appliances and other products. Negotiations have also been launched and are ongoing with respect to trade in services in the SADC region.

7.24 The negotiations may result in increased market access for Botswana enterprises in the services sector in other countries. Botswana will also be expected to open up some of its service industries to foreign competition.

Review and Formulation of Policies and Programmes during NDP 8

The Industrial Development Policy

7.25 During NDP 8, a new Industrial Development Policy (IDP) was developed and approved by Parliament (December 1997). While diversification of the industrial base represents one of the cornerstones of the policy, it also aims at supporting and encouraging the establishment of a substantial core of highly productive and competitive export-oriented industries, as opposed to the previous strategy of import substitution. The essential principles of the policy are as follows:

- i) encouragement of highly productive and efficient export industries based, to the extent

possible, on local natural resources, and adopting innovative technologies to better penetrate export markets;

- ii) promotion and expansion of efficient support services and component manufacturers, many of which will be small and medium size businesses; and
- iii) assistance will continue to be provided to small-scale rural entrepreneurs and, where appropriate, local communities and non-governmental organisations will be utilized to develop business activities and opportunities in rural areas.

7.26 The Strategic Plan of the Department of Industrial Affairs covering the period 2001-2009 is being specifically developed to ensure effective implementation of the Industrial Development Policy. As such, it will contribute to the growth and diversification of the economy and to the realisation of the goals set out in 7.3, in line with the pillars of Vision 2016.

The Small, Medium and Micro Enterprises Policy

7.27 A Policy on Small, Medium and Micro Enterprises (SMME) was approved by Parliament in December 1998. The Small Business Promotion Agency (SBPA) as well as the Small Business Council were established in the following year as part of the recommendations of the SMME Policy. The main objectives of the Policy were: (i) to foster citizen entrepreneurship and empowerment; (ii) promote SMME exports; (iii) achieve economic diversification; (iv) encourage the development of a competitive and sustainable SMME community; (v)

promote the development of vertical and horizontal linkages between SMME's and primary industries in agriculture, mining and tourism; and (vi) promote efficiency in the delivery of services.

7.28 Between June 1999 and December 2001, when the SBPA co-ordinated the SMME Micro Credit and Credit Guarantee Schemes, the Agency trained 22, 690 loan beneficiaries at a cost of P10.8 million. These loan schemes have now been consolidated into the Citizen Entrepreneurship Development Agency (CEDA) programme.

Foreign Trade Policy

7.29 The Trade Policy for Botswana during NDP 8 emanated from a Trade Policy Review conducted by the World Trade Organization in April 1998. Botswana's overall trade policy objective has been to achieve the broadest possible free and dependable access for Botswana's industrial products and services, especially within the Southern African region. The policy also aimed at improving Botswana's access to industrial raw materials through the reduction of tariffs on imported raw materials. This objective underlined Botswana's negotiating position in various international trade negotiations during NDP 8.

7.30 The impact of trade liberalization came to bear on the domestic economy during NDP 8. These effects included tariff liberalization under the Uruguay Round, the implementation of the EU/RSA Agreement on Trade, Development and Cooperation, and the SADC Protocol on Trade Cooperation. Also, the South African economy has been undergoing a major industrial

restructuring process. The impact of these developments on Botswana's economy has not yet been fully assessed. A series of impact assessment studies will therefore be undertaken during the early part of NDP 9 to determine how trade liberalization and the changes taking place in the South African economy affect Botswana. Based on the results of those studies, Botswana will be in a position to chart a course for the future.

National Export Strategy

7.31 With the support of the International Trade Centre in Geneva, Botswana is taking steps to develop a **National Export Strategy**, within the context of a trade policy consistent with the rules of the World Trade Organization (WTO). This Strategy will be developed in close cooperation with all the stakeholders. It will not only deal with offshore market development and promotion, but also will encompass the longer-term offshore challenges of establishing a national competitiveness framework, creating an export culture and national consensus, and developing new export industries.

Foreign Investment Policy

7.32 The diversification of the economy away from its substantial reliance on diamond mining and rapid economic growth remain Botswana's overriding objectives. This is one of the key pillars of Vision 2016. The role of Foreign Direct Investment (FDI) in pursuing these objectives will remain critical in all sectors as Botswana continues to need the components of the FDI package that include managerial, technical and professional skills, appropriate and modern technology, and access to, and the knowledge of, export markets.

Attracting FDI is also one of the key elements of the Policy Agenda contained in the Botswana Poverty Reduction Strategy (2002).

7.33 With the assistance of UNCTAD and the UNDP, the Ministry has embarked on the development of a **Foreign Investment Strategy** that will provide a framework for assessing Botswana's competitiveness in attracting FDI into all industrial and commercial sectors, and thus help achieve the ambitious growth and diversification goals. The Ministry will also put in place a **Foreign Investment Code** that provides guidance for foreign investors in Botswana.

Competition Policy

7.34 The Ministry is developing a competition policy to enhance competition in the marketplace by reducing or eliminating anti-competitive and restrictive business practices which affect the free operation of markets. This policy will serve as a basis to enact a Competition Law. Competition in the economy will ensure that enterprises are more efficient in the production of goods and delivery of services. Furthermore, a competition policy will create an environment conducive to increased efficiency, improved access to markets and ensure that anti-competitive and restrictive business practices are eliminated.

Industrial Property Act

7.35 During NDP 8, regulations for the Industrial Property Act were developed, thus allowing the implementation of the Act. The Act is in compliance with WTO obligations under the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). A Copyright and

Neighbouring Rights Act was also passed during the plan period and the development of the implementing regulations was initiated.

Companies Act

7.36 Though amended over time, the Companies Act has become largely outdated and in many respects, ineffective. Therefore, an in-depth review of the Companies Act was undertaken. A new Companies Act will incorporate a modern company law framework, which is easily understood and administered, yet is sufficiently robust to anticipate and address future complex company law requirements. Another objective of the review was to simplify compliance requirements especially for small, micro and medium enterprises. It is expected that the review will be completed towards the end of NDP 8.

Consumer Protection Act

7.37 A Consumer Protection Unit was established in the Ministry in 1991 following abolition of price control measures. The need to protect consumers gave rise to the promulgation of two Acts, the Standards Act of 1998 and the Consumer Protection Act of 1998. The main objective of the Consumer Protection Act was to provide for the protection of consumers by means of investigation, prohibition and control of unfair business practices.

7.38 Government continued to promote the formation of consumer groups countrywide as well as mediation in consumer complaints. In the year 2000, for example, the Consumer Protection Unit mediated in 1,186 consumer complaints while in 2001, the number increased to 1,312. The Unit successfully resolved 2,361 cases while 137 cases are still pending (Table 7.1).

TABLE 7.1 - NUMBER OF CONSUMER COMPLAINTS RECEIVED IN 2000 AND 2001

Station	Year 2000	Year 2001	Resolved	Pending
Gaborone	486	625	1,079	32
F/town	246	190	381	55
S/Phikwe	102	97	193	6
Tsabong	9	17	26	0
Serowe	55	35	85	5
Ghanzi	45	40	83	2
Kanye	150	185	313	22
Maun	93	123	201	15
Total	1,186	1,312	2,361	137

Source: Ministry of Trade and Industry

Export Development and Investment Promotion

7.39 At the beginning of NDP 8, the Botswana Export Development and

Investment Authority (BEDIA) was established. It took over the activities that were previously carried out by the Department of Trade and Investment

Promotion Agency (TIPA) to promote trade and investment.

7.40 With regard to investment promotion, BEDIA has undertaken missions to several countries, including, France, South Africa and the United States. As a result of these investment promotion initiatives, fourteen companies, mostly in the manufacturing sector, were established in Botswana, thus reflecting the main focus of the Authority to expand and diversify the economy of the country. Some 2000 jobs were created through these investments.

7.41 BEDIA continues to campaign for investments that make use of locally available raw materials. A study to assess the viability of setting up a tannery project in Botswana that will support downstream processing for an integrated leather industry was carried out during NDP 8. The study concluded that a tannery producing high quality leather is a viable project for Botswana, and BEDIA is actively working on promoting the establishment of a tannery.

Botswana Bureau of Standards (BOBS)

7.42 During NDP 8, BOBS declared 120 standards that have impacted positively on the quality of goods and

services. Programmes are now in place for the certification of the quality of goods, management systems of industrial and service organizations and environmental management systems. A Standard Mark has been established which identifies goods to be good quality by BOBS. In addition, one local company has been awarded the BOBS certificate to the ISO 9001 standard.

Technology Development and Transfer

7.43 The interventions of the Rural Industries Promotions Company Botswana (RIPCO (B) during NDP 8 were to support industrial development and the SMME policy. As a result, during the Plan period, twelve products incorporating new technologies were completed and commercialised. During the same period, over 1,000 products from 23 different types of RIIC technologies were sold across the country, and over 1,500 participants were trained through the Village Skills Training Programme, resulting in the creation of over 1,100 jobs. In addition, RIPCO (B) completed three small industry projects, a nail making plant, a palletising plant and the redevelopment of the sorghum milling plant. The RIPCO research and development process attained ISO 9001:1994 certification in March 2001.



A sorghum dehuller developed by the Rural Industries Promotion Company

7.44 During NDP 8, National Food Technology Research Centre (NFTRC) successfully conducted four (4) one-month courses through which 100 women were trained. The courses were intended to provide practical training to equip women entrepreneurs in the country with the necessary skills to enable them to set up and operate viable small-scale agro-processing enterprises.

7.45 NFTRC also produced educational booklets on nutrition and HIV/AIDS. These booklets cover the topics, "Guidelines for Caretakers and Managing Symptoms of HIV Infection," "Healthy Eating, Shopping for Food and Food Safety Guidelines" and Good Nutrition for People Living with HIV Infection and Vulnerable Groups" Printing of these booklets has been supported by Botswana United States Agency (BOTUSA).

Trading Regulations

7.46 Government Policy Paper No. 1 of 1990 recommended, among others, a less regulatory regime in the trading system. In this regard, the following provisions were removed from the Trade and Liquor Act:

- i) the requirement for Licensing Authorities to make commercial judgments on applications.*
- ii) the requirement for license applications to be open to objection by commercial competitors.*
- iii) restrictions on shop hours.*
- iv) the abolishing of price controls for competitively priced goods.*

7.47 However, in the new Liquor Act, the provision on the requirement for licence applications to be open to

objection by interested parties has been re-introduced in a bid to minimize liquor outlets.

7.48 Chain stores will be regulated under the new Trade Act. Existing businesses operating under franchise/chain store arrangements and new entrants will be given options to operate as supermarkets, wholesalers or department stores.

Non-Citizens Operating Reserved Activities

7.49 The Trade and Liquor Act reserves some business activities for citizen and companies wholly-owned by citizens of Botswana. This was in line with the recommendations of the Presidential Commission on Economic Opportunities of 1982. The Ministry was directed to reserve some businesses for citizens under the Business Reservation Policy. Commercial businesses reserved for citizens include; small general dealers, petrol filling stations, butcheries, fresh produce, bottle stores, bars (other than those related to hotel establishments), village type restaurants and take-aways, supermarkets (excluding chain stores and franchise operations), chibuku depots, taxi services and security guard services.

7.50 The implementation of the Reservation Policy has not been smooth mainly for the following reasons:

- i) *a large number of citizens maintain that the policy makes it more difficult and stringent for them in cases where they want to sell their businesses. They are required to sell such businesses to their fellow citizens who are in most cases not keen to buy or do not have the necessary capital to do so;*

- ii) *the policy does not provide for selling the business to non-citizens in cases where the citizen owner cannot find a citizen buyer or where the price offered by the citizen buyer may not be as attractive as that offered by a non-citizen;*

- iii) *Some citizens either do not want to, or are unable to invest in some parts of the country because of the distance and lack of specific facilities. Therefore, there is a view that the policy should exempt such areas; and*

- iv) *Some citizens front for non-citizens to obtain licenses for reserved activities. This makes the implementation and monitoring of this policy difficult.*

7.51 Consequently, a register of reserved business buyers will be provided so that when a reserved business is advertised for sale, citizen buyers will be alerted. Also, Government is reserving all distribution services for ten years to allow Botswana to revive their businesses.

Composition of the Local Licensing Authorities

7.52 Among the amendments made to the Trade and Liquor Act in 1993 was the decentralisation of the licensing of activities that require fixed premises and can only operate in one locality. These include filling stations, restaurants and supermarkets. The National Licensing Authority (NLA) remained responsible for issuing licenses that do not require fixed premises.

7.53 The NLA members are drawn from relevant Government Departments and the private sector, while the Local Licensing Authorities include Councillors. The new Trade Act will provide for Local Licensing Authorities (LLA) whose membership will include representatives from the private sector.

7.54 Subsequently, Government decided that the Trade and Liquor Act of 1986, as amended in 1993, be separated into two Acts, that is, the Trade Act and the Liquor Act. This separation was made to allow for the development of separate regulations for each Act in order to streamline commercial operations in the country.

Incentive Programmes

Financial Incentives

7.55 From 1982 to 2001, the Financial Assistance Policy (FAP) scheme remained the major incentive programme implemented by government to stimulate investment, employment creation and economic diversification. Through FAP, government provided temporary support for new industries establishing in manufacturing, agriculture, small-scale mining, linkages and tourism. The number of FAP projects by value and location, between 1997 and 2001, is shown in Table 7.2. While small-scale projects constituted the overwhelming majority (94.7%) of projects funded, they accounted for only 29.9% of the funds spent on the scheme. The medium and large-scale projects, which only made up 5.3% in

terms of numbers, utilized 71.8% of the funds.

7.56 Generous grants offered through FAP resulted in an overwhelming response from the public. In the process, the scheme suffered many abuses, involving the suppliers and the entrepreneurs themselves.

7.57 Cases of abuse differed between small scale and medium/large scale businesses. Most of the abuse cases with respect to small scale FAP involved entrepreneurs colluding with machinery suppliers in order to raise the required FAP contribution. Suppliers inflated quotations and invoices of machines from which contributions were then recovered. Other cases related to entrepreneurs being supplied with items that they had not requested.

7.58 Fraud cases with respect to medium and large-scale businesses related to companies not being able to meet projected employment levels. Companies inflated employment levels in order to get higher grants since the FAP grant was based on the number of employees in a business. Some companies employed more people during the first three years. This tendency either exhausted the grants before the 5-year limit, resulting in the company either retrenching or closing down. In other instances, companies claimed for ghost employees. In such cases, employees were coerced into signing blank payroll sheets that were later filled in with wrong unpaid amounts that were used to claim the employment grants.

TABLE 7.2 – NUMBER OF FAP PROJECTS BY VALUE AND LOCATION - 1997-2001

LOCATION	SMALL SCALE		MEDIUM SCALE		LARGE SCALE		TOTAL	
	NO.	P' 000	NO.	P' 000	NO.	P' 000	NO.	P' 000
Serowe/Palapye	313	14,955	10	44,508	4	7,817	327	67,288
Boteti	108	5,492	2	680			110	6,172
Bobirwa	259	13,881	2	736			261	14,617
Selebi Phikwe	175	12,397	13	23,362	3	34,364	191	70,123
Tutume	314	17,056	0	0	1	27,538	315	44,594
Mahalapye	279	15,196	8	3,882			287	19,078
Francistown	197	7,673	13	15,387	4	9,515	214	18,726
Ngamiland (Maun)	477	23,898	5	2,236	2	1,322	484	27,456
Gumare	149	8,075			1	631	150	8,706
Chobe	51	2,163	1	413	3	4,945	55	7,521
North East	256	12,621	3	3,052	3	3,679	262	19,352
South East	158	8,800	21	24,788	7	21,186	186	54,774
Kweneng	848	34,084	20	18,553	3	21,143	871	73,780
Kanye	235	10,835	23	19,188			258	30,023
Mabutsane	11	479	0	0			11	479
Kgatlang	400	19,212	12	9,579	2	5,375	414	34,184
Gaborone	400	14,392	88	112,474	20	150,133	508	276,999
Goodhope	147	8,977	0	0	1	533	148	9,510
Ghanzi	97	4,898	3	1,130			100	6,028
Kgalagadi	79	3,859	2	1,213	1	893	82	5,965
Lobatse	127	6,427			5	21,833	132	28,260
Jwaneng	10	547					10	
TOTAL	5,090	245,917	226	281,181	60	310,907	5,376	823,635
% Share of Each Category	94.7	29.9	4.2	34.1	1.1	37.7	100.0	100.0

Source: Ministry of Trade and Industry.

7.59 Amongst the lessons learnt by the Ministry in the administration of FAP is that success in business does not depend solely on the availability of funding. Much more importantly, it depends on the entrepreneurial qualities and competencies. Consequently, during NDP 9, the Ministry will focus on developing citizen entrepreneurial competencies that equip Botswana with appropriate business skills and knowledge required to start and successfully run businesses.

7.60 In 1999, a major review of the FAP programme was undertaken. The main findings of the review were that the programme was no longer effective in achieving its objective of promoting sustainable employment creation. Furthermore, it had become inappropriate to Botswana's needs and was not addressing the main constraints to investment and the development of sustainable productive enterprises.

7.61 The review concluded that the programme's shortcomings could not be dealt with while its basic structure remained in place. It was then recommended that the programme be terminated and replaced with an alternative form of support for the promotion of sustainable productive activities. As a result, the programme was terminated in June 2001 and replaced by the Citizen Entrepreneurship Development Agency (CEDA), which will provide loans and mentoring to citizen-owned projects in all sectors of the economy.

Local Procurement Programme (LPP)

7.62 The Local Procurement Programme is an incentive programme introduced by the Government in April 1997, initially, on a three-year pilot phase basis. Its objective is to reserve 30% of government purchases to locally based manufacturing

enterprises. This is done in order to stimulate and develop local entrepreneurship capacity and international competitiveness.

7.63 Since its inception, a total of 98 enterprises qualifying under the scheme were registered. The numbers and location of LPP applications for the period 1997/1998 to 2001/2002 are shown in Table 7.3. Out of this figure, four are no longer operating and two have been deregistered as they have grown in size and no longer satisfy the LPP criteria.

7.64 The LPP programme was reviewed at the end of the three - year pilot phase in 2000. The main objectives of the review was to analyse and evaluate the successes and failures of the programme to determine its effectiveness towards achieving industrial development and whether to continue with the programme, modify it, or terminate it.

Table 7.3 - Approved LPP Applications - 1997/98 to 2001/2002

LOCATION	1997/98	1998/99	1999/2000	2000/2001	2001/2002	TOTAL
Gaborone	19	17	10	3	5	54
Francistown	6	2	1	3	1	13
Lobatse	3	3	1	1	0	8
Selebi Phikwe	2	0	0	0	0	2
Maun	2	0	0	0	0	2
Serowe	1	0	0	1	0	2
Ramotswa	1	0	0	0	0	1
Tlokweneng	5	1	1	1	0	8
Mogoditshane	5	0	0	0	0	5
Mochudi	1	0	0	0	0	1
Molepolole	1	0	0	0	0	1
Moshaneng	0	1	0	0	0	1
TOTAL	46	24	13	9	6	98

Source: Ministry of Trade and Industry.

7.65 Outlined below are some of the recommendations that were accepted following the review:

- i) the LPP will be retained and extended to Local Authorities and parastatal organisations. However, parastatal organizations will continue to operate on a commercial basis when considering LPP tenders;
- ii) the programme will be extended to the services sector, subject to the working group members from the Ministries of Trade and Industry, Environment, Wildlife and Tourism and Finance and Development Planning, and other stakeholders, developing the modalities of implementation;
- iii) the current eligibility criteria for LPP must remain, except for manufacturers whose goods should be accredited in accordance with the requirements of the Bureau of Standards;
- iv) the Local Procurement Programme will be comprehensively reviewed every five years and will be subjected to annual administrative reviews to ensure the programme remains focused; and

- v) the 30% criteria for LPP will apply to the actual purchases of procuring authorities, rather than the annual budget.

Rural Industrial Development

7.66 The Integrated Field Services Division (IFS) continued its support towards rural industrialisation during NDP 8. Five more IFS stations were opened at Lobatse, Jwaneng, Palapye, Hukuntsi and Letlhakane, bringing the total number of IFS stations countrywide to twenty-five (25). The programme's core business remained that of training small-scale entrepreneurs in various skills such as business management and marketing and in technical skills such as metalwork, carpentry and pottery. However, the administration of financial incentives such as FAP became more prominent during the plan period and diverted the Division from its principal functions.

7.67 With the termination of FAP in June 2001, the Division is better able to focus on entrepreneurship training and development. The training programmes will be improved to address the requirements of entrepreneurs. Periodic impact assessment surveys to establish the effectiveness and usefulness of the training provided by the IFS will be carried out. Table 7.4 below shows the number of entrepreneurs trained, by location, for the period 1997 to 2001.

Table 7.4 – IFS - Number of Entrepreneurs Trained,1997 to 2001

DISTRICT	1997/98	1998/99	1999/00	2000/01	TOTAL
Kweneng	82	76	39	56	253
South East	324	36	58	82	500
Ngwaketse I	53	42	33	32	160
Ngwaketse II	30	0	0	14	44
Kgatleng	60	48	110	94	312
Ghanzi	64	103	111	99	377
Kgalagadi	40	57	80	59	236
North East	200	34	29	69	332
Ngamiland I	62	85	45	104	296
Ngamiland II	86	48	101	58	293
Chobe	46	13	23	51	133
Bobirwa	69	51	35	72	227
Central	183	31	15	32	261
Mahalapye	45	62	61	87	255
Boteti	39	54	44	36	173
Tutume	42	35	48	18	143
Selebi Phikwe	69	53	61	60	243
Southern	26	28	113	44	211
Francistown	25	137	168	99	429
Lobatse	0	0	84	61	145
Goodhope	20	18	132	144	314
Construction Estate	107	56	46	84	293
Garment Estate	281	44	38	15	378
Metalwork	11	16	26	90	143
Metalwork	14	20	16	67	117
Woodwork	21	2	16	33	72
Lekgaba Pottery	10	6	8	20	44
Leatherwork	38	40	32	42	152
TOTAL	2,047	1,195	1,572	1,722	6,536

Source: Ministry of Trade and Industry.

7.68 Following the adoption of the cost recovery principle with regard to training of entrepreneurs in 2001, the training programmes of the Ministry will be reviewed to target entrepreneurs with potential for growth. The share of training costs payable by the entrepreneur ranges from 40% of the total training costs, for a one-week course, to 12% for the longest course offered, which is six months. On the one hand, people who aspire to start a business usually attend courses of longer duration. On the other hand, shorter courses often attract those who are already in business and want to improve their performance. Efforts will

also be made to develop more project profiles, covering a wide range of manufacturing activities to assist in the diversification drive.

Industrial Relations

7.69 Industrial relations stability is an important pre-requisite for sustainable economic growth, prosperity and socio-economic development. The maintenance of cordial industrial relations, therefore, remains the primary objective of the country's industrial relations system, as well as an important strategic goal for

the Department of Labour and Social Security.

7.70 The promotion of workers' and employers' participation in bipartite and tripartite consultative structures is fundamental to the creation of an open, democratic and accountable nation. The democratisation of the workplace entails the protection of workers rights to organise and the facilitation of the recognition of workers organisations and their representatives by employers. Pursuant to this objective, Botswana ratified 13 ILO Conventions during NDP 8 and the process of aligning the laws to the ratified convention is ongoing.

7.71 As a result of the shortage of skilled manpower in the economy, the country will continue to rely on skills imported from outside. In order to attract investors into the country and to recruit skills needed by the economy, measures adopted to expedite the processing of work permits during NDP 8 include the merging of the Application Form for Work and Residence Permits and the decision to computerise the work permits system during NDP 9. It is expected that the measures will speed up the issuance of work and residence permits.

7.72 During NDP 8, the Workmen's Compensation Act was revised resulting in the Workers Compensation Act. Most importantly, the changes that were introduced in the new Act included the enhancement of the powers of the Commissioner of Workers Compensation by empowering him to carry out most of the functions that were under the realm of the Minister and the empowerment of the Commissioner to delegate some of his functions and powers. The changes also extend the coverage of the Act to casual employees. The act

provides for a social safety net for employees who sustain injuries or contract occupational diseases during the course of their employment. The provision of these benefits serves to make the objective of making this country a compassionate, just and caring nation a reality.

TRADE AND INDUSTRY STRATEGY FOR NDP 9

Overview

7.73 The major challenge for the Ministry in achieving sustainable economic growth and diversification is to expand the manufacturing base so that it can play a more prominent role in the economy. Given the small size of the Botswana market, there is a need to depend on regional and global markets to offer wider and diversified market opportunities.

7.74 Industrial development during NDP 9 will focus on developing competitive and self-sustaining manufacturing enterprises whose products can access international markets. Specialist knowledge will be required for the Ministry to be able to facilitate growth within specific industrial sectors with growth potential. Efforts to foster linkages between firms and between the manufacturing sector and other sectors of the economy such as agriculture, tourism and mining will be pursued to provide additional employment and export possibilities for SMMEs. Developing effective and stronger partnerships with the private sector will remain central to these efforts for it is the private sector that is expected to provide the necessary growth.

Export Orientation and Competitiveness

7.75 During NDP 8, Botswana negotiated and entered into new foreign trade agreements, both regionally and globally. These agreements will provide additional, free and dependable market access for Botswana goods. A sustainable expansion of the economy can only be achieved by putting in place measures that will enhance the ability of the private sector to fully exploit these markets, recognising that in the past, such market opportunities, although available, were not beneficial to the country, due to lack of skills and technological capabilities within industry. Industry must therefore strive to access modern technology and keep up to new technological developments. Productivity levels must be enhanced through the introduction of efficient management information systems and training programmes. It must be recognised that some of these preferential market opportunities will be reduced as tariff barriers are brought down as a result of international trade arrangements under the WTO. A major challenge for private sector firms, therefore, will be to strive to become more competitive so that they can sell anywhere in the world, regardless of whether preferential market access is available or not. During NDP 9, the Ministry will put in place structures for benchmarking and monitoring Botswana's international competitiveness.

7.76 To support the efforts of the private sector, the Government will develop data and information on potential export markets and, where possible, on specific importers in the various foreign markets. A database on the manufacturing and export capacity of Botswana's industrial sector was developed during the year 2001. This

database will serve as a reference point for identifying potential export products as well as new investment opportunities.

7.77 During NDP 9, the Ministry will intensify its export promotion efforts through the operations of BEDIA. As indicated earlier, an export strategy will be developed, taking into account actions required to strengthen the export sector. BEDIA will establish a Unit to enhance the marketing of Botswana products. The Unit will undertake research and studies to intensify niche markets. Exhibitions will continue to be undertaken in selected markets and aggressive direct mailing and telemarketing campaigns will be carried out prior to an exhibition to identify potential leads and contacts. The BEDIA office in Johannesburg will be expanded to cover the Southern African region and by appointing external representatives in strategic locations such as the USA and Europe.

Foreign Trade and International Trade Relations

Capacity Building

7.78 Capacity for implementation of regional and multilateral agreements as well as participation in international trade negotiations was a major constraint facing the Ministry during NDP 8. A major effort to improve institutional, manpower and technical capacity constraints in the Department will be made during NDP 9. This will include upgrading the Foreign Trade Unit into a fully-fledged Department. The Ministry will also have to recruit and train new staff. Both domestic resources as well as from the international donor community will be used to develop the necessary capacity

for trade policy analysis as well as for trade negotiations.

International Agreements

7.79 The main activity during NDP 9 will be conclusion of the negotiations with respect to industrial policy, agricultural policy, unfair trade practices and competition policy under the new SACU Agreement. Implementation of the agreement will also take place during NDP 9. This will include establishment of the SACU Secretariat, the SACU Tariff Board, National Bodies, the Tribunal and the Trade Negotiating Committee. Member States will be required to second staff to the various new SACU institutions.

7.80 ACP-EU negotiations started in September 2002 and will be completed by December 2007. The negotiations are expected to result in several agreements between ACP countries and the EU. These agreements will be called Economic Partnership Agreements (EPA). These Agreements will have to provide for reciprocal trade relations between ACP States and the EU.

7.81 AGOA will come to an end in the year 2008. The USA Government has indicated its intention to open negotiations with SACU for a possible USA/SACU Free Trade Agreement. The NDP 9 period, therefore, will quite possibly involve negotiations between SACU and the United States of America.

Investment Policy and Related Issues

7.82 Opportunities for investment will be actively promoted through BEDIA to increase investment flows

into the country. These investments will facilitate access to world-class technology and international markets. As competition for foreign investment intensifies across the world, it will be important to ensure that an appropriate environment is put in place to attract more Foreign Direct Investment (FDI) flows into the country. A strategy for attracting FDI will be developed to ensure that Botswana does not lose out on FDI flows during NDP 9.

7.83 BEDIA is exploring the use of the country's available raw materials. During NDP 9, the Authority will continue to place emphasis on promoting manufacturing activities that can utilise the country's raw materials such as leather, jewellery, glass, and beef by-products as well as continued provision of factory shells. In addition, BDC and the private sector will ensure that factory shells are available in urban areas at market prices. However, BEDIA will not focus only on attracting manufacturing activities. It will extend its mandate to include service industries like information technology that will include data processing and other related products. The objective is to make Botswana a communication/data processing/IT hub to reach the SADC country markets. The service industry will also include the International Financial Services Centre where BEDIA will play a supportive role to the IFSC in the promotion of financial services. In addition, the Authority will promote the tourism sector, placing emphasis on the promotion of tourism investment.

Sector Specific Policies and Programmes

7.84 Following the Ministry's re-organisation exercise launched in 2001, more emphasis will now be given to the formulation of appropriate policies

and programmes aimed at providing an enabling environment for the development of sustainable industries as well as monitoring the implementation of such policies and programmes by relevant institutions.

7.85 The Ministry will develop policies and programmes for those industry sectors and businesses that Botswana must promote to ensure long-term sustainable investments that will contribute to technology transfer and improve the overall competitiveness of Botswana products in global markets. During NDP 9, efforts will be devoted towards identifying and assisting specific industrial sectors with high potential to facilitate industrial development and growth.

7.86 More specifically, the Ministry will develop sector specific policies and programmes for some selected industrial sectors such as textiles, clothing, leather and leather products, handicrafts, pottery and ceramics and electronic goods.

Promotion of SMMEs and Rural Industrial Development

7.87 Government will continue to facilitate the development of a vibrant and efficient SMME sector to address, in particular, the unemployment problem and to facilitate rural industrialisation. Most importantly, such efforts will be pursued to facilitate the increased participation of Botswana in business. A manufacturing sector survey carried out in 2001 indicated that the majority of small and micro businesses in the manufacturing sector were owned by Botswana. Special attention therefore will be devoted towards supporting small and micro enterprises through well designed policies and programmes and thus

facilitate citizen empowerment, through entrepreneurship.

7.88 Increasing linkages between SMMEs and large enterprises will expand the SMME sector. Linkage opportunities exist in the manufacture of components and parts as well as in the provision of such services that support manufacturing. The Ministry will package and publish information on locally available supplies to enable large corporations and firms to procure their requirements locally. SMME suppliers, however, must be reliable and sustainable so that there are no disruptions in the supply chains that could adversely affect large-scale productions. Furthermore, as domestic supplies are usually costly, the training programmes that the Ministry provides must be aimed at assisting SMME suppliers cost properly and sell their products at competitive prices.

7.89 Diversification of the rural economy will also be pursued through the exploitation of linkages between various sectors of the economy. Adding value to agricultural products and further processing of minerals and semi-precious stones can provide additional job and income opportunities for the rural communities.

7.90 During NDP 9, efforts to support citizen and local enterprises will be consolidated within the Local Enterprise Agency (LEA). LEA will act as a one-stop-shop for local businesses, encompassing the training and mentoring support currently provided through the IFS, facilitating access to finance and offering technology support for product development. (See Box 7.4) LEA will be established through the amalgamation of SMME support institutions under the Ministry, namely the Small Business Promotion Agency

(SBPA), together with Enterprise Botswana (EB). The Ministry is currently engaged in developing a comprehensive SMME Act. This Act, while raising the profile of the SMME sector, will provide an appropriate legal framework for Government action in support of the sector. The Act will be benchmarked against best international practices and legislation.

7.91 The training programmes offered under LEA will be specifically designed to inculcate an entrepreneurial culture that will create citizen businesses that can be competitive in both domestic and international markets. In addition, the termination of the Financial Assistance Policy scheme, which required that beneficiaries should have undergone some of the IFS courses, has reduced

the demand for training by entrepreneurs. As a result, it is expected that the number of trainees for IFS courses will fall by 50 percent, to about 800 per annum, during NDP 9.

7.92 Efforts to develop an export development programme for SMMEs, in particular, did not materialise during NDP 8. As LEA comes on board, it will be important, to evaluate and revamp, if necessary, the training programmes that have been offered under the Ministry to ensure that entrepreneurship training offered is of superior quality and facilitates the development of a sustainable small enterprise sector, which can graduate into exporters.

Box 7.4 : *The Local Enterprise Agency*

As part of the reorganisation of the Ministry, Government decided that the existing organisations responsible for entrepreneurial development such as the Integrated Field Services (IFS) of the Department of Industrial Affairs (DIA), the Small Business Promotion Agency (SBPA), and Enterprise Botswana (EB) will be amalgamated into a new organisation called the Local Enterprise Agency (LEA). LEA will be established as a statutory authority of the Government, under the direction of a Board of Directors, drawn from both the private and public sectors and headed by an Executive Director.

LEA will be responsible for implementing, in a consolidated manner, policies and programmes for promoting local enterprise and entrepreneurship development for the small, medium and micro enterprise sector in Botswana.

Entrepreneurship and the Youth

7.93 The future prosperity of this country depends on the full and active participation of the youth in entrepreneurial activities. In this regard, the Ministry, working in close cooperation with the Ministry of Labour and Home Affairs, the Ministry of Education and the Ministry of Communications, Science and Technology, will continue to promote the development of an entrepreneurial spirit and culture among the youth. This will be achieved through the adoption and application of a pertinent curriculum on entrepreneurship. The Ministry will also further promote on-the-job training for the youth as they enter the labour force so that they can acquire the necessary management and technical skills and thus break the *no-experience-no-job* cycle.

Improvement of Product Quality and Standards

7.94 During NDP 8, efforts were made to improve the quality of local products from SMME producers through the collaboration of the Bureau of Standards (BOBS), the Department of Industrial Affairs, Botswana Technology Centre, Botswana Textiles and Small Business Association (BOTSBOA), Department of Supplies, Botswana Confederation of Commerce Industry and Manpower (BOCCIM), and RIPCO. A quality improvement programme was run on a pilot basis for two years, up to December 2001. The programme covered only two industry sectors, the garment and concrete products manufacturing. The observation at the end of the project was that there had been a tremendous improvement in the quality of products. With a continuous and rigorous effort

to improve quality standards, it should be possible to certify a number of locally manufactured products whose producers have benefited from the project. The intention during NDP 9 is to expand this project to cover all industry sectors, with the ultimate objective of assisting entrepreneurs produce quality products that can be competitive in international markets.

The Local Procurement Programme

7.95 Efforts to promote the use of the LPP programme will be intensified during NDP 9. Since its introduction in 1997, the utilisation of the programme by local companies has not been as high as expected. Government procurement agencies have continued to procure from external companies largely because of the inability of local companies to meet tender specifications on quality, and sometimes, uncompetitive prices that local companies quote.

7.96 The evaluation of the LPP programme conducted during the year 2000 did not make an assessment of the extent to which local purchases meet the 30% yardstick that local companies have to supply under the programme. Nevertheless, the Ministry will endeavour to work closely with procuring departments in Government, local authorities and parastatals to ensure that by the end of NDP 9, local companies have been able to secure at least 30% of the market provided by these institutions. This may mean facilitating the increase in the number of beneficiaries of the LPP and assisting local companies to expand their production capacities. Through the assistance of BOBS, LPP beneficiaries will be assisted to improve quality and have their products certified. Certification will

open avenues for the products to secure the larger local market offered by both local and central government and parastatal organisations, as well as the external markets.

Registrar of Companies

7.97 Following the recommendations of the study on the reorganization of the Ministry, the Office of the Registrar of Companies will be established as an autonomous body during NDP 9. A study will be undertaken to guide this process.

7.98 During NDP 8, it became apparent that the staff complement of the office of the Registrar of Companies was inadequate. This was due to additional functions that came as a result of the implementation of the Industrial Property Act. Measures are taken to increase staffing levels and provide requisite skills to existing staff to enable the Office to have capacity to review and develop legislation that it administers.

Internal Trade

7.99 The composition of Licensing Authorities will be reviewed to include business people with the necessary skills and a good understanding of business practices. This will greatly improve the situation, particularly with regard to the interpretation of the provisions of the Acts. Regulations for those business activities not previously regulated will be introduced. The Competition Authority to be established during NDP 9 will regulate some of the activities of the business enterprises. The Acts will allow businesses to operate in an environment that will enable them to compete fairly. During NDP 9, the Ministry will create a monitoring

section that will work hand in hand with Local Licensing Authorities in implementing the Acts. The Ministry will thus be better equipped to identify bottlenecks that might arise during the implementation of the Acts.

Consumer Protection

Establishment of a Competition and Consumer Protection Authority

7.100 The issues of competition in the economy and consumer protection are closely related because competition in the market will benefit consumers in terms of lower prices, better choice and quality of products. The autonomous Competition Authority to be established during NDP 9 will be responsible for the administration of both the Competition Act and the Consumer Protection Act.

Regulations and Codes of Conduct

7.101 During NDP 9, the Ministry will develop regulations to prescribe minimum specifications, performance, quality and safety standards required for commodities and services offered to consumers. The business community will be encouraged to adopt codes of conduct so that they will be able to regulate themselves. In addition, the commercial sector will be encouraged to improve customer relations by putting in place proper mechanisms for handling complaints in their businesses premises. These initiatives will reduce the number of complaints reaching the Consumer Protection Office.

Reactivation of Consumer Groups

7.102 The Ministry will continue to facilitate the voluntary formation and reactivation of inactive consumer groups during NDP 9. Therefore, strategies for establishing sustainable consumer groups will be put in place, with the objective of eventually establishing a National Consumer Forum to spearhead consumer concerns, nationally. Sustainable consumer groups will progressively minimize consumer complaints reaching the Consumer Protection Office, which should release resources for the further improvement of the programme.

Cost Recovery

7.103 Consistent with government strategy of providing services in a manner which is sustainable in the long run, the Ministry adopted cost recovery measures in relation to its training of entrepreneur programmes, as per Presidential Directive Cab.24/2001 of 20th June 2001.

7.104 The training of entrepreneurs is one of the major functions of the Ministry, and for many years in the past, such training has been offered free of charge. This has had various effects, both positive and negative, on the development of enterprises in the country. Of major concern to the Ministry was the lack of commitment displayed by entrepreneurs to employee training. This was attributed to the fact that the entrepreneurs did not realise the importance of training as an avenue for acquiring new skills and methods to conduct business more efficiently, and thus enhance profits. Therefore, entrepreneurs are made to realize the importance of proper training and of the benefits that will ensue, if properly carried out. The Government recovers

from business owners some of the costs of training. The share of training costs payable by entrepreneurs ranges from 12% of the total training costs for courses of long duration, to 40% for a one-week course.

7.105 The Ministry will continue to review other services that it provides with a view to establishing new avenues to recover, at least partially, the costs for services. Such areas will include the review of licence fees charged for licence applications, import permits, patents, registration of companies, trademarks and business names.

HIV/AIDS

7.106 The strategy of the Ministry to combat the HIV/AIDS pandemic focuses not only on Ministry personnel but also on all its stakeholders. During NDP 9, the Ministry, working closely with its stakeholders, will continue to focus on the following objectives:

- a) bringing the epidemic under control;
- b) achieving an HIV/AIDS-free generation by the year 2016;and
- c) mitigating the social and economic impacts of the epidemic.

7.107 These objectives will be achieved by:

- stimulating businesses and other relevant stakeholders involved in enhancing the national response through regular dialogue;
- assisting businesses and other relevant stakeholders in developing policies, strategies and programmes aimed at achieving the national vision for a HIV/AIDS-free society by 2016;

- strengthening education and publicity campaigns which are geared to changing attitudes;
- providing guidelines to business and relevant stakeholders in designing and implementing their collective response effectively;
- coordinating programmes, activities, institutional arrangements of business and relevant stakeholders in fighting the pandemic;
- ensuring that policies are developed by companies which protect the rights of all workers including those who are HIV positive;
- monitoring and evaluating programmes and interventions on a regular basis; and
- ensuring that in its policies and programmes, aids messages are incorporated, for example, in the printing of licence forms, it is possible to insert some messages about the dangers of HIV/AIDS.

Development Projects

7.108 During NDP 9, the Ministry will undertake a number of development projects. These are shown in the ‘Thumbnail Sketches and Supporting Tables’. Perhaps the most important and complex project during NDP 9 is the need to accelerate the pace of implementation of the reorganisation and restructuring of the Ministry, approved by Cabinet in 2001, following an in-depth study finalized in the year 2000.

7.109 The reports contain very specific recommendations for improving the efficiency of the Ministry, a detailed Action Plan and an Implementation Schedule. The major components of the reorganization and restructuring of the Ministry will include the following:

- a) implementation of a change management programme that will require the services of highly skilled and experienced professionals to manage the change programme, for a period of up to five years, and working under the supervision of the Permanent Secretary and the Reorganisation Implementation Task Force;
- b) establishment of much-needed new operating systems, including strategic planning management systems, management information and management reporting systems, information technology (IT) and Information Communication Technology (ICT) systems; and
- c) process re-engineering and job measurement plans. Priority areas for re-engineering are the Office of the Registrar of Companies, and mail processing and file control systems, and information technology and information communication technology for the whole Ministry.

CHAPTER 8

WORKS, TRANSPORT AND COMMUNICATIONS

INTRODUCTION

8.1 Government recognises that efficient public works, transport and communications services are essential to achieve the socio-economic development objectives enshrined in Vision 2016. Transport and communications are the driving force behind any modern economy. As Botswana aspires to be an international financial services centre in the Southern African sub-region, appropriate investments have to be made in the transport and communications infrastructure to facilitate movement of goods, persons, services and information within and beyond the borders of Botswana. At present, the country is served by a modern transport and communications network capable of supporting and sustaining various social, economic and investment policies and programmes of the Government.

8.2 Public works and transport infrastructure is mainly provided and maintained by the Ministry of Works and Transport, while communications are the responsibility of the newly created Ministry of Communications, Science and Technology. Works infrastructure consists of buildings and their associated services engineering service for office accommodation of public institutions. Transport includes roads, railways, and air services. Communications under this sector consists of postal and telecommunications services. On the other hand, the Ministry of Environment, Wildlife and Tourism is responsible for the development and provision of Meteorological services, which are essential especially for sectors such as

agriculture and aviation. Extensive coverage of meteorological services in the country in terms of weather data collection and forecasting will be undertaken through allocation of sufficient financial and human resources.

8.3 A number of projects covering the sub-sectors of public works, transport and communications are outlined in Section IV to address key development objectives of the sector. In formulating projects and programmes under the Plan, six Key Result Areas identified during the strategic planning were taken into consideration to ensure that the sector contributes its fair share in meeting the Vision 2016 aspirations. These Key Result Areas are:

- Safe, secure, accessible, reliable and environmentally friendly sound infrastructure;
- Use of up-to-date technologies;
- Financial management and accountability;
- Transparency in delivery of service;
- Delivery of products and services within set time and budget; and
- Well trained workforce.

8.4 Whilst the PMS exercise did not cover the parastatals under the sector, they too are expected to embrace the PMS strategy in carrying out their mandates. Hence, most of them are carrying out or have already carried out some restructuring to enhance both operational and financial performance.

8.5 Government does recognise that HIV/AIDS presents a special challenge

that could stifle development efforts. As a result, the sector is in the process of developing a comprehensive HIV/AIDS strategy to address the scourge, with particular focus on the workforce in the transport and public works sectors, to ensure that spouses are not separated for extended periods of time and encourage unsafe sexual behaviour.

REVIEW OF WORKS, TRANSPORT AND COMMUNICATIONS DURING NDP 8

WORKS

8.6 The construction industry is undergoing considerable growth mainly stimulated by implementation of a large number of Government projects. However, the works sector has been constrained by lack of implementation capacity. A number of initiatives, which will continue to be pursued during NDP 9, have been undertaken to improve the efficiency, quality and service delivery in the sector. These include:

- There has been a realisation that the activities and functions of both DEMS and DABS are intertwined but these are too difficult to co-ordinate under the current structural arrangement of their operating as separate entities. In recognition of their providing common and complementary activities these departments are to be merged to improve on their service delivery, co-ordination and project implementation in the execution of Government building infrastructure development projects;
- Review of contractual documents to conform to current best practices in the construction industry;
- Other viable and alternative procurement methods would be explored in an effort to find more efficient and

effective implementation strategies. Typical of one such approach would be the Public-Private Sector Partnership (PPP) which has variants such as Build- Operate-Transfer (BOT), Build-Operate-Lease Transfer (BOLT) etc which are increasingly becoming attractive worldwide; and

- A comprehensive review of human resources development strategy to ensure that present and future staffing needs are met as well as to identify areas of private sector involvement in the delivery of Government projects.

Architecture and Building Services and Electrical and Mechanical Services

8.7 The Department of Architecture and Building Services (DABS) and the Department of Mechanical and Electrical Services (DEMS) are responsible for the implementation of all Central Government building projects, including the maintenance of these facilities through regional depots located at all major centres in Botswana.

8.8 A significant increase in Government's development programme has led to consistent growth in the construction industry. These projects have contributed to the development of the private sector as the Departments continue to utilise consultants and contractors for project implementation. Through the reservation policy for citizen contractors, and consultants Government promotes and encourages citizen economic empowerment and entrepreneurial development.

8.9 The Departments have achieved success in the implementation of some large-scale projects during NPD 8. However, there were a number of problems identified some of which are as follows:

- Too much front-loading of projects at the beginning of the Plan period.
- Lack of well-defined client briefs (requirements).
- Slow provision of information by Client Ministries/ Departments.
- Unclear contracts which were open to a variety of interpretations.
- Inadequate vetting, supervision and monitoring of consultants.
- Lack of formalised consultancy contract agreements with clearly spelt out penalty clauses.
- Lack of skilled and trained manpower to execute maintenance of building infrastructure and equipment.
- Under-provision of maintenance requirements as a result of poor linkage of integrating the recurrent maintenance expenditure to capital expenditure.
- Minimal application of computer technology to work practices.
- Frequent abandonment of projects by contractors.

8.10 In an effort to assist in resolving some of these problems, independent studies for the two departments were commissioned during NDP 8 namely:

- DEMS Operational Efficiency Improvement Program Study, and
- DABS Organisation Capacity Assessment

The recommendations of the two studies have been taken on board during the restructuring and merging of the two departments.

TRANSPORT

8.11 Surface transport in Botswana plays a vital role, particularly as the country is land-locked. However, inadequate capacity in the economy has been a serious constraint in the development and maintenance of the transport infrastructure.

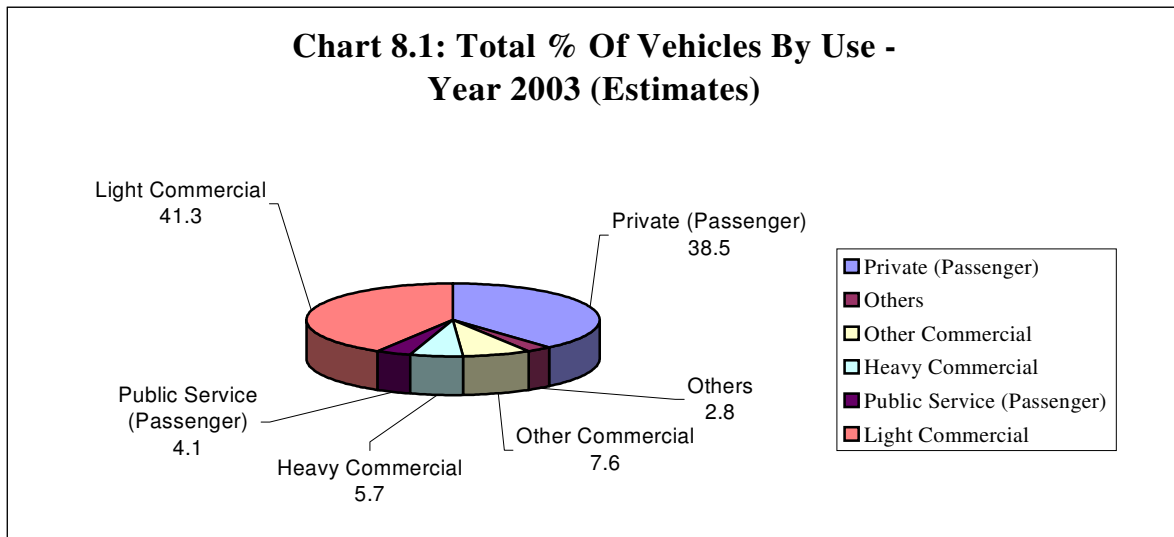
8.12 Vision 2016 has identified road safety as one of the priority areas in the quest to build a "safe and secure nation" and identifies effective enforcement of traffic law, road safety education, better training and licensing, elimination of drunken driving etc, as the priority areas for policy intervention. While continuing with the ongoing Road Safety programme, a National Road Safety Strategic Plan will be formulated to deal with road safety problems in a holistic manner.

Road Transport

8.13 During NDP 8, the focus of the road transport sector was on four main strategic issues: conveyance of goods and passenger mobility, consumer protection and security, road safety, and customer service and satisfaction.

8.14 The vehicle population continued to increase during the NDP 8 in line with the socio-economic development of the country. The total vehicle population increased from 87,852 in 1997/98 to an estimated 206,386 in 2002/2003. The private passenger vehicles constitute about 38.5%; public passenger vehicles 4.1%, light commercial vehicles 41.3% and heavy commercial vehicles constitute 5.7% of the total vehicle fleet. The low percentage of heavy goods vehicles reveals the country's inadequate capacity and further explains the influx of foreign

registered trucks. This also means a loss of the potential for job creation by the domestic road transport sector. The Chart 8.1 shows vehicles by use in the national fleet.



Source: Ministry of Works and Transport

8.15 The public passenger transport system is largely based on regulated competition. Through this policy, local and

long-distance passenger transport services improved considerably in terms of numbers, quality and frequency during the Plan period. See tables 8.1 and 8.2.

**Table 8.1: Passenger Transport Permits (P-Permits)
By Year 1997-2001**

	1996	1997	1998	1999	2000	2001	Total
A. Taxis (excluding mini-buses and buses)	1,195	1,233	1,023	1,758	1,882	2,111	9,202
B. Total (including taxis, mini-buses and buses)	2,752	2,995	2,602	5,213	5,809	6,016	25,387

Source: Ministry of Works and Transport

**Table 8.2: Freight Transport Permits ("BA-Permits")
By Year 1997-2001**

Year	LDVs upto 1500kg	Trucks 1501-5000kg	Trucks 5001-10000kg	Trucks 10000kg Heavy Duty	Tractors	Trailers	Horses and Tankers	Others	Total
1996	26	553	996	134	61	1,109	518	152	3,549
1997	16	531	908	92	48	976	398	283	3,252
1998	110	529	978	1,177	118	2,331	499	208	3,950
1999	159	563	1,078	1,216	330	3,194	711	156	7,407
2000	126	612	1,081	1,540	167	3,106	546	173	7,351
2001	415	1,059	1,558	1,908	205	4,807	1,153	828	11,933
Total	-	-	-	-	-	-	-	-	33,893

Source: Ministry of Works and Transport

Personalised Passenger Services

8.16 During NDP 8, personalised passenger transport such as call-cab, car-hire witnessed considerable growth in response to the growth in trade and tourism within Botswana and the SADC region. At the end of NDP 8, registered call-cab and car-hire vehicles stood at 119 and 453, respectively.

Cross-border Transport Agreements

8.17 Bilateral road transport agreements were initiated and concluded with Zambia and Zimbabwe towards the end of NDP 8, with a view to facilitating an unimpeded flow of goods and passengers.

Computerisation

8.18 During NDP 8, computerisation of driver licensing and vehicle licensing has considerably increased customer service and reduced forgery and fraud.

8.19 A comprehensive review and computerisation of the road transport permits system, which was earmarked to be executed as an integral part of the Vehicle Registration and Licensing (VRL) System, is a project carried over from NDP 8.

8.20 The low level of traffic discipline on Botswana roads is of grave concern. Two major causes of accidents have been identified as over-speeding and drunken driving. The high rate of pedestrian involvement in road accident fatalities (30%) is of even greater concern.

Review of the Road Traffic Act

8.21 Work on the review of the Road Traffic Act was completed at the end of NDP 8. Among other things, the review covered issues relating to harmonisation consistent with the SADC Protocol on Transport, Communication and Meteorology.

Vehicle Roadworthiness Testing

8.22 During NDP 8, two of the five planned Vehicle Testing Stations (VTSs) were built and equipped at Lobatse and Palapye.

Improvements in Driver Training and Testing

8.23 Out of the nine (9) planned driver training and testing facilities only four (4) facilities were completed at Lobatse, Mahalapye, Serowe and Palapye during NDP 8. The slow implementation was due to the delay in land allocation, inadequate funding, and lack of capacity within the service departments.

Railways

8.24 Botswana Railways (BR) is responsible for the provision of local and regional rail transport. Botswana Railways forms a crucial link in the regional railways system of the Southern African region. Through links with Spoornet of South Africa and the National Railways of Zimbabwe, BR provides a connection to Namibia, Swaziland, Zambia, the Democratic Republic of Congo, Angola, Mozambique, Tanzania and Malawi.

8.25 NDP 8 was a challenging period for BR. The organisation successfully completed the rehabilitation of its 641-km track from the border with South Africa to

the border with Zimbabwe in March 2001. The result of this rehabilitated mainline is that trains can now move faster with increased safety en-route and provide a smooth ride.

8.26 In 1995/96, BR undertook a staff rationalisation exercise that resulted in a reduction of departments from nine to five and the number of staff from 1,795 to 1,263. This improved the organisation's profitability from a net loss of P3.05m in 1995/96 to a net surplus of P0.5m in 1996/97. A subsequent systems audit carried out in 2001/2002 further reduced the departments to four, and staff to 1,220.

8.27 Botswana Railways also successfully completed the signalling system between Rakhuna and Ramatlabama, the hydrological study and relocation of Gabcon (Gaborone dry port).

8.28 Notwithstanding these achievements, BR experienced major setbacks in transit traffic when the Bulawayo-Beitbridge route in Zimbabwe opened to traffic in July 1999. This resulted in a decrease in the average transit traffic from 100,000 tonnes per month to less than 10,000 tonnes per month. Transit traffic was critical to BR's revenue generation.

Road Infrastructure

8.29 NDP 8 provided a well developed and integrated road network to all towns and main District centres, as well as adequate connections to neighbouring countries. The completion of a strategic ring road around the country from which feeder roads will radiate to various rural communities was a remarkable achievement.

8.30 The access roads policy, which stipulates that all settlements and villages within 10 kilometres of major roads should be provided with an access road to the main kgotla at a time when the major road is either being upgraded or reconstructed, resulted in over 390 km of access roads constructed during NDP 8. The completed access roads were handed over to the respective Local Authorities for maintenance.

8.31 NDP 8 experienced the biggest road construction programme hitherto undertaken by Government. By the end of 2002, out of the 8,761 km of national roads for which the Department of Roads is responsible, 6,872 km were bituminised. Of the bituminised roads, 1,952 km was constructed during NDP 8, which included 18 river crossings (Table 8.3).

8.32 Project implementation during NDP 8 was beset with severe capacity constraints, both within the Department of Roads and in the private sector. The NDP 8 Mid-term review, like that of NDP 7, concluded that the road construction programme was progressing at a pace below expectation.

8.33 Costs in the construction industry escalated since the commencement of NDP 8, as tendering for construction projects became less competitive. From P450,000/km at the beginning of NDP 8, the construction costs increased to between P850,000 – P1,300,000/km for a two-lane road, while dual carriageways ranged between P2,500,000 and P 4,500,000/km. Thus, some projects had to be deferred to NDP 9 due to lack of funds.

Table 8.3: Completed NDP 8 Projects

Projects	Length (Km)	
	Main Road	Access Road
Molepolole-Lephepe	131.00	17.00
Bobonong-Semolale	55.00	9.00
Lephephe-Shoshong	89.00	12.00
Serule-S/Phikwe	54.00	7.00
Mahalapye-Palapye	71.00	17.00
Serule-Tonota	65.00	13.00
Sebina-Tutume	50.00	26.00
Jwaneng-Sekoma	84.00	0.00
F/Town-Centenary Bridge	1.00	0.00
Kudumatse Drive Dualling	10.00	0.00
Airport Cycle-Rasesa Section I	18.00	0.00
Sefhophe-Zanzibar	73.00	3.00
Mahalapye Dualling	5.00	0.00
Francistown-Matsiloje	43.00	3.00
Lobatse-Mmathethe	39.00	11.00
Kasane-Ngoma	75.00	0.00
Nata-Kazungula	45.00	0.00
Mahalapye-Machaneng	71.00	2.00
Mahalapye-Sherwood	49.00	0.00
Palapye-Martin' s Drift	81.00	0.00
Machaneng Access Roads	0.00	78.00
Tswapong Access Roads A	0.00	90.00
Dikabeya-Kgagodi	37.00	6.00
Tswapong Access Roads B	0.00	45.00
Boatle-Molepolole	55.00	16.00
Metsimotlhabe-Lentsweletau	45.00	27.00
Rakops-Kumaga	70.00	4.00
Kumaga-Motopi	59.00	14.00
Ghanzi-Sehitwa	187.00	0.00
	1,562.00	390.00
TOTAL	1,952	

Source: Ministry of Works and Transport

8.34 Government undertook an institutional study of the roads sub-sector during NDP 8 to investigate the possibility of entering into partnership with the private sector concerning investment in road construction-related projects. The study recommended the separation of the regulatory, management and execution

roles, whereby the public road agencies will retain supervision and monitoring functions. The study further recommended that the Department be restructured to become a Road Authority with a board of governors and establishment of a Road Fund. The study recommendations have been deferred pending further consultation.

8.35 During NDP 8, the Ministry of Works and Transport commissioned a Domestic Road User Charging System Study that aimed at developing a strategy for cost recovery in the roads sector. As a result, incremental increases of the road user charges are being implemented. The study acknowledged that the current road user charges were not in line with the cost of road maintenance.

Civil Aviation

8.36 With the modernisation of the air traffic control system in 2001, and other navigational facilities at SSKA, Maun, Kasane and Francistown airports, the country has provided international standards for an efficient, secure and reliable air transport service. Scheduled air transportation is provided by Air Botswana and other competing designated airlines such as South African Express and Air Namibia. The domestic market is serviced solely by Air Botswana, augmented by charter services, particularly to areas where Air Botswana does not operate. There has been a steady growth in air traffic. Passenger traffic increased from 347,396 in 1996 to 462,029 in 2000 and the aircraft movements from 52,544 to 69,835 during the same period, reflecting an average annual growth of 6.6% and 6.5% respectively. This growth necessitates further development of airports in the country.

8.37 Since the launch of NDP 8, Government has undertaken some deregulation initiatives with a view to reducing constraints on market forces. The Air Transport Policy approved by Cabinet during NDP 8, aims to further liberalise civil aviation sector and improve market access. Before NDP 8, nearly all air transport was subject to regulation.

During NDP 8, decisions covering entry, exit, pricing and quality of service have been gradually turned over to carriers and market forces applied. In most cases, deregulation has created conditions more conducive to industry performance, but in some instances, it has led to limited service availability in rural areas.

8.38 In line with the policy on cost recovery, the En-route Navigation Charges Regulations were promulgated on 15 July, 1999. The purpose is to levy a charge on all flights using Botswana airspace. An agreement was made with the International Air Transport Association (IATA) based in Geneva, Switzerland, to collect the amount from member airlines on behalf of Botswana.

8.39 The air traffic control system was modernised in 2001 with the installation of state-of-the-art primary and secondary surveillance radars at Sir Seretse Khama Airport (SSKA) and a secondary surveillance radar at Maun airport, thereby improving flight safety. Additional Very High Frequency (VHF) automated relay stations have been provided to extend the VHF coverage for air traffic control within Gaborone Flight Information Region (FIR), thus adding another safety factor for the more than 80,000 international flights which traverse the Botswana airspace annually.

8.40 Based on a study undertaken in 1998/99 with the assistance of the International Civil Aviation Organisation (ICAO), Government has decided to transform the Department of Civil Aviation into a parastatal to be called the Civil Aviation Authority. As part of the reform initiatives, a draft Air Transport Policy was formulated and approved by Cabinet in 1999. Another feasibility study for the establishment of a National Civil Aviation Training Institute (NTI) was

carried out in 1999. Recommendations of the study are being examined by the Ministry of Works and Transport in line with the feasibility of establishing a training institute for the entire transport sector. The Department of Civil Aviation also undertook a feasibility study for the upgrading of five airports (Maun, Kasane, Selebi-Phikwe, Francistown and Shakawe) for the operation of a B737 or equivalent class of aircraft in February 2002.

8.41 Other consultancies carried out include the detailed design of the extension of the SSKA terminal building to handle 570,000 passengers per annum, and a new cargo terminal building to handle 4,000 tonnes per annum.

8.42 Additional projects undertaken during NDP 8 included:

- detailed design of the Francistown and Selebi Phikwe airport improvements, and construction of light aircraft hangars and taxiways at Maun and Kasane airports,
- environmental impact assessment studies at new sites for the relocation of Ghanzi airport and Serowe - Palapye airfields, and
- provision of bitumen surfaced runways and terminal sheds at Shakawe and Gumare airfields.

Air Botswana

8.43 As part of the restructuring programme during NDP 8, Air Botswana re-defined its strategy from being a SADC airline to that of a regional feeder operator within a market niche. The airline, therefore, concentrated on feeding traffic into Johannesburg, Harare and Windhoek and discontinued most of the regional routes which were not profitable.

8.44 This change in strategy led the airline to concentrate on using cheaper regional Turbo-propeller aircraft that contributed significantly to the lowering of its operating costs. This was key to the airline's success during NDP 8. The airline concentrated on growing through frequencies and consolidating the few viable routes from Gaborone, Johannesburg, Maun, Harare and Victoria Falls.

8.45 Air Botswana's privatisation project commenced in April 2000 and was planned for completion during NDP 8. The first phase, which focused on the review of the regulatory framework and strategic options, was completed in time by August 2001. However, in light of the depressed international air transport market following the 11 September 2001 incidents in the United States of America, the implementation phase was suspended. The privatisation exercise was resuscitated in September 2002 and is expected to be concluded during 2003. The later part of NDP 8 was dedicated to completing various structural reforms that created an enabling environment for the project.

Central Transport Organisation

8.46 The Central Transport Organisation (CTO) provides vehicles to Ministries and Departments in order to ensure that Government's transport needs are met effectively.

8.47 During the NDP 8 period, additional workshop facilities, including the Police Vehicle Workshop, independent pool workshop in Gaborone and light aid workshop detachments at Lonetree and Kang were established. In addition to improving the workshop facilities, several activities such as repair and servicing of

vehicles were hived-off to the private sector.

8.48 In an attempt to rationalise and control the expansion of the Government fleet, a Transport Establishment Review Committee (TERC) which is a sub-committee to the Estimates Committee became operational in July 2000 to monitor the utilisation of the existing allocated vehicles, consider and make recommendations on requests for additional fleet expansion by ministries

and departments. Since its coming into operation, this committee has successfully managed to withdraw under-utilised vehicles, reallocated under-utilised vehicles to needy Ministries and Departments, and curtailed fleet expansion requests.

8.49 Currently, the CTO vehicle fleet is 8 809, an increase of 609 (or 7%) since the beginning of NDP 8 (see table 8.4).

Table 8.4 : Government Fleet Statistics 1993/94 - 2001/02

	Registered			Boarded			Fleet Size		
	Vehicles	Plant	Total	Vehicles	Plant	Total	Vehicles	Plant	Total
1993/94	1,093	75	1,168	934	18	952	6,109	865	6,974
1994/95	898	51	949	613	25	638	6,394	891	7,285
1995/96	1,262	52	1,314	729	10	739	6,927	933	7,860
1996/97	1,364	90	1,454	1,175	10	1,185	7,116	1,013	8,129
1997/98	1,291	68	1,359	1,249	39	1,288	7,158	1,042	8,200
1998/99	912	59	971	1,259	166	1,425	6,811	935	7,746
1999/00	1,127	41	1,168	770	54	824	7,168	922	8,090
2000/01	931	70	1,001	688	52	740	7,411	940	8,351
2001/02	1,618	51	1,669	1,174	37	1,211	7,855	954	8,809

Source: Ministry of Works and Transport

8.50 The CTO charging system, which started in 1998 following recommendations of the Restructuring and Commercialisation exercise, is achieving its objective to some extent as the majority of user Ministries and Departments have become more vigilant in controlling their transport operations and expenditure.

8.51 Although the Department engaged the services of the private sector, their performance has been far from being satisfactory. Numerous problems have been experienced such as over-invoicing, poor quality of service, delays in carrying out repairs, etc.

COMMUNICATIONS

Liberalised Telecommunications Policy

8.52 In pursuance of liberal economic policies and in line with international trends in the telecommunications industry, Government adopted the Telecommunications Policy in December 1995. The main objectives of the policy are to achieve universal service, promote private sector participation in the development of the industry, and liberalise the industry. There have been tremendous changes in the telecommunications industry since the adoption of the Policy. These changes include an increase in teledensity, availability of modern Information and Communication Technologies (ICTs) and services. Further, penetration of ICTs, especially in rural areas, is essential to accelerate the pace of development to achieve rapid integration of the country with the global economy.

8.53 Telecommunications services play a vital role in sustained economic and social development. The Telecommunications Act, No. 15 of 1996, which established the Botswana Telecommunications Authority (BTA), will, among other things, monitor and promote the provision of efficient telecommunications services. The Act abolished the BTC's monopoly over network operations, issuing of licences and transferred telecommunications regulatory functions to BTA. As part of the liberalisation strategy two mobile telephone licences were issued in 1998 followed by licensing of internet service providers and various value added services.

Frequency Spectrum Management

8.54 BTA is currently considering the acquisition of an automated frequency management system and the review of the radio spectrum licence fees. The purpose is to ensure the continued availability of the radio spectrum. The radio spectrum is a natural finite resource equally available in every country. Its effective management is the key to providing an environment in which radio can contribute to national competitiveness, as well as to cultural, scientific and social life. In October 2000, BTA commissioned a project to develop a National Radio Frequency Plan as required by the Act. The project is expected to be completed by 2004.

8.55 The Botswana Telecommunication Corporation (BTC) played a crucial role in the liberalisation of the telecommunications industry in the country. Through the BTC network, cellular and other licensed operators have been able to roll out their networks and services quickly.

8.56 NDP 8 was a challenging period for BTC. The Corporation initially achieved all time high profits of P74 million in 1998/1999. However, it later experienced decline in profitability and overall operational performance. The decline in profitability emanated from the Customer Care and Billing System (CCBS) crisis which culminated in accumulated bills, resulting in provision for doubtful debts. The core national network comprising telephone exchanges and transmission systems, which was understood to be world class standard, has not been upgraded in recent years and is performing sub-optimally.

Fixed Network Services

8.57 BTC's customer base increased from 80,000 in 1998 to 138,000 in December 2001, representing teledensity increase from 5.5% to 9%. The Corporation introduced new services such as voice-mail, paging, toll-free calling, global pre-paid calling, various value-added services and the 'wireless fast connect' technology.

Numbering Plan

8.58 BTC, in collaboration with BTA, successfully rolled out the implementation of the Number Change from six digits to seven digits in 2002.

Rural Telecommunication Programme

8.59 During NDP 8, BTC managed to complete Government funded projects in the Barolong, Bobirwa and Tswapong sub-Districts, covering a total of 52 villages at a cost of P83 million. Another rural telecommunication project for North East, Barolong/Ngwaketse and Kweneng Districts, covering 147 villages at a cost of P125 million, commenced in 2002.

Postal Services

8.60 BotswanaPost implemented various projects under NDP 8, at the time the organisation was going commercial. These activities included putting in place new legal structures, establishment of a management structure and installation of production management systems. This resulted in an increase in mail delivery performance from 86% in 2000-2001 to 93% during the financial 2001-2002 against a target of 95%. Other projects that were undertaken were the establishment of mail sorting centres at Gaborone, Palapye and Francistown, construction of staff houses in Tsabong, expansion of Maun Post Office and the establishment of a post office at the Riverwalk shopping mall in Gaborone. Twenty thousand postal boxes were installed at various post offices. NDP 8 also witnessed the automation of some post office counters, and expansion of two sorting centres at Palapye and Francistown.

8.61 BotswanaPost is committed to the provision of a universal postal service to all at an affordable price. The critical problem is the stiff competition currently experienced as a result of the private sector entering the postal market.

Meteorological Services

8.62 During the Mid-Term Review of NDP 8, it was observed that the current weather systems manifest themselves in complex patterns, resulting in severe droughts and floods.

8.63 For the Department of Meteorological Services to provide sufficient meteorological data and information necessary for the socio-economic development of a country the size of Botswana, a minimum of 25 synoptic and 1000 rainfall stations are required. To-date, there are only 14 synoptic stations and 400 rainfall stations. Government has decided to invest in an expanded network of synoptic stations and other specialised stations to collect sufficient data, fill the existing gaps and improve on the prediction of weather conditions, climate patterns and their severity.

8.64 Synoptic stations at Pandamatenga, Selebi-Phikwe, Werda and Goodhope as well as Meteorological Headquarters and Bokaa weather radar buildings have been completed.

WORKS, TRANSPORT AND COMMUNICATIONS POLICY FOR NDP 9

WORKS

Architectural and Building Services and Mechanical and Electrical Services

8.65 It is imperative that the problems identified during NDP 8, in respect of these organisations, do not spill over into NDP 9. In responding to this concern, the Departments have begun to change the approach and methodology and their own

roles in the process of delivering final building projects to client Ministries/Departments. This is with a view to attaining the elusive project success as measured by clients as completion within cost, within time and to an acceptable quality level.

8.66 Dedicated teams to carry out projects for individual Ministries will be set up to ensure better service delivery and accountability for project implementation.

8.67 A project implementation document has been devised to assist in determining client requirements, which could be formulated into a design brief. This would ensure that tender documents are complete before going out to tender.

8.68 In an effort to bring the departments closer to client Ministries, Ministerial Projects Implementation Units are to be established within Ministries, which would be under the direction of the Department. Initially, these units would be within Ministries with large portfolio of projects and it is hoped that by the end of NDP 9 all ministries would have Ministerial Projects Implementing Units. Specific functions of these units would include assisting to determine the client requirement, acting as liaison between the Ministries and the Department in the implementation of projects up to an initial value of P2 million, and managing and co-ordinating maintenance programs.

8.69 In order to augment the existing staff compliment, which has been a source of concern for some time, the Department has acquired additional staff through the resuscitation of the Project Implementation Unit (PIU), which had been established during the early part of NDP 8. However, unlike the old PIU, which was an independent and stand alone unit, the new staff would be integrated into the

Department structures to augment their implementation capacity.

8.70 To address the issue of accountability on the part of consultants, a new agreement with penalty clauses for non-delivery and professional negligence would be entered into by consultant and the departments. It is also hoped that the coming into being of the new procurement act would address problems, which are encountered in the Department's construction contracts.

8.71 The engineer's registration act, which has been approved by Parliament, calls for the establishment of an Engineer's Registration Board to regulate the conduct of the professional engineers. Similar boards should be established during NDP 9 for the architectural and quantity surveying professionals. The coming into being of these boards will ensure that consultants provide suitably qualified, competent and experienced professionals.

8.72 During NDP 8, a start was made to devolve some minor maintenance to facility level and it is now intended that routine and possibly call maintenance should be out-sourced wherever possible. To further overcome problems of under provision for maintenance, full maintenance budgeting would, on an annual basis, be done by the Ministries themselves. It is, therefore, conceivable that during NDP 9, responsibilities for undertaking property and facilities management in their entirety could be devolved to Ministries, albeit in a gradual and phased manner.

8.73 During NDP 9, there will be the necessary information technology support for the work undertaken by the departments in keeping with the current best practices. This is in recognition of

routine design and maintenance task now employing information technology as a standard practice, more so that the current training of professional personnel assumes the availability and application of such technology.

TRANSPORT

Road Transport

8.74 The focus during NDP 9 will continue to be based on the four main strategic issues: conveyance of goods and passenger mobility, consumer protection and security, road safety and customer service satisfaction.

8.75 Competition will continue to be precluded on routes or networks that require subsidy for welfare reasons, mainly in the remote rural areas. Similarly, permission for minibuses to ply long-distance routes will be discouraged, whilst buses with 25 seats and above will be encouraged via the permit system. Further improvements in the personalised passenger transport will be made through the introduction of metered taxi services and increase in the number of call-cab operations where demand exists.

Road Transport Infrastructure

8.76 Road transport authorities will actively participate with local and other authorities in broader policy decisions and plans, which affect the effective provision of road transport services. Land use and road planning will take into account requirements regarding public passenger transport, pedestrians and bicycles along roads and the need for rest places along primary roads. In addition, the road authorities will initiate and institutionalise periodic quality audits of the road network under their control to reduce accidents.

Institutional Capacity Building

8.77 Two major tasks envisaged to be undertaken during NDP 9 are the development of a National Integrated Transport Policy and an institutional capacity review to evaluate the operations and structure of the Department of Road Transport and Safety.

Road Safety

8.78 A National Road Safety Strategic Plan to address road safety problems in a holistic manner will be formulated in consultation with other stakeholders.

8.79 During NDP 9, priority will be given to traffic management and road safety in the quest to build a “safe and secure nation” in line with the principles of Vision 2016. This will be done through better traffic law enforcement, road safety education, better training and licensing, reduction in drunken driving etc., as the priority areas for policy intervention. In order to effectively reduce the drinking-driving problem, consideration will be given to imposing more rigorous alcohol tests through enactment of appropriate legislation.

8.80 A related project to driver testing facilities is the establishment and equipping of a Driver Training Academy to cater for the training needs of driving instructors and examiners. Consideration will be given to addressing the deficiency in driving skills in the heavy duty licence classes to reduce over-reliance on foreign drivers. The recommendations of the Road Traffic Act Review undertaken during the NDP 8 will be enacted in NDP 9.

8.81 The VTS stations at Maun, Selebi Phikwe and Kang together with ones at

Mogoditshane, Kanye, Mahalapye and Mochudi will be built and equipped during NDP 9. Successful completion of the planned network of VTSs will facilitate introduction of six-monthly testing of public service vehicles (passenger and goods) and mandatory testing of all vehicles over the age of three years, as a precondition for renewal of road licences. Furthermore, it is proposed to increase the number of vehicle examiners with a view to increasing the capacity for roadside testing of vehicles for critical roadworthiness requirements. Avenues will be explored regarding private sector involvement in the development of network of VTSs as well as the operations using Build Operate Transfer (BOT) and Build Own Operate Transfer (BOOT) strategies.

Railways

8.82 Close coordination with other modes of transport, especially the road, regional rail organisations and transport operators, and making sound investment decisions, are essential to promote sustainable development objectives in the transport sector. BR faces the challenge of operating high quality conventional rail systems, extending services to regions now un-served by passengers or freight trains and adding additional daily trains to established long-distance routes. The railways also aims at generating enough positive operating cash flows to help support its continuing investment requirements, increasing profitability to compete with road transport, and eliminating dependence on Government subsidies, while maintaining and increasing its ability to serve the nation's transport needs.

8.83 Due to the imbalances inherent in the transport sector, the level of autonomy

delegated to BR management in taking commercial decisions without Government's approval shall continue to be reviewed during NDP 9. In order to create and maintain an enabling environment in the sub-sector, consideration will be given to the establishment of an autonomous Transport Regulator.

8.84 In view of the unfavourable financial position of BR, Government will review the gearing ratio of 0.6:1 with a view to reducing the financing cost of the organisation.

Road Development

8.85 As the process of road construction up to the tender award stage is very lengthy and often results in delays in the implementation of road projects, improvements in this regard will be continued during NDP 9.

8.86 The policy on access roads will be reviewed taking into consideration socio-economic factors such as the population in the settlement served, the daily traffic levels and internal rate of return.

Road Maintenance

8.87 The 1997 Road Maintenance study established delineation of responsibilities between the Department of Roads and District Councils, with Primary and Secondary roads being the responsibility of the Department, while Tertiary and Access roads are the responsibility of Councils. The Department of Roads will continue to implement the recommendations of the study.

Privatisation

8.88 The private sector is currently implementing 100% of the Central Government road development and periodic maintenance and 55% of routine maintenance projects. In accordance with the 2000 Privatisation Policy of Botswana, ways of involving the private sector in routine maintenance projects will be further explored.

8.89 Government will, during NDP 9, pursue the recommendations of the institutional study carried out during NDP 8, including consideration for the expansion of the revenue sources of the road fund in the context of institutional restructuring.

Labour Based Methods

8.90 Labour-based methods of road construction and maintenance are potentially effective tools for creating

employment. Capacity building for the implementation of labour based programmes, which started during NDP 8, will be continued and strengthened in NDP 9. This will include training and development of client institutions and citizen contractors to enable proper implementation of the technology.

Cost Recovery and Road User Charges

8.91 The current level of cost recovery in the road sector is very low as can be seen from Table 8.5 below. During NDP 9, cost recovery will continue to constitute an integral part of Government's strategy to ensure that funds will be available for maintenance of the national road infrastructure. In this regard, the concept of roads tolls, being one of the measures of cost recovery, will be vigorously pursued in collaboration with the private sector.

Table 8.5: Cost Recovery in the Road Sector – 1998/99 – 2002/2003 (P000)

Revenue Type	1998/99	1999/2000	2000/2001	2001/2002	2002/03Est
Transport Permits	9, 500	15, 560	18, 000	25 ,000	27 ,500
Vehicle Licenses	10, 637	12 ,376	13 ,100	19, 200	21, 120
Driving Licenses	900	1, 000	1 ,000	1 ,800	1, 980
Vehicle Inspection	400	640	600	1 ,000	1 ,100
Driving Test	1, 400	1 ,700	1 ,900	3, 000	3 ,300
Total	22, 837	31, 216	34, 600	50 ,000	55, 000

Source: Ministry of Works and Transport

8.92 Although a harmonised SADC road-user charging system for vehicles travelling outside their home territory is in place, consultation with Member States regarding implementation will be continued during NDP 9 to promote the smooth flow of persons and goods within the SADC region.

Civil Aviation

8.93 The policy thrust for civil aviation is to build capacity both in terms of infrastructure and institutional development to ensure safe, cost effective and efficient air travel in line with Vision 2016. Government will continue to market the infrastructure to stimulate increased utilisation so as to generate additional revenue with appropriate cost recovery measures. To this end, the Department of Civil Aviation will be transformed into an autonomous parastatal to be called the Civil Aviation Authority.

8.94 In line with the SADC Protocol on Transport, Communication and Meteorology, the Yamoussoukro Decision and other air transport agreements, Government will accelerate expansion of the air transport network through a variety of measures, including market liberalisation. This will provide adequate capacity and market access to facilitate easy movement of international and domestic traffic to and from Botswana.

8.95 Bilateral Air Service Agreements will take into account the potential benefits to other sectors of the economy such as tourism, trade, commerce and investment to meet the larger national interests.

8.96 Aviation Security is facing new and serious challenges due to the events of 11th September 2001 in USA, when hijacked aircraft were used as weapons of

destruction. The event has compelled Government to focus on future challenges of aviation security by modernising and upgrading facilities and establishing a new Aviation Security Cadre to enhance responsiveness.

Air Botswana

8.97 During NDP 9, the airline's route network will continue to be influenced by the need to further develop tourism and to improve communication between the major business centres in Southern Africa. The introduction of services between Gaborone and Cape Town will be evaluated as the traffic between these cities continues to show potential for growth. The domestic network will also be cautiously expanded in order to maintain the viability of the airline.

Privatisation

8.98 Privatisation was approved as a condition of the airline's restructuring in 1994. The airline fulfilled the pre-conditions for the privatisation project to commence, when it attained its first profits in 1997. Privatisation is expected to bring about network expansion through the link to a strategic partner with a wider market out-reach as well as appropriate technology. A privatised airline will also relieve Government of the burden of funding the airline's future capital requirements as these will be shared with the strategic partner and the other shareholders of the privatised airline.

8.99 Opportunities for the privatisation of some of the operations of the Ministry of Communications Science and Technology will be explored. Commercialisation and outsourcing will be investigated for the operations of the Departments of Information and

Broadcasting, Government Computer Bureau and Printing and Publishing Services. Botswana Telecommunications Corporation will also be privatised as soon as it returns to stable profitable performance.

Central Transport Organisation

8.100 The Central Transport Organisation (CTO) policy objectives during NDP 9 will, by and large, be the same as those contained in NDP 8, i.e. cautious use of the private sector in the provision of maintenance and transport services to Government Ministries and Departments. The strategic objective is to continue building workshop facilities with the aim of leasing them out to the private sector in the long run. Programmes will be developed with the assistance of consultants, to empower citizen employees to take over these workshops in the long term, especially at those places where the private sector is not yet developed.

8.101 The provision of Government transport services remains fraught with wastage, in spite of the introduction of the charging system by CTO. During NDP 9, it is intended to decentralise from CTO, the direct financial responsibilities for transport services, wherever possible, to user Ministries and Departments. CTO would only act as facilitators and advisers especially in the case of fleet expansion, accident repairs, hiring of private sector transport, etc.

COMMUNICATIONS

Information and Communication Technologies (ICT) Policy and Plan

8.102 During NDP 9, a number of investigations will be conducted to identify ICT needs and gaps. The input from such

studies will then help to formulate new ICT Policy as well as a National Information and Communications Technology (NICT) Plan which will be implemented during NDP 9. Key considerations in the NICT policy and plan will be the following:

- (i). Modernisation of the national information and communications infrastructure to create a state-of-the-art multi-service information and communications network with advanced internet protocols and data communications capabilities at its core, based on emerging international standards and technologies.
- (ii). Provision of adequate and cost-effective internet access for educational institutions and out-of-school youth through Learning Resource Centres.
- (iii). Enhancing legislation to ensure data protection and privacy and safeguard intellectual property rights, patents and copyrights for ICT. A legal framework to increase confidence in the safety and legitimacy of electronic commerce will also be developed.
- (iv). Provision of e-governance, transparency and data-sharing: to ensure the use of ICT in Government to deliver quicker services to the public at convenient locations and times. This will require the consolidation and re-packaging of information in an appropriate format for public use and service delivery.
- (v). Setting up of Community Information Centres – aimed at providing ICT services to all

Batswana, both in rural and urban areas through the development of Community Information Centres. These will be internet access points in strategic locations around the country where the general public can access government services. This is in line with Vision 2016, which states ‘by the year 2016, the people of Botswana will be able to use and apply the potential of computer equipment in many aspects of everyday life’¹³.

- (vi). Creating an enabling environment for the growth of the ICT industry.
- (vii). Enhancing universal services and access, which guarantee affordable, equitable and effective information and communications services, including the Internet.
- (viii). Transforming BTC into a dynamic and profitable organisation for possible privatisation during NDP 9.
- (ix). A comprehensive review of regulated services, tariff rebalancing and price structures.
- (x). Review of Government’s funding arrangements for rural telecommunications to include operating losses for rural areas where revenue realised by BTC is lower than operating and maintenance costs. A similar review will be undertaken for loss-making post offices.
- (xi). Review of the long-term role of the Botswana Daily News.

- (xii). Further expansion of radio and TV coverage to rural Botswana.
- (xiii). Enactment of several laws to improve ICT such as the Mass media law.

8.103 This policy will play an important role in economic and social development as a result of the convergence of broadcasting and telecommunications services, and the development of Internet applications.

Challenges of Bridging the Digital Divide

8.104 Teledensity has increased substantially and modern Information and Communication Technologies (ICTs) have become increasingly available in Botswana. However, the benefits derived from the liberalisation of the provision of information and telecommunications services have not been shared equally between urban and rural areas and between the rich and poor, thus resulting in the so-called digital divide. The sector will, therefore, be faced with the challenge of bridging this divide during NDP 9 in terms of developing strategies that will ensure that the information gap is narrowed.

Universal Service and Access

8.105 The Botswana Telecommunications Authority has commissioned a study to assist with the development of a Universal Service and Access Strategy. The aim is to achieve the availability and delivery of affordable, equitable, good quality, and efficient information and communications services to everyone, including good quality access to the Internet. This will in turn strengthen economic development through greater

¹³ Long Term Vision for Botswana (Vision 2016) p.6

participation of the business community, including Small Micro and Medium Enterprises (SMMEs) within a fair and competitive environment.

8.106 The Botswana Telecommunication Corporation, with assistance from external consultants, has drawn up a comprehensive plan to turn around its entire operations. The plan is based on BTC' s vision, which aims at establishing an effective basic telecommunications infrastructure and position itself as a centre of excellence in communications, a key requirement for economic growth.

8.107 Modern business requires the highest levels of telecommunications. Examples of this are the needs of financial services companies and the growing requirement for electronic business (eBusiness) capabilities. Botswana needs telecommunications infrastructure at par with those of developed countries. This will require increased capital investment during the Plan period to ensure "catch up".

8.108 The adopted strategy for BTC is to rectify current problems quickly, start a transformation of its entire operations and position itself to be an effective force in the new eBusiness world. The approach is based on transforming BTC into an effective customer-focused organisation. This will involve radical transformation and restructuring of the Corporation to become a lean, process-based organisation, with improved commercial focus, better customer service and key systems operations. There will be special focus on business customers.

8.109 BTC will undertake a comprehensive review of all BTC regulated services, tariff re-balancing, price structures, including per second billing to expand its revenue base.

8.110 With respect to the rural telecommunication programme, Government finances the capital expenditure but does not finance the annual operating losses or revenue deficits resulting from these investments. The existing national policy that articulates a right to universal telephone service at affordable prices cannot be challenged as this is in line with best practice world-wide. For BTC to continue to provide telephone services in rural loss-making markets, Government will consider providing funds to cover *both* the capital and the operating deficits arising from such projects.

8.111 Botswana is a relatively small country. It currently has two major regulators in the information and communications sector. These are Botswana Telecommunications Authority (BTA) and the National Broadcasting Board (NBB). The BTA acts as the NBB's secretariat. During NDP 9, a rationalisation exercise will be undertaken with a view to bringing all information and communications regulatory and competition matters under one body in line with Government's objective of reducing the size of the public sector. Government will also facilitate the freeing of airwaves by liberalizing the licensing of information and broadcasting services as one of the strategies for economic diversification in the media sector.

Postal Services

8.112 BotswanaPost will continue to manage the activities of post offices effectively for the benefit of customers, shareholders and employees. The provision of the service to the rural areas will continue to be a challenge for the organisation during NDP 9. However, in

view of the loss-making of the 72 of the 112 post offices countrywide, Government will consider meeting the operational costs of the rural loss making post offices.

Meteorological Services

8.113 In view of the policy on cost recovery and the quest to provide quality data, Government Departments and the private sector will be expected to pay for the services provided by the Department during NDP 9. Although users other than Government paid for data in the early 1970s, this was suspended in the 1980s in view of the fact that there was no established policy to deal with cost recovery issues.

8.114 Most National Meteorological Services of Members (countries) of the World Meteorological Organisation (WMO) are going through a restructuring process in order to introduce alternate service delivery as well as set up partially or fully commercial agencies or authorities. A consultancy will be carried out to study these issues in line with the Privatisation Policy. Due attention will be given to the provision of service as a "public good" which will be paid for by the Government.

8.115 A Legal instrument will be put in place to establish the Department and set-up its operations in line with the restructuring process and the policy on cost recovery.

HIV/AIDS

8.116 The focus of the Ministry will be on the inclusion of HIV/AIDS programmes in all tenders, co-operating with private sector and transport associations in the establishment of transport and construction specific social

safety net programmes, providing more phone lines for the HIV/AIDS Toll Free programme as well as using transport operators and associations to deliver HIV/AIDS messages. During NDP 9, measures include the establishment of the necessary HIV/AIDS institutional structures and mechanisms to guide and sustain the response, development of a mainstreamed HIV/AIDS operational plan and a sector policy, utilising strategic linkages with other sectors in establishing relevant prevention, care and support programmes and undertaking research into the impact of HIV/AIDS on the Ministry and the sector.

CHAPTER 9

ENERGY

INTRODUCTION

9.1 Given that energy is essential to economic development, future energy programmes and plans will be guided by the national goals and objectives as enshrined in Vision 2016. Provision of affordable, environmentally friendly and sustainable energy sources promotes economic and social activities leading to a happy and prosperous nation.

9.2 Integrated Energy Planning (IEP) was adopted in order to meet the basic energy requirements of the economy. IEP is a shift from supply side to the demand side approach. The benefits derived from this approach were the ability to focus on energy needs, easy identification of suppressed demand and development of a policy of optimal energy source mix as opposed to concentration on individual fuels. This resulted in a provision of adequate choice of energy forms to the consumer.

9.3 Over the NDP 8 period, some achievements were made including but not limited to:

- ♣ Acceleration of rural electrification from the planned 14 villages annually to 72 villages over a period of two years. Electricity tariffs were only increased twice in February 1999 and June 2002 by 5% each year. Rural Electrification Collective Scheme (RECS) was reviewed in April 2000 allowing for a decrease of upfront costs from 10% to 5% and repayment of the remaining 95% over 15 years instead of 10 years. The revision of the payment terms for RCS benefited an additional 18 727

consumers during the period under review.

- ♣ Two central coal depots in Francistown and Gaborone were leased to a private coal dealer. The increase in coal customer base at the depots led to an increase from 800, 000 tonnes in 1997 to 948,000 tonnes in 2001. Government institutions such as BDF and Prisons reduced using fuelwood replacing it with coal, electricity or Liquefied Petroleum Gas (LPG). Although households continued using fuelwood, use of other energy sources like electricity or LPG and solar energy increased. These contributed positively towards environmental protection.
- ♣ Another achievement was the establishment of standards for coal fired equipment, solar water heating systems, Photovoltaic (PV) systems, LPG, and the establishment of cross border trade regulation for the import and export of LPG cylinders.

9.4 The restructuring of the electricity sector, subject to the outcome of the study to be undertaken, could result in a competitive and efficient sector with an increased choice of energy sources. Biomass will be inventorised giving a picture of the existing resources countrywide and hence facilitating planning. More Government institutions and private households will be encouraged to switch from fuelwood to other alternative energy sources.

9.5 Although Botswana will continue importing petroleum products, the current strategic storage capacity will be increased to cater for growing demands and to cushion the country against any

disruptions. Alternative routes and sources of supply will also be assessed and, if feasible, established.

Institutional Framework

9.6 The Ministry of Minerals, Energy and Water Resources (MMEWR), through the Energy Affairs Division (EAD), is responsible for formulation, direction and coordination of the national energy policy. The Botswana Power Corporation (BPC), a parastatal under MMEWR is responsible for electricity generation and supply. The following ministries, parastatals and Non Governmental Organisations (NGOs) share energy portfolio responsibility with MMEWR:

- ♣ The Ministry of Environment, Wildlife and Tourism is responsible for forestry and environmental conservation. Excessive harvesting of fuelwood and emissions resulting from exploitation and use of energy are some of the major environmental concerns.
- ♣ Forestry Association of Botswana (FAB) engages in long-term research on fuelwood, productivity of natural woodlands and in promotion and implementation of fuelwood programmes.
- ♣ Ministry of Works and Transport is responsible for off-grid power supply and installation and maintenance of solar energy equipment in Government institutions in rural and urban areas through its Department of Electrical and Mechanical Services (DEMS).
- ♣ Oil companies are responsible for purchasing, supply and physical distribution of petroleum products. However Government manages its strategic reserves through the oil companies.

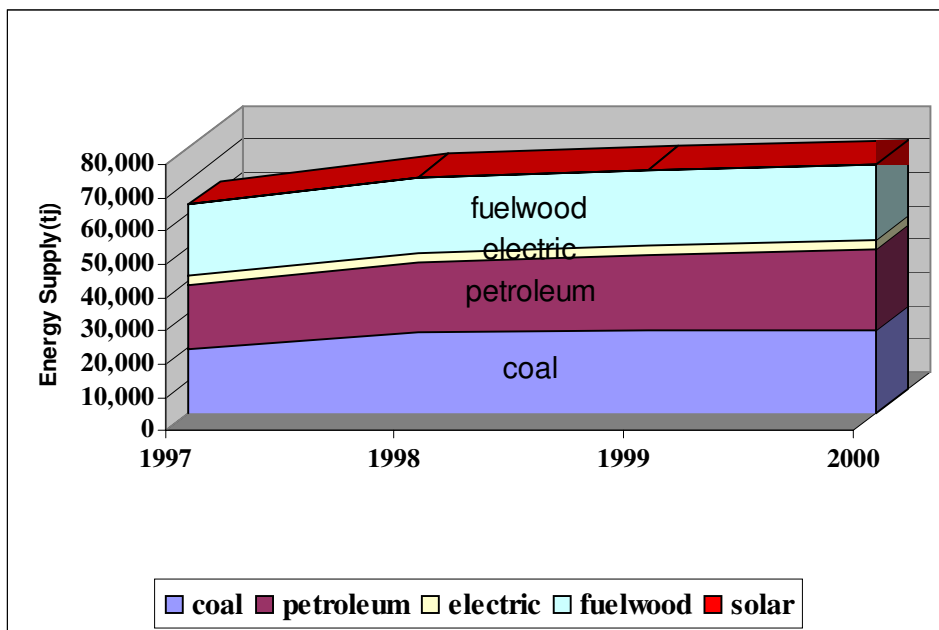
- ♣ Rural Industries Innovation Centre (RIIC) is responsible for developing, testing and dissemination of renewable energy technologies.
- ♣ Botswana Technology Centre (BOTEC) undertakes research and development and information dissemination on solar energy

REVIEW OF PERFORMANCE DURING NDP 8

9.7 The National Photovoltaic Rural Electrification Programme (NPVREP) had about 70% customers in default of payment. Solar panels belonging to various institutions mainly Police, BDF, and Telecomms were stolen, leading to financial losses of about P8 million. Lack of standards and poor maintenance of equipment, particularly solar water heaters, resulted in inefficient solar equipment and hence poor performance of solar water heaters. The use of coal, despite its abundance, did not increase in the domestic sector due to unavailability of affordable coal equipment. Energy efficiency and conservation was implemented towards the end of the plan and its impact has not been evaluated.

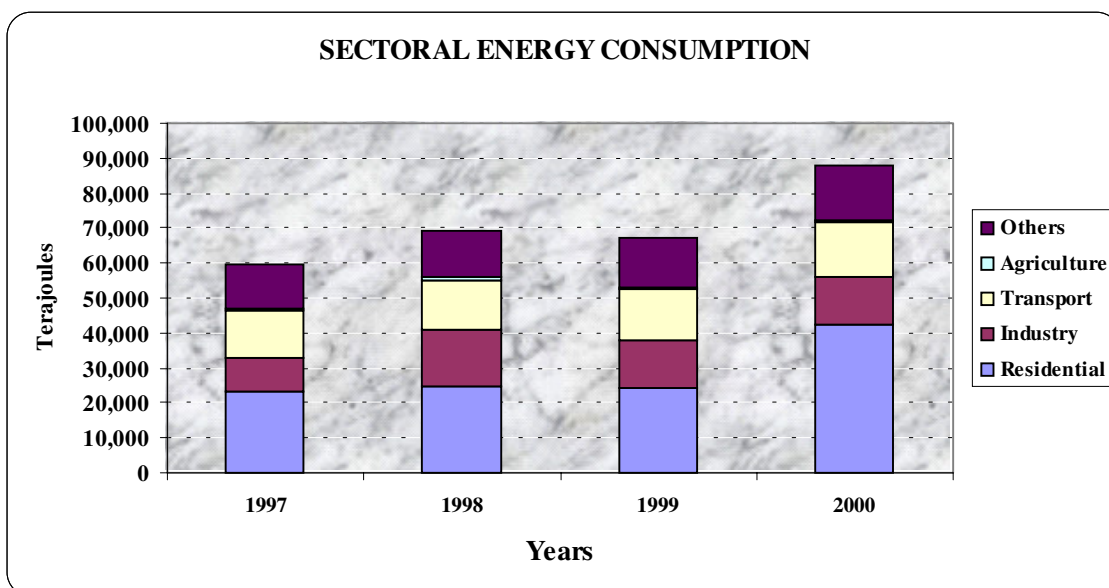
9.8 During NDP 8, the energy sector continued to meet the basic energy requirements of the economy through both local production and imports. Total primary energy consumption increased from 62,586 TJ (Terajoules) at the beginning of the plan period to 74,885 TJ in 2001, an annual increase of about 20 %. The structure of the primary energy supply is shown in Chart 9.1, while the consumption by sector is shown in Chart 9.2.

Chart 9.1: Primary Energy Supply



Source: EAD Energy Data Base

Chart 9.2: Sectoral Energy Consumption



Source: EAD Energy Data Base

Energy Planning and Management

9.9 During NDP 8 energy planning and management focused on:

- ♣ Strengthening EAD by grouping together the main energy sub sectors of petroleum and electricity. This was achieved by transferring the Petroleum

Management Unit from the Ministry of Trade and Industry to the Ministry of Minerals, Energy and Water Resources.

- ♣ Setting up structures at EAD to effectively engage the industry, commerce, transport and agricultural sub-sectors in policy review and formulating implementation strategies. Biomass Unit and Energy Efficiency and Conservation Unit were as a result established to provide data to facilitate policy formulation and implementation of strategies, and
- ♣ Developing programmes and projects with measurable outputs to achieve policy objectives.

9.10 As a result of adopting the IEP approach, Government's intervention focused on ensuring adequate analysis of energy needs. Furthermore, Government's role also included designing and implementing regulatory systems to facilitate protection of natural resources and maintaining sound environmental quality.

9.11 The coordination and implementation of policy activities were effectively undertaken by the two new units which were formed, namely, the Biomass unit which developed and implemented strategies for the sustainable use of fuelwood and the Energy Efficiency and Conservation unit which developed and implemented strategies to promote energy efficiency and conservation.

9.12 During the period under review a Rural Energy Planning Network Project was initiated by SADC so as to set up appropriate institutional structures and harmonize energy planning within SADC. It entails training and recruitment of skilled staff to facilitate the efficient and effective management and planning of the energy sector.

Petroleum

9.13 During NDP 8, the petroleum sub-sector continued to meet the basic energy requirements of the economy despite the reduced strategic stock holding capacity of the two Government Strategic fuel depots to below 90 days. By the end of the financial year 2001/02, the strategic stockholding capacity was approximately 29 days for both petrol and diesel and 49 days for illuminating paraffin.

9.14 Insufficient storage capacity compelled the Government to conduct a feasibility study for an oil storage development programme in March 1999 to determine the most cost effective and technically sound method of storing refined strategic petroleum products. Other objectives of the study included an assessment of the existing strategic storage facilities to reflect on their operating conditions and make recommendations for improvements as well as the strategic storage needs assessment for the country. Some of the recommendations of the study, such as the upgrading of the operational safety of the existing storage facilities in Gaborone and Francistown, were implemented in 2001/02, while the construction of the storage facility will commence during NDP 9.

9.15 During NDP 8, alternative petroleum supply routes and sources were partially investigated and will continue in NDP 9.

9.16 On the supply side, the oil industry was able to procure and distribute adequate petroleum products to its major consumers and other sectors of the economy. During the plan period, consumption of petrol and diesel grew by an average of 6% and 10% respectively, while the consumption of paraffin declined by about 3%.

9.17 Government continued to exercise price controls on petrol, diesel and illuminating paraffin while at the same time ensuring that the private sector earned some returns on its investment to allow its sustainable participation in the economy.

9.18 Two parts of the Liquefied Petroleum Gas (LPG) standard, BOS 3 – The Handling, Storage and Distribution of LPG in Domestic, Commercial and Industrial Installations were developed and approved during NDP 8 under the auspices of the Botswana Bureau of Standards. Part I was for LPG installations involving gas containers of individual water capacity not exceeding 500 litres, while Part II was for Storage and filling sites used for refilling

LPG containers of capacity not exceeding 48 kilograms.

Electricity

9.19 During NDP 8 the policy of maintaining a balance between local generation and imports to obtain a least cost mix was adopted and expansion of local generation was deferred to take advantage of the relatively cheap power in the region. This policy enabled BPC to meet the requirements of the economy in a cost effective manner. The Corporation recorded unprecedented growth rates in electricity consumption, the number of consumers and net profits during the period. (see table 9.1 below)

Table 9.1: BPC's Performance Data

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03*
Net Profit P'000	95,678	89,501	127,645	165,335	146,890	156,741
Return on Fixed Assets	6.5	6.0	7.7	7.7	5.4	4.2
Demand MW	239	256	285	316	337	372
Energy Sold GWh	1,378.3	1,501	1,670.7	1,842.6	1,958.9	2,302.6
Consumers	60,023	67,397	76,380	86,165	96,961	108,596

Source: Botswana Power Corporation

* Forecast

9.20 By June 2002 the power and energy sourcing configuration (i.e. the generation/import mix) was 45/55 as compared to 70/30 at the beginning of the plan period. A new import agreement with Eskom came into force in January 2000 and will expire at the end of 2007. Apart from acquiring bulk imports through the Southern African Power Pool (SAPP), BPC also made cross border connections where these were deemed to be cost effective.

9.21 The Morupule Power Station continued to operate as a base load station and generation was maintained at an average of 91% (availability factor). Despite the deferment of national generating capacity, work on a feasibility study for generation expansion of the

Morupule Power Station was initiated by BPC in March 2001. The study will be completed during NDP 9.

9.22 Several projects aimed at enhancing system integrity, security and reliability of power supplies were completed during NDP 8. These included:

- ♣ The Phokoje 400/220kV substation and associated lines, linking Botswana, Zimbabwe and South Africa in 1998.
- ♣ A 132kV cross border transmission line from Heuningvlei, South Africa, together with a 132/11kV 20MVA substation to augment the capacity of the 22kV system which had become inadequate due to load growth in and around Tsabong.
- ♣ A 132kV line between Thamaga switching station and Kanye, together with 132/11kV and 132/33kV

substations to augment power supplies to Kanye and surrounding villages.

- ♣ A 125MVA capacity increase at Segoditshane substation and construction of the Gaborone East, Airport road and Government enclave substations in 1999 to supply increased demand in Gaborone and surrounding areas.
- ♣ Installation of a third 10MVA 132/11kV transformer at Lobatse in 1999 and a 5MVA reactor at Maun in 1998.
- ♣ Selebi-Phikwe 66/11kV substation capacity expansion to cater for increased town loads.
- ♣ Upgrading of Mahalapye, Palapye and Serowe supplies from 33 kV to 66 kV to cater for increased loads and improve continuity and reliability of supplies to the three major villages.
- ♣ Upgrading of the Mogoditshane substation from 40MVA to 80MVA 132 /11 kV in March 2000.

Centralised Power Supply Systems

9.23 Centralised Power Supply Systems (CPSS) operated by DEMS were established in Kang and Hukuntsi to supply Government institutions with electricity. These systems, together with the one at Gumare, were later decommissioned when these villages were connected to the national grid through the 72 Villages Electrification Project. In June 1999, a three year Energy Supply Agreement was entered into with Barloworld for the operation of the Ghanzi Diesel Power Station. The cost of generating a unit of electricity at this station stood at about P1.47 compared to the selling price of P0.31, resulting in an average annual subsidy by Government of about P10 million over the duration of the agreement. Meanwhile, construction of a 132kV cross border supply from Namibia to replace the diesel generators will be completed by 2004.

Rural Electrification

9.24 During NDP 8, the Rural Electrification Programme was accelerated through extension of the electricity grid and cross border connections. This was made possible because of the surplus financial resources realised from the deferment of generation expansion and the benefits derived from less expensive imported power. A total of 114 new villages were electrified as compared to 45 villages that were done during NDP 7. In addition, the electricity distribution network was extended in 29 villages.

9.25 The concept of standard costing for connection fees, whereby customers in a certain village pay the same amount for connections was introduced during 1997/98. Additionally, in April 2000 the financing terms of the Rural Electrification Collective Scheme were relaxed from 10% to 5 % down payment with the remaining 95% being financed by Government and repaid by the consumer over 15 years at prime interest rate minus 1. As a result, the number of rural electrification collective schemes increased from 499 with 4,494 consumers at the beginning of the plan period to 1,331 schemes with 23,388 consumers in 2001.

Tariffs

9.26 During the review period, tariffs were increased by 5% in February 1999 and June 2002 respectively. This was in keeping with the Botswana Power Corporation Act that mandates the Corporation to conduct its affairs on sound commercial basis.

Coal

9.27 During NDP 8, emphasis was placed on promoting the use of Botswana coal in all sectors of the economy. The uptake of coal in the household sector was hampered by the unavailability of

affordable coal fired equipment as the existing ones had proven to be very expensive for this sector – especially the rural households. In the commercial and industrial sectors, the major impediment to the use of Botswana coal was the quality of the coal itself. Being Run Off Mine (ROM), this coal contains a lot of incombustible material which increases the operation and maintenance costs. Thus the major consumers of Botswana coal during the period remained the Morupule Power Station, BCL and the Soda Ash plant.

9.28 The commercialisation of the Expanded Coal Utilisation Project was completed in 1997. The two central coal depots at Francistown and Gaborone were leased to a private company for five years with the option to renew. In an effort to improve coal haulage and distribution, Government constructed office blocks and rail-spurs and off-loading bays in 2001/2002.

9.29 A coal beneficiation study to assess the viability of upgrading the quality of Botswana coal was undertaken in 1997. The study established that there is a market potential for washed coal. A follow up study on market assessment of energy use in Government institutions, industries and households was undertaken in 1998 to assess the viability of establishing a washing plant. The study established that there is a market potential of 40 000 tonnes of washed coal and the estimated cost of establishing a washing plant is P4 million. The construction of a coal washing and coal briquettes manufacturing plant will be done during NDP 9.

9.30 Two parts of the Solid Fuel Fired Equipment standard, namely the Coal Burning Appliances (reduced smoke emission type) Specifications and Code of Practice for Centralised Hot Water Supply were developed and approved during NDP 8.

Biomass

9.31 A number of studies were conducted with the aim of establishing the extent and seriousness of the fuelwood problem. Information on the resource base, use patterns, pricing structure etc was collected and used to set up a database and develop projects. Studies undertaken included:

- ♣ Fuelwood Flow Paths in Francistown which was concluded in February 1999 with the aim of collecting information on the fuelwood situation in and around Francistown i.e. how it is harvested, transported and used as well as the pricing structure at various stages of the flow path. The recommendations were: Government should assist and set up the institutional framework for the establishment of community-based management of fuelwood resources. This has led to investigation of fuelwood management practices study.
- ♣ Fuelwood/Woody biomass assessment around Mochudi and Bobonong was conducted between February and August 2000 with the emphasis of documenting historical trends of depletion of the woody biomass resource. The study recommended expansion to other areas of the country and this is being undertaken and will be continued into NDP 9.
- ♣ A study on fuelwood use and future strategies in Botswana was done between May 2000 and June 2001 with the aim of assessing the fuelwood use patterns and how dependence on fuelwood can be reduced. The recommendation was that other energy sources should be availed where feasible.

9.32 Measures aimed at discouraging Government institutions from using firewood were also undertaken. By the end of the plan period, Prisons, BDF and 90% of primary schools in Gaborone had

switched to other sources of energy such as LPG and electricity. The majority (90%) of the rural population continues to depend on fuelwood. To address this problem, a community fuelwood management project to empower communities on how to sustainably utilize their wood resources was conceptualised and will be implemented in NDP 9.

New and Renewable Sources of Energy (NRSE)

9.33 The National Photovoltaic Rural Electrification Programme, funded by the Government, started in 1997. The overall goal of the Program is to provide photovoltaic energy to rural households and institutions on affordable financial terms. The Rural Industries Promotions Company (Botswana) (RIPCO (B)) implements the Programme through its operational arm, the Rural Industries Innovation Centre (RIIC). Since its inception the Program has made over 300 installations throughout the country mostly for household use although a few are used for income generating activities such as shops and poultry farms.

9.34 Specific objectives of the Programme are:

- To disburse loans at prime rate of interest to rural households of Botswana for the purpose of purchasing PV lighting systems.
- To promote PV lighting systems of various sizes in Botswana.
- To improve the standards of living in rural areas.
- To enhance the reputation of the systems as a renewable energy source, the reputation of the local PV companies and rural people's ability to pay.

9.35 Despite the existence of a financing mechanism for PV electrification the uptake remained low indicating that there

are barriers to the widespread adoption of the technology. The Botswana Government and UNDP/GEF started investigations into identifying and removing barriers hindering the widespread use of solar energy for power generation in Botswana. These will be continued during NDP 9.

9.36 The Botswana and Japanese Governments (through the Japanese International Cooperation Agency) are jointly implementing a PV Master Plan project which will come up with an institutional framework as well as strategies to optimize the implementation of solar electrification. This project started in 2000 and will be completed with the formulation of PV master plan in the year 2003.

9.37 Since the beginning of NDP 8, workshops on the maintenance of solar water heating systems have been held annually to teach technicians from Councils how to maintain the systems. Standards for Photovoltaic and Solar Water Heating systems were also developed by BOBS.

9.38 During NDP 8 investigations on the wind resource were initiated and will be continued in NDP 9. Preliminary results show that wind speeds in Botswana are mainly adequate for localised water pumping.

9.39 A project funded through SADC for Financing Energy Services for Small Scale Users (FINESSE) was supposed to be implemented in Botswana but never continued as the program failed to attract private sector investment in South Africa, Malawi and Lesotho where it was initiated.

Energy Efficiency and Conservation

9.40 Projects undertaken/initiated during NDP 8 were aimed at educating and

informing consumers; improving energy efficiency in Government institutions; promoting the rational use of energy in buildings and local capacity in energy management. NDP 8 projects included:

- ♣ Energy audits of Tlokweng College of Education and Nyangabgwe Referral Hospital.
- ♣ Public awareness and information program
- ♣ Developing Energy Efficiency and Energy Conservation in the Building Sector which will continue into NDP 9

9.41 In March 2001, the faculty of Engineering and Technology of the University of Botswana was appointed official training partner for the SADC Industrial Energy Management Project. Since then the University has been delivering pre-service courses and in-service training programmes in energy efficiency and conservation.

9.42 During NDP 8, regional cooperation continued to grow in the energy sector as evidenced by the number of initiatives undertaken, which included:

- ♣ SADC - Southern African Power Pool
- ♣ SADC Industrial Energy Management Project
- ♣ SADC Regional Energy Planning Network (REPN)
- ♣ SACU - Petroleum products imports (Inter-state Oil Committee)
- ♣ Cross border power connections- with RSA and Namibia.
- ♣ SECT-TU - SADC Energy Commission -Technical Unit

ENERGY SECTOR POLICY AND STRATEGY FOR NDP 9

Energy Policy

9.43 The NDP 9 energy policy will aim at providing a least cost mix of supply reflecting total life cycle costs and externalities such as environmental damage. The policy will also strive to

integrate gender equality issues in development planning, project monitoring and evaluation as aspired under the Women in Development Programme and the National Gender Programme Framework. The following factors will be taken into consideration:

- ♣ The need to reduce the risk of exposure to excessive electricity imports.
- ♣ The need to reduce vulnerability to supply disruptions of petroleum products.
- ♣ Continued Government funding for projects to promote social equity and justice.
- ♣ Energy prices should include and reflect the associated environmental costs.
- ♣ Energy utilities operate as monopolies and therefore require Government monitoring to safeguard interests of consumers and investors.
- ♣ The limited ability of consumers to react to energy price fluctuations in the short-term.
- ♣ Localised shortages of fuelwood.

Energy policy objectives for NDP 9:

9.44 The objectives of NDP 9 policy are:

a) *Economic Efficiency*

- ♣ Energy services should be supplied at least cost to the economy. This implies that the energy supply industry should operate efficiently.
- ♣ Energy should be used efficiently.
- ♣ The energy supply industry should be financially sustainable.

b) *Energy Security*

- ♣ All users to have security in their access to energy.

c) *Social equity*

- ♣ Adequate and affordable energy services to households

and community services should be provided where it is economically feasible.

d) Environmental Quality and Sustainability

- ♣ Energy extraction, production, transport and use should not damage the environment or people's health and safety
- ♣ Sustainable energy usage must be implemented.

e) Gender Equity

- ♣ Sustainable development through the integration of women and gender issues into all facets of the energy provision process

Energy Planning and Management

9.45 Integrated Energy Planning (IEP) will be continuously applied throughout the plan. This will necessitate the training of more officers in energy planning and energy resource management during the plan period.

9.46 NDP 9 will continue implementation of recommendations of studies undertaken during NDP 8. Annual data collection will be necessary for updating the energy database and ultimately the production of energy statistical bulletins, forecasts, projections, scenario analysis and project proposals. EAD will be strengthened and restructured into an effective institution with its authority commensurate with the responsibility that it has.

The Role of Government

9.47 The role of Government in the energy sector will be to facilitate, monitor,

regulate and provide leadership to protect producers and consumers of energy. Government will also provide a conducive environment in energy operations to ensure accessibility, affordability and awareness of available energy sources. EAD through its extension wing will intensify extension services (educational campaigns) to keep the public informed on national energy issues and programmes. The use of media will also be broadened during this Plan to educate and inform the nation. To reach the majority of the population, Kgotla and Full council meetings will also be addressed to ensure that the public is well informed on energy matters, thus enhancing informed choices.

Household Energy

9.48 Urban households have a higher connection rate of electricity at 43%, as compared to 18% for rural households. This could be attributed to the high connection costs in the rural areas. Fuelwood, which is less expensive and in some cases perceived as "free" is the major source of energy for this sector. Paraffin is also a common source of energy. Current trends show that the use of LPG has increased in this sector and is gradually gaining strength as a fuel for cooking.

9.49 In line with Government policy of sustainable economic diversification, employment creation and poverty alleviation and also in view of the energy pattern stated above, NDP 9 energy policy for households is to:-

- ♣ Ensure adequate supplies of fuelwood
- ♣ Increase access to electricity and make it more affordable.
- ♣ Beneficiate coal and make it accessible and affordable
- ♣ Ensure the availability of appropriate energy sources to meet household's needs and promote rational least cost choices.

- ♣ Ensure adequate and affordable supplies of paraffin and LPG.

9.50 Strategies for achieving these objectives will include:

- ♣ Electrification for the urban poor and continuation of rural electrification
- ♣ Continuation of the Rural Collective Scheme and the Solar Electrification Financing Scheme
- ♣ Promotion of sustainable fuelwood management practices and appropriate combustion equipment
- ♣ Encouraging and promotion of community management of natural resources.
- ♣ Supporting introduction and use of other fuels and appliances.
- ♣ Dissemination of information on available energy sources and use.
- ♣ Investigate the price controls for LPG

Petroleum Products

9.51 Botswana imports all her petroleum products from the Republic of South Africa (RSA), except for small quantities that come from Namibia to supply Ghanzi and parts of the Kgalagadi Districts. While Government monitors and coordinates the national petroleum requirements, the actual procurement and distribution of the products is the responsibility of the oil companies. During NDP 9, the oil industry will continue to play a major role in product procurement and distribution. The oil industry will also continue to improve and extend its distribution network to cover the remote parts of the country. The NDP 9 energy policy for the petroleum sub sector is to:

- ♣ Maintain adequate strategic stocks based on risks of supply disruptions.
- ♣ Improve safety aspects and distribution of illuminating paraffin and LPG.
- ♣ Introduce higher quality petroleum products subject to the development trends in the region.

9.52 Botswana as a landlocked country has difficulties in diversifying sources and routes of supply for petroleum products to complement the RSA route. Previous attempts have not been successful because of unreliability of supply. Investigations into identifying possible routes and sources in other countries such as Angola, Namibia and Mozambique will be undertaken.

9.53 Government will continue to maintain strategic fuel stocks that could sustain the economy for about 90 days in case of disruptions. The strategic stock holding requirements will be reviewed and decided by Government whenever necessary. By setting up testing facilities within the new strategic storage reserves, the EAD will also ensure that products supplied are of acceptable specifications. The current arrangement whereby Government manages and operates the strategic storage facilities through oil companies will be continued.

9.54 Government will also continue to monitor and control the retail prices for petrol, diesel and illuminating paraffin due to the limited number of players in the local petroleum market and to regulate prices. Areas which were not gazetted, like the Ghanzi and Kgalagadi Districts, will be considered for gazetting for price control purposes. In line with these policy intentions, staff capacity and capability will be developed in the Energy Affairs Division to improve staff competency in addressing issues relating to petroleum policy and pricing issues.

9.55 Illuminating paraffin is widely used in Botswana by low income households for lighting and cooking purposes. Appropriate strategies for the distribution of illuminating paraffin and LPG, especially in rural areas where there are no service stations, will be developed. Safety standards will also be improved.

Electricity

9.56 The BPC power and energy-sourcing configuration (i.e. the generation/import mix) stands at 45/55. This ratio is projected to be 30/70 by the year 2009 if no generation expansion is put in place. The Morupule Power Station (4 x 33 MW) is nearing its maturity and will not be able to sustain the base load of the national demand for the duration of the plan period. Meanwhile, the current supply agreement with the South Africa power utility, Eskom, from which the BPC is contracted to purchase 75% of its imports, expires in 2007. Continued dependence on imports without a reasonable generation capacity within the country is likely to act as a barrier in power pool negotiations for better tariffs and could relegate the country to a price taker position in the trading of power through the power pool. Therefore, national generation capacity must be increased during the plan period. On the other hand, keeping in line with the Botswana Power Corporation Act that requires the Corporation to conduct its affairs on sound commercial basis, tariffs will periodically be reviewed to reflect the cost of providing the energy services. Policy objectives for electricity sub-sector include:

- ♣ Achieving a balance between electricity imports and local generation.
- ♣ Improving electricity sector efficiency.
- ♣ Increasing access to electricity.
- ♣ Improving the commercial operations of the electricity supply industry.

9.57 Planned measures to achieve this policy are:

- ♣ Expansion of the Morupule Power Station.
- ♣ Procuring power from the Southern African Power Pool or other sources for optimal least cost mix of supply.

- ♣ Participating in Short Term Energy Markets.
- ♣ Retaining sufficient financial reserves within BPC in order to finance investment in national generation and new infrastructure including operation and maintenance.
- ♣ Pursuing innovative pricing structures to minimize negative effects of high costs of locally generated electricity.
- ♣ Extension of the transmission and distribution network.
- ♣ Introducing regulatory mechanism in the electricity supply industry.

Centralised Power Supply System

9.58 In remote areas where there is no grid power and where the demand in Government institutions justifies it, DEMS operates Centralised Power Supply Systems (CPSS) to supply electricity to these Government institutions. BPC will continue to take over and run CPSS on behalf of Government where there is adequate electricity demand from non-governmental consumers. EAD, in conjunction with DEMS and BPC, will coordinate the provision of this service so that duplication is avoided. Cross-border bulk power transmission lines will be constructed to supply villages which are remote from the national grid network, where justifiable.

Rural Electrification

9.59 During NDP 9, Government will continue to provide power supplies to more villages through a combination of grid extension, PV and diesel electrification, where appropriate. Thirty (30) villages that are less than twenty kilometers from electrified villages will be connected. The extension of the transmission network to seventy-five (75) villages will be carried out to make electricity more accessible and affordable to more households. Standard costing has

already been put in place in some of the villages. It is intended that by the end of NDP 9, all villages in the country will have standard costing on an individual basis. This will be reviewed during the Plan period and if feasible, made uniform through out the whole country (i.e. all villages could have a uniform connection cost). However villages to be connected will have to satisfy a number of parameters such as:

- ♣ Proximity of the village to existing infrastructure, including cross border supply.
- ♣ Geographical spread of the projects (i.e., equitable sharing of the national resources).
- ♣ Electricity grid coverage in each district.
- ♣ Project technical feasibility.
- ♣ Estimated Project Internal Rate of Return.

Coal

9.60 Botswana has large coal resources estimated at 212 billion tonnes, of which 3.3 billion tonnes are measured reserves. There is only one operating mine, the Morupule Colliery, with an annual production of about one million tonnes. The coal is semi-bituminous with a relatively high percentage of ash and sulphur and thus needs to be cleaned in order to improve its overall quality and reduce its negative environmental impacts. Government intends to exploit this large resource to meet its energy requirements in a cost effective and environmentally sustainable manner. The NDP 9 energy policy for the coal sub sector is to:

- ♣ Promote the use of coal in Government institutions, industries, commerce and households where appropriate.
- ♣ Improve coal quality and distribution network system.
- ♣ Promote the alternative uses of coal and its by-products.

9.61 Planned measures to achieve the objectives will include:

- ♣ Construction of more coal depots in other parts of the country.
- ♣ Introducing financing mechanism for efficient coal fired equipment for households.
- ♣ Promoting technical standards for coal burning equipment.
- ♣ Providing advisory services to coal users.
- ♣ Constructing coal beneficiation, briquettes manufacturing, and gasification plants.
- ♣ Investigating alternative uses of coal

9.62 The introduction of a national financing scheme for domestic coal fired stoves and the development of a coal briquettes program, will improve the quality of life of the vulnerable groups in the community, such as women and children, who usually travel long distances in search of fuelwood which is getting expensive and depleted. This will also help reduce environmental degradation by curbing felling of trees for firewood.

Biomass (Fuelwood)

9.63 Fuelwood resources will continue to be an important energy source especially in rural areas. There are localised shortages particularly around major population centres. The majority of rural households are usually headed by women and policies have to be targeted at them in order to be more effective. Proper fuelwood management would reduce collection time and distance travelled. The NDP 9 energy policy for the fuelwood sub sector is to:

- ♣ Ensure a sustainable use of fuelwood.
- ♣ Inventorise and monitor woody biomass resources.

9.64 Strategies to address these will include:-

- ♣ Establishing a biomass data-base
- ♣ Monitoring and controlling fuelwood use by Government institutions.
- ♣ Introducing efficient fuelwood stoves
- ♣ Promoting community based natural resource management

New and Renewable Sources of Energy

9.65 Solar energy is the most abundant renewable energy source in Botswana. Wind energy, is “believed” to have little potential, however a wind resource-mapping programme is under way to improve knowledge on wind speeds at height of more than 2 meters. This will further define the potential role of wind application for water pumping and electricity generation. The NDP 9 energy policy for renewable energy is to:

- ♣ Promote the use of solar energy for both power generation and water heating where economically feasible.
- ♣ Integrate grid and non-grid technologies for rural electrification.
- ♣ Promote collaboration with international organizations such as Global Environmental Facility (GEF) and United Nations Development Programme (UNDP).
- ♣ Promote research and development on new and renewable sources of energy.

9.66 The measures for achieving these policy objectives include:

- ♣ Identification of appropriate institutional framework.
- ♣ Continuing Solar Electrification Financing Scheme.
- ♣ Developing and implementing strategies to remove barriers to widespread use of solar energy.
- ♣ Providing assistance to women and children by providing bright light

through solar PV in un-electrified rural areas.

Energy Efficiency and Conservation

9.67 Improving energy efficiency and conservation is cost effective, offers a chance to defer new investment and helps to reduce energy related pollution. During NDP 9, Government will continue to support and encourage improved energy efficiency and conservation in all sectors of the economy. Planned measures to achieve the policy objectives are:

- ♣ Carrying out information and educational campaigns.
- ♣ Conducting energy audits of energy intensive industries and Government institutions
- ♣ Promoting energy efficient design and operation of buildings.
- ♣ Developing and implementing a national energy management plan.

Regional Cooperation

9.68 During NDP 9 existing bilateral and regional cooperation will continue and new ones identified.

9.69 Implementation of the SADC Regional Energy Planning Network project on information and experience exchange (Project no.AAA 0.8) started with training in March 2002 and completed in November 2002. The training covered energy data collection and analysis, energy management, energy policy, regulations etc. Cooperation on this issue is highly essential since planning, be it regional or local, is dependent on information/data for its reliability. Retention of trained personnel for this activity will be crucial for sustainability purposes.

HIV/AIDS

9.70 Recognising the impact that the HIV/AIDS pandemic will have on the sector, the following responses will be undertaken during the period of NDP 9 to stem the tide of the epidemic:

- ♣ To develop a sector HIV/AIDS policy
- ♣ Mainstreaming HIV/AIDS into Ministry's strategic and annual plans
- ♣ Mainstream HIV/AIDS into contractors through pre-licensing conditions
- ♣ Inclusion of HIV/AIDS workplace programme in Tender documents as precondition for approval of projects.
- ♣ Provide information and linkages on service delivery points for Sexually Transmitted Infection (STI) management, Voluntary Counselling and Testing (VCT) and other prevention activities.
- ♣ Provide information on care and support service delivery points for both infected and affected partners.
- ♣ Strengthening of inter and intra partner linkages, collaboration and networking among entities in the ministry.

CHAPTER 10

AGRICULTURE

INTRODUCTION

10.1 Despite its comparatively low contribution to GDP, the Agricultural sector remains an important source of food and provides income, employment and investment opportunities for the majority of the population in rural areas. The agricultural sector is also important for providing linkages in the economy with upstream and downstream industries. It is the supplier of raw materials for agro-based industries such as meat processing, tanning, milling, oil, soap, brewing, furniture manufacturing and industries that supply agricultural inputs, both of which have a potential to create more jobs, when the agricultural sector grows.

10.2 The main challenges facing the Ministry of Agriculture in pursuit of Vision 2016 and its Strategic Plan is to make agriculture productive, profitable and sustainable in order to contribute effectively to economic development, poverty alleviation, food security, improvement of the quality of life and the sustainable utilization of natural resources. In order to enhance productivity and performance of the agricultural sector new policies, programmes and strategies have been formulated to overcome or reduce the effects of these constraints. These include the fencing component of the 1991 Agricultural Policy, and the National Food Strategy. Other programmes and strategies soon to be implemented include the National Master Plan for Arable Agriculture and Dairy Development (NAMPAADD), gazettement of agricultural land, provision of infrastructure, and the review of agricultural subsidies. Diversification into ostrich farming and

commercialization are some of the initiatives that Government has taken to increase agricultural output. Increased agricultural output is likely to enhance export earning and create more jobs.

REVIEW OF PERFORMANCE DURING NDP 8

10.3 During NDP 8, the policy objectives of the national agricultural sector were:

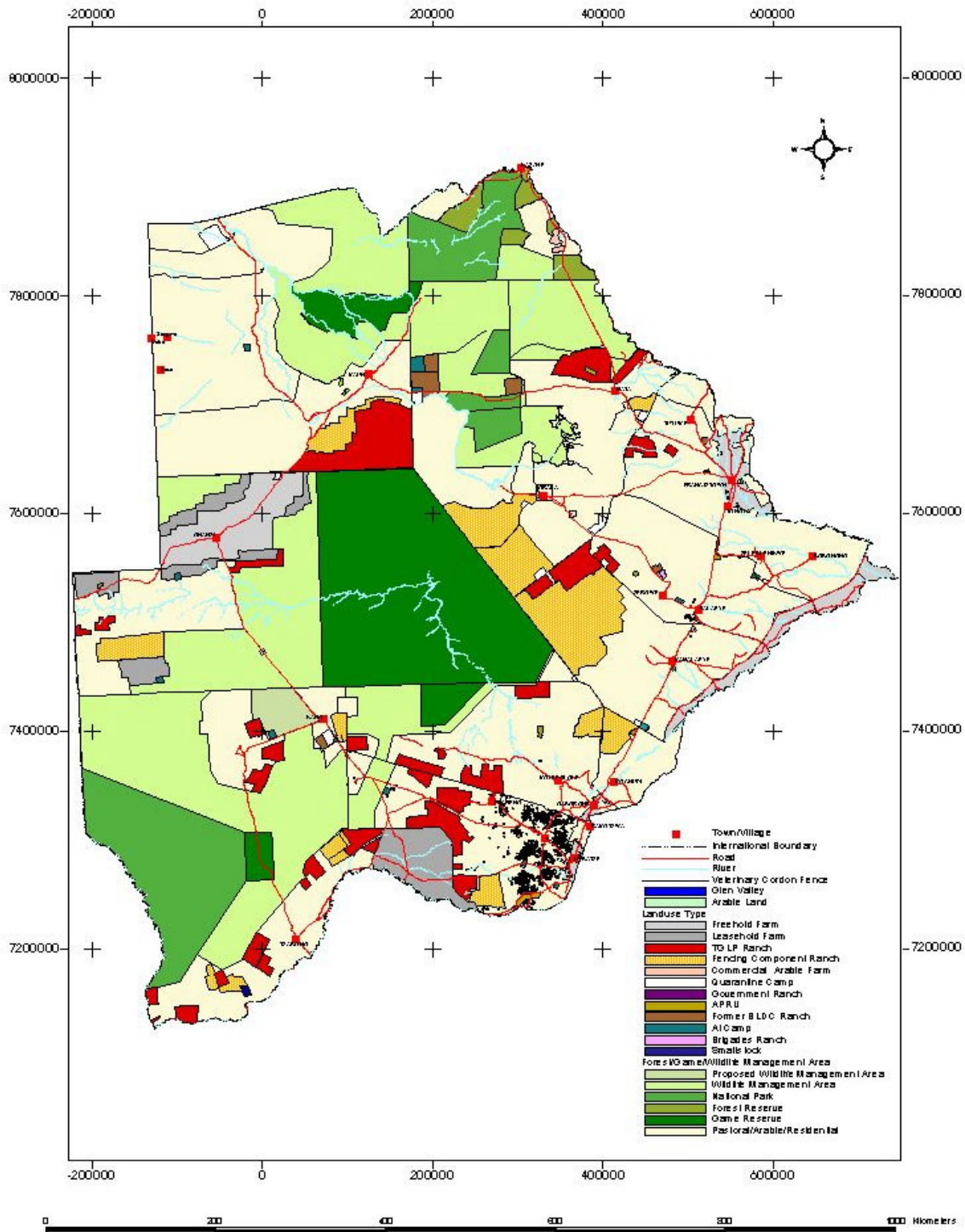
- Improvement in food security at the household and national levels;
- Diversification of the agricultural production base;
- Increased agricultural output and productivity;
- Increased employment opportunities for the fast growing labour force;
- Provision of secure and productive environment for agricultural producers; and,
- Conservation of scarce agricultural and land resources for future generations.

10.4 In order to achieve these policy objectives, the Ministry was guided by the following broad strategies:

- Provision of assistance for both livestock, arable farmers and cooperative members;
- Provision of physical infrastructure e.g. roads, marketing facilities, power, communication facilities etc. in major production areas;

Map 10.1

AGRICULTURAL LANDUSE MAP



Draft as at beginning of NDP 9

Designed & Printed by: Factors Survey & Cartography Services
 Division of Land Utilisation
 Ministry of Agriculture

Source: Department of Survey and Mapping

- Technology development and dissemination/transfer;
- Human resource development and management;
- Strengthening of extension service;
- Agricultural resources conservation;
- International Cooperation [Southern Africa Customs Union (SACU), Southern Africa Development Community (SADC) Trade Protocol, Agreement on Agriculture of the World Trade Organisation (AoA of the WTO)];
- Diversification of the production base
- Policy development, coordination, monitoring and evaluation;
- Implementation of Public Service Reforms;
- Information systems development.

10.5 During the National Development Plan 8 period, the agricultural sector's performance declined, as a share of GDP between 1997/98 and 1999/2000

(Table10.1). Average annual growth of the agricultural sector also fell during the same period, mainly due to endemic drought, unfavourable agricultural conditions (poor soils, low rainfall, insufficient infrastructure, diseases and pest outbreaks, poor farming practices, low adoption of technologies to enhance productivity, lack of security of tenure, poor organization of markets for domestic produce), conflict of government policies, (e.g. drought relief programmes during the ploughing season; Dual Grazing Rights; Agricultural Districts vs Administrative District boundaries), high input costs, inaccessible credit for agriculture and consequent inability of the sector to attract able-bodied labour and innovative entrepreneurs who could improve productivity. The sector nevertheless remains an important economic activity because of its strong linkages with urban and rural households, agro-processing, manufacturing and foreign trade.

Table 10.1: Agricultural Contribution to the Economy

<i>Sector Contribution to Total GDP</i>	1997/98	1998/99	1999/00
Nominal GDP (P Million)	20,162.6	21,523.7	25,362.7
<i>Contribution in percentage</i>			
Agriculture	3.4	3.0	2.6
Mining	38.0	31.1	33.1
Other	58.6	65.9	64.3
<i>Annual Average Growth (%)</i>			
Total GDP (1993/94 prices)	8.1	4.1	8.1
Agriculture	5.9	0.9	0.9
Mining	9.5	1.0	12.1
Other	8.4	8.4	7.1

Source: Adapted from 2001 Republic of Botswana, Annual Economic Report

Review of implementation of stated Policy Objectives

Food Security

10.6 During NDP 8 food security at the national level was met through domestic production and imports. Domestic

production of staple cereals, which provided fifty percent of energy equivalents, met only about 10% of the national cereal requirements and the balance was met through imports. Recurring droughts and low productivity of the dominant subsistence farming sector contributed to low production and cereal deficits as indicated in Table 10.2.

Table 10.2: Annual Cereal Balance Sheet during NDP 8

Year	Maize/ sorghum (' 000 metric tons)		
	Requirements	Gross Harvests	Deficit
1997/98	230.5	28.4	-202.1
1998/99	214.5	10.2	-204.3
1999/00	218.9	18.7	-200.2
2000/01	209.0	20.7	-188.3
2001/02	181.0	11.2	-169.8

Source: Botswana National Early Warning Unit, 1997/98 2001/02

10.7 It is important to note that during periods of cereal deficit, the prices of basic staples escalate, making these unaffordable to the poorer section of the population, thereby posing a threat to food security. As a result, Government has had to mount programmes, such as public works, as a short-term measure in order to reduce the effects of drought on the population, especially in rural areas, where most of the people directly depend on agriculture for food and employment.

10.8 In the long term, Government has had to support the development and

rehabilitation of the commercial cereal production sector in order to improve its contribution to food security. The contribution of Pandamatenga commercial farmers to domestic cereal (maize/sorghum) production ranged from 9.5% to 92.5% during the Plan period (Table 10.3). The decline at the beginning of the plan period was due to a shift from cereals to sunflower and cotton, largely due to favourable South African market for these commodities. However, towards the end of the plan period, the trend was reversed towards producing more sorghum in response to improved producer prices within the country.

Table 10.3: Annual Total National Production of Maize/Sorghum (' 000 MT)

Year	National Production	Pandamatenga Commercial Farm Production	Proportion of Output from Pandamatenga Commercial Farms
1997/98	28.4	2.7	9.5
1998/99	10.2	4.1	40.2
1999/00	18.7	17.3	92.5
2000/01	20.7	8.0	38.6
2001/02	11.2	--	--

Source: Adapted from Botswana National Early Warning Unit, 1997/98-2002/02.

10.9 The intake of proteins and other dietary requirements is also an important factor in food security, particularly because of the changes already evident in consumption patterns. The livestock and the horticultural sub-sectors are therefore becoming increasingly important contributors to food security. Botswana meets all her domestic requirements and is a net exporter of beef. The poultry sector has recorded remarkable growth during NDP 8, and this has not only resulted in Botswana being almost self sufficient in poultry products, but the per capita consumption of chicken meat has increased from 10.9 kg in 1999 to 16.1 kg in 2000.

Diversification

10.10 Agricultural diversification was pursued on a narrow range of products and resource uses. Import statistics indicate a high potential for diversification into horticulture, oilseeds and dairy products. The broadening of agricultural production through new enterprises has been further improved with the introduction and promotion of ostrich farming. At the beginning of the Plan period there was one major ostrich farmer with 200 breeding birds, and by the end of the Plan there were 34 small-scale farmers holding between 2 to 20 pairs of breeding birds and two major

farmers with over 200 breeding birds. An ostrich abattoir was constructed to support the development of the industry.

Agricultural output and productivity

10.11 The crop sub-sector is dominated by the traditional production system in terms of area cultivated and the cultivation of cereal crops, mainly sorghum. The commercial sector on the other hand, specialises in high value crops such as vegetables, fruits, sunflower, cotton and others.

10.12 The performance of arable agriculture during NDP 8 did not improve. Total annual domestic production of major cereals was on average 17,840 metric tons against an average annual requirement of 210,750 metric tons, thus meeting about 10% of the national cereal requirements (Table 10.2). The county therefore continued to be a net importer of food grains.

10.13 Horticulture was identified in NDP 8 as a priority area for diversifying the agricultural production base, with a potential to increase agricultural production improvements and employment creation. Recent studies by Tahal (2000) estimate that current horticultural production accounts for 15-20 percent and 24 percent of the national demand for vegetables and fruits, respectively. The average yields for

horticultural crops remained at 20 tons/ha during the plan period, although the potential yields are estimated at 50-80 tons/ha. This is primarily due to low technology adoption and poor management in addition to other constraints. It is estimated that local production accounts for only 20% of the national demand and imports meet the remaining 80%.

10.14 In order to encourage domestic production of horticultural products, two wholesale markets were to be constructed in Francistown and Palapye. Due to the escalation of costs only the Francistown market was completed. The Palapye market and additional ones at Mahalapye and Sherwood are to be constructed during NDP9.

Livestock Production

10.15 As part of the diversification of livestock production the following has been achieved;

- An export abattoir for ostriches and other animals has been built at Sebele.
- There are about 103 pig farmers in the country.

10.16 Other opportunities in agriculture exist in game farming, veld products harvesting and processing and adoption of new technologies such as biotechnology.

10.17 Significant achievements towards diversification were made in the livestock sub-sector during the plan period. Hides and skins production increased substantially; and milk production rose two-fold from the 1997 level to 6.0 million litres in 2001 due to availability of Financial Assistance Policy (FAP) financing (Table 10.4)

10.18 Hides and skins production has also increased over the Plan period. Skin collections rose from 133 682 in 1997 to 167 214 in 2001, representing an increase of 25.1% in five years. This is one area that created most employment and secondary leather industries in the rural areas.

10.19 In order to improve dairy productivity, Government established a dairy herd multiplication facility for sale of pregnant heifers and bullocks to farmers to make quality dairy animals affordable to farmers. The available breeds are Friesian, Brown Swiss and Jerseys. As shown in Table 10.4 the dairy herd increased substantially since the beginning of NDP 8. Some of these were financed through FAP.

Table 10.4: National Dairy Herd Survey

Year	Diary herd	Milking Cows	Litres/Yr (000,000)
1997	2,629	1,414	3.0
1998	3,021	1,572	3.8
1999	2,673	1,384	3.5
2000	2,919	1,458	3.8
2001	3,936	2,552	6.0

Source: Division of Animal Production, 2001

10.20 Productivity indicators for cattle showed a marked improvement (Table 10.5). Off-take under the traditional production system increased from 8% to 10%, while mortality rates decreased from 15% to 12%. Calving rates only increased marginally to 50% in the traditional sub-sector. However, in the commercial sub-sector where *on-farm artificial insemination* is practiced, conception rates had increased from 60% to 80%, implying calving rates were higher.

10.21 Botswana's export beef markets in the European Union require high standards of disease control to be met in order to ensure market access. Through a system of cordon fences and strict animal

movement control measures, 80% of Botswana is now classified by the international animal health organization, Office International des Epizooties (OIE) FMD-free without vaccinations. Despite the recent outbreak of FMD in the Matsiloje and Matopi areas near Francistown in February 2002, and January 2003, respectively, Botswana has generally maintained FMD-free status since the 1980s. Throughout the Plan period, the Ministry of Agriculture focused on prevention and vigilant control of animal diseases of economic importance to the country including FMD. These included the construction of a 646 km double electric cordon fence at Ngamiland and Bobirwa/Zimbabwe border fence to control diseases.

10.22 With respect to *Bovine Spongiform Encephalopathy (BSE)*, Botswana has earned a geographical BSE risk level I. This classification confirms the unlikelihood of domestic cattle being infected with the BSE agent. Such a qualification demonstrates confidence in Botswana's strategies in controlling trans-boundary diseases and border controls that are expeditiously implemented once such diseases are reported. This classification also ensures international market access for Botswana beef.

10.23 Since the year 2000, the Ministry has been implementing the *Livestock Identification and Trace-back System (LITS)*. The LITS programme has entailed identification of individual animals by reticular bolus in accordance with the latest beef export market requirements of the European Union (EU). The LITS has also improved cattle data collection within the country using a computerized system.

10.24 In the livestock sub sector, marketing facilities were constructed at

strategic production locations throughout the country and the distribution of these facilities has led to increased cattle off-take from the communal areas. The Botswana Meat Commission (BMC) plant in Francistown operated at 89% capacity utilization in 2001 as compared to 65% in 2000. The BMC also responded to current eating habits or preferences by selling lean meat, which has a long shelf life. The fact that the Botswana beef is raised on rangelands free of chemical treatment gave it a competitive edge in world markets.

10.25 In the poultry sub-sector, 98% self-sufficiency in eggs and meat requirements was achieved during the plan period (Chart 10.1). It is estimated that 300 000 layers were kept in 2000, while 21.5 million broiler chickens were slaughtered. The per capita consumption of chicken meat increased from 10.9 kg in 1999 to 16.1 kg in 2000. Despite an impressive performance of the poultry sub-sector, inputs such as feed and day-old chicks are still imported.

10.26 The national small stock (sheep and goats) population was estimated at 2.5 million in 1998 mostly raised under the traditional subsistence farming system. A total of 470 small-scale commercial producers benefited from the Financial Assistance Policy programme with a total of about 47,000 small stock.

10.27 The performance of small-stock (sheep and goats) was however not satisfactory since the kidding and off-take rates remained respectively, at 100% and 8% against targets of 150% and 15%. The mortality rate of small-stock worsened from 30% at the beginning of the plan period to 36% as compared to the 15% target for NDP 8.

Table 10.5: Livestock Productivity Indicators

	Cattle No.	Calving	Mortality	Offtake	CDM	Measles	Reliable Supply
Traditional Sector	86%	50%	12%	10%	200kg	15%	-
Freehold Sector	14%	60-70%+	5%	17%	220kg	-15%	60%+

Source: Department of Animal Health and Production

10.28 Despite the recurrence of drought and outbreaks of tsetse-fly and nagana, the livestock sub-sector proved to be resilient, thus sustaining rural livelihoods and ensuring food security. In this regard, the livestock population remained stable

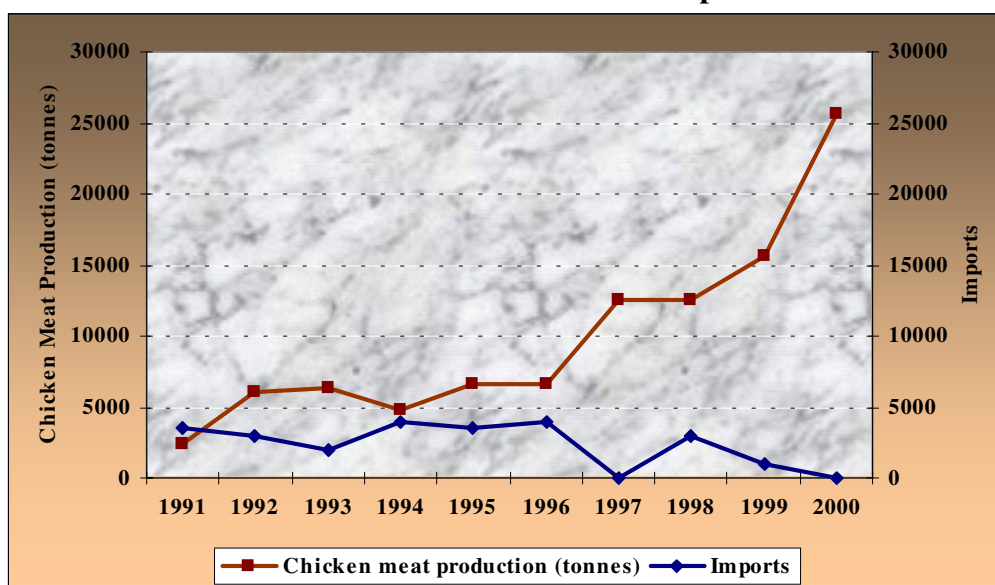
during the NDP 8 period (Table 10.6). Most recent veterinary counts in 2001 have shown that the livestock sector population has risen, comprising 2.5 million cattle, 2.5 million sheep and goats, 250,000 donkeys, 30,000 horses and 170 camels

Table 10.6: Livestock Population

Year	Population ('000)		
	Cattle	Goats	Sheep
1993	1,821	1,838	250
1994	n.a.	n.a.	n.a.
1995	2,530	2,622	337
1996	2,249	2,205	349
1997	2,212	2,615	409
1998	2,345	2,199	393

Source: Agricultural Statistics Unit, 1993-1998

Chart 10.1: Local Chicken Meat Production and Imports



Source: Division of Animal Production Reports 1997-2000

10.29 *Cooperatives* have also expanded business beyond consumer societies' activities to include institutional savings, credit and production activities. The registration of 7 new societies increased total savings from P38.6 million to P80 million, whilst credit to members increased from P37 to P79 million.

10.30 Government continued to enhance productive capacity of farmers and cooperative members through pooling of resources and provision of education and extension for marketing and production as well as retail businesses through Cooperatives.

Secure and Productive Environment

10.31 During NDP 8, Government continued to provide a secure and enabling environment for agricultural development, through research, training, extension and the provision of infrastructure, trek routes and essential services such as the control of diseases and migratory pests and access to credit. Due to heavy rains during the

1999/2000 seasons, the Okavango Delta associated flood plain of the Kwando/Linyanti river system were rendered inaccessible for purposes of controlling the Tsetse-fly, which resulted in the resurgence of the Tsetse infestation.

10.32 Pest management has the objective of maximizing the returns to farmers. Control of migratory pests such as *Quelea* birds, locust and army-worm continued to be the responsibility of government, whilst farmers were responsible for the control of non-migrant pests such as corn cricket, rats, aphids and others. Government promoted integrated pest management because of its potential benefits and affordability by the farming community. Agro-chemical legislation was enacted and stocks of obsolete pesticides, which had accumulated over the years, were repackaged and disposed.

10.33 The Botswana Vaccine Institute (BVI) produced and sold six types of vaccines, namely, Foot and Mouth Disease (FMD), Rinderpest, Contagious Bovine

Pleuro-Pneumonia.(CBPP), Pestes des Petit Ruminant (PPR), Anthrax and Blackleg. Botswana, Namibia and Zimbabwe accounted for 85 percent of FMD sales and the rest were sold in international markets. The availability of these vaccines has protected the national herd against diseases.

Conservation of Natural Agricultural Resources

10.34 The forests and woodlands of the country represent an important natural resource in terms of providing the majority of the rural population with a wide range of benefits entailing supply of wood for energy, construction, building and crafts; the supply of non-wood forest products such as honey, bee-wax, fruits, medicine; fodder and habitat for wildlife and livestock, and maintaining the environmental balance. However, these resources have lately come under severe pressure from over-exploitation and other natural phenomena such as drought and fire. The biggest challenge is to foster sustainable utilisation of these resources to ensure a continuous flow of goods and services from these forests without irreversibly damaging their capacity to recover.

10.35 Lack of an embracing legislation and policy to ensure sustainable utilisation of natural forest resources has been identified as a major problem. In this regard, a new National Forest Policy providing an enabling framework for achieving conservation, sustainable management and development of forestry has been initiated.

10.36 During the Plan period, emphasis was placed on capacity building and a limited land rehabilitation program. A National Action Program (NAP) for Botswana, which is a framework to Combat Desertification, was produced under United Nations

Convention to Combat Desertification (UNCCD).

10.37 A National Tree Seed Centre was established to collect and propagate indigenous tree species. In addition, more than 770km of firebreaks were constructed in the six forest reserves. Furthermore, two forest camps were established, and three fire towers were mounted.

10.38 Land Resources Inventory and Monitoring Programme was established and the national rangeland inventory and monitoring capacity to produce district-based land use maps was strengthened. At the end of the Plan, the project had achieved about 60% of the targets, priority having been given to ranch demarcations and development of methodologies for range inventory and monitoring, which were required for the implementation of fencing programme of the 1991 National Policy for Agricultural Development.

10.39 Water resources development for agricultural purposes is carried out as a joint venture between Government and individual farmers by way of drilling boreholes and construction of small dams for livestock watering and irrigation. There is high potential for the development of the aquaculture sub-sector using the available water resources. Already, the existing dams and rivers play an important role in the production of fish. The Glen Valley irrigation scheme, using treated effluent has also been designed and is about to be constructed.

10.40 The Ministry, jointly with the Food and Agricultural Organization of the United Nations (FAO), has developed a regional farm animal genetic project whose aim is to encourage conservation of native breeds.

Characterisation of indigenous small stock and poultry has been completed.

Technology Development

10.41 Production-enhancing and labour-saving technologies were released to match the varied agro-climatic regions and customers. Following extensive countrywide testing for yield stability and desirable qualities, three groundnuts, one mung-bean, three sorghums, two millet varieties were released, in addition to one sorghum hybrid. Furthermore, eight cabbage, five tomato, and four sweet potato varieties were released. A Field Crops Handbook was released to provide pertinent information that is site specific on crop production methods, pest and disease control recommendations to farmers and extension staff.

10.42 Control methods for such problem weeds as *Cynodon dactylon*, have been released and proved effective in reclaiming land. The method involves double ploughing techniques.

10.43 In order to promote horticultural production, irrigation production efficiencies for vegetables were developed in Maun. The drip irrigation method coupled with 80% evaporation replenishment was profitable for rape, cabbage, broccoli and carrots. Irrigation water would be allocated within and between crops for optimum returns. (Table 10.7).

Table 10.7: Yield and Net Returns per ha of high value vegetables at Maun

	Ton/ha	Net Return
Rape	61.8	81,200
Cabbage	97.2	71,900
Broccoli	19.1	71,600
Carrot	58.9	59,400

Source: Department of Agricultural Research 2000

10.44 Dairy research established a cross breeding program that generates the necessary information on the performance of the dairy crosses (crosses of Simmental, Jersey, Friesian, Dairy Swiss) for increased milk production for small-scale farmers. A new composite beef breed, a cross between the indigenous and exotic breeds was developed in order to increase growth rate and carcass yield.

Cooperative Development

10.45 The major thrust of the Cooperative sub sector was to promote domestic savings for re-investment in agricultural activities. Cooperatives have diversified business activities to include marketing of member livestock and crop commodities, provision of livestock and crop inputs, savings and credit as well as production of agricultural commodities such as horticultural and poultry products. The Botswana Agricultural Marketing Cooperative Union (BAMCU) share of the BMC throughput dropped from 18% to 14%, mainly due to stiff competition from private cattle agencies.

Pricing

10.46 The import parity pricing policy was continued in determining the prices of grain crops. Prices for livestock and products continued to be determined by lucrative export markets.

Subsidies

10.47 Agricultural subsidies are a common feature of the agricultural sectors of most of the developed and developing world. Government continued to support the agricultural sector through subsidy schemes such as the Arable Land Development Programme (ALDEP), Services to Livestock Owners in Communal Areas (SLOCA), Livestock Water Development Project

(LWDP), and Emergency Plant Protection (Drought Relief). However, most of these subsidies were inadequately targeted and therefore had limited impact on poverty reduction and food security. During NDP 8, the Ministry of Agriculture recognized the need to review the major agricultural subsidy schemes in order to assess their relevance, effectiveness, efficiency and sustainability, the extent to which they contribute to economic growth and poverty reduction.

Human Resources Development and Extension Service

10.48 A major extension effort was put in the implementation of support programmes such as ALDEP and FAP. During the plan period, a total of 35,187 of ALDEP packages were established. In addition 78 ALDEP demonstration farms were established to foster technology adoption by ALDEP beneficiaries.

10.49 In addressing the problem of poor performance of the sector, the Ministry undertook a consultancy on the skills development and career paths of its staff. This consultancy revealed that 71% of total establishment of 8,947 in year 2001/02 was made up of unskilled and semi-skilled staff. This staff complement comprised mainly industrial class employees, normally classified as General and Field staff. The administrative and secretarial staff comprises 4%, while the remainder or 25% is management, professional, technical staff and artisans.

10.50 The consultancy study also revealed that current farmer to frontline extension agent ratio in the arable sub-sector is 1:378 as against the optimum 1:250, implying that the Ministry may well be inadequately staffed at the frontline extension worker level. This means that

staffing is unlikely to adequately meet farmer expectations for technical assistance in the future. The consultancy recommended amongst others, that the training of staff be linked to the technical assistance and information transfer needs such as agribusiness skills for diverse, segmented and clearly defined target groups.

10.51 In the livestock sub-sector the Ministry uses a ratio of one extension agent to a cattle herd. Current ratio is 1:7,650 cattle as against the optimal 1: 6,000 head of cattle, implying that the ability of the Ministry staff to provide technical assistance and support to the livestock sector may be inadequate.

10.52 Given the foregoing, there is clearly an obvious information asymmetry in the composition of manpower in the Ministry of Agriculture, in terms of higher numbers of unskilled and semi-skilled labour relative to skilled manpower that warrants redress. In carrying out this exercise, emphasis will increasingly reflect government policy on manpower growths in the medium – term.

10.53 The BCA has reviewed the college curricula in order to effectively address the needs of its customers and has thus, added two Diploma Programmes in Horticulture, and Forestry and Range. Student Enrolment has risen from 430 in 1997/98 to 800 in 2002/2003.

10.54 A major constraint in Human Resource Development and Management has been the HIV/AIDS epidemic. The Ministry ensured measures were put in place for HIV/AIDS Awareness and the training of peer educators and counsellors. To drive these programmes, workplace committees were established, workplace programmes drawn up, including the appointment of an HIV/AIDS coordinator.

National Master Plan for Arable Agriculture and Dairy Development (NAMPAADD)

10.55 During NDP 8, the Ministry commissioned a Consultancy (TAHAL) to carry out a National Master Plan for Arable Agriculture and Dairy Development based on a comprehensive analysis of the country's natural and agricultural resource, rural infrastructure, dairy, socio-economic environmental issues. The implementation of NAMPAADD will bring about positive developments in the agricultural sector and improve the sector's contribution to food security and rural development. The main thrust of the National Master plan for Arable Agriculture and Dairy Development is to provide an opportunity for addressing some of the issues that arose from the change in policy focus i.e., from self-sufficiency to food security at national and household levels. The objective of the Master Plan was "to improve that performance and ensure sustainable use of the country's natural resources".

AGRICULTURAL POLICY AND STRATEGY FOR NDP 9

10.56 Government will continue to facilitate the process of agricultural development through research, training, extension, the provision of infrastructure, and access to credit. In addition, privatisation and hiving off of certain activities and services, which can be carried out more efficiently by the private sector, will be pursued. Production and marketing functions will remain the responsibility of the farmer and private sector, while government creates an enabling environment. Prices will continue to be left to market forces.

10.57 Botswana is a signatory to a number of regional and international trade agreements such as the re-negotiated Southern African Customs Union Agreement, the SADC Trade Protocol, the Cotonou Agreement and the Agreement on Agriculture of the World Trade Organization. The country is obliged to comply with the provisions of these trade agreements, which could have an effect on both production and trade. The country also has to meet the requirements of environmental agreements under Agenda 21 of the United Nations Conference on the Environment and Development (UNCED 1992), including the Convention on Biological Diversity (CBD) and the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).

10.58 Based on the lessons learnt from NDP 8, the country's natural resource endowment and the prevailing agro-climatic environment, the main focus of NDP 9 strategies will revolve around development and adoption of appropriate agricultural technology, conservation of agricultural land resources, development of drought management schemes, mechanization and commercialisation of agricultural operations, disease control, farmer education as well as timely provision of agribusiness information. Effective and successful implementation of these strategies will require a strong extension delivery system and a strong policy framework. A lot of emphasis will therefore be placed on strengthening the extension system and policy analysis. The Ministry will also continue to collaborate with other ministries in implementing other national policies and programmes such as the Poverty Reduction Strategy.

Policy Statement

10.59 The policy objectives of the National Agricultural Policy will be pursued during NDP 9. These policy objectives are as follows:

- Improvement in food security at the household and national levels; emphasis will be laid on household food security;
- Diversification of the agricultural production base (e.g. pulses, dairy, poultry, piggyery, forestry beekeeping ostrich farming and veld products);
- Increased agricultural output and productivity. This will ensure the long-term viability of the agricultural sector and its competitiveness in both the domestic and international markets. Increases in agricultural productivity will also assist to meet the needs of the fast growing population;
- Increased employment opportunities for the fast growing labour force. The emphasis on diversification of the sector accompanied by improvement in productivity has the potential to provide employment opportunities derived directly from agricultural production and its linkage effects;
- Provision of secure and productive environment for agricultural producers;
- Conservation of scarce agricultural and land resources for future generations. This objective is consistent with the broader Agricultural Strategy for developing

the agricultural economy, while conserving its natural resources.

10.60 To drive the policy objectives, the Ministry has adopted both broad and specific strategies. Specific Strategies will be discussed under the different Sub-sectors. Broad strategies include: Infrastructure, diversification, National Master-Plan on Arable Agriculture and Dairy Development (NAMPAADD), credit, subsidies, pricing, cost recovery measures and human resources strategies. In addition, a strategic plan has been developed with the Ministry's vision, mission and values. These will help the Ministry to refocus its efforts in attaining sustainable agricultural development during NDP 9 in line with Vision 2016.

Productivity

10.61 There has been a growing concern about the continued decline of productivity in the Agricultural Sector. In recognition of this, a Strategic Plan has been developed to refocus the Ministry's direction to ensure the sector's viability and competitiveness globally. To this end, Vision, Mission and Values have been developed in line with Vision 2016. The Ministry *Vision is: "provision of dynamic leadership in the development of sustainable, diversified agriculture and conservation of natural resources". The vision* recognizes the Ministry's pivotal role in contributing to the achievement of food security, poverty alleviation, and sustainable utilization of natural resources.

10.62 The Strategic Plan also ensures that fundamental changes are introduced in service delivery as well as inculcating desirable behavioural practices in staff in order to perform productively and competitively. To operationalise this, six Key Result Areas have been developed with

which the Ministry's success/failure will be judged.

10.63 Furthermore, strategic goals and objectives have been developed which are resident in each Key Result Area. To achieve these, relevant strategies have been put in place to drive the strategic goals and finally lead to the attainment of our vision.

Arable Agriculture

10.64 NAMPAADD seeks to improve the performance of the agricultural sector, by modernising it through the introduction of improved technologies, efficient use and management of human, land and water resources, mechanization and commercialisation of agricultural operations. The plan focuses on three sub-sectors of agriculture, viz., rain-fed, irrigated and dairy farming.

10.65 Performance of the rainfed agricultural sub-sector under NAMPAADD would be improved by adopting the following strategies:

- Accurate maps showing the location and lands suitable for rainfed farming in the target districts will be prepared as the first step in the implementation of NAMPAADD.
- Targeting of fulltime dedicated and committed traditional farmers, many of whom may be women, who aspire to progress to commercial level through mechanized and modern farming systems. The programme will also assist commercial farmers to upgrade technology and management levels.
- Group formation, taking into consideration gender issues, will be initiated in production zones. The Ministry of Agriculture will publicize

the advantages and benefits of forming cultivation groups, provide training and guidance on group formation, crop husbandry practices, cropping plans and the use and the sharing of farm machinery.

- Agricultural Service Centres will be established and located within production areas to serve several cultivation units by providing farming inputs, mechanized cultivation and harvesting services, machinery, advisory services, etc.
- Pilot Agricultural Services Centres will initially be set up and managed by Government, but will subsequently be acquired or leased and operated by the private entrepreneurs or farmers associations once their viability is proven.
- Government will establish pilot farms in production areas to demonstrate new technologies to facilitate quick adoption by farmers.

Irrigated Agriculture

10.66 The horticultural sub-sector is fragmented, comprising of numerous small-scale farms, mostly of one (1) hectare or less, mainly because of low borehole yields. This tends to deny growers the potential economies of scale, including the possibility of dealing with market fluctuations, and post harvest and transportation costs. Performance of irrigated agriculture will be improved through the following strategies:

- Horticultural Officers will be strategically placed near production clusters to provide dedicated technical advice to farmers within the cluster.
- Demonstration of new technologies to facilitate quick adoption by farmers and assist in the packaging

and marketing of produce for the smaller satellite farms.

- In order to enhance coordinated production of the four (4) main crops (Cabbage, potatoes, tomatoes and onions), producers and their associations will be assisted to develop cropping and marketing plans.

Dairy Farming

10.67 The following strategies are to be adopted for dairy development to improve productivity:

- The Ministry of Agriculture will establish a modernized and suitably equipped dairy farm to demonstrate methods of operating and managing an advanced dairy enterprise.
- Milk quality test laboratories and veterinary services will be established in production areas and will be increased in line with the expansion of the dairy herd and milk production.
- Ministry of Agriculture will prepare a catalogue of suppliers of quality dairy animals to help investors to procure quality dairy stock.
- Development of treated wastewater irrigation schemes for fodder production.

Agricultural Insurance and Credit

10.68 In order to minimize farmer risks resulting from annual and seasonal climatic variability and from other natural disasters as well as facilitate investments in agriculture, an insurance fund will be established to cover crop or milk production losses during such emergencies. Thus, affected regions would be eligible for compensation on a selective basis. The proposed crop-loss

insurance would be offered to farmers only in areas where the mean annual yield is economically viable.

10.69 Insufficient credit facilities are one of the major constraints facing farmers. The National Development Bank (NDB) has not adequately addressed credit needs of farmers. In order to facilitate adoption of sustainable technologies as well as implement natural resource conservation practices, access to credit will increasingly become necessary. Efforts will be made through NAMPAADD to improve access to credit through specialised agricultural credit institutions, which can provide short to long-term credits for farm inputs to poor farmers engaged in agriculture. These credit institutions will recognize loan securities of agricultural nature e.g. cattle, land etc. In addition these institutions will be required to periodically align loan repayment schedules to coincide with the revenue flows of specific agricultural enterprises.

Diversification

10.70 The emphasis for agricultural development during NDP 9 will be on sustainable agricultural diversification. Substantial benefits will be realised through diversifying agricultural products, product development, use of natural resources, creation of markets and through use of improved technologies of agricultural production. More resources will continue to be devoted to the development of dairy, poultry, piggery, fisheries, ostrich farming, horticulture, forestry, beekeeping, veld products and hides and skins in order to create employment and income generating opportunities.

10.71 Policies will be developed to promote competition in both the domestic and international markets within the

framework of existing trade agreements. Agro-businesses will be promoted in collaboration with the Ministry of Trade and Industry and other relevant organizations. Examples include leather, oilseeds, milk and other dairy products, and cotton ginneries.

10.72 The export for beef is well established. However, as international trends towards free trade continue, prices for beef within European Union (EU) market will inevitably fall. Contingency planning for diversifying Botswana's export beef markets is therefore essential. Similarly, export markets for small-stock and poultry will be explored, as there is a need to diversify markets for as well as improve efficiency and competitiveness in the production of these commodities.

Subsidies

10.73 To enhance agricultural production, subsidies would be targeted to those beneficiaries who can use them efficiently, including women, in order to access improved seeds, commercial fertilizers and pesticides. Efficient programming, monitoring and evaluation of subsidies can be used to achieve socio-economic growth, development and technology adoption.

Agricultural Commodity Pricing

10.74 Prices of agricultural commodities strongly influence the performance of the sector and the well-being of both producers and consumers. The parity pricing system for food-grains will therefore be continued. Thus, producer prices will be based on import parity; while export parity prices will be used for export crops. Such a pricing system will ensure that consumers can obtain the product at the lowest possible prices and producers are guided in their production decisions by competitive domestic and international prices. The policy

will also contribute to the achievement of food security at the household and national levels. Beef producer prices will continue to be based on the world market prices since beef is an export commodity.

Cost Recovery Measures in Agriculture

10.75 Government has adopted cost recovery strategy in order to ensure access and sustainability of services offered to farmers. This will ensure that Government progressively gets 'value for money' invested in order to add new stocks of capital and provide for the replacements of the same over time. In order to help Government achieve this, consideration will continue to be given to progressive introduction of user fees for some of the services that are currently being offered free or at minimal cost. Services for which user fees would be introduced include animal vaccinations, and plant and animal laboratory services.

Privatisation

10.76 In order to improve efficiency and effectiveness in the delivery of services and as a cost saving measure to Government, privatisation and hiving off of certain activities and services will be pursued. While recognizing potential benefits of privatisation, it is important not to overlook the capacity of the private sector to absorb privatised activities at reasonable costs. Therefore, privatisation should go hand in hand with the establishment of a strong regulatory mechanism. Consideration would be given to privatisation of such services and activities as Livestock Advisory Centres (LACs), Cordon Fence maintenance, building and maintenance of crushes, construction of earth dams, development of wells, design of irrigation schemes, Environmental Impact Assessment (EIA) studies, production of topographical and agricultural land-use maps, and the printing/reproduction of magazines.

Basic Infrastructure for Agricultural Development

10.77 The low productivity observed during NDP 8 is partially attributable to lack of basic infrastructure for agriculture. The success in the implementation of the NAMPAADD and other NDP 9 programmes will depend on provision of basic infrastructure in areas identified for agricultural production. This includes roads, power and telecommunication network, potable water and post-harvest facilities. To this end, a policy on agricultural infrastructure will be developed.

Gazettement of Agricultural Land

10.78 One of the factors contributing to low agricultural output is the continuing loss of productive agricultural land to non-agricultural uses. In order to address the problem, the NDP 9 strategies for the agricultural sector, will entail gazettement of agricultural land. The strategy to gazette agricultural land will include identification and mapping of land suitable for agricultural purposes. This process started during NDP 8 and will continue into NDP 9. To date, 13.37% of the total area of the country has been mapped.

Extension Delivery Strategy

10.79 Improvement to agricultural performance is dependent on application of appropriate technology by farmers which, in turn depends on the effectiveness of extension service delivery system.

10.80 In order to improve the extension delivery system and consequently, the productivity of the sector, the following interventions will be pursued;

- Establishment of a unified extension system for the sector.

- Provision of transport for extension workers in order to improve extension outreach, thus covering more farmers, than was the case before.
- Improvement of the work environment for extension agents through provision of office and residential accommodation.
- Increasing the knowledge base of farmers, especially the women farmers through targeted technology-based training.
- Improvement of extension outreach also through organised learning groups within Extension Areas as well as strengthening/diversifying mass media coverage (radio, television, pamphlets and posters) to reach a wider spectrum of farmer-customers.
- Expansion of farm demonstrations to cover all sub-sectors in agriculture.
- Stratification of target groups in order to assist in developing and targeting of technical messages.
- Improvement of Rural Training Centres as institutions of change for all identified target groups including commercial / advanced farmers.
- Relieving extension officers of non-extension duties to ensure programme effectiveness.
- Establishing a Cooperative Training Centre.
- Improve production of audits and inspections of co-operative societies through computerised database.

Human Resource Management

10.81 The total establishment of the Ministry of Agriculture stands at 9 011 at the beginning of the NDP 9. It is estimated that the growth during this plan period would be by 441 posts, thereby bringing the total establishment to 9 452 for NDP 9. Of this total, an estimated 71% are unskilled and semiskilled employees. To keep this work

force productive and motivated, the following programmes will be embarked upon:

Organisation and Management (O&M) Exercise

10.82 An O&M study was undertaken towards the end of NDP 8. The Ministry of Agriculture will continue implementing the recommendations of this study during NDP 9 period. The study identified the need for the following interventions in support of the Ministry's Vision, Mission and Values: to develop organizational relationships; to improve the extension service delivery; to promote customer focus; to provide the opportunity for team work and better working practices as well as being in step with public sector-wide reforms.

Skills Development and Career Paths

10.83 At the end of NDP 8 period the Ministry of Agriculture embarked on a study to develop skills and career paths for the majority of its staff. The recommendations of the study will be implemented during NDP 9. The study looked at the constraints to adequate training; review of the adequacy of the human resource; operational needs of staff in terms of disciplines and training needs; developing criteria for training/development needs; designing of skills and career paths for all staff; localization strategy; determination of adequacy of training facilities and monitoring and evaluation of the training programmes.

10.84 In line with the above areas, the Ministry will develop long-term training plans and programmes aimed at closing the existing skills gaps. The revised training and development strategy will ensure that staff

training does have a direct measurable impact on production.

Staff Accommodation

10.85 The growth of the establishment during NDP 9 will require improvements in the work environment in terms of office and residential accommodation. To this end, therefore, offices will be built at the Ministry Headquarters as well as in the districts. This infrastructure will be provided as a package, comprising of both office and house accommodations for staff to alleviate the existing shortages.

HIV/AIDS

10.86 The impact of HIV/AIDS on Ministry of Agriculture staff is presumed to be serious. Reported deaths increased from an average of 7 people per month between 1999 and 2001 to 10 people per month by May 2002. HIV/AIDS is suspected to be the main cause of these deaths.

Prioritised Response for NDP 9

10.87 Recognising the potential impact that the epidemic will have on the sector, during NDP 9 the Ministry of Agriculture intends to strengthen and scale-up its responses, targeting its own staff (internal response) and the external customers, mainly the farming community (external response) in the following areas:

Internal Response

- Strengthening workplace Information Education and Counselling (IEC) programme through regular education, counselling etc.
- Intensifying peer education programme across the sector.
- Forming support groups for persons infected and affected by HIV/AIDS.

- Initiating regular education on the effects of alcohol abuse
- Training an additional 70 counsellors to assist with the workplace programmes.
- Undertaking an HIV/AIDS impact assessment study.

External Response

- Intensifying the sensitisation and education of farmers on HIV/AIDS through targeted IEC programmes.
- Integrating HIV/AIDS into agricultural policies.
- Enhancing income-earning capacities of those infected and affected by HIV/AIDS.
- Streamlining reporting and monitoring of HIV/AIDS - related programmes.
- Strengthening inter-sector collaboration with Health and Local Government sectors, among others, and with the development partners, generally.
- Defining indicators to monitor the effect of HIV/AIDS interventions.
- Facilitating group formation and cooperatives of People Living with AIDS (PLWHA), engaged in farming in order to access funding for their projects.
- Initiating regular education on the effects of alcohol abuse to farmers.

Human Resource Strategy for BCA

10.88 The strategies that will be pursued by the BCA management will include the following interventions:

- Continuing the production of graduates at Certificate, Diploma and Degree levels equipped with requisite knowledge and skills in the science and practice of agriculture in order to empower them to have a positive impact on agricultural development and production.

- Introducing Post-graduate (MSc and PhD) programmes in areas such as Crop Science and Animal Science.
- Ensuring that the College's programmes are relevant and responsive to the human resource needs of agriculture and its allied fields within a changing and diversified economy and the society at large. To this end, more young women will be encouraged to study agricultural sciences and technology.
- Conducting research and consultancy work in agriculture to address agricultural problems faced by farmers and the sector as a whole.
- Providing in-service training to staff and also outreach services to the farming community.
- Encouraging and training more women into decision-making positions within the college's administrative structures.
- Training more female extension personnel to realise gender balance, implicit in the current composition of the agricultural households.

SPECIFIC STRATEGIES

Livestock Sub-Sector

Animal Disease and Pest Control

10.89 One of the major constraints to livestock productivity is the continuous threat of transboundary diseases such as Contagious Bovine Pleuropneumonia (CBPP) and Foot and Mouth Disease (FMD). In order to intensify the control and prevention of diseases, the following specific strategies will be pursued:

- Maintain annual sero-surveillance for disease of economic threat to the country (FMD, CBPP and New Castle Disease) in high-risk areas.

- Intensify border patrols through a system of picketing and construction of disease control fences along international borders.
- Conduct regular workshops for staff and stakeholders on disease emergency prevention preparedness
- Maintain cordon fences and other disease control infrastructure.
- Conduct feasibility studies on the establishment of an emergency Animal Disease Control Fund.
- Eradication of tsetse in the Okavango Delta through aerial spraying and the use of biological technique called Sterile Insect Technique (SIT).

Veterinary Public Health and Food Safety

10.90 In order to ensure fair practices in the food trade and also protect the health of consumers the following specific strategies will be pursued:

- Harmonise regulations for the inspection of meat products from slaughter facilities countrywide and transfer them to the Department of Animal Health and Production to ensure regular inspections.
- Intensify implementation of the livestock identification and trace-back system (LITS) programme.
- Conduct regular residue test to ensure that maximum residue limits for agricultural and veterinary chemicals is maintained.
- Control and regulate use of veterinary drug

Range Resource Management

10.91 In order to ensure proper management and sustainable use of our

resource base i.e. land and the range, the following specific strategies will be adopted.

- Promote the fencing of communal areas and provide technical support in managing these integrated resource systems.
- Upgrade Ramatlabama Management Centre so as to provide better quality training

10.92 In an effort to increase milk production and maintain high quality standards the following strategies will be pursued:

- Sale of dairy pregnant heifers and bullocks to dairy farmers.
- Establishment of dairy quality control standards and implementation of a dairy quality control regulation.

Poultry Production

10.93 Although local broiler and meat production meet national demands the supply of breeder stock and feed is still problematic. In order to improve the situation the following strategies will be pursued:

- Promote investment in poultry feed production
- Encourage private investment in the establishment of a hatchery and breeder stock.
- Establish poultry abattoirs in the main producing areas.
- Establish export regulations
- Improve management of indigenous breeds of poultry through research

Pig Production

10.94 Feed and breeder stock availability are limiting factors to pig

production. In order to improve the situation the following specific strategies will be pursued:

- Encourage private investment in feed production.
- Upgrade the Sebele nucleus demonstration farm.
- Improve management skills through farmer training.
- Encourage private investment in slaughtering and marketing facilities.

Fishery

10.95 To support the conservation, improvement and sustainable use of the fishery resources the following specific strategies will be pursued:

- Undertake fish stock assessment in order to develop management plan of the Okavango Delta.
- Establish fisheries regulations.
- Establish fish hatchery at Letsibogo dam.
- Improve management skills through training of fishermen.
- Encourage fish farming through aquaculture.

10.96 Hides and Skins have been exported raw to other countries. To encourage hides and skins development locally the following strategies will be pursued:

- Encourage investment in establishment of tanneries countrywide.
- Improve collection and harvesting of hides and skins in the rural areas through extension education.

Animal Breeding/Artificial Insemination

10.97 Artificial insemination (A.I.) is aimed at improving the genetic pool of the national herd. Genetic diversity enables

livestock to adapt to diseases and parasites. To achieve this, the following specific strategies will be followed:

- Promotion and establishment of breed societies.
- Improve service delivery through establishment of more distribution centres.
- Expansion of National A.I. Laboratory.
- Promote conservation of indigenous genetic resources through breed registration

Ostriches

10.98 Ostrich farming is a new concept to most farmers and to ensure growth and more farmer participation in the industry the following specific objectives will be followed:

- Train extension staff and farmers on ostrich farming.
- Establish an ostrich demonstration farm to facilitate training and provision of breeding stock to farmers.
- Establish ostrich production guidelines for export markets.

Smallstock

10.99 Constraints to smallstock production are management-related, mostly characterized by high mortalities caused by disease and external parasites. To improve the situation, the following specific strategies will be pursued:

- Train farmers on smallstock management.
- Encourage smallstock breeder's societies to improve availability of breeding stock.
- To promote establishment of smallstock handling and marketing facilities.

Livestock Marketing

10.100 To help farmers market their products and take advantage of the opportunities offered by globalisation the following specific strategies will be pursued:

- Provide marketing infrastructure services such as watering facilities, kraals and crushes and loading rumps.
- Compile and analyse data on livestock marketing in order to assist farmers to benefit from liberalized world markets.
- Intensify livestock marketing education
- Encourage private sector participation in transportation of slaughter animals to markets.

Arable Sub-Sector

10.101 The arable sub-sector is performing poorly as a result of various factors among which are the frequent droughts, low technology adoption and poor crop management practices. Despite these, efforts will be made to improve performance of the arable sub- sector.

Field Crops

10.102 In an effort to increase the production of field crops the following strategies will be employed:

- Carrying out on-farm crop demonstrations to enhance adoption of appropriate and relevant technologies such as promoting moisture conservation practices and the use of drought tolerant and early maturing varieties.
- Promoting the production of cash crops such as cowpeas, sunflower, groundnuts, etc.
- Commercialising the arable sub-sector in line with NAMPAADD,

which calls for full mechanisation of the sub-sector.

- Design and construct a road network and drainage system in Pandamatenga.

Horticulture

10.103 Horticulture industry has been identified as one of the priority areas for diversification of the agricultural production base and creation of employment for many people especially in the rural areas. The approach adopted for NDP 9 will put emphasis on:

- The mobilization and formation of producer associations,
- Strengthening of the Horticultural Council, consisting of a fully-fledged secretariat.
- Formulation of a Horticultural Development Policy,
- Promotion of urban agriculture and backyard gardening as a poverty reduction strategy.
- Carrying out farm demonstrations to enhance technology adoption.

Crop Marketing

10.104 The challenges brought by free trade have necessitated the development of a competitive crop marketing system. This will ensure that marketing information is readily available to producers for informed decision-making. This will be achieved through the following strategies:

- Development of crop marketing information system to enable free flow of market information to end-users.
- Construction of horticulture markets at strategic production areas (Palapye, Mahalapye and Sherwood) to reduce marketing

costs and link producers and traders to improve the efficiency of the marketing system.

- Intensification of training of extension staff and farmers in the field of marketing and business management.
- Encouragement of farmers to produce identified high value crops with competitive advantage and addition of value to the existing crops through processing.

Plant Protection

10.105 The main interventions under plant protection will include:

- Establishment of plant quarantine station,
- Disposal of obsolete pesticide stocks,
- Environmental impact assessment
- Assessment and analysis of post harvest needs and constraints,
- Implementation of the agrochemicals act
- Education of communities on safe handling of chemicals.

Natural Resources Management

10.106 Natural resource constitutes the production base for the sustainable development of agriculture. The growing population and demand for agricultural produce have the tendency to increase exploitation and erode the potential of these resources to support production. The depletion of natural resources affects sustainability of life systems. Thus there is a need to pay attention to their management. To improve the implementation of existing policies and legal instruments to enhance the conservation and management of agricultural

resources, the following strategies will be adopted:

- ♣ Review of the Agricultural Resources Conservation and the Herbage Preservation Acts.
- ♣ Formulation of a Fire Management Policy:
- ♣ Continue annual maintenance of the 10,000 km firebreaks:
- ♣ Production of a fire hazard maps as a basis for developing fire management plans/strategies.
- ♣ Liaise with District Disaster Management Committees for annual fire suppression programmes (Contingency Plans)
- ♣ Conduct environmental impact assessment on the effects of veld fires and harvesting of veld products.
- ♣ Promote appropriate land utilisation through generating and providing baseline data on agricultural land use resources.
- ♣ Produce Vegetation Inventory Monitoring and agro-ecological zone maps.
- ♣ Continue Ranch Demarcation.

Irrigation and Water Development Strategies

10.107 To promote diversification of agricultural production the following strategies will be employed:

- Development of a gender - sensitive Irrigation Policy.
- Establishment of two irrigation schemes using treated effluent at Lobatse and Francistown.
- Establishment of an Irrigation Systems Testing Centre.
- Constructing new dams and assisting farmers in rehabilitating existing dams and, upgrading some to multipurpose status.

- The Well rehabilitation program will continue.
- Development of the Ramotswa Wellfields. An Environmental Impact Assessment (EIA) is planned as a pre-cursor to establishing an irrigation scheme.
- Rainwater harvesting technologies will be explored in settlements to promote backyard gardening.
- Contracting of private companies to complement government efforts in the development of irrigation and water resources.

Soil Conservation

10.108 In order to ensure sustained agricultural land resources for future generations the following strategies will be implemented to promote conservation of agricultural land resources nationwide:

- ♣ Rehabilitation of degraded lands at catchments level (Mokoloboto 11,900 ha, Matshelagabedi 470 ha and Sakutswane-Mogobane 13,000 ha).
- ♣ Implementation of community anti-desertification projects.
- ♣ Production of a national soil erosion hazard map and guidelines for land resources management.
- ♣ Public awareness campaigns targeted especially at women and other marginalized groups, will be intensified in order to ensure full participation of stakeholders in the implementation of soil conservation projects.

Forestry and Beekeeping

10.109 In order to optimise the contribution of forestry sub-sector to long-term socio-economic development of Botswana to ensure an enhanced and sustained flow of benefits from forestry

activities to all segments of the population, the following strategies shall be pursued:

- Complete the Forestry Policy and review Legislation
- Continue with implementation of Chobe management plans
- Carry out forest inventories to facilitate implementation of community based woodland management programs
- Establish community based woodland management areas.
- Facilitate an increase in production of honey through establishment of farmer demonstration and community apiaries
- Upgrade the existing demonstration and community apiaries in six agricultural regions.

Agricultural Research and Technology Development

10.110 The role of agricultural research is to develop appropriate technologies that reduce production constraints and increase productivity of crop and livestock enterprises, while conserving the environment. In pursuance of the department's goals, the following strategies will be implemented:

- Institutional development that includes infrastructure, research equipment, regional cooperation and collaboration.
- Development of diversified agricultural products and adaptation of sustainable technologies (including indigenous seeds and livestock breeds) through farming systems approach.
- Development of gender-friendly technologies for agricultural

households, including on-farm and industrial processing of agricultural products to add value and enhance shelf life.

- Develop techniques for conservation and utilization of biodiversity (plant and animal genetic resources) in soils.
- Initiate biotechnology research that has potential for higher production and productivity; and the safe use of biotechnology.
- Establish an agricultural research priority committee to oversee and coordinate all agricultural research activities in the country.

Cooperative Sub-Sector

10.111 The cooperative sub-sector plays a vital role in the country's economy through production and income generating activities. To promote productivity in the sub-sector, the following strategies will be pursued:

- Promoting the diversification of the economic base of the co-operative sector through adoption of growth point approaches, linkage effects, and establishment of shared service co-operatives and branding of co-operative products as well as establishment of revolving funds to meet the specific needs of the co-operative sub sector.
- Developing professionalism in the co-operative movement to build capacity in order to promote innovative, competitive and result -oriented businesses.
- Promoting corporate governance in the co-operative movement to develop business ethics of transparency, accountability and control as well as results-oriented operations.
- Formulation of national co-operative policy and education advisory

committees to articulate the needs of the sub-sector.

- Promoting information and communication technology in the movement to provide quality service at competitive prices to the co-operative members and customers.
- Implementing the revised co-operative societies act and new co-operative development policy.
- Pursuing advocacy for the institutionalisation of co-operative education in schools at all levels of education, covering both the adult and youth.
- Promotion of production co-operatives to contribute to economic diversification and employment creation.
- Improvement of livestock marketing services.
- Intensifying the promotion of institutional savings and credit co-operatives to improve domestic savings mobilization for productive investments and access to credit.
- Re-organizing the department into critical core business areas to promote a sustainable and competitive co-operative sector.
- Introducing public relations desk in order to communicate with stakeholders.

Agricultural Planning and Statistics

10.112 The Division of Agricultural Planning and Statistics (DAPS) has the mandate for policy development, monitoring and evaluation, farm management and for the production of national statistical reports on livestock and crop production within the Ministry of Agriculture. In addition, the Division is also charged with the activities of the National Early Warning Unit. The Division's role within the Ministry will be strengthened during NDP 9 through the following strategies:

- Establishment of mechanisms for increasing stakeholder participation on policy dialogue through holding regular policy advocacy workshops.
- Monitoring and evaluation of the impacts of government policies in the agricultural sector.
- Product development that entails producing quality and timely information packages
- Facilitating farm level efficiency, profitability and competitiveness by providing information on investment, production, management and marketing practices on various enterprises.
- Contributing to agricultural sector competitiveness and sustainability through periodic assessments and analyses of sector performance and, also through making policy recommendations as appropriate to agricultural decision - making.
- Conducting first - ever study on farm labour productivity.
- Establishing inventories on forests, fisheries and veld products.
- Imparting farm business skills through training of farmers on farm management and agric-business.
- Promoting gender mainstreaming within the Ministry of Agriculture, developing and supporting gender-sensitive policies and youth programmes within agricultural establishments.

Food Insecurity and Vulnerability Information Strategy

10.113 The National Early Warning System (NEWS) serves as a framework for monitoring national food supplies. It also provides information on the status of food insecurity in order to aid decision-making. In the past, there have been limitations in the data collected within the system, particularly with respect to indicators of economic access, status of food security and nutrition at the household level. To this end, a comprehensive Management Information System (MIS) will be established during NDP 9 in order to provide information on household - level food vulnerability; ascertaining household coping strategies and associated nutrition issues, and identifying food un-availabilities in the country. In response to these structural deficiencies, the following strategies will be pursued:

- Providing advance information on food availability, requirements and access.
- Provision of policy information on incidence, nature and causes of chronic food insecurity and vulnerability.
- Rolling-out the National Action Plan on the 1996 World Food Summit commitments.
- Establishing a Food Insecurity and Vulnerability Information Mapping System (FIVIMS) framework to provide a comprehensive national Management Information System (MIS) for food insecurity monitoring.
- Strengthening networking and coordination in NEWS to enhance collaboration in the food security MIS through periodic vulnerability assessments.
- Capturing national food consumption patterns as well as updating the National Food Balance Sheet through inclusion of other food crops as necessary.

- In addition, the problem of lack of reliable statistics within the Ministry of Agriculture will be addressed by establishing a statistical database. The Ministry will also continue to computerize and network Regional and

District Agricultural Offices as part of a Ministry -wide information architecture.

Performance Targets for NDP 9

10.114 To improve performance during NDP 9 the following targets are set up: (Box 10.1):

Box 10. 1 MoA Performance Targets for NDP 9

	Base	Target by end of NDP 9
<i>I. Crop Sub-sector</i>		
A. Crops		
1.0 Cereal Yields: (Sorghum & Maize)		
1.1 Traditional Farms	200kg/ha	500kg/ha
1.2 Commercial Farms	1,000kg/ha	2,500kg/ha
Pulses:		
2.1 Traditional Farms	150kg/ha	300kg/ha
Oil Crops: Sunflower & G/nuts)		
3.1 Traditional Farms (S/Flower)	-	400kg/ha
3.2 Commercial Farms (S/flower)	700kg/ha	2,500kg/ha
3.3 Traditional Farms (G/nuts)	150kg/ha	250kg/ha
3.4 Commercial Farms (G/nuts)	300kg/ha	600kg/ha
3.5 Commercial Farms (Cotton, Pandamatenga)	800kg/ha	1,400kg/ha
Horticultural Crops:		
(Cabbage, Tomatoes, Potatoes)	20 tons p.a.	40 tons p.a.
4.1 Citrus Fruits	25 tons p.a.	30 tons p.a.
<i>II. Livestock Sub-sector</i>		
B. Cattle		
Calving Percentage:		
5.1 Traditional Farms	50%	70%
5.2 Commercial Farms	51.5%	70%
Off-take Rates:		
6.1 Traditional Farms	10%	15%
6.2 Commercial Farms	13.9%	20%
Mortality Rates:		
7.1 Traditional Farms	12%	5%
7.2 Commercial Farms	4.5%	4%

B. Small Stock			
8.0	Kidding Percentage	100%	150%
8.1	Off-take Rate	8%	30%
8.2	Mortality Rate	36%	15%
9.0		C. Dairy Industry	
9.1	Milk yield/cow	2,000lt	4,000lt
10	D. Fisheries	190 tons p.a.	300 tons p.a.
11	Poultry meat	98%*	100%
12	Honey Production (kg/colony)	5.03	25
13.1	Cooperative Members' Savings	P80 m	P120 m
13.2	Coop Turnover	P104 m	P110 m
13.3	Credit/loans to Coop Members	P79 m	P150 m

Assumptions:

1. Agricultural extension agents concentrate full – time on agricultural extension activities.
2. Farmers adopt improved farm management practices and other production technologies.
3. Severity of drought (if it occurs) during NDP 9 is no greater than in recent past.
4. Performance in the arable sub-sector is expected to increase three - fold due largely to introduction of improved technologies, mechanization and commercialisation of the sub-sector in line with NAMPAAADD.

* Self –sufficiency ratio of poultry meat production to local demand

Source: Ministry of Agriculture

CHAPTER 11

MINERAL DEVELOPMENT

INTRODUCTION

11.1 During NDP 8, the mining sector continued to make a significant contribution to the economy of Botswana. The sector contributed about a third of the Gross Domestic Product, over 70% of export earnings and over 55% of total government revenues (Table 11.1 and 11.2). Developments in this sector have been dominated by the diamonds sub-sector with major projects to increase production at Orapa and Jwaneng mines.

11.2 Despite increases in production capacities, employment in the mining sector remained largely unchanged. This is because of the highly capital intensive nature of mining and the introduction of new technologies which improved labour productivity. Some sectors of the economy continue to benefit from the skills base developed by this sector. For example, artisans and other professionals trained by the mining sector have joined other sectors of the economy.

Institutional Framework

11.3 The Ministry of Minerals, Energy and Water Resources (MMEWR) is responsible for developing and implementing the fiscal, legal and policy framework for mineral exploration, mining and mineral processing. MMEWR also administers various mineral agreements, carries out mineral investment promotion activities and liaises with bilateral and multilateral development partners on mineral related matters.

11.4 MMEWR is responsible for gathering, assessing and disseminating data related to rocks, mineral deposits and ground water resources of the country. It

also conducts geo-technical and environmental studies in order to provide information and advice to Government Departments and the public so as to minimise the environmental impact due to human activity and infrastructure development. The Ministry is also responsible for administration of the Mines and Minerals Act. It undertakes systematic surveys in order to encourage resources exploration and exploitation. MMEWR carries out these responsibilities through the Departments of Geological Survey (DGS) and Mines (DoM) and the Mineral Affairs Division.

11.5 While MMEWR exercises a monitoring and facilitating role, private companies undertake most of the prospecting and mining activity. The Government has significant share holding in all of the large mining companies wherein the level of share holding has been mutually agreed with the private investor. Government is not usually a shareholder in the smaller mining operations, although the institutional arrangements for small mines are otherwise the same as for large mines.

Known Mineral Resources

11.6 Botswana has four diamond mines, two copper-nickel mines and a smelter, a coal mine, a soda ash and salt extraction plant, and a number of smaller operations mining gold, industrial minerals, and semi-precious stones. Development of a fourth though smaller diamond mine is ongoing at Damtshaa about 15km east of Orapa. The mine started production in December 2002 with output of 7,084 carats. The capacity planned for 2003 is 250,050 carats which is around the peak capacity for a few years before production declines. In

addition, the large build-up of private sector exploration activity has created a momentum, which may result in the discovery and exploitation of new mineral deposits.

11.7 A large number of other minerals are known to occur in Botswana. Those identified so far include: Agates, Fluorite, Kyanite, Silver, Antimony, Glass Sand, Lead, altered Serpentinite, Asbestos, Graphite, Limestone, Talc, Gypsum, Manganese, Uranium, Chromite, Iron, Platinum, Zinc, Feldspar and Kaolin.

11.8 Commercial exploitation of some of the above minerals has been constrained by a number of factors, such as insufficient reserves, unfavourable metallurgical properties and remote locations where there is no infrastructure to support the mining of such reserves. Developments are in some cases constrained by the weak and often volatile markets for some of these minerals. Asbestos, talc, kyanite and manganese have been exploited in the past, but are no longer in commercial production.

11.9 Although the geology of eastern Botswana is well mapped, the rest of the country, which is covered by Kalahari sands, remains largely unknown. With the development of new exploration techniques, there has been growing interest by the private sector to explore the mineral potential of these areas.

11.10 The Department of Geological Survey continues to carry out basic research and exploration to provide geological information in those areas that are not attractive and are considered too risky by the private sector. Added to the need for primordial geological information for exploration, other niche areas that require geological information continue to develop and are being identified. These include geological information for environmental monitoring

and amelioration of past land-use practices. There is also an increasing need for geological information in land use planning/zoning, resources conservation and protection.

Diamonds

11.11 Diamonds exploration in Botswana began in 1955. Since then more than 100 kimberlite pipes have been discovered, the majority of which are non-diamond bearing. The Orapa pipe was discovered in 1967 and measures 112 hectares, making it one of the largest known diamond bearing kimberlite pipes in the world. Production at Orapa has expanded from about 2.5 million carats when the mine started in 1971 to about 12 million carats per year in 2001. The Letlhakane mine, situated some 30-km south-east of Orapa, began production in 1977 and produced one million carats in 2001. The third mine, at Jwaneng, located 125 km west of Gaborone, began production in 1982. To date, Jwaneng also has capacity to produce about 12 million carats per annum.

11.12 It is estimated that the reserves and the installed capacities at the existing mines will allow NDP 8 levels of production to be maintained during NDP 9. Prospecting for minerals is continuing throughout the country with the largest number of prospecting licences being for diamonds.

Copper-Nickel

11.13 The BCL mines at Selebi-Phikwe extract ore containing copper, nickel and small amounts of cobalt from two ore bodies. The Selebi orebody was discovered in 1963, and the Phikwe orebody a few years later. After mining, ore is crushed and processed in a concentrator and smelter to produce matte (a high metal content product) for refining in Norway and Zimbabwe. The existing known ore reserves at BCL are expected to sustain the current production levels up to 2010; but there is an ever-

present risk of prolonged depression in metal markets which can affect long-term plans.

11.14 Tati Nickel Mining Company has been mining copper-nickel orebodies at Selkirk and Phoenix since 1989 and 1995, respectively, with all concentrate from these mines toll-smelted (i.e., smelted at a fee) at BCL's smelting facilities at Selebi-Phikwe. While Selkirk ore was depleted at the end of NDP 8, construction of a concentrator to expand production at Phoenix from some 1.7 to 3.2 million tonnes of concentrate per year was completed during 2002.

11.15 Mineral occurrences containing copper, nickel and other metals are also known to exist at Matsitama and Bushman. The Ghanzi/Chobe fold belt has been actively explored by the private sector and copper deposits have been discovered at Ngwako Pan, some 25 km south of Lake Ngami. Exploration in some parts of the Ngwako Pan area has revealed some high-grade zones of copper-silver mineralisation. These occurrences bear geological similarities to those of the copper belt running through Zambia and Zaire where copper grades of around 6 percent are common as compared with less than 1 percent at Selebi-Phikwe and about 2 percent at Selkirk).

Coal

11.16 It has been estimated that there are at least 17 billion tonnes of coal reserves suitable for power plant use in eastern Botswana. At the end of NDP 8, coal was being mined only at Morupule for use within Botswana. Morupule Colliery commenced production in 1973 and has installed capacity to produce one million tonnes per annum. The demand for coal has however, restricted annual production to below a million tonnes.

Soda Ash

11.17 The Sua Pan, from which Botswana Ash (Pty) produces salt and soda ash, covers roughly 3 500 square kilometres and contains an estimated brine resource of 16 billion cubic metres. Botswana Ash (Pty) has overcome most of the difficulties it experienced at the beginning of NDP 8 and production has been running smoothly for the remainder of the plan period.

REVIEW OF MINERAL SECTOR PERFORMANCE DURING NDP 8

Exploration

11.18 Mineral exploration activities that were registered as increasing towards the end of NDP 7 were maintained during NDP 8. The exploration of diamonds by the private sector continued to be the most important as shown in Table 11.3.

Table 11.1: Contribution of Minerals to Government Revenue (Pula Million)

Year	Total Government Revenue	Mineral Revenue	Mineral Revenue as a % of Total Revenue
1997/98	8,281.26	4,681.13	56.53
1998/99	7,677.62	3,186.60	41.51
1999/00	11,963.09	6,687.27	55.90
2000/01	14,115.05	8,367.80	59.28
2001/02 Revised	12,639.09	6,878.96	54.43
2002/03(Budget)	15,411.35	8,491.95	55.10

Source: Ministry of Finance and Development Planning – Annual Economic Report 2002

Table 11.2: Contribution of Minerals to Exports (P 000, Fob)

Year	Total Exports	Mineral Exports	Mineral Exports as a % of Total Exports	Diamond exports as a % of Mineral Exports
1997	10,390,700	8,260,422	79.50	92.85
1998	8,693,336	6,570,901	75.59	91.93
1999	12,227,518	10,370,924	84.82	93.59
2000	13,834,682	12,312,038	88.99	92.46
2001*	4,063,159	3,713,976	91.41	94.73

(* 1st quarter)

Source: Ministry of Finance and Development Planning – Annual Economic Report 2002

Table 11.3. Number of prospecting mineral concession per mineral group during NDP 8.

Year/ Mineral	1997	1998	1999	2000	2001
Diamonds	338	530	495	556	464
Various Minerals	233	313	215	132	126
Sand and gravel	0	0	0	0	106

Source: Department of Geological Survey

11.19 Exploration for industrial minerals, precious metals, and energy minerals continued to be subdued. However, there was an increase in the extraction of construction and building materials in areas around the major villages and urban centres resulting in the deterioration of the environs around these resources. Difficulties were encountered in implementing the regulatory measures to control the exploitation of construction/building materials in a manner that safeguards the environment. Co-ordination between various licensing authorities was identified as a major weakness, which contributed to environmental degradation.

11.20 During NDP 8, the program of gathering basic geological information for use in both land-use planning and mineral investment promotion continued with the mapping, geo-chemical and geo-physical surveys in various parts of the country. An aeromagnetic survey of the north western Ngamiland was completed and its results led to the private sector taking an interest in the area. Eighteen

(18) kimberlite pipes, though barren, were subsequently discovered. The aeromagnetic data also proved invaluable in selecting drilling sites for the Ngamiland TGLP groundwater project.

11.21 Other NDP 8 completed aeromagnetic surveys are Central Kalahari, Limpopo Central Zone and Francistown Complex. Data from these surveys is continually accessed for use and additional interpretation by the private sector and researchers. Acquisition and processing of gravity data from northern Botswana has also been completed. As planned, a network of 10 seismic stations to monitor earthquake activity in northern Botswana was set up and monitoring will continue into NDP 9. Data are now being collected at these stations.

11.22 The north-west Ngamiland base line geochemical mapping project was completed during NDP 8 and data from this project were being packaged for end users by the end of the plan period. The mapping project provided base line

mineral element concentrations in the soils of the Ngamiland District. Some of the high element concentrations are coincident with the geophysical anomalies defined from the aeromagnetic data over the same area. These need to be investigated further during NDP 9.

11.23 The only notable mineral discovery during NDP 8 is the Mupani gold prospect within the Tati Schist relic east of Francistown. Several kimberlite pipes, most of which were barren of diamonds were discovered in Ngamiland, Kweneng, Kgalagadi, Kgatleng and Southern districts. Coal bed methane has been reported in the Lephephe and Mmashoro coal deposits. To this end,

work on defining the extent of coal bed methane is continuing.

Mineral Production

11.24 More than P2.0 billion was invested in the mining industry during the period under review. Much of this capital investment was for either capacity expansion or provision of access to new reserves. The major investment during the period was expansion of production at Orapa, construction of the Aquarium project (a diamond recovery and sorting process) at Jwaneng, the construction of a concentrator and expansion of production at Phoenix mine.

Table 11. 4: Botswana's Mineral production, 1997-2001

Year	Diamonds Carats (1000)	Copper/ Nickel Metal in Matte Tonnes (1000)	Coal Tonnes (1000)	Soda Ash Tonnes (1000)	Salt Tonnes (1000)	Gold (Kg)	Crushed stone (M ³) (1000)
1997	20,111	40	777	200	185	28	1,092
1998	19,687	45	928	196	199	1	997
1999	21,263	60	945	234	233	8	1,466
2000	24,635	48	947	191	185	4	1,070
2001	26,190	51	930	251	179	2	2,141

Source: Department of Mines

Diamonds

11.25 During NDP 8, Debswana continued to mine diamonds at all its existing mines (Orapa, Letlhakane and Jwaneng). A new small diamond mine (Damtshaa) was opened near Orapa. The Tswapong Mining Company trial diamond mine near Lerala village closed down operations in 2001 following completion of the feasibility study, which indicated that the project was not viable. Diamond production during NDP 8 averaged above 20 million carats per

annum compared with 16 million carats per annum during NDP 7 (Table 11.4).

11.26 During NDP 8, notable developments in the diamond sub-sector were the introduction of continuous operations, the expansion of production at Orapa mine and the commissioning of improved recovery and sorting processes at Debswana mines. All these developments raised diamond production from below 18 million carats in 1996 to over 26 million carats in 2001.

11.27 Gope Exploration Company investigated and completed a feasibility study on the Gope diamond prospect located in the Central Kalahari Game Reserve. The feasibility study concluded that the prospect was uneconomic to develop at the prevailing market conditions.

11.28 At the start of NDP 8, depressed global markets and economic problems in Asian markets, created difficult trading conditions in the market for diamonds, leading to the imposition of supply restrictions in 1998. Demand for diamonds improved during 1999 and 2000 due to, among other factors, the millennium celebrations, especially in the United States of America (USA). During this period of improved market conditions, Debswana was able to sell the stockpile accumulated in 1998.

11.29 Demand for diamonds declined again during 2001 and especially following the 11 September 2001 attack in the USA, hence resulting in the re-introduction of supply restrictions. Although the major world economies are still experiencing economic difficulties, some improvements are forecast in future, in line with forecast improvements in the performance of major world economies.

11.30 In addition to pressures from weak market conditions starting 1998, the diamond industry also came under pressure from campaigns against "conflict diamonds". Botswana has, in collaboration with NGO's, diamond producing and consuming countries and the diamond industry representatives, developed a system for rough diamond certification whose implementation started on 1st January 2003. Implementation of the rough diamond certification system is intended to exclude "conflict diamonds" from the legitimate trade in rough diamonds.

11.31 Parallel to participation in the development of the rough diamonds certification system, Botswana also embarked on a "Diamonds for Development" campaign. The "Diamonds for Development" campaign aims to present to potential diamond consumers and opinion makers in general the many positive socio-economic effects of the diamond industry in Botswana and other stable, democratic diamond producing countries. The campaign has provided coverage for Botswana's diamond success story, across all communications media, especially in Europe and North America, with the objective of counteracting the negative publicity generated by the international debate over "conflict diamonds". This campaign was continuing at the end of NDP 8 and will continue into the next plan period.

Copper-Nickel

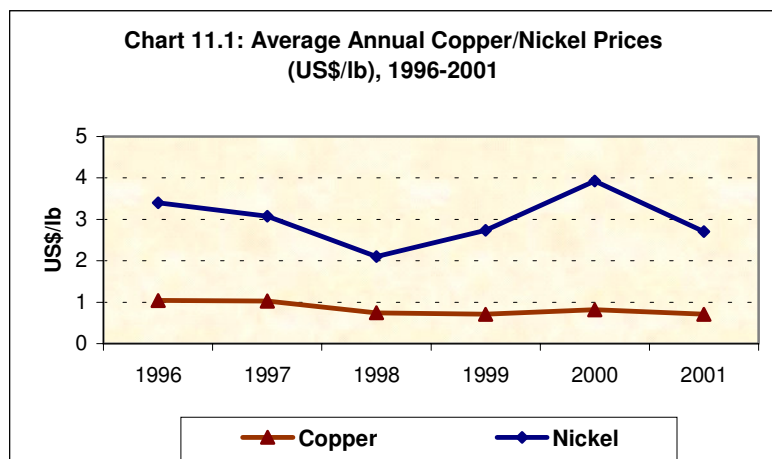
11.32 Copper-Nickel prices were relatively high during the first two years of NDP 8, followed by two years of weak metal prices (Chart 11.1). During the period when metal prices were depressed, BCL's operations experienced financial difficulties with large amounts of emergency funding advanced to ensure continued operations.

11.33 The operations at Tati Nickel Mining Company continued satisfactorily. The company undertook a major expansion at Phoenix Mine, which was completed towards the end of NDP 8.

11.34 A mining lease for the development of the Thakadu/Makala copper-silver deposit was issued during NDP 7. However, there were no developments during NDP 8 and the lease was subsequently cancelled.

Soda Ash and Salt

11.35 Botash's production of soda ash and salt has increased steadily from 119,000 and 94,000 tonnes of soda ash



Source: Department of Mines

and salt, respectively in 1996 to a high of 233,000 tonnes for salt in 1999 and 251,000 tonnes of soda ash in 2001. South Africa continues to be the main market for Botash's products, with smaller amounts of soda ash and salt sold to the northern markets, e.g. Zimbabwe and Zambia.

Coal

11.36 Morupule Colliery increased its annual output from about 760,000 tonnes at the beginning of NDP 8 to 930,000 tonnes during 2001. Although the Colliery has capacity to produce one million tonnes per annum, production is restricted by the demand for coal.

11.37 Anglo American Corporation sold all its interest in Morupule Colliery (Pty) Ltd, to Debswana Diamond Company in 2000. The Morupule mining licence was renewed for a further period of 25 years from 2001.

Gold

11.38 The slump in gold mining that started during NDP 7 continued during NDP 8, and there were no major gold mining operations that opened during NDP 8. The Somerset small gold mine owned by Joren (Pty) Ltd was the only producer of gold during NDP 8.

11.39 Gallery Gold Botswana (Pty) Ltd completed a pre-feasibility study on the Mupani gold deposit in the Francistown area. The results are encouraging and the company intends to conduct a full feasibility study, which will be completed early in NDP 9.

Other Mining Activities

11.40 Demand for sand, crushed stone and gravel continued to grow during NDP 8 due to increased construction activities. Crushed stone production averaged 1.5 million cubic metres per year during the period under review.

11.41 Semi-precious stones dealers activities remained almost stagnant until towards the end of NDP 8 when the number of licensed dealers increased from 2 to 5. Two operations produced semi-precious stones for both the local and export markets, while the remainder polished stones for local jewellery manufacturers.

Air Pollution

11.42 During the NDP 8 period ambient air quality monitoring continued to be concentrated in the Selebi-Phikwe area where Government air pollution monitoring sampling instruments measure the concentrations of pollutants from the copper/nickel smelter. Table 11.5 shows a concentration of pollutants over the country averaged over five years.

Table 11.5. Average concentrations of selected pollutants in Botswana obtained using Continuous Gas Analyzers during 1997-2001

LOCATION	SO ₂ µg/m ³	CO µg/m ³	NO µg/m ³	NO ₂ µg/m ³	O ₃ µg/m ³
Gaborone					
Civic Centre	28		30	60	-
Fire Brigade	34	1,553	56	96	-
Marang	21	16	-	12	-
Lobatse	-	-	-	-	-
Moshupa	-	-	-	-	70
Francistown					
City Council	7	-	-	-	-
Blue Jacket	-	29	15	-	-
Tonota	14	-	-	-	-
Maun	-	-	-	-	87
Selebi Phikwe					
Kopano	71	-	-	-	-
WUC	108	-	-	-	-
BDF	38	-	-	-	-
Orlando	22	-	-	-	-
Mmadinare	25	71	-	-	-
Palapye	15	-	-	-	-
Serowe	84	20	3	-	-
Botswana Air Quality guidelines	80	10,000	-	100	235

Source: Department of Mines

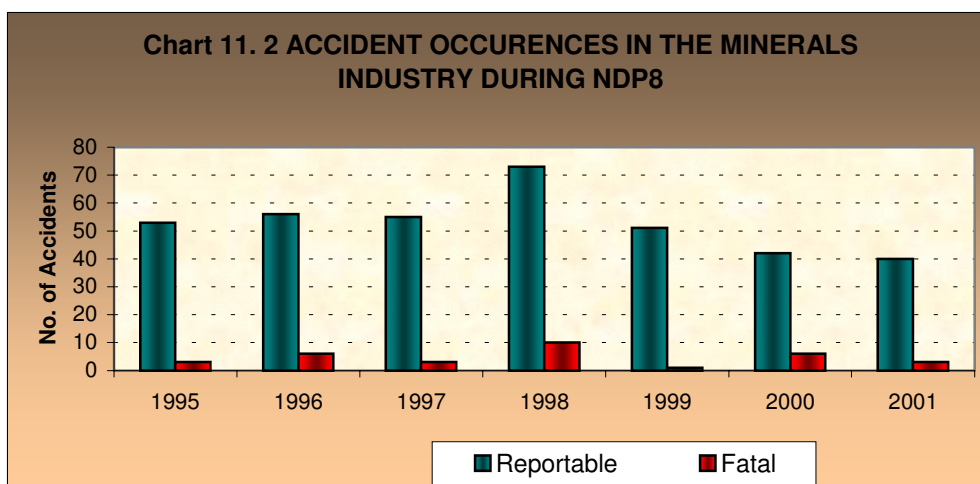
11.43 Concentrations of other pollutants such as nitrogen oxides were found to be highest (but below maximum allowable levels) in places like Gaborone where there is heavy traffic. Inspections of the major sources of air pollution in Botswana indicated that the industrial processes generally complied with the conditions of their registration certificates, except BCL mine where sulphur dioxide emissions in the immediate vicinity of the smelter complex generally exceed the ambient air quality guidelines.

Employment

11.44 During NDP 8, employment in the mines varied between a low of about 13,000 in 1996 and a high of about

15,000 people in 1998 (Table 11.6). The increase in employment was largely due to construction activities associated with major projects at Orapa and Jwaneng mines. Completion of major projects resulted in a decrease of employment to about 13,000 persons. Employment of expatriates in the mining industry fluctuated between 6 and 9 percent during NDP 8. The number of expatriates increased during periods of major construction projects. The number of women employed in the mines was about 1995 at the end of NDP 8.

11.45 Chart 11.2 and Table 11.6 reflects accident occurrences during NDP 8 period in the minerals industry.



Source: Department of Mines

Table 11.6: Employment in the Minerals Industry, 1997-2001

Year	Citizens	Expatriates	Total	Expatriates as % of Total
1997	12,227	828	13,055	6.34
1998	13,855	1,400	15,255	9.18
1999	13,158	1,187	14,345	8.27
2000	12,173	788	12,961	6.08
2001	12,173	788	12,961	6.08

Source: Department of Mines

11.46 The following projects planned for NDP 8 were all undertaken;

- (i) Rehabilitation of identified old mine workings in Francistown and Magogaphate.
- (ii) Establishment of a Department of Mines regional office in Francistown.
- (iii) Construction of a laboratory for environmental pollutants analysis.
- (iv) Upgrading and expansion of air pollution monitoring stations
- (v) Feasibility of a mining and mineral testing facility
- (vi) Computerization of the Department's offices

11.47 All planned projects were completed except for minor components of some projects such as procurement of equipment for the environmental laboratory and computerization of Selebi-Phikwe regional office, which is carried over into NDP 9.

11.48 During NDP 8, there were significant changes in Government's mineral policy aimed at making Botswana's mineral policies more competitive and attractive to investors. A new Mines and Minerals Act which became effective on 31 December 1999 and a new mining tax were introduced. The highlights of policy changes that occurred during NDP 8 were as follows;

- the abolition of the Government's right to 15% free equity participation in new mining projects. Government now has the option to acquire up to 15% shareholding in new mining

ventures on mutually agreed commercial terms.

- restrictions on the transfer of mineral concessions have been liberalised.
- explicit environmental protection measures have been incorporated into the Act.
- the grant, renewal and transfer of licences have been made more predictable, hence improving security of tenure.
- royalty schedules have been revised, with rates reduced from 5% to 3% for all minerals except precious stones and precious metals, which remain at 10% and 5%, respectively.
- the previous policy of “use it or lose it” has been relaxed by introducing a new type of mineral concession, the “Retention Licence”. This will allow a company that has completed an exploration program and confirmed the discovery of a mineral deposit, to retain rights over the deposit in the event that prevailing market conditions are such that the deposit cannot be immediately exploited economically.
- a new mining taxation system using a variable rate income tax formula has been introduced. This tax regime will apply to all mining except diamond mining, the terms of which will continue to be negotiated between the investor and the Government.
- it is now automatic to move from a Prospecting License to a Mining License with the exception of Diamond licenses.

11.49 The new mineral policy changes have only been in place since December 1999 and their impact, with regard to

investments in the minerals sector, has not been notable. The introduction of the revised policy change has unfortunately coincided with a period of reduced exploration activity due to the world recession during 2000 and 2001. Botswana has also suffered from international concern about security in the region generally.

MINERAL SECTOR POLICY AND STRATEGIES FOR NDP 9

11.50 The overall mineral policy objective of maximizing economic benefits for the nation from development of mineral resources while allowing investors to earn competitive returns will remain unchanged. NDP 9 policy objectives will focus on:

- Encouraging prospecting and new mine developments,
- Creating opportunities for generating linkages with the rest of the economy and increasing local value added,
- Conserving and protecting the environment and,
- Identifying and developing appropriate strategies for dealing with challenges facing the minerals sector.

Encouraging prospecting and new mine developments

11.51 During NDP 9 the Ministry will continue developing mineral policies that provide for an environment conducive to attracting investments into the minerals sector. By increasing investments and the economic benefits from the exploitation of mineral resources, MMEWR will contribute towards achieving a prosperous, productive and innovative nation as envisaged by Vision 2016.

11.52 Following policy changes introduced during NDP 8, Botswana’s mineral policies are now substantially consistent with best international

practices. However, during NDP 9, information technology will be used to promote and give mineral policies targeted but wide publicity. The impacts of mineral policy changes will be monitored and new policy initiatives investigated.

11.53 MMEWR has developed a strategic plan covering the period 2000-2006. Among its many objectives, the strategic plan aims at improving the efficiency of, among other things, the administration of mineral concessions. Since investors are also attracted by the efficiency and the transparency of implementing policies, capacity building in the Ministry will be given priority.

Creating opportunities for generating linkages with the rest of the economy and increasing local value added

11.54 A substantial level of skills that drive the minerals industry is still imported. The Ministry will continue working with other Ministries and the private sector to encourage the building of the requisite skills in the country.

11.55 MMEWR's past efforts to promote downstream processing of minerals produced in the country have not been very successful. Diamond cutting, which promised growth during NDP 7, did not perform well during NDP 8. During NDP 9, the MMEWR will continue exploring areas within the minerals sector where value adding can be achieved.

Conserving and protecting the environment

11.56 MMEWR recognises that increasing investments in the minerals industry will impact on the environment. The environmental protection provisions introduced during NDP 8 review of the Mines and Minerals Act will be enforced in all mineral developments. Appropriate

strategies will be developed and implemented to deal with environmental challenges posed by small-scale mining operations. The objective of achieving a conserved and protected environment is linked to Vision 2016's pillar of a safe and secure nation.

Identifying and developing strategies for dealing with challenges facing the minerals sector.

11.57 The diamond industry changed as new and significant producers opened new mines around the world during NDP 8. Exploration in many parts of the world is ongoing with possibilities of further discoveries. Some of these new producers opted to market their production outside the single channel marketing system and this poses new challenges for Botswana's diamond industry. During NDP 9, the Ministry will, with other stakeholders, monitor the diamond market dynamics and devise appropriate strategies.

11.58 Another development that poses challenges for the diamond industry is the issue of conflict diamonds. As a result of campaigns against conflict diamonds, the diamond industry faces the threat of consumer boycotts. Consumer boycotts would have a devastating effect on diamond driven economies like Botswana.

11.59 Since May 2000, governments of diamond producing and consuming countries, NGOs and other stakeholders have jointly been working on the development of a global system for certification of rough diamonds that is aimed at excluding conflict diamonds from the legitimate diamond trade. The system, whose essential elements have been agreed, is being implemented with effect from January 2003. Despite the certification system, MMEWR recognizes the need to continuously promote the cleanliness of Botswana's

diamonds and their importance to the country's economy through the 'Diamond for Development' campaign. During NDP 9, MMEWR will, in collaboration with other stakeholders, continue scanning the environment and devising appropriate strategies to protect Botswana's diamond industry.

Exploration

11.60 MMEWR will continue to promote the exploration for energy resources especially coal-bed methane (CBM). This shift from petroleum oil and gas is a result of disappointing results from the studies completed in the early part of the NDP 8. There are vast coal resources within the Kalahari Karoo Basins of Botswana that were never investigated for their CBM carrying potential. Studies by the private sector and government on Botswana's coals CBM potential were initiated towards the end of NDP 8. The most favourable targets for these studies will be the

Central Kalahari Karoo Sub-basin covering the middle of Central Botswana.

Productivity Improvement

11.61 During the last years of NDP 8, MMEWR developed a Strategic Plan in order to achieve the objectives of Vision 2016. The Strategic Plan will be a guiding tool on what the ministry would like to achieve. However, most of the activities in the Strategic Plan have not been implemented, but are rather envisaged to be enforced during NDP 9. The developments in the minerals sector will be in line with the ministry's Strategic Plan, whose specific goal is to facilitate increase in the net economic benefits from mineral exploitation by effective implementation of policies and administration of licences. The key results areas and goals of the minerals sector are;

Box 11.1 MMEWR Key Result Areas and Goals

ITEM	
KRA-1: Competitive Mineral Policies Aailed	GOAL-1: To increase the net economic benefits from mineral exploitation by effective implementation of policies and administration of licences
KRA-4 : Customers And Stakeholders Satisfied	GOAL-2: To satisfy customer needs by provision of efficient and effective services in Energy, Minerals and Water Sectors
KRA-5: Skilled And Motivated Workforce	GOAL-3: To increase productivity by empowerment, providing appropriate training, development and recognition of staff
KRA-6: Ministry Efficiency Achieved	GOAL-4: To reduce time and unit cost of delivering services and products to stakeholders by developing and implementing effective management systems (Policies, Systems, Procedures and Structures)

Source: MMEWR

Human Resources

11.62 With the escalating scourge of the HIV/AIDS, MMEWR will intensify its awareness campaigns to reduce the impact on its sectors. MMEWR will, in

consultation with the National AIDS Co-ordinating Agency, develop and implement an HIV programme during NDP 9 in order to combat the threat of the virus at the workplace.

Information Technology (IT)

11.63 During NDP 8 the Departments of Mines, Geological Survey and Minerals Affairs Division installed Local Area Networks, which comprised cabling and provision of servers. At the end of the plan period under review, the Department of Geological Survey was also in the process of implementing an integrated system for the management of geological data in the department.

11.64 During NDP 9, MMEWR will develop mineral information systems to improve efficiencies in the sector. The development of the minerals information system will cover processes from exploration, through mining to marketing of minerals. Currently business processes in this area are either carried out manually or are based on a series of stand-alone applications that were developed to specifically serve a particular business need. Most of the databases in this area are in the Department of Geological Survey. To accommodate the spatial nature of some data, it will be necessary to develop some applications using geographic information system techniques in order to

improve on presentation of trends. For greater information dissemination and manipulation there is need to develop an interactive web interface for the systems.

11.65 In order to make the envisaged mineral information systems a reality, MMEWR will carry out a project to develop a mineral market monitoring system, to facilitate timely decision making regarding changes or developments in the mineral industry. Emphasis will be directed to minerals with a major contribution to the economy.

11.66 MMEWR will also develop an exploration drillhole management system (EDMS) that will be used for storing, easy retrieval and display of any exploration drillhole related data. The system will act as a central repository of data from boreholes drilled by the government and private sector. The system will provide the much-needed drillhole information to a wide variety of people including geoscientists, consultants, government agencies, educational groups, and the general public.

CHAPTER 12

WATER RESOURCES

INTRODUCTION

12.1 Botswana is a country with scarce water resources, both surface and groundwater. Vision 2016 recognizes this problem and states that by the year 2016, Botswana must have a national water development and distribution strategy that will make water affordable and accessible to all, including those who live in small and remote settlements. It goes on further to state that Botswana must use water as efficiently as possible by using water efficient technology and various water conservation techniques such as water harvesting from rooftops, and that it must play a full part in negotiating and promoting international agreements concerning water usage and storage at a regional level, to provide a buffer against localised drought, which is not an uncommon phenomenon in Botswana. This vision is consistent with the SADC vision for water, which envisions the utilisation of the regions water resources in an equitable and reasonable manner.

12.2 In the past, because of the level of infrastructural development, Botswana's water resources management approach was based on what is called the 'water supply management paradigm'. This paradigm is based primarily on the tenet that water needs are requirements which must be met and consequently it is focused on development of new sources and structures in an attempt to manipulate the world's water resources to meet perceived water needs. The reality is that water is a finite resource and no amount of manipulation can change that fact. In NDP 9, there will be need for a shift towards a paradigm, which considers water needs as demands that are variable

and changeable. More investment will need to be put on water demand management and conservation in order to reduce overuse, resource wastage which can include water losses of more than 30% in some water supply schemes.

12.3 This chapter sets out the path towards meeting Botswana's aspirations on water in 2016. It outlines the policy changes, strategies and projects necessary in NDP 9 in order to make vision 2016 a reality.

Institutional Framework

12.4 Water resources management, which in this context includes all activities from planning and development up to water delivery at the customer end, is the responsibility of a number of institutions, which include but are not limited to the following key players; Department of Water Affairs (DWA), Water Utilities Corporation (WUC), Department of Geological Survey (DGS), Ministry of Local Government (MLG), District Councils, National Conservation Strategy (Coordinating) Agency (NCSA) and the new Department of Sanitation and Waste Management (DSWM) established in NDP 8.

12.5 The Ministry of Minerals, Energy and Water Resources (MMEWR) has overall responsibility for policy in the water sector. Within MMEWR, the Department of Water Affairs has the responsibility for national planning and/or water allocation. This task involves making decisions about which next major source of water should be brought on line and to supply which part of the country. Through a bilateral cooperation project between the Government of Botswana and

the Danish Government carried out in NDP 8, DWA has also now been designated the national focal point for water conservation in Botswana.

12.6 In the area of water resources development (i.e. construction of dams and wellfields, water transfer from source to user point, and water reticulation at the end user point) the Water Utilities Corporation is responsible for development of infrastructure and water supply to urban centres and other areas as may be designated by the Minister, while development work aimed at rural villages is mainly shared between DWA and MLG. The Ministry of Agriculture is responsible for constructing small dams targeted mainly for agricultural use.

12.7 In NDP 8, whereas DWA was responsible for development of sources of supply (dams and wellfields), supported by DGS in the case of wellfield development, and the construction of water reticulation schemes for almost all rural villages, MLG's main responsibility remained concentrated on operating and maintaining small to medium rural village water supply schemes through Water Units located in the District Councils. While the gradual take-over of the operation and maintenance responsibilities for the 17 major village water supplies by the District Councils was proposed in NDP 8, this responsibility remained with DWA. This situation is likely to continue throughout NDP 9 as the District Councils could hardly cope with the operation and maintenance of schemes already under their responsibility and called on DWA for assistance on numerous occasions and thus also putting a significant strain on DWA's limited manpower resources.

12.8 The design and construction of new village water supply schemes including major rehabilitation works on existing schemes will continue to be done by DWA in NDP 9, with Ministry of Local

Government focusing on smaller upgrading works in between the major rehabilitation works, pending a decision on rearrangement of the water sector based on the results of the National Water Master Plan (NWMP) review.

12.9 In order to facilitate efficiency and effectiveness, the whole arrangement of water supply authorities in Botswana will be reviewed in early NDP 9. The current arrangement in which there can be up to four water supply authorities in a relatively small area from a water distribution point of view, e.g. Gaborone (WUC), Tlokweng and Mogoditshane (DWA), and Gabane, Mmopane and Metsimotlhabe (Kweneng District Council), Oodi, Morwa and etc., (Kgatleng District Council), amounts to promotion of inefficient use of resources and is not focused on delivering good quality service to the customer but respect for historical institutional mandates and district boundaries. In order to realise Vision 2016, this situation will need urgent attention in early NDP 9.

12.10 The decision to transfer wastewater responsibilities to the Ministry of Local Government (MLG) was partially effected in NDP 8 with the establishment of the Department of Sanitation and Waste Management (DSWM). Complete transfer of all wastewater responsibilities including planning and construction of wastewater facilities will be achieved in early NDP 9. DWA will only focus on completing ongoing projects in NDP 9.

REVIEW OF THE WATER SECTOR PERFORMANCE DURING NDP 8

12.11 During NDP 8, Government had two aims in the water sector:

- a. To meet the water requirements of the population through provision of a clean, reliable and affordable water supply, which is available to all, and

- b. To meet water requirements for industrial, mining, agricultural, wildlife, commercial and institutional users in order to achieve the major aims of rapid economic growth and sustained development.

These aims will continue to be valid throughout NDP 9 as they are in perfect alignment with Vision 2016.

Urban Water Supply and Demand

12.12 Water Utilities Corporation (WUC) supplies water to six urban/mining centres in Botswana. WUC took over Phase 1 assets of the North South Carrier Water Project (NSCWP), for operation and maintenance during NDP 8, and this tripled the asset base of the Corporation leading to significant increases in urban water supply tariffs in order to recover investment costs.

12.13 Despite the intermittent drought during NDP 8, WUC was able to supply all its customers without any need for water supply restrictions throughout NDP 8. The transfer of water from Letsibogo Dam under the NSCWP improved the water resources situation significantly for the Greater Gaborone Area, surrounding villages and villages along the Gaborone/Lobatse corridor.

12.14 WUC experienced a further increase in demand during NDP 8 from peri-urban villages and some villages along the NSCWP. These are areas, which fall outside WUC statutory area of supply and were connected to the urban water supply infrastructure following upgrades of the urban water supply infrastructure that did not include them. Thus the existing WUC infrastructure was

overstretched in some areas to accommodate these cases.

12.15 In accordance with WUC Act, the Corporation provides primary infrastructure and requires developers to provide secondary infrastructure. Whilst this may appear to be very clear, major problems were experienced in NDP 8, with the servicing of land in WUC statutory areas, which is a responsibility of either Government or private land owners. The problems were mainly due to lack of standard procedures guiding developers in both State land and private-owned land. Plots were allocated in areas that are not serviced and as a result plot owners had to endure the frustration of not getting water supply connections.

12.16 This situation will need to be addressed in NDP 9, as quite clearly, it is the customers in the end, who suffer, and not WUC or the other government agencies involved. Such an approach to land allocation is also not consistent with other broader national goals such as attracting foreign investment into Botswana, as investors get very discouraged by delays in obtaining basic services such as water after being allocated land. This could easily be avoided by ensuring that land is properly serviced before allocation.

12.17 An average increase in water demand of 16% was recorded by the Water Utilities Corporation (WUC) between 1998 and 1999, dropping to 4% between 2000 and 2001. This trend was caused by the tariff increase and standpipe disconnection. Table 12.1 summarise the Corporation's performance during the first half of NDP 8.

Table 12.1 Performance Indicators for Water Utilities Corporation 1996/97 – 2000/01

	1996/97	1997/98	1998/99	1999/00	2000/01
Total water sales 10 ⁶ m ³	25,5	27,7	23,3	35,6	37,2
New connections made (No.)	4,187	2,137	4,215	1,865	4,928
Total connections in service	40,532	42,669	46,884	48,749	53, 677
Total assets in millions of Pula	431.5	1,091.1	1,616.1	1,807.0	1,991.4
Average tariff (constant) Pula/K1	3.50	4.06	4.74	5.31	6.22

Source: Water Utilities Corporation

12.18 In anticipation of further growth in demand, particularly in Francistown, Gerald Estates, WUC decided in 2000 to update the Greater Francistown Water Supply Master Plan last reviewed in 1987. The reviewed plan recommended the implementation of some major capital works in the form of treatment works, pump stations, pipelines and storage to enable transfer of water from Shashe works to Greater Francistown Area. Implementation of the recommendations of the reviewed plan reached detailed design stage towards the end of NDP 8 and construction will be done during NDP 9.

Major Village Water Supply

12.19 The upgrading of Kanye, Molepolole and Ghanzi water supply; Mochudi, Tlokweng and Mogoditshane water and sanitation schemes were completed in NDP 8. Detailed design for water sanitation schemes for Mahalapye, Palapye, Serowe, Tonota/Shashe and Ghanzi were completed during NDP 8. Construction started towards the end of NDP 8 and will continue into the middle of NDP 9.

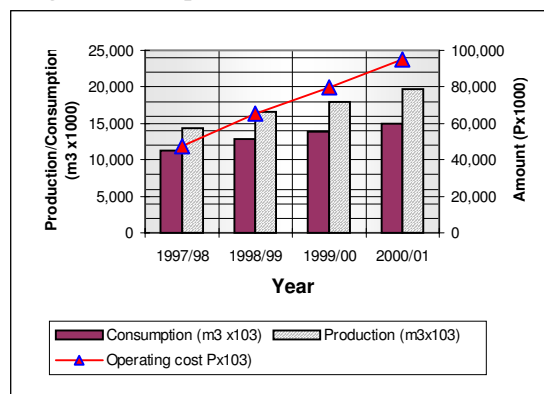
12.20 Ministry of Local Government completed Ramotswa sanitation under NDP 8. Kanye, and Molepolole water borne sanitation and, Letlhakane, Thamaga, Moshupa and Tsabong water supply and water borne sanitation design and construction were deferred to NDP 9

due to shortage of staff and financial constraints.

12.21 All water borne sanitation projects in NDP 9 will be carried out by Department of Sanitation and Waste Management. Upgrading of Maun water supply and water borne sanitation schemes was delayed due to the unavailability of a longer-term water supply source. Both the water supply and sanitation components of this project were at the design stage at the time of preparation of NDP 9, and construction was planned to take place in NDP 9.

12.22 Tsabong reverse osmosis water treatment (desalination) plant was completed during NDP 8. The plant produces 30 m³/hr of fresh water with a TDS (Total Dissolved Solids) not more than 400 mg/l.

Chart 12.1 numbers of private water connections & metered consumption in major villages DWA Reports 2001

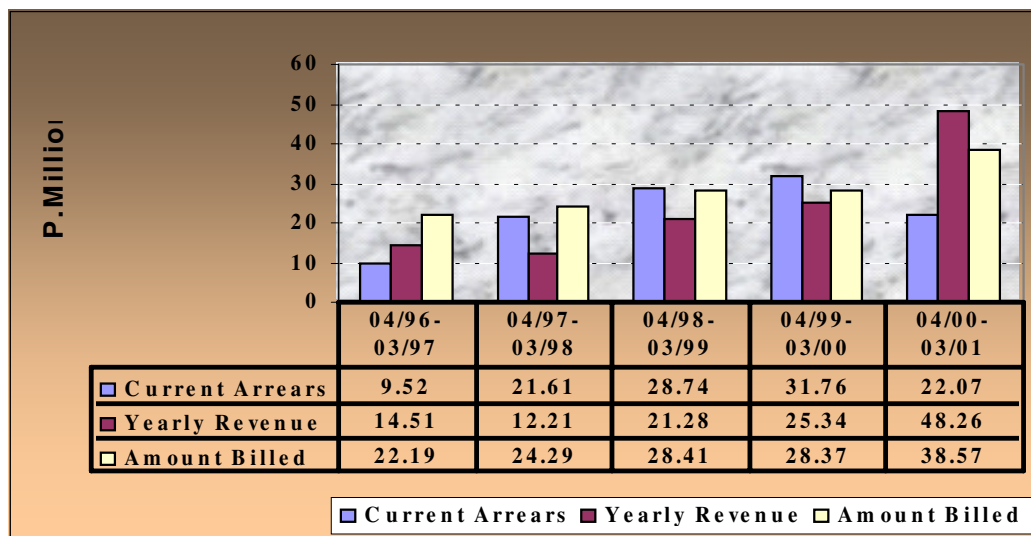


Source: Major Village Water Supply Database

12.23 As can be observed from Table 12.2 below, the demand for private connections increased significantly towards the end of the NDP 8 period. This in turn increased total water consumed by 32.7% (see Chart 12.1). The increases reflect changes in economic activities, improved standard of living and level of developments in the major villages. A similar trend in increase of private connections and water consumption is expected in NDP 9. The rate of private water connection did not meet demand fully, and resulting in a total of 2,358 outstanding connections to be made as at June 2002.

12.24 Cost recovery performance in the major villages during NDP 8 was not significant as efforts were concentrated on setting up an effective computerized billing system to facilitate effective billing and revenue collection. Tariffs were only reviewed towards the end of NDP 8. The costs of supply rose significantly as a result of the purchase of bulk water from WUC for a number of major villages, in which the cost at which the water is bought from WUC is significantly higher than the cost at which it is sold to the customer. Increase in the billing rate and revenue collection in major villages was achieved in NDP 8. At the time of preparation of NDP 9, billing rate was over 90% and arrears of revenue were on the way down, whilst revenue collected was on the way up (see Chart 12.2).

Chart 12.2 Water Sales & Arrears of Revenue in Major Villages 1996/97 - 2000/01



Source: Major Village Water Supply Database

Regional Buildings

12.25 During NDP 8, construction of DWA regional buildings was completed in the following areas; Francistown, Gumare, Molepolole, Mochudi, Palapye, Maun and Tsabong. Ramotswa regional building will be completed in NDP 9.

Table 12.2 Increase in the Number of Private Connections Over NDP 8 in the 17 Major Villages (Data from Major Village Water Supply Database in DWA)

Year	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Total No. of Connections	46,608	52,099	57,654	64,248	70,769	78,866
Difference From Year Before		5,491	5,555	6,594	6,521	8,097

Source: Department of Water Affairs

Rural Village Water Supply

12.26 Rehabilitation and upgrading of existing rural village water supply schemes continued in NDP 8. A total of 254 projects for rehabilitation and upgrading were completed, 45 of these being major rehabilitation and upgrading projects, which were contracted out to private consultants and contractors, while the rest were done in-house mainly by DWA. This is 21% above the NDP 8 planned target of 210 projects for rehabilitation and upgrading.

12.27 Groundwater investigations were successfully completed in 211 villages, thus leading to provision of additional supply and standby boreholes. This was 18% above the NDP 8 planned target of 179 villages in which additional boreholes were to be drilled.

12.28 In line with the policy of decentralisation, the District Councils were also able to undertake some of the development projects in rehabilitation and upgrading of rural village water supply schemes. The Council's share of the water development budget has steadily increased from 10% in NDP 7 to 40 % in NDP 8. This clearly shows that there was progress achieved during NDP 8 in building of District Council capacity to do some of the water development projects.

12.29 The main problem encountered during NDP 8 in the operation of rural village water supply schemes was watering of livestock through standpipes. Since there is no provision for animal watering in the design of water supply schemes, this exerted serious stress on some of the schemes. The Ministry of Local Government will address this problem in NDP 9. There was also a noticeable increase in the number of villages experiencing sudden water shortages. This meant that emergency projects had to be put in place to solve these crises, leading to increased unplanned workload for both the DWA and MLG. Improved monitoring of daily production and water level monitoring will need to be established in NDP 9 within District Council Water Units/Departments in order to deal with this problem.

12.30 The other major problem encountered with the rural village water supply schemes was the rapid growth in demand in some of these villages. Some villages underwent a change in character and became small towns with related commercial, industrial and institutional functions e.g. Masunga, Bobonong, Gumare, Tutume and etc. Demand for water increased not only through increase in number of standpipes, but also through growing number of private connections; for instance in Bobonong, the connections increased from 970 in 1997 to 5,000 in 2001.

12.31 As during NDP 7, problems were again encountered during NDP 8 due to lack of effective coordination between ministries with respect to development of institutions in villages, which require huge water supplies. When no plans are put in place in advance by the water supply authorities to cater for these institutions, they put a significant strain on the existing water supply scheme for a village. The Department of Water Affairs and the Department of Local Government and Development in MLG will in NDP 9 try to take a proactive role and ensure that development plans specifically for ministries such as Education, Health and other agencies likely to build new large institutions in villages are taken into account in design of the rehabilitation work for rural village water supply schemes.

Agricultural Water Use

12.32 Small dams have been built by the Water Development Section of the Ministry of Agriculture on appropriate catchments since the early 1980's for purposes of watering livestock. In addition, large multi-purpose dams are planned in NDP 9 to cater for both domestic and agricultural use.

12.33 At the time of preparation of NDP 9, plans were under way to use treated effluent from Gaborone for irrigation upstream of the Gaborone Treatment Works. The Department of Water Affairs was also in the process of developing a plan to make water from polluted wellfields such as Ramotswa available for small-scale irrigation. The complete handover of these wellfields or boreholes within these wellfields to private operators would not be desirable as these wellfields can still be used in the event

of a severe drought, which is common in Botswana.

12.34 MMEWR also recognizes the link between poverty and water availability, and that the worst affected people in terms of poverty in Botswana are women. Not much was done during NDP 8 to address this issue. This will be addressed in NDP 9 as part of the National Water Master Plan Review. Support in dealing with this issue will be required from the Ministry of Labour and Home Affairs.

Miscellaneous Water Supplies

12.35 During NDP 8, DWA continued to receive requests for additional water supplies from other Ministries and Departments. Most of these requests were spontaneous and not adequately planned for, particularly in terms of availability of adequate funding. As a result, most of these projects were half completed at the end of NDP 8 and deferred to NDP 9.

Water Tariffs

12.36 The last but one rural water tariff review was carried out in 1993, when authority was given to increase rural tariffs by margin not exceeding 45% per annum for four consecutive years commencing in 1993/94 to 1996/97. These increases were affected at 45% in July 1993, March 1995 and August 1996. The pricing policy during NDP 8 was aimed at first achieving 100% recovery of the operation & maintenance costs for the 17 major villages and thereafter move on to partial capital costs recovery.

12.37 Overall the level of cost recovery in the 17 major villages went down in NDP 8 mainly due to the bulk water supply rate imposed by WUC

which led to an increase in operational costs of about 20% per annum.

12.38 The revised tariffs effected in December 2001 were set out such that;

- Rate for consumers supplied from DWA sources increased by 18% per annum for the next six years.
- Rate for the domestic, commercial and industrial users in villages supplied through bulk supply from WUC increased by 27% per annum for the next six years.
- Rate for Government and Council institutions in WUC supplied villages increased by 72% per annum for the next six years.

12.39 During NDP 8 water continued to be free at public standpipes. However, the budgetary provision for standpipes declined in major villages as more households chose private connections. Demand for private connections continued to increase during the NDP 8 plan period. Towards the end of the review period, 92% of water consumed in the major villages was through private connections.

12.40 The annual tariff increase for urban areas rose from 12.66% in 1996/97 to 17.14% in 2000/01. The effect of the tariff increases on water consumption was more significant in the domestic consumption category than for public institutions. The result was a drop in consumption in the domestic consumption category. Standpipes were phased out and this reduced the losses dramatically.

12.41 The main objective behind the urban water tariff increases in NDP 8 was to be in line with the Corporation's mandate of full cost recovery. The WUC Act stipulates

that the utility has to be commercially viable and therefore has to fund the costs of expansion of future supply systems. Although the Corporation increased efficiency and kept the cost increases far below the rate of inflation, these adjustments were to meet the requirements of the North South Carrier Water Project, which is owned and operated by the Corporation.

Information Technology (IT)

12.42 During NDP 8, a number of communication infrastructure development projects were completed within MMEWR. The Department of Water Affairs initiated a project to provide its outstation offices with improved network infrastructure. This resulted in great improvement in data management and transmission within the various stations.

12.43 Due to rapid changes in the IT field, this improvement was short lived as by the beginning of 2001 the departmental billing system was drastically changed to an improved database management system that rendered the existing hardware including the servers inadequate. The improved billing system was a necessary change whose new components include assets management modules to assist the operators to better manage the water supply schemes and thereby in the long term reduce breakdowns and water losses. The Departments of Mines, Geological Survey, Ministry Headquarters and Energy Affairs Division also installed Local Area Networks, which composed of cabling and provision of servers.

12.44 A number of business systems and applications projects were also completed in NDP 8. In the financial

year 1999/2000 the Department of Water Affairs implemented the Computer Aided Design (CAD) to assist in the production of village water reticulation maps. This project also involved training of 5 draftsmen and 3 technicians in the operation of the system. The introduction of CAD system tremendously improved the production level in the DWA design office. The quality and accuracy of the drawings also improved significantly compared to the hand drawn ones.

12.45 The Department of Water Affairs also started the implementation of the Water Resources Information System in October 2000. The first phase of the project involved purchasing of hardware and software. The second phase of the project started in May 2001 and involved the actual development and integration of systems and a number of databases.

12.46 The Water Resources Information System Project was a major step forward in information management in the Ministry. It provides links to management databases such as accounts and this facilitates the checking of up-to-date balances on each vote in DWA on line and should eliminate the problem of over expenditure on votes and the consequent audit queries, which take up a lot of productive work time to resolve.

12.47 During NDP 8, WUC implemented Master Information Systems Plan (MISP) whose objective covered the areas of business system, technology and information technology support. In the undertaking of this project, urgent attention and priority was given to the core business applications. The risks in this project have been the short

supply and high mobility of IT specialists.

Water Resources Investigation and Development

12.48 As a follow-up to the recommendations of the National Water Master Plan (NWMP), the Palla Road and Khurutshe Groundwater Investigation and Resource Assessment Project - Phase 2 was successfully completed during NDP 8. The main objective of this project was to develop groundwater resources in the area to act as a strategic back-up supply for the North South Carrier Pipeline.

12.49 The Kanye, Ramonnedi and Moshaneng Areas Groundwater Resource Evaluation Project was also completed in NDP 8. The other major groundwater resources investigation projects successfully completed during NDP 8 were:

- (i). Maun Groundwater Development Project – Phase 1 aimed at identifying potential wellfield areas, which could supply Maun, and surrounding areas. Phase II of this project aimed at developing wellfields in the identified good groundwater potential areas commenced during NDP 8 and will be completed in early NDP 9,
- (ii). Serowe Wellfield II Extension Project aimed at extending the wellfields supplying Serowe. A number of production boreholes were drilled in the project and the resources in the developed area quantified. An emergency project aimed in part to connect these boreholes to the Serowe water supply system commenced towards the end of NDP 8,
- (iii). Tsabong Groundwater Investigation and Resources

- Assessment aimed at identifying resources adequate to meet the demand for Tsabong, Omaweneno, Khisa and the surrounding settlements,
- (iv). North East Regional Groundwater Investigation Project aimed at identifying and securing a permanent water source for villages in the North East District and parts of the Central District. This project was successfully completed during the plan period and identified the Ntane sandstone aquifer in the Maitengwe area as capable of sustainably supplying the northeast region,
 - (v). Maitengwe Wellfield Development and Resources Assessment Project which occurred as a result of the Northeast Groundwater Investigation Project, aimed at developing a wellfield with adequate water resources to meet water demands of villages in the northern region. A wellfield was developed 40 km northwest of Maitengwe village. Adequate resources were identified. Recharge rates in this area are low therefore the supply will be sustained if used in conjunction with the Ntimbale Dam to be developed in the early stages of NDP 9,
 - (vi). The Boteti Groundwater Resources Investigation Project, scheduled for completion in early NDP 9. The project is aimed at securing adequate water supply for 11 villages within the Boteti Sub-District.

12.50 Regional groundwater investigation and assessment projects were also planned for implementation during NDP 8 in the following areas, Ghanzi, Matsheng, Goodhope, and Mabutsane. All these projects

including the Water Well Rehabilitation Project were deferred to NDP 9 due to lack of resources. The planned hydrogeological reconnaissance survey over the entire Okavango Delta could also not be undertaken during NDP 8 due to manpower and financial constraints.

12.51 Parallel to the activities of DWA, the DGS also carried out several groundwater investigation and resource assessment projects during NDP 8. These projects were mainly TGLP projects carried out on behalf of the Ministry of Agriculture and the Ministry of Local Government. The following projects were planned for NDP 8: Werda and Bokspits TGLP areas in the Kgalagadi District, Sekoma and Mabutsane TGLP areas in Southern and Kweneng Districts and Northwestern Ngamiland project in the Ngamiland District.

12.52 The Bokspits Area project was completed in NDP 8. The Werda, Sekoma and Mabutsane areas were combined into one project and at the time of preparation of this plan, the project was due for completion at the end of NDP 8. The North- Western Ngamiland project was also due for completion at end of NDP 8.

12.53 The planned project to drill deep boreholes in the Kgalagadi and other areas where the possibility of deep aquifers were suspected was not carried out due to a change in scope of the project. However, a new project called the Kalahari Research Project conceived and started during NDP 8 under Groundwater Studies and Protection will be completed in NDP 9.

12.54 The Hunhukwe / Lokalane Groundwater Investigation Project was also successfully completed

during NDP 8. The results of the project were positive, good quality and quantity of water was found in some areas of the project. A follow-up study will be carried out in NDP 9 aimed at supplying the Matsheng Villages.

12.55 On surface water resources assessment and development, following the feasibility and preliminary design of the Lotsane Dam during NDP 7, DWA completed the detailed design of the Lotsane Dam in NDP 8. The dam has sufficient yield to supply several villages in the Tswapong Area, with the possibility of small-scale irrigation. The detailed design of Ntimbale Dam and the designs of Lower Shashe Dam (Dikgatlhong Dam) were also completed in NDP 8. These will be followed by construction in NDP 9.

12.56 A feasibility/ preliminary design of a dam on the Thune River was carried out during NDP 8. The study showed that the dam could yield sufficient water to supply several villages in the Bobirwa Area. The study also identified several patches of land in the vicinity of the dam, which could be irrigated using water from the dam.

12.57 During the review period, DWA also carried out a study to investigate the feasibility of several small to medium dams for possible conjunctive use with ground water. The feasibility of the dams was determined using several criteria such as geotechnical conditions, yield, proximity to possible demand centres and environmental implications. The study was completed during NDP 8 with 12 sites identified for possible future development.

Water Quality, Protection, and Conservation

12.58 The project aimed at assessment of the social acceptability, economic and technical viability of wastewater reuse was deferred following the establishment of the new Department of Sanitation and Waste Management (DSWM). Following clarity on the functions of this department, it is still considered necessary for the Department of Water Affairs (DWA) to consider utilisation of treated wastewater effluent as a potential water resource in the process of national planning. This view was also emphasised by the first NWMP study completed in 1992.

12.59 The first phase of the Water Quality Management Project was completed in NDP 8. This project addressed two main components namely, improvement in the water quality monitoring functions of the DWA and water conservation activities.

12.60 As a follow up to the Water Quality Management Project, a water conservation and water demand management project was also developed and commenced towards the end NDP 8. This project is aimed at addressing issues of public awareness and education as well as improved availability of water-saving technologies, techniques and measures.

12.61 The results emanating from the Water Quality Project were the successful piloting of the prepaid meter system in Tlokweng Village and retrofitting fixtures at Botswana Police College. During NDP 9, it is planned to phase out the old public standpipes in all the 17 major villages and to replace them with the prepaid ones.

The picture below shows the prepaid meter installed at Tlokweg.



An installed prepaid meter system in operation.

12.62 In an effort to improve water quality monitoring and pollution control over the whole country, construction of 3 additional water quality laboratories was planned in NDP 8. One out of the three planned laboratories was completed in NDP 8 because of budgetary constraints. The planned purchasing of some laboratory equipment did not take place because of the postponed construction of the other two regional labs. New equipment will however need to be purchased during NDP 9 for the existing labs.

12.63 The DWA mobile laboratory was decommissioned in NDP 8, following the successful transfer of drinking water quality monitoring in rural villages to the District Councils.

12.64 During NDP 8 the Botswana Bureau of Standards (BOBS) developed the national drinking water quality standards (BOS 32:2000), which were launched towards the end of NDP 8. These standards replace the old DWA drinking water quality guidelines and are more stringent compared to DWA' old guidelines.

12.65 The aquifer vulnerability-mapping project, which started in NDP 7 with the help of the German Government, continued in NDP 8. The overall objective of the project is to establish an Environmental Geology Division within the Department of Geological Survey. However, the implementation of the project has faced severe manpower problems. The German Government has agreed to extend their technical cooperation into a second phase to facilitate successful implementation of the project. This project will continue into NDP 9.

Data Collection and Management

12.66 As water demands and water pollution problems keep growing in Botswana, both in terms of volume and complexity, the management of water resources in Botswana is increasingly becoming a more complex task, which needs more accurate water resources data and information. In response to the above challenge, DWA continued with its hydrological data collection programme during NDP 8. The hydrological database (HYDATA) continued to be the main archiving and data management system for surface water data.

12.67 During NDP 8 three satellite data collection platforms (DCP's) were installed under the SADC HYCOS program. They were fully operational at the end of NDP 8, and provided very useful real time flow information.

12.68 The Groundwater Monitoring Project to review the country's monitoring network and procedures was successfully completed during NDP 8. The project recommended the use of data loggers instead of

mechanical recorders for monitoring purposes. As a follow-up to the Groundwater Monitoring Project, Serowe and Dukwi wellfields were fully automated with data loggers in NDP 8 and other wellfields will be covered during NDP 9. Other recommendations from the project such as auditing of wellfields' models will be done during NDP 9.

Research and New Technologies

12.69 During NDP 8, a National Water Well Maintenance and Rehabilitation Program was initiated. The main purpose of the project was to develop new borehole rehabilitation and cleaning methods, which could prolong the lifespan of existing boreholes. Small-scale experiments with some encouraging results were completed in Ramonnedi and Gaothobogwe Wellfields towards the end of NDP 8. This project will be implemented at a much larger scale during NDP 9.

12.70 The investigation of the applicability of hydro fracturing to increase borehole yields was completed in NDP 8. The objective of the project was to investigate whether yields of low yielding boreholes could be increased through sealing of sections of a borehole and applying high artificial water pressures in the sealed sections thereby increasing the yields by creating fractures and cleaning existing ones. The results of the project were that yields could be increased by up to 50%. The project is now complete and the application of the technique will be promoted in low yielding boreholes where water demands are not very high.

Contracting Services

12.71 In the area of water supply in major villages, DWA engaged small citizen contractors from time to time to carry out the construction of private water connections in order to cope with the increasing demand. This arrangement proved to be effective and will be used more in NDP 9 with the gradual phasing out of DWA's construction crews in this area.

12.72 Faced with the problem of high mobility of IT staff and ever-changing IT specialist skills, the Water Utilities Corporation attempted to outsource its internal Information Services Section but could not succeed because of numerous legal and logistic constraints. The Corporation still intends to outsource these services including Telemetry Support Services and other areas after addressing the constraints.

National Water Master Plan

12.73 The National Water Master Plan continued to provide the basis for water development during NDP 8. Following the successful completion of the Letsibogo Dam and Phase 1 of the North South Carrier (NSC), the next major resource to be developed should be the Lower Shashe Dam, and the second phase of the NSC (NSC II), to be in place by 2009. Detailed design of the Lower Shashe Dam and NSC II were completed in NDP 8.

12.74 The review of the National Water Master Plan commenced towards the end of NDP 8 and will be completed in the first half of NDP 9. One of the major expected outcomes of the review is a revised institutional framework for the water sector in Botswana, which can respond and

adequately deliver Vision 2016 goals and aspirations on water.

International Cooperation

12.75 During NDP 8, Botswana continued to actively participate in trans-boundary water resources issues jointly with other SADC member states. A SADC Regional Strategic Action Plan comprising of 31 priority projects was finalised during NDP 8 and its implementation commenced. Botswana also signed and ratified the Revised Protocol on Shared Water Courses. The River Basins that Botswana shares are the Limpopo, Okavango, Orange and Zambezi. In addition to the establishment of the Okavango River Basin Commission (OKACOM) in NDP 7, the Orange-Senqu River Commission (ORASECOM) was established during NDP 8. At the time of preparation of this plan, negotiations on the establishment of the Limpopo River Basin Commission (LIMCOM) and Zambezi River Basin Commission (ZAMCOM) were in progress.

12.76 Terms of reference for the Limpopo basin integrated water development study were completed and approved by the Limpopo Basin Permanent Technical Committee (LBPTC) which is made up of the four co-basin states namely Botswana, Mozambique, South Africa and Zimbabwe.

12.77 Work also continued under the Zambezi Action Plan (ZACPLAN). The co-basin states for the Zambezi are Angola, Botswana, Democratic Republic of Congo, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe.

Human Resources Development

12.78 Both the Department of Water Affairs and Water Utilities Corporation continued to experience problems associated with retention of skilled manpower during NDP 8. This worsened the manpower situation due to the impact of HIV/AIDS and resignations by experienced professionals mainly for better salaries in the private sector. The lack of adequate manpower resources particularly at professional level was one of the major constraints in project implementation.

12.79 In 2002, MMEWR developed a human resource development strategy for all its departments starting with DWA. It is expected that these strategies will assist the Ministry to address the prevailing human resource problems in a more holistic manner during NDP 9. The strategies are also expected to mitigate against the impact of HIV/AIDS in MMEWR, which in DWA was responsible for most of the 167 deaths recorded between August 1997 and June 2002. The Ministry's policy on HIV/AIDS is currently being developed, the work place programmes are being enhanced to ensure that HIV/AIDS activities are mainstreamed into the routine functions of the Ministry.

12.80 In the Water Utilities Corporation, the Corporation implemented the Hay job grading and pay system at the beginning of NDP 8. Whilst the system was generally objective, it did not completely address the problems identified, particularly with regard to the conversion from the old Patterson to the new Hay points system. It will be necessary to review this system in due course.

12.81 A survey by Tsa Badiri Human Resources Management Consultants showed that the Corporation's remuneration structure was not competitive from middle management to the top when compared to other parastatals and the private sector. As a result, the Corporation was losing qualified and experienced personnel and could not recruit and retain the same. The Corporation undertook a salary review upgrade with the view to addressing these problems and this was approved by the WUC Board and implemented at the beginning of 2001.

12.82 Still in NDP 8, the Corporation undertook a labour adjustment exercise whose intention was to optimise the organisation structure by realigning employees to their job functions. As a result of technological advancement undertaken at the Corporation, some jobs became redundant and the affected staff had their contracts terminated and were given exit packages. Regular consultation with the Union was maintained throughout the implementation of the labour adjustment exercise.

Lessons Learnt in NDP 8

12.83 Many lessons were learnt during NDP 8 the principal amongst these was the realisation that improvements in management capacity mainly in terms of skills and not numbers of people could significantly improve implementation of projects and achievement of planned results. Technical skills were fairly well developed; the main problem and challenge lay in developing managerial and leadership skills.

12.84 The other important lesson learnt was the need for a proactive approach in dealing with problems, instead of waiting for the problems to develop into a crisis. One example is the allocation of land without services, a problem that affected all water authorities. The water authorities will have to redouble their efforts and/or find innovative ways to deal with this problem in NDP 9.

WATER SECTOR POLICY FOR NDP 9

12.85 During the strategic planning process for the Ministry of Minerals, Energy and Water Resources and the Department of Water Affairs, the Ministry extensively consulted Batswana throughout the country. A view expressed by most customers in the rural villages was that DWA should take over the running of rural village water supply schemes from the District Council Water Units in order to improve quality of service delivery. This view has also been supported by some District Councils, who initiated the handover of some of their schemes to DWA towards the end of NDP 8 in order to improve service delivery and revenue collection.

12.86 The above clearly points to a different direction to the policy direction articulated in NDP 8, that DWA should gradually handover the operation and maintenance of major village water supply schemes to District Councils. However, MMEWR does not believe that the solution to Batswana's aspirations for a more reliable water service lies in transferring rural village water supply schemes to DWA.

12.87 A desk study carried out by MMEWR through a short consultancy looked mainly at the available

opportunities in improvement of the operation of the major villages water supply schemes and did not look in detail at the operations of the District Councils and WUC. It will be necessary for this study to be extended to cover the operations of all water supply authorities in early NDP 9. Options which need to be investigated and modelled from a financial point of view include but not limited to the following;

- (i). Placing all water distribution in the country under WUC,
- (ii). Establishment of a number of regional water distribution agencies or companies,
- (iii). Grouping the 17 major villages and nearby smaller villages with other big villages operated by the District Councils and establishing an agency or company to run these, while the smaller and isolated villages continue to be operated by District Councils,
- (iv). Separating bulk water supply from water distribution and leaving everything else the same,
- (v). Doing nothing and continuing business as usual.

12.88 A new Water Act was expected to be finalised before the end of the NDP 8 period, but it is not yet developed. This will therefore be given top priority in NDP 9.

12.89 Water in Botswana is already a major constraint to development, e.g. irrigation is made unviable in certain places not because of the soils but because of the unavailability of water. Establishment of the national water resources inventory, both surface water and groundwater, through resources investigations and assessments will therefore continue to be a focus for activity in NDP 9, to ensure that water does not become a

constraint to other sectors of the country's economy.

12.90 A number of villages supplied from groundwater in NDP 7 were connected to the NSC in NDP 8. These include Palapye, Mahalapye, Shoshong, Mochudi, and Ramotswa. It will be important in NDP 9 to continue operating the wellfields, which supplied these villages and carry out extensive monitoring during pumping and improve estimations of the sustainable yields of these aquifers to ensure that in case of need during drought years the country knows how much water it can take from these wellfields and for how long. Because of the scarcity of water in Botswana, the long-term strategy to meet the country's water needs must be conjunctive use of both surface water and groundwater and not the use of one or the other.

12.91 Towards the end of NDP 8, MMEWR established an International Waters Unit (IWU). The Department of Water Affairs together with the International Water Unit will intensify efforts in NDP 9 to ensure that Botswana plays a full part in negotiating and promoting international agreements related to water resources development and usage at regional level, to provide a buffer against localised drought and increased security of supply as envisioned in Vision 2016.

12.92 Parallel to the development of new sources of supply, water conservation and demand management will be given more prominence in NDP 9. A Water Quality and Conservation Division was established in DWA towards the end of NDP 8 through a project co-funded by the Botswana Government and Danish Government. This division will be the

national focal point for all water conservation activities in the country. Public education on water conservation, investigation and introduction of technologies, which conserve water, will have high priority amongst its list of activities for NDP 9. DWA will also seek to develop effective networks and partnerships with NGO's, NCSA, Local Authorities and other key stakeholders in order to create a water efficient society in Botswana.

12.93 The development of water resources in Botswana is a highly costly business. It is therefore prudent that those who can afford to pay for water in Botswana should continue to do so. This is necessary not only to assist government in development of future infrastructure and sustenance of effective operation and maintenance of the country's water supply schemes, but also to ensure the development of a water conservation mindset in all Botswana.

12.94 The policy of contracting out some services to the private sector will be maintained in NDP 9. In the area of design and construction of water supply schemes the intention is to reduce in-house construction capacity and increase in-house inspection of projects carried out by contractors.

12.95 Experience has shown that hardly any work on assessment of the effectiveness of the operation of these schemes is done in between major rehabilitation works. With assets running into billions in terms of cost, hardly any time is put on asset management and this situation will need to be addressed in NDP 9.

12.96 MMEWR will strive to identify an effective and sustainable programme to ensure complete

awareness of HIV/AIDS scourge by staff and hopefully reduce the negative impact of the epidemic on the ministry's business. A thorough research on lessons learnt and action taken by other organisations in Botswana and internationally will be conducted in addition to existing programmes. An attempt will be made to encourage private companies working with the ministry on various projects to sensitise their staff on HIV/AIDS and ensure the availability of HIV/AIDS information and condoms on site.

Planning and Institutional Development

12.97 The National Water Master Plan will continue throughout NDP 9 to be the guiding plan for all large water development projects in Botswana. The review of the plan will be carried out in early NDP 9. Parallel to the review of the NWMP, a detailed study looking at the operations of all the water supply authorities in Botswana will also be conducted in early NDP 9 to develop alternatives of the best arrangement for Botswana.

12.98 The possibility of establishing the office of a Water Regulator to ensure that the interests of water consumers are well looked after, and that the cost of water charged to customers by the water supply authorities reflects the true cost of providing the service will also be investigated. The price of water has an influence on the competitiveness of the country's products and services because it is a basic commodity. Efforts must therefore be made to ensure that cost recovery includes very little costs of inefficiency. In a monopoly type of business, it is very easy to pass on the cost on

inefficiency to the customer, because the consumer has no other alternative.

Water Resources Investigation and Development

12.99 A total of eight groundwater investigation projects are planned for completion in NDP 9. These projects are concentrated mainly in the western part of the country where the possibility of surface water sources is non-existent.

12.100 Four surface water dam construction projects have been planned for NDP 9. These dams will include the Dikgatlong Dam, which according to the NWMP will be required around 2009. The detailed design of this dam commenced in NDP 8 and will be finalized in early NDP 9 followed by construction. The other three dams will be Lotsane, Thune, and Ntimbale. The detailed design for Lotsane and Ntimbale Dams were completed in NDP 8, while that of Thune Dam will be done in NDP 9.

Water Tariffs

12.101 MMEWR through the Department of Water Affairs will undertake a water affordability and tariff study over the whole country with a view of ensuring that those who can afford to pay for water in Botswana should do so and at the right level of cost recovery. The study should come up with a water tariff policy and model, which ensures that the price that a customer pays for water is based on sound economic analysis and not the name or label of where one resides, e.g. urban centre vs. rural village. This study should be commenced and completed in early NDP 9, and thereafter updated on

regular basis to ensure that it remained relevant in all areas.

12.102 During NDP 9, water tariffs for major villages will increase annually for a period of six years, that is, up to 2006 at the following percentage rates:

- Consumers supplied from Department of Water Affairs sources: 18%
- Domestic, Commercial and Industrial users in villages supplied through bulk supply from WUC: 27%
- Government and Council Institutions in WUC supplied villages: 72%.

These tariff increases are anticipated to recover about 70% of the operating costs.

12.103 WUC has adopted the Long Run Marginal Cost (LRMC) of supply of water as the basis for tariff calculations. The adoption of this principle means that full cost recovery for water supply will be achieved at all times. To take cognisance of the social circumstances, a graduated tariff has been introduced and will be maintained. The lower tariff band caters for basic need at very affordable prices, whilst those who consume water for luxury purposes have to pay a price exceeding the LRMC and subsidise consumers with low water demand. The on-going Francistown Water Supply Master Plan Review is worked on the Long Run Average Cost (LRAC) principle. The LRAC will however not change the stepped up tariff policy adopted by the Corporation.

Data Collection and Management

12.104 A major groundwater-monitoring network upgrading project is now planned for completion in NDP 9. This project will ensure improvement in reliability of groundwater monitoring data. DGS will also continue with groundwater monitoring as agreed between itself and DWA. A nation wide hydrogeological monitoring and archiving development project in the exploration wellfields will be carried out during NDP 9 to improve the department's methods of data collection and quality control.

Information Technology

12.105 With globalisation increasingly becoming a reality, easy access to basic information on a country such as water availability, can have a significant impact on a country's international competitiveness. MMEWR as the government agency responsible for overall policy in the water sector and national water resources planning will introduce new information systems and enhance the existing ones in order to make information on water, minerals and energy easily accessible.

12.106 Several projects planned for implementation during NDP 9 are indicated in the Thumb Nail Sketches.

Water Quality, Protection and Conservation



Extensive and prolific oil pollution in one of the Industrial sites in the country

12.107 The alarming rate, at which water resources are being depleted, and the risk of water pollution from various industrial developments and individual households, added to the increasing demand for water, indicates the crucial need to protect and conserve it. Introduction of enforceable policies and tight control systems are also crucial for efficient water management practices. During NDP 9, several projects to be carried out to address this problem are indicated in the Thumb Nail Sketches.

Contracting Services

12.108 During NDP 9, DWA will review borehole cleaning and fishing services provided to customers with an intention of phasing it out and allowing the private sector to venture in. This privatisation drive will create employment and increase productivity in the service rendered. The siting section will also be scaled down to remain with one crew for the same reasons stated above.

Land Areas Water Supply

12.109 The portfolio responsibility for water supply to the lands areas will be determined as part of the proposed study to develop options for the best water supply arrangement in Botswana. This issue remained unresolved in NDP 8, and will be tackled again during NDP 9, so that the goal of making water accessible to all Botswana is achieved by 2016.

Implementation Capacity

12.110 Considering the constraints on posts in government at a senior level, a possible solution is to employ project managers or supervisors with the right level of experience on contract for a specified period of time.

Irrigation and Water Development

12.111 A project aimed at developing infrastructure to supply bulk water to farmers from decommissioned well fields such as Ramotswa and Palapye will be commenced in early NDP 9. This project will be carried out using DWA's in-house capacity.

Productivity Improvement

12.112 At the time of preparation of this plan it was envisaged that by the beginning of NDP 9, all MMEWR departments would have annual performance plans in place. These plans would outline the activities the ministry is going to do in each year and would be linked to specific and quantifiable results through charts indicating progress achieved in each priority result area from one year to the next.

12.113 Regular performance reviews will be conducted in MMEWR both at Ministry and departmental level to determine whether progress is being made towards the achievement of the ministry's goals. WITS, which are a major component of PMS will also continue to be a major driving force behind the development of a continuous improvement culture in the ministry. It is intended that by the middle of NDP 9, the Performance Management System must be fully functional in MMEWR and cover all business areas of the ministry.

CHAPTER 13

WILDLIFE, NATIONAL PARKS AND TOURISM

INTRODUCTION

13.1 In today's global environment, the management and sustainable utilisation of natural resources is a major challenge facing Governments and their national economies. In this regard, countries all over the world, including Botswana, have placed a premium on such resources and have implemented a number of measures to ensure sustainable utilisation. In Botswana, wildlife is among these resources, and its effective management has attracted international tourists, thereby making tourism one of the major foreign exchange earners for the country and an important socio-economic growth sector.

13.2 This Chapter is concerned, therefore, with the sustainable development of Botswana's wildlife and tourism sectors, which are inextricably linked. These sectors have the potential to contribute to the growth and diversification of the economy and to generate socio-economic benefits such as:

- a. enhancement of environmental and ecological quality and serenity;
- b. conservation of genetic resources and essential life support systems; and
- c. protection and conservation of Botswana's natural, scenic, aesthetic and cultural principles and values

13.3 Tourism continues to be recognised as the fastest growing industry in the world. According to the World Tourism Organisation WTO (2001), world tourism grew by an

estimated 7.4 percent in 2000, its highest growth rate in nearly a decade, and almost doubled the increase of 1999. Botswana's tourism industry also experienced favourable growth both in terms of arrivals and receipts during the above-mentioned period. Arrivals grew by approximately 18 percent, while revenues increased by approximately 26 percent.

13.4 In Botswana, wildlife has been recognized as one of the three main valuable natural resources, alongside minerals and rangelands. It contributes to the cultural, socio-economic and biological integrity of the country. Furthermore, benefits from wildlife are the creation of economic opportunities and diversification with potential for sustainable development; it enhances environmental stability and contributes to tourism development; and provides aesthetic, scientific, nutritional and educational values.

13.5 The regional and global environment within which Government operates is changing rapidly and becoming much more competitive. Domestically, the wildlife sector is competing for limited human and financial resources with other equally deserving sectors. As a result, there is need to improve efficiency of the Department of Wildlife and National Parks (DWNP) to ensure it gives value for money. The globalisation of wildlife conservation issues requires that great care be exercised in making decisions that affect the management of wildlife resources. Greater efforts will be made and measures put in place to reduce the land use conflict relating to humans and wildlife. These are

discussed in more detail in paragraphs 13.38 to 13.42.

13.6 Such complexities make it imperative for a plan to articulate strategic actions for responding to both the prevailing and unfolding challenges arising from a fast changing environment. The current plan focuses on a number of priority goals and objectives deemed critical to ensuring that no species of wild fauna and flora becomes extinct due to unsustainable utilization.

13.7 The Ministry's Strategic Plan 2001-2009 is in line with the Vision 2016 statement that "the challenge of preserving the environment and making prudent use of the natural resource base of Botswana is crucial to its survival and future prosperity". More specifically, Vision 2016 advocates that the use of renewable natural resources should be in balance with their regeneration capacity.

13.8 The Key Result Areas (KRAs) identified in DWNP's strategic plan all contribute to the attainment of Vision 2016. The Department is committed to the realisation of the aspirations of Vision 2016. The Strategic Plan calls for the involvement of local, national and international stakeholders in the management of the wildlife resources of this country. In this regard, vision and mission statements were developed and adopted. This plan will guide implementation of projects in NDP 9.

13.9 Furthermore, Vision 2016 states that the wildlife of Botswana will be managed in a sustainable manner for the benefit of the local communities and future generations, and also in the interest of the environment. This is an important function of the Department and one of

the Key Result Areas in the Department's strategic plan which aims at developing partnerships with the communities, a concept essential for future conservation of the wildlife resource.

13.10 With regard to the tourism sector, Vision 2016 issued a challenge "to further develop the tourism potential of the wildlife resources, the Okavango Delta, and also the historical and cultural sites". The Ministry, in its Strategic Plan for 2001-2009, has committed itself to providing an environment conducive to the sustainable diversification of the economy as one of its Key Result Areas (KRAs). In this context the Ministry, through the Department of Tourism (DoT), undertakes to increase the contribution of tourism to the Gross Domestic Product (GDP) through the development and implementation of strategies for sustainable tourism and the diversification of the tourism products.

Institutional Framework

13.11 As a result of the rationalisation of portfolio responsibilities and functions of all Ministries and independent Departments within Government, the Department of Wildlife and National Parks and the Department of Tourism has relocated to a new Ministry called Ministry of Environment, Wildlife and Tourism.

13.12 Government policies on wildlife and tourism are embodied in key policy documents and relevant legislation such as the National Conservation Strategy of 1990, the Tourism Policy of 1990, the Tourism Act of 1992, the Wildlife Conservation Policy of 1986 and the Wildlife Conservation and National Parks Act of 1992, and the Botswana Tourism

Development Programme completed in May 2000. In addition to these regulatory mechanisms, both wildlife and tourism development will be guided by the pronouncements in Vision 2016 and the Performance Management Strategies of the two sectors.

TOURISM SECTOR PERFORMANCE DURING NDP 8

International Trends

13.13 During NDP 8, world tourism experienced significant growth. The World Tourism Organisation's Tourism Market Trends 2001 edition indicates a steady rate of growth over the period 1998 to 2000. The report provides the following key trends as indicated in Table 13.1 and Table 13.2

Table 13.1 International Tourist Arrivals by Regional Groupings

Regional Grouping	Tourist Arrivals (millions)			Annual Growth Rate %		Market Shares % of World Total	
	1998	1999	2000	1999/98	2000/99	1995	2000
World Total	627	650	699	3.8	7.4	100.0	100.0
Africa	25	27	28	6.4	4.4	3.6	4.0
Americas	120	122	129	2.3	5.5	19.8	18.5
East Asia and the Pacific	88	98	112	10.8	14.7	14.8	16.0
Europe	374	380	403	1.7	6.1	58.8	57.7
Middle East	15	18	21	20.3	12.9	2.2	2.9
South Asia	5	6	7	10.7	11.0	0.8	0.9

Source: World Tourism Organisation (2001)

Table 13.2 International Tourism Receipts by Regional Groupings

Regional Groupings	International Tourism Receipts (US\$ billion)			Annual Growth Rate %		Market Share %	
	1998	1999	2000	1999/98	2000/99	1995	2000
World Total	442.5	455.4	475.8	2.9	4.5	100.0	100.0
Africa	9.9	10.3	10.7	3.6	3.7	2.0	2.2
Americas	117.2	122.4	136.4	4.4	11.5	24.5	28.7
East Asia and the Pacific	70.7	75.2	82.5	6.4	9.6	18.3	17.3
Europe	231.7	233.1	231.5	0.6	-0.7	52.4	48.6
Middle East	8.8	9.8	9.7	12.4	-1.6	1.9	2.0
South Asia	4.3	4.6	5.1	7.1	11.1	0.9	1.1

Source: World Tourism Organisation (2001)

Regional Trends

13.14 During the 1998 to 2000 period, Southern Africa demonstrated a relative decline in growth both in terms of arrivals and receipts (Table 13.3). When compared with the respective growth rates of 17.1% and 10.5% for arrivals and receipts, respectively,

during NDP 7, it is recognised that the industry within the region has experienced a significant slow-down during NDP 8. While contribution to total African arrivals increased marginally to 30.3% in 1999 when compared to the 1995 contribution of 29.9%, the contribution to total African receipts declined to 30.0% in 1999 as compared to 32.6% in 1995.

Table 13.3 Africa: Preliminary Regional Arrival and Revenue Statistics

African Regions	Tourist Arrivals ('000)			Annual Growth Rate %		Tourism Receipts (US\$ million)			Annual Growth Rate %	
	1998	1999	2000	1999/98	2000/99	1998	1999	2000	1999/98	2000/99
Total Africa	24,866	26,469	27,621	6.4	4.4	9,933	10,295	10,673	3.6	3.7
East Africa	5,536	5,931	6,158	7.1	3.8	2,331	2,605	2,747	11.8	5.4
Central Africa	513	452	NA	-11.9	NA	87	125	NA	44.0	NA
North Africa	8,676	9,437	10,086	8.8	6.9	3,295	3,470	3,564	5.3	2.7
Southern Africa	7,731	8,023	7,990	3.8	-0.4	3,256	3,087	NA	-5.2	NA
West Africa	2,410	2,626	NA	8.9	NA	964	1,006	NA	4.4	NA

Source: World Tourism Organisation
Report based on data available as at August 2001

Domestic Trends

13.15 In keeping with world trends, however, Botswana experienced favourable growth in its visitor arrivals. Based upon data available for the period 1998 to 2000, total visitor arrivals for 1998 were 749,544. Arrivals for 1999 were 1,108,795, which represented an increase of 32% over the 1998 figures. While the 1,424,669 visitor arrivals for 2000 were a marginal decline in the growth trend, it represented an increase of 22% over the 1999 arrivals. Over the period, South Africa continued to be the major source market for Botswana's tourism industry. Visitor arrivals of 359,292 represented approximately 48% of the total arrivals in 1998. From the major foreign currency markets, namely the United States of America and the United Kingdom, the combined arrivals in 1998 were 23,468, which represented approximately 3% of the total visitor arrivals to Botswana. While visitor arrivals from South Africa in 1999 and 2000 were 526,030 and 669,639 respectively, the share of South African visitors of the total declined to 47% in both years. With reference to the United Kingdom and the United States of America, the combined arrivals in 1999 and 2000 were 35,689

and 49,284 respectively. Despite these increases, the share of the total visitors to Botswana remained at 3%.

13.16 During NDP 8, the tourism industry in Botswana experienced a gradual shift away from a total dependence on wildlife and wilderness elements of the tourism product, to eco-tourism. The establishment of an Eco-tourism Unit in the Department of Tourism enabled the development of closer and effective working relationships with the Districts and Communities. Through this effort, tourism awareness and skills development programmes were intensified, thereby empowering Botswana with much needed tourism knowledge and the capacity to undertake their own tourism projects.

13.17 The first major step to diversify the tourism product was manifested through successful implementation of a camel utilisation project in the Kgalagadi District. Through this project, 90 percent of the camels that were acquired from the Botswana Police Service have been distributed to the communities in the Kgalagadi District. A camel utilisation strategy is in place to guide the future development and implementation of the camel utilisation programme. This project embraced, among other

components, training and skills development that will spur the emergence of a new tourism activity away from the mainstream tourism centres. Coupled with this activity, is the recently developed Eco-tourism strategy, which is expected to accelerate the process of diversification when it is fully implemented during NDP 9.

Parks and Game Reserves

13.18 The period 1998 to 2000 registered an overall decline of approximately 18% in the number of visitors to the national parks and game reserves (Table 13.4). Although there

is no firm empirical evidence for it, one factor that may explain the decline is the internal unrest that prevailed in neighbouring countries during the 1999 to 2000 period. Despite the decline in the number of visitors, Table 13.4 shows that there was a dramatic increase of approximately 49% in terms of revenue, over the 1998 to 2000 period. One influencing factor was the significant increase in park fees. Another factor could be an increase in the duration of time that visitors are staying in the parks and reserves due to improvements in the quality of accommodation and other infrastructural facilities.

Table 13.4: Number of Visitors and Revenue Generated from Parks and Reserves

Park/Reserve	Total Number of Visitors			Total Park Fees Collected (Pula)		
	1998	1999	2000	1998	1999	2000
Central Kalahari	3,085	3,624	4,240	329,920	539,915	779,744
Chobe	55,497	52,507	49,943	5,262,028	4,849,685	12,882,401
Gemsbok	1,873	2,301	5,712	296,129	535,189	706,009
Khutse	3,292	3,021	4,750	315,983	289,520	677,270
Makgadikgadi	1,665	1,865	973	127,184	156,563	115,987
Moremi	32,451	29,790	13,430	4,301,275	4,402,121	5,698,198
Nxai Pan	2,145	4,118	2,584	229,508	510,490	249,288
Total	100,008	97,226	81,632	10,862,027	11,283,483	21,108,897

Source: Department of Tourism Statistics

Tourist Accommodation Facilities

13.19 During the 1998 to 2000 period, a total of sixty-seven new accommodation facilities were opened around the country. Despite the fact that most of the facilities are small in terms of the number of rooms, they contributed reasonably well to the

increase in the room capacity of the accommodation sector (Table 13.5). According to a Central Statistics Office report, by the end of NDP 7, the number of rooms available totaled 1 755; by the end of 2000, room capacity had grown by approximately 16%.

Table 13.5: Number of Hotel Room and Occupancy

Year	Number of Rooms	Number of Available Beds	Room Occupancy Rate %	Beds Occupied by Residents of:	
				Botswana	Other Countries
1998	1,815	3,257	48.0	425	862
1999	2,052	3,723	53.3	480	1,433
2000	2,100	3,972	45.9	426	742

Source Central Statistics Office

Tourism Policy and Programmes during NDP 8

13.20 The objective of Botswana's Tourism Policy is primarily to obtain the greatest possible net socio-economic benefits for Botswana from the natural resources environment in Botswana, such as scenic beauty, wildlife, unique ecological, geological and cultural features. Implementation of the policy during NDP 8 achieved a reasonable amount of success despite a few minor constraints. The following is a review of main areas of policy that were implemented during NDP 8.

Botswana Tourism Development Programme

13.21 The development of the Botswana Tourism Development Programme was completed in May 2000. One of the major features of this programme is the Tourism Master Plan, which has identified a set of priority areas for consideration. These include: product development and diversification, community/citizen involvement in the tourism industry, tourism awareness, education and training. Through funding that was provided under this programme, a tourism website was developed and was launched in September 2001; also, an eco-tourism strategy, which is intended to accelerate the process of tourism product diversification, was developed in 2001, as well as a strategy for the development and strengthening of the Hotel and Tourism Association of Botswana, which was completed in March 2002.

Botswana Tourism Board

13.22 As a result of a Botswana Tourism Board feasibility study conducted in 1999 and finalised in

2000, a decision was taken to establish a Tourism Board that would be responsible for effectively marketing and promoting Botswana as a tourist destination. Cabinet has approved the creation of this institution and a Draft Bill has been presented to Parliament for discussion. The Board will be operational during NDP 9.

Gaming and Gambling Sector

13.23 In a bid to regularise the gaming and gambling sector and improve its standard and image in the country, as well as diversify it beyond casinos, a detailed study on gaming and gambling in Botswana was conducted in 2000. The study will facilitate the formulation of a policy to guide the development and growth of the gaming and gambling industry through the establishment of a single administrative structure. The Government is currently reviewing the results of the study with a view towards instituting a comprehensive gaming and gambling policy, which will direct the administration of the industry. The policy was tabled before Parliament at the end of NDP 8.

Tourism Statistics Database

13.24 Through the assistance of the World Tourism Organisation and the United Nations Development Programme, in partnership with Government, a preliminary phase of a tourism statistics database system was established in the Department of Tourism in November 2000. This system, which is the first phase of a much larger tourism statistics project, will enable the Department to collect and analyse a range of tourism related statistical information.

Marketing Activities

13.25 Promotion and marketing efforts were intensified to enhance the competitive advantage of Botswana as a tourist destination. Better quality promotional materials were produced for distribution to the tourist markets. The country has continued to place advertisements in selected regional and international publications to attract tourists in source markets. Achievements were also made in terms of attracting media representatives from international source markets to film and write about the country's attractions. In an effort to further improve the marketing capability of the tourism industry, the assistance of the United Nations Development Programme (UNDP) is currently being sought in relation to developing a comprehensive marketing strategy. These are all long-term promotional and marketing strategies which are intended to lay the groundwork that will ensure that the tourism industry in Botswana is better positioned to acquire a greater share of the international tourism market.

Overseas Marketing Representation

13.26 In an effort to intensify the international marketing activities of Botswana's tourism industry, professional marketing companies were appointed in North America, Germany and the United Kingdom to promote the country's tourism product. This venture has so far enabled Botswana's tourism industry to benefit from a wide array of publicity.

International Cooperation

13.27 Botswana is a member of the Regional Tourism Organisation of Southern Africa (RETOSA), a tourism marketing arm of the Southern African Development Community (SADC).

RETOSA has continued to intensify its marketing efforts to promote the region as a tourist destination.

13.28 As a member of the World Tourism Organisation, Botswana continues to actively participate in the activities of the Organisation, and has benefited from several capacity-building programmes in the form of training and skills transfer. Among the technical support provided by the World Tourism Organisation was the development and implementation of the first phase of a tourism statistical database system in the Department of Tourism, training attachments for two senior officers from the Department at the World Tourism Headquarters, a feasibility study on the development of alternative tourism products, such as culture and heritage, and the development of a framework for a tourism marketing strategy.

13.29 The country has signed tourism protocols with France and Kenya, which will yield significant tourism benefits. These protocols will enable the tourism industry in Botswana to benefit through collaboration in the area of information exchange. In addition, the French Protocol provides for technical assistance in skills development and capacity building.

Tourism Development

13.30 With the intention of ensuring that tourism development is spread as widely as possible throughout the country, tourism offices were opened in Selebi-Phikwe, Tsabong, Francistown and Ghanzi during NDP 8. Preparations for the construction of office buildings and staff houses in Tsabong and Ghanzi have commenced, and it is hoped that the facilities will be completed during NDP 8.

13.31 During NDP 8, the Department was unable to fully achieve its goals due to staff shortages. Although the staff level increased during the Plan period, it was not adequate. As a result, the tasks of monitoring the industry and providing timely assistance were the least effective. In order to ensure that tourism development is given greater attention in the planning structure of the Districts, closer working relationships, in terms of project development and co-ordination will be developed with the Districts during NDP 9 to ensure greater effectiveness in the co-ordination of tourism planning and implementation.

Eco-Tourism

13.32 The eco-tourism programme was initiated through the National Development Programme as a way of diversifying the tourism product, facilitating meaningful participation of local communities and ensuring environmental sustainability. An integral part of this programme is the inventory of historical sites and heritage attractions, which was compiled to facilitate easy identification and development. To enable effective implementation, the Botswana Eco-Tourism Strategy was formulated during the course of the year 2001.

Licensing and Inspection

13.33 Despite continuous manpower constraints, the policy related to licensing and inspection was fully implemented. To date, a total of 391 tourist enterprises have been licensed, which comprise 103 facilities that fall in the category of hotels, motels, guest houses and apartments, 147 in the category of camps and lodges, 112 mobile safari operations, and 29 travel agents. Efforts have been made to improve on the licensing procedures to

streamline and accommodate those facilities which were not included in the licensing system before.

13.34 A training plan has been developed in conjunction with members of the private sector, which is to be implemented with training levy funds collected from the accommodation facilities. The objective is to upgrade skills for the frontline staff members of the tourism facilities.

Grading and Classification

13.35 The Botswana Bureau of Standards (BOBS), in conjunction with the Department has developed standards for hotels and accommodation related establishments. The standards have been approved by BOBS as Botswana Standards and are meant to provide quality assurance to consumers. Arrangements are being made for the implementation of the standards. It is intended that other industry standards would be developed during NDP 9. In order to facilitate a harmonisation of regional standards, the standards developed by BOBS will complement those that will be developed by the Regional Tourism Organisation of Southern Africa (RETOSA).

WILDLIFE

Status of Wildlife in Botswana

13.36 During NDP 8, some wildlife populations have shown significant increase such as the elephant, impala, gemsbok and giraffe. Though non-significant, the populations of the buffalo, wildebeest and zebra also show an upward trend. Most other populations appear stable and are at the same level that they were in the mid-eighties. These include eland, hartebeest, kudu, roan, sable, sitatunga

and ostrich. However, the population of springbok shows a significant decline. (Table 13.6).

13.37 Extensive progress was made during NDP 8 to ensure that management of the wildlife resources is in line with the internationally accepted standards and norms. Some of the developments included completion of infrastructure in most of the operational stations; provision of

visitor facilities in parks and reserves, demarcation of boundaries for Controlled Hunting Areas (CHA), Wildlife Management Areas (WMA) and the protected areas, promotion of Community-Based Natural Resources Management Program (CBNRMP) and the improvement of the Department's law enforcement capability through provision of additional manpower and equipment.

Table 13.6 Mean Annual Estimates of Selected Wildlife Species in Botswana

	1990	1991	1992	1994	1995	1996	1999	2001
Elephant	58,011	62,518	52,815	79,153	75,196	99,425	115,690	112,222
Buffalo	47,825	61,269	43,685	29,954	20,428	34,779	91,022	70,598
Eland	20,411	6,530	11,917	16,288	12,447	22,340	17,645	29,409
Gemsbok	48,504	47,613	103,580	143,134	134,902	136,673	137,512	109,541
Hartebeest	13,118	19,030	44,819	53,762	35,979	32,685	34,585	43,471
Kudu	11,833	18,182	15,357	34,903	22,916	25,630	19,602	17,449
Giraffe	9,312	8,970	7,181	13,897	9,811	13,577	14,235	12,135
Impala	24,102	35,683	36,484	58,070	50,448	57,480	45,956	26,615
Lechwe	60,073	81,785	63,732	70,688	70,411	78,082	77,914	55,700
Reedbuck	1,345	4,737	524	2,284	1,658	1,182	704	120
Sitatunga	880	2,217	401	843	1,613	1,123	1,237	805
Roan	228	1,210	283	946	2,062	1,415	930	960
Sable	1,139	3,401	2,038	4,780	3,652	3,356	1,970	2,921
Springbok	26,348	86,955	124,374	110,152	96,260	75,099	56,864	40,316
Wildebeest	34,443	36,821	40,481	45,570	36,056	36,982	45,842	25,092
Tsessebe	10,540	19,129	10,382	11,464	8,786	14,221	11,734	3,014
Waterbuck	757	811	125	1,104	1,307	1,005	424	1,534
Ostrich	21,030	33,749	37,310	58,105	33,563	37,958	34,039	62,164
Crocodile	126	389	399	868	487	411	362	261
Steenbok	20,678	16,356	26,457	76,308	47,245	41,992	33,701	37,740
Duiker	8,241	11,430	9,002	29,806	17,801	18,270	8,883	5,094
Zebra	49,780	46,021	32,319	45,604	51,047	39,383	53,129	35,636

Source: Research Division, DWNP

Note: Disparities in data collected are due to the following: 1. Seasonal migration to and from Botswana; 2. sampling error; 3. the methodology used to give more precise estimates for conspicuous and widely distributed species

The Human, Livestock and Wildlife

Conflict

13.38 Conflicts between humans and wildlife continue to be a major source of controversy between those who suffer damage and the Government. Damage caused by wildlife to livestock, crops and other properties, and the inadequate or lack of compensation for such damage has always caused consternation among rural populations. However, it should be noted that man and wildlife have co-existed since time immemorial and so has the problem.

13.39 Most of the conflicts arise from the fact that livestock areas have encroached into wildlife areas to the extent that some livestock areas are only a few hundred meters from the wildlife areas. Farming methods, especially the protection of crops and livestock, need to be improved to help minimise the conflicts.

13.40 In order to sustain wildlife populations, efforts will be made to minimize human/wildlife conflicts by working with the relevant authorities to deter livestock from encroaching into wildlife areas and wildlife from causing damage to people's property. A better balance will be struck between the needs of wildlife and that of humans in order for Botswana to sustain its wildlife populations into the future. More specifically, the following actions are being or will be taken to address the conflict between humans, livestock and wildlife:

- a. Fencing projects.
- b. Increase of Problem Animal Control (PAC) manpower and opening up new stations/camps.

- c. Provision of equipment and boreholes.

13.41 The intervention of man in the ecosystem directly puts him in competition with wildlife for various amenities including space, water, and vegetation, whereupon at times human life has been threatened. Man has expanded and driven animals further into small pockets. Every time a game animal tries to fend for itself, it directly or indirectly conflicts with the interest of man. Predators that come from protected areas and wander into cattle posts kill livestock. Equally, livestock wander into protected areas and compete with wildlife for grazing and water resources. Wildlife which come into contact with livestock is sometimes also blamed for diseases affecting domestic animals as in the case of foot and mouth, anthrax and rabies, to name a few. Similarly, this contact with domestic animals can result in disease transmission to wildlife, which is potentially fatal, particularly in the case of predators. Examples of such diseases are rabies, canine distemper, etc.

13.42 Nevertheless, Botswana appreciate some of the positive values of wildlife. Wildlife conservation and protection will continue to be given attention during NDP 9, as well as trying to find ways and means of addressing any such emerging conflicts in order to mitigate negative impacts and reach amicable compromises. Through the Community-Based Natural Resource Program, the Hunting and Licensing Regulations, the Predator Strategy, the focus of the Strategic Plan on Problem Animal control (PAC) and other relevant instruments all aimed at mitigating this conflict, the aim is to create a balance between human activity and the

continued existence of wildlife in reasonable numbers.

Problems Related to Land Use and an Examination of the Effectiveness of WMAs

13.43 Wildlife Management Areas (WMAs) arose out of the Tribal Grazing Land Policy of 1975. WMAs were established to serve as migratory corridors for wildlife between the protected areas as they allowed for movement that is essential for the survival of Botswana's wildlife in this arid environment; they also acted as buffer zones between human settlements (livestock areas) and the protected areas where the two are in proximity to one another. Finally, the WMAs helped in the decentralizing of wildlife conservation and management to local communities who bear the cost of living with the wildlife.

13.44 The wildlife estate is approximately 37% of the surface area of the country, comprising National Parks and Game Reserves (17%), and WMAs (20%). It is evident from this that wildlife is a major land use in the country. As a result, wildlife should be seen to be contributing to the economy of Botswana. The overriding philosophy is that utilization of wildlife should not be conducted in a way that is detrimental to the continued existence of the resource base.

13.45 The problems associated with Wildlife Management Areas are that they are perceived to be inhibiting expansion of grazing land, development of boreholes/watering points and access to ploughing land. The ever-expanding human activities, e.g., livestock rearing, settlements and roads, threaten wildlife in WMAs. However, wildlife and WMAs provide

opportunities for diversified economic development of the rural areas. Wildlife Management Areas are meant to benefit the communities that live in or near them. Through the Community-Based Natural Management program, opportunities have opened up for local communities to be involved in natural resources conservation and management. The communities, who bear a cost for living close to the natural environment, can now benefit directly from natural resources utilisation in these areas. Some parts of the Wildlife Management Areas are leased to safari operators, for both hunting and photographic purposes; others are retained purely for photographic purposes. A Government policy on the utilisation and management of fees earned from CBNRM projects should be put into place and related to the current policies on national revenue.

HIV/AIDS

13.46 Given the high prevalence rate amongst workers in the tourism and wildlife sectors, it is important to highlight some aspects of the current situation and the impact that this pandemic is having and will have on these two sectors.

13.47 Information of HIV/AIDS infection is not available in the Ministry. What is known is that most of the deaths occurred in Districts where there are a high percentage of mobile workers. Available statistics indicate that Kasane now has the highest HIV/AIDS prevalence which indicates that workers based in such location are also at risk of infection. The determinants include mobility, separation from spouses, working in remote areas and high prevalence Districts. The most vulnerable groups are drivers, community-based workers,

game wardens, tour guides, and trekking officers. The external clientele include the business community, wholesale and retail traders, hotel industry, tourists, insurance companies, tour operators, communities, NGOs and the general public.

13.48 The loss of trained workers either through illness or death as a result will have a considerable impact on the Departments, on families and on the future of the sectors. For example, policy formulation in the Departments of Wildlife and National Parks and Tourism will suffer; regulations will be left without enforcement, resulting in chaos and cheating. Adequate attention to wildlife by staff will not be provided, resulting in their deaths through poaching or disappearance. The national stock of wildlife will dwindle and some endangered species will be lost. The whole ecology will be affected. Tourism, one of the key contributors to the national economy, therefore, will be affected.

TOURISM AND WILDLIFE POLICY AND STRATEGY FOR NDP 9

13.49 The major thrust of the Ministry's strategy during NDP 9 will be to sustain the wildlife population, including raising the numbers of those animal species that have become endangered, and resolve serious conflicts between humans and wildlife.

13.50 More specifically, in order to help sustain wildlife populations and raise the numbers of those animal species considered endangered, the Ministry will undertake the following actions during NDP 9:

- a) revision of the overall Wildlife Conservation Policy of 1986;

- b) development and implementation of animal specific management strategies and policies, including those for rhinos, elephants, crocodiles and predators;
- c) development and implementation of a Game Ranching Policy to help guide and encourage this industry which could serve as a conservation tool; and
- d) updating the endangered/threatened wildlife species list in Botswana and closer monitoring, with a view to developing a policy on this issue.

13.51 Equally important, in order to resolve the serious conflicts between humans and wildlife, the Ministry will:

- a) continue to undertake fencing projects to separate the communal areas from the wildlife areas;
- b) increase manpower to carry out Problem Animal Control (PAC) activities in "hotspot" areas such as Kumaga and open up new stations/camps, e.g., in Kachikau;
- c) train the local communities on non-lethal PAC activities in all of these areas to ensure that the residents are in a position to protect their properties in a legally acceptable manner;
- d) provide additional resources in terms of vehicles for transport and other equipment to respond quickly to PAC reports;
- e) install additional boreholes and watering points to reduce the likelihood of wildlife wandering into the communal areas in search of water; and
- f) continue educational and conservation awareness campaigns through the expansion of the Community-Based Natural Resources Management Programme (CBNRM) to cover more areas by encouraging the

local communities to venture into more conservation initiatives and other natural resources management activities, some with income-generating opportunities directly benefiting the local communities.

13.52 During NDP 9, the Ministry will also focus the major thrust of its tourism development and promotion strategy on:

- a.* diversification of Botswana's tourist source markets, including the development and promotion of tourism in the domestic and regional markets;
- b.* ensuring the increased participation of the private sector in tourism development through the establishment of the Botswana Tourism Board;
- c.* development and diversification of Botswana's tourism product range as well as broadening the geographical dispersion and distribution of tourism benefits country-wide through the implementation of the National Eco-Tourism Strategy;
- d.* mobilisation and encouragement of citizens and local communities to fully participate in the economic life of the country's tourism sector;
- e.* providing business management and technical skills as well as other support services Botswana critically need to successfully start and run their own businesses;
- f.* providing industry skills training and capacity-building to facilitate the continuous improvement of the quality of Botswana's tourism product range; and
- g.* establishment of a Tourism Satellite Account (TSA) for the purposes of measuring more accurately the impact of tourism on the national economy

Tourism Policy Objectives

13.53 Government will continue to pursue the policy on sustainable utilisation of Botswana's resources and will ensure that the tourism industry makes greater contributions to socio-economic development, and facilitates the creation of opportunities for Botswana to derive significant levels of benefits.

13.54 In this regard, the process of diversifying the tourism product will be accelerated through:

- ♣ the implementation of the National Eco-tourism Strategy, which will assist all stakeholders, particularly rural communities, to derive sustainable benefits from tourism, while safeguarding the natural and cultural resources upon which Botswana's tourism industry depends. This Strategy will further facilitate the identification and development of alternative tourist attractions;
- ♣ the intensification of tourism training and public awareness programmes; and
- ♣ the implementation of the Tourism Development Framework developed to assist the implementation of the Tourism Master Plan of May 2000.

13.55 During NDP 9, efforts will be undertaken to implement strategies developed to address the problems experienced during NDP 8. The implementation of the National Eco-tourism Strategy, the planned review of the Tourism Policy and the establishment of the Tourism Board will address some of the problems that were experienced during NDP 8.

13.56 Implementation during NDP 9 will be guided by the Department of Tourism vision, which is that:

“By the year 2009, we, the Department of Tourism, will have facilitated the development, diversification and promotion of sustainable tourism products thereby positioning Botswana among the top ten preferred destinations in the world.”

13.57 Furthermore, the development of the industry will be guided by efforts aimed at creating a:

“Conducive environment for sustained tourism development and growth that increases entrepreneurial and employment opportunities, thereby improving the quality of life for Botswana and optimising the contribution of tourism to the economy”(DoT Mission statement)

13.58 The planned projects are all in line with achieving the above mission and the Department of Tourism Strategic Plan Key Results Areas. The Key Results Areas are in line with the objectives of the Ministry and include:

- ♣ creating a conducive environment for sustainable tourism development and growth;
- ♣ availing tourism industry information;
- ♣ satisfying customers and stakeholders;
- ♣ enhancing work performance; and
- ♣ playing an advocacy role.

13.59 The projects and programmes for NDP 9 are in concordance with the Department’s strategic objectives, vision and mission. The monitoring of implementation will consist of verifying at regular intervals the progress achieved in meeting the key

results areas contained in the Strategic Plan.

Product Diversification

13.60 Botswana’s tourism industry is currently overwhelmingly dependent on wildlife. This is a reality that will continue for quite some time. However, during NDP 9, Government intends to focus attention on the development of other available tourism resources to complement the existing wildlife attractions, and reduce the current strain on that resource. The development of heritage sites such as Tsodilo Hills, Moremi Gorge, Matsieng and Domboshaba, and cultural sites such as Godikwa Bushman Lodge and D’kar Bushman Camp have been identified among the major initiatives that will propel the tourism product diversification process.

13.61 Community involvement will be emphasised in product development during NDP 9. Although a bottom-up approach plays a vital role in providing communities the opportunity to be integrally involved in the decision-making process, in certain cases, a top-down input is necessary, especially where decisiveness is needed. While the communities want the benefits of tourism, it is acknowledged that some may lack a realistic understanding of what is involved, what true potential exists and the impact of tourism on the community. Efforts will be made during NDP 9 to plan the development of the tourism industry in such a way that it will encourage awareness so that communities will have realistic expectations.

Eco-Tourism

13.62 The development of a National Eco-tourism Strategy to be implemented during NDP 9 will provide a framework for the continuation of much needed development and an acceleration of the tourism product diversification process, focusing on improving the quality of life of the local communities.

13.63 The National Eco-tourism Programme (NEP) will guide the implementation of the strategy. The proposed NEP will consist of four areas of activity being:

- ♣ Eco-tourism Planning and Research
- ♣ Eco-tourism Standards and Accreditation
- ♣ Eco-tourism Enterprise Development
- ♣ Eco-tourism Training and Education

13.64 The above programme will ensure that Botswana provides opportunities for tourists to learn about local cultures, as well as the history of our country and its people, thereby diverting the tourism experience away from exclusively wildlife. This will create economic opportunities for local communities around parks and other protected areas.

13.65 The eco-tourism strategy also takes cognisance of the needs and roles of women and youth and outlines a deliberate plan for the participation of these groups in the eco-tourism development process. In this regard, through the implementation of the strategy, a wider range of tourism resources such as culture and heritage will be utilised, thereby creating a

diverse array of opportunities for women and youth.

Tourism Awareness, Education, and Training

13.66 In view of the critical importance that is being attached to the diversification of the tourism product and ensuring that there is greater community/citizen involvement in the tourism industry, greater prominence will be given to tourism public awareness, education, and training during NDP 9.

The Tourism Development Framework

13.67 Through the support of the World Tourism Organisation and the UNDP, a Tourism Development Framework (TDF) will be implemented during NDP 9 as part of the Tourism Development Support Programme for Botswana. This Programme is aimed at assisting the Government through the DoT to implement the Tourism Master Plan. The TDF focuses on continued product development and diversification of tourism in the south-western region of Botswana, i.e., Ghanzi, Gaborone, Kgalagadi, Central and North East Districts.

13.68 The TDF focuses on four main areas, which are:

- a. to build on the strengths of the exclusive wildlife/wilderness experiences, developing the national parks and game reserves with emphasis on branding, the intention being to have differentiated products much more in keeping with future demands of the markets;

- b. to open up and develop the Kalahari as a unique biosphere reserve, promoting the adventure product through marketing a proposed Kalahari Wilderness Trail;
- c. to develop the nature and heritage and community-based tourism product in a more intensive and commercial manner, offering an experience but not compromising the integrity of the resource;
- d. to emphasise Gaborone's role as an international gateway to Botswana and promoting the city as more than just a transit point through the revitalisation of the Mall and surrounding tourism attractions; and
- e. to sell Botswana as the home of democratic governance.

13.69 During NDP 9, the TDF will be implemented through an action plan addressing the four areas of focus. Market research will be undertaken during this TDF implementation. This will expand the information on Botswana tourism market, identify trends and focus on future visitor inflows. Studies to evaluate the economic benefits derived from the different segments of the visitor mix will be undertaken, as they will be instrumental in establishing the most viable development options and projects.

Gaming and Gambling

13.70 A Gaming and Gambling responsibility falls under the Ministry of Trade and Industry. In November 2002, a draft Gaming and Gambling Policy for Botswana was approved by Parliament. The policy is an essential instrument with which the Government

will ensure the maintenance of an effective and equitable balance between socio-economic interests and the necessary protection of society against the negative impact of gaming and gambling. The overall thrust of the policy is to promote the development of Botswana's gaming and gambling industry in an orderly and responsible manner. In line with this development, the Ministry will develop a Gaming and Gambling Act by the end of 2003/2004 financial year. This Act will govern betting and gaming operations in the country.

Tourism Statistics

13.71 The second phase of the development of the tourism statistics database system will be undertaken. At the completion of this phase of the project, Botswana will have a tourism statistics database system that will enable development planners to accurately determine the contribution of tourism to economic development.

Tourism Policy Review

13.72 A review of the tourism policy will be undertaken. This review will bring the tourism policy in line with the changes that have taken place globally, thereby providing an environment that is conducive to tourism development. More specifically, the review will ensure that the international tourism requirements outlined in the Global Code of Ethics and sanctioned by the World Tourism Organisation and the United Nations are met.

Wildlife Policy for NDP 9

13.73 The Department of Wildlife and National Parks is responsible for the formulation, co-ordination,

development and implementation of policies and programs for the management of wildlife resources in Botswana. In this regard, the Department has drawn up a strategic plan that covers part of NDP 9 period. This strategic plan sets out a course to tackle the country's complex natural resource challenges by working in partnership with other stakeholders. In order to implement the programs envisaged for NDP 9, the following policies have been developed or revised to facilitate the process.

Wildlife Conservation Policy

13.74 The Wildlife Conservation Policy of 1986 is being reviewed. This is the overarching policy document pertaining to the conservation and sustainable utilization of wildlife in the country. The revision of the wildlife conservation policy was prompted by the fact that analysis of the national policies and regulations, international agreements and current management and development activities indicate that the scope and complexity of wildlife conservation in Botswana has developed beyond the Wildlife Conservation Policy of 1986.

Predator Conservation Strategy

13.75 A Strategic Management Plan for Predators in Botswana is being developed and will be implemented during NDP 9. The strategy will provide guidance on the management of predators including aspects of information gathering and conflict resolution. Amongst others, the main management objectives of the strategy include the maintenance of minimum variable populations at a realistic carrying capacity using an approach of minimal interference and damage caused by predators.

Game Ranching Policy

13.76 This policy sets out a path for the future development of the game ranching industry in the country. The main thrust of the policy, and the attendant Game Ranching Regulations, are to provide a hands-off approach towards game ranching, which will allow ranchers to make their business decisions with minimal interference from the Ministry. This approach will empower and bestow responsibility and accountability upon the individuals and community organisations engaged in game ranching operations. Nevertheless, the policy will safeguard the conservation of wildlife and that of endangered, protected and threatened species.

Conservation and Management Strategy for Rhinos

13.77 A national strategy for rhino conservation presents policy and principles for the future management, recovery and further re-introduction of both black and white rhinos.

Elephant Management Plan Review

13.78 The Elephant Management Plan of 1991, which to date has never been fully implemented, is being reviewed so that it will be ready for implementation during NDP 9. The slow implementation of the 1991 Plan was due to international pressures surrounding the contentious issues of culling/cropping and the related sale of ivory. There were also fears of potential negative repercussions if the implementation of this Plan went forward without international support. Some international NGOs were actually threatening to boycott some of Botswana's major revenue earning exports. As there was a blanket ban on

the sale of ivory and related products, the expenses to be incurred by venturing into any culling operation without the possibility of recouping anything from sales, was also deemed to be prohibitive.

13.79 The new Plan aims to provide guidance on the management of elephants in the country including aspects of information gathering, establishing the size of an ideal herd, keeping in mind the capacity of their range in order to protect both the environment and the elephants and aspects of conflict resolution. The new Plan will also help to manage and administer the elephant population better, in order to promote both conservation and sustainable utilisation of the resource.

Exotic Species Policy

13.80 The policy endeavours to rationalise the existence of exotic species and institute measures that will minimise their interaction with free ranging indigenous wild populations. It also provides a framework for regulating future introductions and the management of exotic species.

Management Plans

13.81 Management plans for the different protected areas are also being reviewed and are at various stages of completion.

i. Central Kalahari Game Reserve/Kutse Game Reserve:

The CKGR/KGR final draft Management Plan is currently being finalised. This Plan addresses the relocation of the Basarwa settlements from the two reserves to areas outside. This issue has attracted

considerable international attention, hence the need for Government to scrutinize the development of these management plans to avoid attracting any negative publicity which could hamper their effective implementation

ii Makgadikgadi Pans National Park:

Consultative meetings have been held with communities neighbouring Makgadikgadi/Nxai Pan National Park on the proposed game proof fence around the protected area. The Environmental Appraisal report and Management Plan for the construction of the fence around the protected area has been submitted by the consultant and is under consideration.

DISCUSSION OF THE COMPREHENSIVE STRATEGIC PLAN

13.82 Botswana generally value and understand conservation and protection of their natural resources and, as such, their involvement at various levels is to continue to enhance their appreciation of the natural resources. It is for this reason that stakeholders were closely involved in the formulation of the strategic plan. Its goals thus capture and reflect the wishes and aspirations of the majority of wildlife stakeholders who took part in its drafting.

13.83 The strategic plan presents the vision of the Ministry that will guide the Department during NDP 9. It focuses on a limited number of priority goals and objectives deemed critical to ensure that no species of wild fauna and flora become subject to unsustainable utilisation and possible extinction. This strategic plan will

enable the Department to realise its objectives by the year 2006.

13.84 Negotiations are ongoing on the establishment of another Transfrontier Conservation Area (TCFA) at the confluence of the Limpopo and Shashe rivers. TFCAs play an important role in the survival of wildlife populations that are contiguous across international borders. They are also focal points for private sector investment and generate economic benefits in remote areas. This formal cooperation with other countries also brings significant exchange of experiences and promotes regional understanding and tolerance. It will also help in regional packaging as one of the main vehicles for

attracting tourists to Botswana and the region.

13.85 The long-term survival of wildlife resources depends on ensuring prudent land use planning that will enable movement to seasonal ranges and provision of artificial watering points where access to natural water sources has been severed. Occurrence of free-ranging wildlife outside protected areas will depend on how well people/wildlife conflicts can be resolved through changing people's attitudes towards wildlife. To that end, the projects and programmes that target poverty alleviation and enhance the value of wildlife to communities, as espoused in Vision 2016, will be actively promoted and implemented.

CHAPTER 14

ENVIRONMENTAL MANAGEMENT

INTRODUCTION

14.1 Vision 2016 has identified the Environment as one of the challenges that will be tackled in order for us to achieve sustainable development. In line with this challenge, Botswana has ratified a number of international conventions and the Ministry of Environment, Wildlife and Tourism is implementing the related activities, as well as embarking on various projects and programmes. This chapter provides the environmental policy and programme framework that should help in fostering the pursuit of sustainable development by ensuring that due regard is given to environmental considerations in the National Development Planning process in general and in NDP 9 in particular. The chapter is premised on the National Policy on Natural Resources Conservation and Development of 1990 (the National Conservation Strategy - NCS) which is founded on the principle and concept of sustainable development, commonly defined as “.. *development that meets the needs of the present generation without compromising the ability of future generations to meet their on*”...

14.2 The chapter translates the National Conservation Strategy and the NCS Action Plan into specific policies, programmes and instruments of a macro-economic nature, which should serve as incentives in the quest to improve the protection of the country's environment and the conservation of its natural resources. These innovative measures include fiscal policies. It also proposes

specific legislation and provisions which will play a positive role in the overall protection of the environment by, among others, mitigating and ameliorating environmental degradation.

14.3 The chapter is also premised on the notion that achievement of economic growth cannot be maintained without safeguarding the natural capital and the quality resource base on which development is dependent. The process of economic development almost inevitably changes the environment. This raises several questions that should be addressed as part of development planning:

- Which environmental changes have occurred and are expected in future?
- Are there any irreversible changes that require prevention?
- Are there unacceptable changes that require mitigation, amelioration or prevention?
- What are the costs of environmental changes (e.g. reduced development opportunities, mitigation costs)?
- Are natural resources currently being used to their full development potential?

Institutional Framework

14.4 The National Conservation Strategy policy document, which was approved by Parliament in December 1990, set up two institutions: namely a 17-member National Conservation

Strategy Advisory Board chaired by the Minister of Local Government, Lands and Housing, and a National Conservation Strategy Coordinating Agency. During the NDP 8 the Ministry of Local Government, Lands and Housing was divided into two, namely the Ministry of Local Government and the Ministry of Lands and Housing. The NCS institutions were assigned to the Ministry of Lands and Housing, which was later re-named Ministry of Lands, Housing and Environment in recognition of the environmental coordination mandate. The National Conservation Strategy Advisory Board advises Government on all matters concerning the implementation of the National Conservation Strategy by coordinating the various environment and natural resources institutions of Government. The National Conservation Strategy Coordinating Agency on the other hand acts as the secretariat of the Board. It is planned to turn the NCS Coordinating Agency, which currently consists of a modest establishment of 38 posts, into a Department.

REVIEW OF NDP 8

National Conservation Strategy (NCS) Action Plan

14.5 During NDP 8, an NCS Action Plan was prepared. The main thrust of the NCS Action Plan was the introduction of new and strategic approaches aimed at achieving the integration of the conservation of natural resources into the national development process. Progress is being made in the implementation of the NCS Action Plan.

Institutional Review

14.6 An Institutional Review of the National Conservation Strategy Coordinating Agency and NCS Advisory Board was also undertaken during NDP 8. Among others it recommended the establishment of a Ministry dedicated to the Environment and the overall upgrading of the NCS institutions. The consultancy was a result of a joint effort by Government and the United Nations Development Programme (UNDP).

Legislative Framework

14.7 Since the establishment of the NCS Advisory Board and the National Conservation Strategy Coordinating Agency, they have not been equipped with powers, firmly grounded on legislation, to enable them to effectively monitor, superintend and co-ordinate environmental issues. These problems have been compounded by the fact that there are a number of legislative environmental instruments touching on environmental matters and the enforcement mechanisms under these instruments have proved to be ineffective. During NDP 8, steps were taken to address the problem. The process of promulgating an overarching Environmental Management Act (EMA) and the Environmental Impact Assessment (EIA) legislation were initiated. It is expected that these Acts will be operational during NDP 9, to legitimise the actions being called for by the NCS Action Plan, and thus enable the two NCS institutions to play a key role in ascertaining the courses of action that warrant policy reviews and reform.

Environmental Economics

14.8 During NDP 8, an environmental economics programme was initiated to formalise the environmental economics foundation of natural resource management. This was intended to maximise the development opportunities and conserve natural resources by adopting a systematic approach towards the integration of resource management into development planning. The environmental economics programme will assist in the monitoring of resource stocks and flows. The general foundation will be the adoption of the 'polluter pays' and the 'user pays' principles, which will initially apply to commercial resource use.

Natural Resources Accounts (NRA)

14.9 As part of a regional initiative on the development of natural resources accounts, a natural resources accounts programme was initiated in 1998. A national co-ordinating committee was instituted to oversee the development of natural resource accounts. Draft accounts were developed for the water sector on a pilot basis. The draft water accounts have demonstrated the need for the institutionalisation of the NRA component of the environmental economics programme to assist in the monitoring of resource trends, stocks and flows and the regular assessment of sector comparative advantages. This has become more pressing with the current endeavours towards economic diversification.

14.10 The main problems encountered, which will have to be addressed during NDP 9, are as follows:

- Constructing the NRA is based on primary data and related records for past years which are either not available or have not been computerised.
- Core staff in technical Departments to be involved in the construction of accounts were occupied on other pressing assignments.
- Lack of training of staff to work on the programme.

Environmental Education and Public Awareness

14.11 Coordination of education and public awareness on the environment is one of the major mandates of the NCSA. An Environmental Education Coordinating Committee was established by the NCSA to enhance coordination of environmental education planning and implementation in the formal, non-formal and informal education sectors. Implementation of environmental education in collaboration with stakeholders has accomplished several initiatives. These include among other things; integration of environmental education into the school curricula, development of co-curricular activities such as environmental fairs, commemoration of environmental days, exhibitions at trade fairs and environmental fairs, and enhancement of community involvement in natural resources management through District conservation seminars.

14.12 The participation of the NCS institutions in environmental education and public awareness on environmental issues has had to take cognisance of the activities of the many other institutions within and outside government. The shortage of vehicles, manpower and lack of

equipment hampered the smooth and effective implementation of planned educational activities.

Wetlands Policy and Strategy

14.13 Botswana, with its semi-arid conditions, is remarkably well endowed with quite a number and variety of wetlands that are unique in the region. During NDP 8, the NCS institutions coordinated the formulation of a draft national Wetlands Policy and Strategy for Botswana. The main goal of the draft Policy and Strategy is *“to promote the Conservation of Botswana’s Wetlands in order to sustain their ecological and socio-economic functions as well as providing benefits for the present and future well-being of the people”*. The Policy further recognises the following: -

- ♣ The irreplaceable ecological and socio-economic values of wetlands
- ♣ Botswana’s internationally important and unique wetlands
- ♣ Ongoing degradation of wetlands resources
- ♣ Our responsibility for stopping wetlands loss and
- ♣ The need to maintain wetlands through sustainable use, improved management and full public support.

14.14 The draft Wetland Policy and Strategy document is currently undergoing consultation within Government and will be approved during NDP 9.

14.15 In addition Botswana ratified the Convention on Wetlands of International Importance (Ramsar) in 1997 and listed the Okavango Delta as a Ramsar site. It was at the time the biggest Ramsar site in the world. Obligations under this convention

include the development of management plans and implementation thereof for wetlands. Government has thus initiated the process of developing a management plan for the Okavango Delta. The design phase is complete and support has been secured to start the development of the plan. This is a multi-sectoral process and it will involve the participation of other Departments under the overall coordination of the NCSA.

14.16 The overall goal for the development of an integrated management plan for the Okavango Delta is to integrate resource management to ensure its long-term conservation and thus provide sustained benefits for the present and future well-being of the people. The development of the management plan will be completed during NDP 9. The results of the integrated management plan will inform the Okavango River Basin Commission (OKACOM) which plans to develop an overall management plan for the Okavango River Basin. OKACOM involves the three riparian states of Botswana, Angola and Namibia.

14.17 The development of a management plan for the Makgadikgadi Pans system, another potential wetland of international importance, has already begun. The Makgadikgadi wetland system was selected by the Southern African Development Community (SADC) Member States for demonstration of the development of a palustrine wetland management plan. The activity is being carried out as part of the SADC Wetland Conservation Project Phase II under the SADC Wildlife Sector and The World Conservation Union Regional Office for Southern Africa (IUCNROSA)

with financial support from NORAD. The main goal of the exercise is to provide a model procedure and test current processes of developing management plans for replication on wetlands within SADC Member States. The baseline survey will highlight the main ecological and socio-cultural/economic issues to be addressed by the management plan. The survey will also recommend an appropriate area to be covered by the project based on the available resources, time and also as a representative sample of the greater wetland ecosystem. The exercise will be concluded during NDP 9.

Environmental Research

14.18 During NDP 8, a national inventory of research on issues related to the environment was initiated. In addition Botswana Government and the United Nations Development Programme (UNDP) established a consultancy to draw up the country's first State of the Environment Review (SOER). The report will provide information on the state of the Environment in Botswana and support sustainable development decisions through the provision of credible and comprehensive scientific data and information on the condition and trends of the country's environment. The State of the Environment will inform preparations for NDP 9.

Natural Resource Utilisation

14.19 During NDP 8 Community-Based Natural Resource Management (CBNRM) activities were expanded from the mainstay areas of wildlife and some major veld products to cover other natural resources sectors such as thatching grass and eco-tourism in order to contribute substantially to

rural income. Major problems encountered included training of community to prepare viable project proposals and community mobilisation and lack of implementation capacity.

14.20 The NCSA with financial sponsorship from UNDP was able to financially support six community projects as outlined below.

- ♣ *Community Based Eco-tourism in Gudigwa*
- ♣ Mobilisation of Okavango Community Trust Members
- ♣ Mobilisation of Mokokwana/Mosweu Communities – Mowana Community Trust
- ♣ Promotion of Sustainable Utilisation of Veld Products for income and food security
- ♣ Botswana Community Based Organisation Network (BOCOBONET)
- ♣ Rasesa Community-Environmental Assessment

14.21 During NDP 8, the NCSA undertook several reviews of Environmental Impact Assessment studies of sectoral activities and assisted in the formulation of the terms of reference for the studies. The Agency also participated in the execution of some projects such as the CBPP Veterinary fences and the aerial spraying to eradicate tsetse fly in the Ngamiland District in collaboration with relevant departments. The lack of legislation and insufficient capacity within the NCSA were however some of the major factors affecting the monitoring of projects countrywide.

Multilateral Environmental Agreements (MEAs)

14.22 Environmental issues often cut across international boundaries and their solution calls for global action.

Multilateral Environmental Agreements (MEAs) are one way in which the international community deals with issues of environment.

14.23 During the NDP 8 plan period, Botswana became party to some of these MEAs such as:

- The UN Framework Convention on Climate Change (UNFCCC);
- The United Nations Convention to Combat Desertification (UNCCD);
- The Convention on Biological Diversity (CBD);
- The Ramsar Convention on Wetlands of International Importance;
- The Basel Convention on the control of Transboundary movements of Hazardous Wastes and their Disposal;
- The Cartagena Protocol on Biosafety; and
- The Convention on the Protection of the World Cultural and Natural Heritage.

14.24 The NCSA is the focal point for most of these MEAs, while other Government institutions are the implementing agencies and competent authorities. Botswana also signed the Stockholm Convention on Persistent Organic Pollutants. Botswana is also a signatory to various SADC regional protocols (notably on shared watercourses and wildlife). The implementation of the MEAs are at various stages and will be accelerated during NDP 9.

14.25 The Permanent Okavango River Basin Water Commission (OKACOM) was established in 1994 by the Governments of Angola, Botswana and Namibia as a tripartite vehicle towards integrated management of the Okavango basin. The three Governments are currently executing a basin wide environmental

assessment whose objective is for environmental protection and sustainable management of the Okavango River Basin.

14.26 In order to protect global and national biological diversity, Botswana ratified the Convention on Biological Diversity (CBD) in October 1995. The convention's objectives are:

- ♣ The conservation of bio-diversity at the genetic, species and ecosystem levels;
- ♣ The sustainable use of its component parts; and
- ♣ The fair and equitable sharing of benefits derived from the use of genetic resources.

14.27 One of the requirements of the Convention on Biological Diversity is the production of a Biodiversity Strategy and Action Plan (BSAP). The process of preparing a national Biodiversity Strategy and Action Plan has already commenced. This entails the development of national strategies for the conservation and sustainable use of biological resources. The project will be completed and implemented during NDP 9.

14.28 Currently, the NCSA is implementing the Southern African Biodiversity Support Programme as part of a SADC initiative. This five-year project is aimed at safeguarding the biodiversity of the region. The programme is designed to improve cooperation and to build capacity both within and between participating countries and also integrate sustainable use into biodiversity conservation and other sectoral programmes. The project will be completed during NDP 9.

Agenda 21 and other Rio Earth Summit Commitments

14.29 The Botswana Government participated in the United Nations Conference on Environment and Development (UNCED) commonly known as the Rio Earth Summit that was held in Rio de Janeiro, Brazil in June 1992 and has ever since aligned itself with the outcomes of the Summit. The main outcomes of the Summit were the Rio Declaration on Environment and Development, consisting of 27 principles, and Agenda 21. Agenda 21 outlines an agenda for sustainable development in the 21st Century by addressing the current pressing development and preparing the world for the upcoming challenges. It was a global consensus and political commitment at the highest level on sustainable development. Sustainable development hinges on three equal pillars namely economic development, social development and environmental protection.

14.30 Another World Summit on Sustainable Development (WSSD) marking 10 years after the Rio Earth Summit was held in 2002. In this regard a National Agenda 21 Coordinating Committee was established to prepare Botswana's report on the implementation of Agenda 21.

Capacity Building and Training

14.31 During NDP 8, the NCSA was unable to fully achieve its goals due to lack of capacity even though the level of responsibility had increased. Lack of adequate human and financial resources were caused mainly by the fact that the NCSA was considered to be a Unit within the Ministry

Headquarters and the Ministry Headquarters had a very limited growth rate in both manpower and financial ceilings. This classification also meant that the NCSA did not have a financial vote of its own since it was not a Department. Training on the other hand was adequate probably because of the small staffing of the NCSA.

Financing Environmental Action

14.32 The NDP 8 plan period did demonstrate that environmental activities (projects, studies, EIAs, audits etc.) need substantial financing. This should be a shared responsibility between government, civil society and the private sector. During NDP 8, a number of environmental projects were funded under GEF and some of these include the following:-

- ♣ Energy efficiency in household and industry;
- ♣ Coal fired stoves and woodlot;
- ♣ Solar powered boreholes; and the Molalatau Biomass Research

14.33 The success of some of the projects was hampered by problems such as inadequate technical back-up at project design and implementation and non-dissemination of technology. NGO's and Research institutions in collaboration with Government did the implementation of these projects.

Environmental Planning Programme

14.34 NDP 8 saw the start of formal recognition of environment within the national planning process through the provision of a chapter dedicated to environment and land use. Through the EPP project which was funded by

the Danish, capacity has been built within planning process to incorporate environmental concerns into development planning. This will be facilitated through the implementation of the Planning Officers' Manual and District Planning Handbook which were revised to incorporate environmental issues.

POLICY AND STRATEGY FOR NDP 9

Environmental Institutions

14.35 Environmental issues are integral to society and span across sectors. The NCS institutions will be upgraded to meet the cross-sectoral challenges of environmental management during NDP 9. The cross-sectoral nature of environmental management requires increased cooperation, networking and partnerships amongst Government institutions so as to attain sustainable development. This requires effective operational links with institutions that are involved in the management of the natural capital to foster a continued policy review and reform.

14.36 Functional and effective links with the information centres of line Ministries will ensure that environmental/sustainable development indicators are generated and updated for the operation of the "State of the Environment Review and Monitoring" at the national level, and the implementation of the environmental assessment guidelines for systematic EIA applications. Closer ties and working relationships between Government, civil society and the private sector will be encouraged.

Public Institutions, Participation and Awareness

14.37 The emergence of civil society environmental institutions (Non-Governmental Organisations) – NGOs, and Community Based Organisations (CBOs), during the last two decades indicates growing societal concern and interest in the environment. NGOs tend to be advocacy-oriented whilst CBOs seem to be more project-based with many of them involved in CBNRM activities. During NDP 9, CBNRM activities will be intensified in collaboration with other stakeholders.

14.38 NGOs play an important role in creating public awareness, which is a precursor of involvement. Public participation in policy formulation, implementation and decision-making is critical to sustained environmental management. Government will share and provide access to information such that every member of society may actively participate in the execution of national environmental responsibilities. It should be noted that integration of environmental concerns into development planning (*environmental mainstreaming*) has implications for the choice, design and appraisal of policies, programmes and projects.

14.39 Environmental economic concepts and methods will greatly assist environmental mainstreaming, but at present the potential is minimally used. There are no routine analyses of the linkages between natural resources and economic development planning. The intrinsic and total economic value of most natural resources is not known, and neither is the cost of environmental damage. Resource monitoring will be

strengthened, and the results of trend analysis will be incorporated in policies, programmes and projects. This will initially be done through the extension of the natural resource accounting programme. This will involve collaboration with ongoing efforts within ministries (e.g. wildlife counts and Botswana Rangeland Inventory and Monitoring Programme BRIMP).

Resource Valuation and Costs Assessment of Environmental Damage

14.40 The overall economic costs of resource use exceed the amount paid by the user. Costs to society also include external environmental costs and foregone future benefits. The use of *marginal opportunity cost* pricing mechanisms will cover these cost components in order to deter polluters from causing environmental damage. Resource degradation continues to be a development concern. Cost assessments will be undertaken during NDP 9 to formulate remedial action, and to justify preventive measures. Furthermore resource valuation will be undertaken to prioritise resource management efforts so as to determine proper charges for resource utilisation as well as pollution prevention and control.

Optimal Use of Natural Resources

14.41 Growing competition for use of resources and the appreciation that natural resources should support economic development make it important to regularly review resource allocations and, where necessary, to make adjustments to increase the development benefits. This resource management aspect has been neglected in the past, partly because of

subsidies and the lack of concerted effort by the various sectors of the economy. During NDP 9, Ministries will be encouraged to regularly review resource allocation procedures so as to boost productive resource use. In addition, Ministries will consider the introduction of market forces (e.g. market-based charges, tendering).

Economic Opportunities Arising from Environmental Issues

14.42 It is necessary to review the areas in which the country has comparative advantages and devise means of stimulating the use and production of environmentally friendly products (e.g. recycled paper and water-saving technologies). This will provide incentives for the establishment of new industries. Comparative advantages related to the environment are associated with the abundance of solar power, some veld products, wildlife, water conservation, livestock and minerals. Furthermore, during NDP 9, development constraints will be analysed and mitigation measures effected.

Environmental-Economic Instruments

14.43 The Environmental Economics programme will be developed further during NDP 9 to create a formal framework that will foster the enhancement of development opportunities by and while conserving natural resources. A systematic approach towards the integration of resource management and development, cutting across the individual economic sectors and recognising the linkages between natural resources will be adopted.

14.44 Environmental-Economic Instruments (EIs) offer several

advantages when used in conjunction with Environmental legislation. EEIs are instruments such as taxes and user charges that are meant to encourage the use of resources in an efficient and sustainable manner. They are cheaper to implement and leave resource users and polluters a choice. EEIs thus stimulate productivity and instil a sense of resource value on users and polluters, thereby contributing towards a more positive resource utilisation attitude. EEIs suit the trend towards economic liberalisation and a greater role of market forces, and will therefore be integrated into economic market reforms. Government will pursue these initiatives during NDP 9.

Policy Framework

14.45 Policies and programmes of Ministries will be reviewed and clearly targeted so as to achieve the development objectives during NDP 9. This is important so that the needs and constraints of socio-economic target groups are addressed in line with the local environmental conditions. In socio-economic terms, a clear distinction will be made between commercial and subsistence users as the strategies and characteristics of these two groups are entirely different.

14.46 For the commercial sector, economic efficiency and environmental sustainability will be given priority. This implies that the most productive sectors need to acquire resource use rights, provided resources are used in a sustainable manner. In the past economic efficiency has not been given sufficient emphasis to the detriment of the environment and development. For example, low land and hunting charges have had the effect of increasing resource pressure as well as

resource speculation and attracting marginal producers.

Project Appraisal and Environmental Impact Assessment

14.47 In the past, project appraisal methods have not adequately incorporated environmental concerns in the project design. Some projects may thus have negative environmental impacts. These will be identified mandatorily, through the implementation of the forthcoming EIA legislation. Such impacts will be identified and the costs assessed as part of an overall appraisal. The appraisal of projects has been done through the traditional cost-benefit analysis, but increasingly multi-criteria analysis is required to assess a project's merits. The changes in the Planning Officers Manual will enhance the appraisal processes during NDP 9. The NCS institutions will also initiate environmental audits/appraisal of projects, which cut across individual ministries, albeit in consultation with the relevant line Ministries. The implementation of the EIA law will be facilitated through EIA manuals, which will be developed during NDP 9. Sector specific EIA guidelines will be developed where they do not exist.

Environmental Legislation

14.48 The existing national environmental laws cover a wide range of environmental and natural resources issues. Government is in the process of promulgating the EIA legislation and an overarching Environmental Management (EMA) Act. These will be enacted and implemented during NDP 9. Line Ministries will have to review and re-

align their existing legislation to the EIA and EMA Acts once these have been promulgated.

Multilateral Environmental Agreements (MEAs)

14.49 MEAs require accelerated implementation through increased awareness and cooperation at District and local community levels. International trends towards convention clustering need translation into convention synergies at national level. Databases required for national communications will be shared and jointly maintained, whilst multi-convention reports will be pursued depending on the specific requirements of the conventions. National capacity to actively participate in Conference of Parties (CoPs) and international negotiations will be strengthened and public awareness about MEAs will be intensified during NDP 9.

Wetlands

14.50 The completion of management plans for the Okavango Delta and Makgadikgadi Pans systems will be followed by their implementation. Management plans for other internationally important wetlands such as the Linyanti-Chobe system will be initiated.

Agenda 21 and other Rio Earth Summit Commitments

14.51 During NDP 9, the expectations and prospects for sustainable development in the new development decade will be substantiated. This will involve consultations with stakeholders so that they understand the role they will play in promoting the implementation of

Agenda 21. District and Local Agenda 21 action plans will be developed. A mechanism will be put in place where specific goals, indicators to measure progress towards sustainable development, and the processes that will ensure Botswana's compliance with the 27 Rio Principles will be monitored. The NCSA will continue to monitor and coordinate the implementation of Agenda 21 and other Rio Earth Summit Commitments as well as the outcomes of the WSSD that Government will have accepted.

Convention on Biodiversity

14.52 The completion of the development of a national Biodiversity Action Plan will be followed by its implementation. The NCSA will continue to participate in the Southern African Biodiversity Support Programme. The implementation of the recommendations from these two projects will require additional funding as well as human resources.

Capacity Development and Training

14.53 During NDP 9, resources will be provided to improve the implementation capacity of NCSA through provision of additional human resources and further training at all appropriate levels. Improvement of capacity and skills in areas such as environmental assessment, environmental research and monitoring, environmental education and awareness, administration and management, planning and development, IT as well as in negotiating and implementing MEAs will be undertaken.

Environmental Education and Awareness

14.54 Environmental Education is being implemented through a strategy, which provides the general framework for the development of the National Environmental Education Action Plan. The programmes started during NDP 8 will continue to be undertaken and intensified during NDP 9 to ensure that support mechanisms are focused. The environmental education and awareness programmes will further be developed in collaboration with other stakeholders so as to provide a focus of the activities of the various organisations and stakeholders.

Research

14.55 The NCSA will continue to coordinate environmental research initiatives during NDP 9. The SOER will be reviewed during NDP 9 so as to enhance environmental monitoring of the indicators for sustainable development. A realistic period for coming up with future SOERs will be determined. The NCSA will encourage other stakeholders to undertake more research in their various fields and in such areas as biodiversity conservation, natural resource management, integrated water resources management, energy, environmental governance and planning, and resource economics. In conjunction with other Ministries, private sector, NGOs and Research Institutions, the need for a national Strategic Plan for integrated environmental research will be assessed and, if found appropriate, developed and implemented.

Financing Environmental Programmes/Projects

14.56 The NCS Action Plan incorporates the establishment of an Environmental Enhancement Fund specifically aimed at enhancing the country's renewable natural resource base and its capacity to use renewable and non-renewable resources efficiently. The concept of an Environmental Fund is not a new phenomenon in Botswana. For example, a number of mechanisms exist through which CBOs and NGOs can access funds through government. The establishment of the Conservation Trust Fund (DWNP) as a requirement to deal with ivory sales, has introduced a new mechanism to release funding into conservation. Given the recent developments within the NGO community where funding for environmental projects have dwindled (as a result of donors pulling out), the time is opportune to establish an Environmental Fund during NDP 9 as NGOs and the private sector are key players in the development process. The Fund will not be for NGOs and CBOs only, as it will also target groups and even individuals who will be adjudged to have made positive contributions towards the protection of the environment and its natural resources. The details regarding issues such as type, legal basis, funding, governance and disbursement of fund as well as institutional support and institutional arrangement to manage the fund will be worked out in consultation with stakeholders during NDP 9. Increased efforts will also be made to access domestic and international financial mechanisms in order to finance the ever-growing Government and civil society environmental agenda in the country.

Natural Resource Utilisation

14.57 Consolidation of CBNRM during NDP 9 requires an accelerated implementation of the CBNRM Policy and legislation. The initial results with community-based natural resource management have been positive. Any perceived shortcomings would be addressed during NDP 9 with a view to correcting them.

CHAPTER 15

EDUCATION AND TRAINING

INTRODUCTION

15.1 In line with the theme of sustainable and diversified development through competitiveness in the global market, the Ministry of Education will continue with the implementation of the Revised National Policy on Education (RNPE) Government Paper No. 2 of April 1994 during NDP 9, in order to provide quality education and training. Emphasis will be placed on equipping learners with skills to enable them to enter into self-employment as well as create an opportunity for lifelong learning. Government will continue to provide resources for the expansion of educational facilities.

15.2 The continued and sustained improvements in the relevance and quality of education, as well as access to education as pronounced in the RNPE lie at the core of the Long Term Vision for Botswana: Vision 2016. Building the future Botswana as envisaged in the Goals of Vision 2016, demands a massive effort by all members of the society and partners in the provision of education to make Botswana a learned society.

15.3 The provision of education that meets the needs of all learners has become a challenge in that society is becoming more diverse in terms of culture, religion, economic activities and social interactions. Education is, therefore, core to sustained and diversified development. It is, therefore, important that Government continues to invest in education and training in order to improve access and

build human capacity for employment, including self-employment and income generation.

15.4 Government has committed itself to improved access to pre-school education, provision of ten years of basic education for all, increase access to senior secondary education, expansion of vocational and technical training and promotion of lifelong learning, and through Vision 2016 to, among other goals, building “an educated and informed nation”. Therefore the education system will focus mainly on providing programmes that will lead to higher quality of human capacity and productivity during NDP 9, leading to a better quality life and prosperity for all.

15.5 The programmes will combine knowledge, skills, values and attitudes in a form that prepares learners for changes in the world around them, for the world of work and lifelong learning. These should lead to the realisation of the educational vision as expressed in the Ministry of Education Strategic Plan 2001-2006, which is “To offer equitable lifelong education and training that is relevant and responsive to the rapid technological development and the changing socio-economic environment, and that produces knowledgeable, skilled, enterprising and independent individuals.”

DEVELOPMENTS DURING NDP 8

The Revised National Policy on Education

15.6 The Revised National Policy on Education (RNPE), Government Paper No. 2 of April 1994, guided the programme activities of the Ministry of Education in terms of curriculum reforms and ongoing improvements in the education system during NDP 8. Its implementation of the RNPE was intended to cover a timeframe of 25 years given that its recommendations

had been classified for implementation in the short, medium and long term, respectively.

15.7 The following key recommendations of the RNPE have been implemented.

- Re-introduction of the three-year Junior Certificate Programme.
- Achievement of universal access to 10 years basic education.

Table 15.1 - Primary Education Targets and Achievements

	1997	NDP 8 Target	Actual (2002)
Standard 1 Enrolment	52,683	57,803	53,061
Population of 6-year olds	38,932	-	45,297
Total Enrolment	323,923	354,191	332,346
School Age Population (6 - 12)	272,144	337,468	290,994
Trained Teachers	10,174	10,837	10,810

Source: i. Enrolment figures and teacher figures by Ministry of Education
ii. Population figures by Central Statistics Office

- Review of the basic education curriculum and development of core instructional support material.
- Introduction of the three year Diploma in Primary Education Programme and phasing out of the former two-year Primary Teachers Certificate (PTC) in all the primary colleges of education.
- Localisation of the senior secondary examinations through the introduction of the Botswana General Certificate of Secondary Education (BGCSE).
- Diversification of the Vocational Education and Training curriculum through

introduction of competency-based and modular programmes like the Botswana Technical Education Programme (BTEP), as well as increasing access to this level of the education system through expansion of technical colleges.

- Increased access to senior secondary education beyond 50%.
- Establishment of the Tertiary Education Council (TEC) to co-ordinate the development of tertiary education.
- Establishment of the Botswana Examinations Council to manage and co-ordinate the conduct of all national

examinations/assessment programmes.

- Establishment of the Botswana College of Distance and Open Learning (BOCODOL).

15.8 The Ministry of Education has done a lot in terms of awareness on HIV/AIDS through infusion of HIV/AIDS matters into the school curricula but there appears to be no improvement. Current efforts have not resulted in any behavioural change and a new approach will be required for NDP 9.

Examinations, Research and Testing

15.9 During NDP 8, the Examinations, Research and Testing Division focused on the following focal areas:-

- Developing the criterion-referenced testing assessment procedures for the primary and junior secondary levels;
- The localisation of the Cambridge School Certificate Examination;
- Developing the Botswana National Examinations Processing System;
- Developing appropriate assessment procedures for learners with disabilities;
- The establishment of a fully-fledged autonomous Botswana Examinations Council;
- Construction of a purpose-built facility for the Examinations Council.

Curriculum Development and Evaluation

15.10 During NDP 8, the revised curriculum and support services focused on: -

- Developing programmes for the Ten Year Basic Education and Senior Secondary Education with emphasis on providing learners with skills applicable to work situations;
- Diversifying the curriculum and increasing the number of practical subjects that can provide orientation to technology;
- Using the infusion and integration approach to accommodate emerging issues such as HIV/AIDS, Environmental Education, Population/Family Life Education, World of work, Gender issues and Information Communication Technology (ICT);
- Providing comprehensive guidance and counselling services;
- Producing educational radio programmes, educational publications and teaching aids to support the curriculum.

Pre-primary Curriculum

15.11 The draft policy was developed with the collaboration of key stakeholders such as Ministry of Local Government, Non Government Organisations and UNICEF. It is still going through Government consultative machinery.

Primary Education Curriculum

15.12 Development of a new primary education programme, which is under

way will ensure articulation with junior secondary education within the basic education cycle. Accordingly, the curriculum for the lower primary education, Standard 1 to 4, was reviewed and revised. Implementation of the revised curriculum started with the January 2002 Standard 1 cohort. The curriculum was re-packaged at lower primary to introduce new learning areas: Cultural Studies, Environmental Science and Creative and Performing Arts.

Secondary Education Curriculum

15.13 The review and revision of the junior secondary programme started in 1996 and all new subjects recommended in the RNPE were introduced with the exception of a Third Language. New subjects introduced at this level were Computer Awareness, Business Studies, Music and Physical Education. A Third Language consultancy to study local languages started towards the end of NDP 8 to inform the Ministry of Education on directions to follow in terms of introducing Third Language teaching in schools. French was introduced in 15 junior secondary schools on a pilot basis.

15.14 During NDP 8, the Department of Curriculum Development and Evaluation set out to localise syllabuses for the senior secondary level. By 2002, 24 syllabuses had been localised and the exercise will be completed by end of NDP 8.

Support Services

15.15 An evaluation of the Guidance and Counselling Programme was conducted to guide its future development. A feasibility study on the establishment of Career Resource Centres was conducted and the recommendations have been reviewed

to guide the establishment of the centres during NDP 9. The centres will ensure that young people in Botswana have access to career information and receive professional psychological support.

15.16 To facilitate establishment of educational television, a consultancy was engaged towards the end of NDP 8 to define the scope of the project.

15.17 The Educational Publications Division continued producing various publications to supplement the curriculum. In accordance with Recommendation 120 of the RNPE, a consultancy was undertaken during NDP 8 to comprehensively inform and advise on how the Publications Division could be strengthened to perform a consolidated public relations function for the Ministry of Education.

PRIMARY EDUCATION

Pre-School Education

15.18 The following have been achieved during NDP 8:

- A Partnership has been established with the Ministry of Local Government for a shared management system in pre-school education. The Ministry of Education is responsible for policy formulation while the Ministry of Local Government is responsible for policy implementation.
- A draft Policy on Early Childhood Care and Education has been developed to address implementation strategies for the pre-primary programme.
- The Ministry of Education provides an enabling environment through pre-school grants to Non-Governmental Organisations (NGOs) and Community-Based Organisations (CBOs) as well as

the coordination and professional support of the programme. Training of teachers continues to be offered at Lobatse Day Care Training Centre at the level of certificate.

Primary Education

15.19 During NDP 8, a number of achievements were made in:

- The provision of resource units in select primary schools to meet the needs of disabled learners;
- The upgrading of Primary Teachers Training Colleges (PTTCs) from Certificate training into Colleges of Education offering post-secondary diplomas, has enabled increased production of teachers trained at a higher level;
- In addition, serving PTC holders are being upgraded to diploma through distance education offered by the University of Botswana.

SECONDARY EDUCATION

15.20 During NDP 8, a 100% transition rate from primary education to junior secondary education has been achieved. This means that universal access to ten years of basic education is now possible. The main emphasis during NDP 8 has been to improve the quality of education by provision of additional facilities and equipment through the upgrading of all

Community Junior Secondary Schools (CJSSs).

15.21 Diversification of the curriculum has been vigorously implemented at both junior and senior secondary education. A computer awareness programme was introduced in some junior secondary schools and will be offered in all junior secondary schools by the beginning of NDP 9. The senior secondary curriculum has also been diversified to include more practical and business subjects. The department is also working towards complete decentralisation of the supervision of secondary schools.

15.22 The major problems experienced are shortage of professional staff for supervision both at regions and headquarters; insufficient teacher supply in new subjects introduced by RNPE; shortage of housing for teachers and insufficient facilities.

TEACHER EDUCATION

15.23 During the NDP 8 Plan period, several projects on quality improvement and upgrading of teaching facilities in colleges of education could not be implemented due to shortage of financial resources. Only one Education Centre at Kanye was constructed.

Table 15.2 - Colleges of Education Enrolments, 1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
Tonota	638	637	637	640	637	639	782*	865*
Molepolole	635	623	624	630	630	633	720*	795*
Tlokweng	308	305	301	294	310	313	361	365
Francistown	305	276	249	236	204	298	338	391
Lobatse	250	271	107	311	315	331	368	396
Serowe	302	288	218	206	308	320	339	264

Source: Department of Teacher Training and Development, 2002

*Increase due to off-campus students

Table 15.3 - Colleges of Education Output, 1995-2000

	1995	1996	1997	1998	1999	2000
Tonota	201	209	195	213	213	195
Molepolole	216	214	168	199	199	193
Tlokweneng	107	108	110	94	110	107
Francistown	150	156	123	125	Nil*	122
Lobatse	79	173	Nil*	103	108	118
Serowe	137	165	123	Nil*	107	103

Source: Department of Teacher Training and Development, 2002

*Nil - no graduates as colleges were upgraded from 2 year Certificate to 3 year Diploma Programme.

TEACHING SERVICE MANAGEMENT

15.24 During NDP 8, the performance of Teaching Service Management against stated objectives was as follows:

- As recommended by the RNPE, the Department of Teaching Service Management (TSM) established a special annual awards programme for excellence and long successful service in an effort to improve the motivation of teachers. Annually, the Minister of Education presents a total of some 180 awards on a specially designated Teachers' Day which is on the first Thursday of June.
- Major functions of teacher management such as confirmations, acting appointments, postings, granting of study leave, promotions and transfers up to Senior Teacher Grade I, were decentralised to the regional level in order to improve communication and service between teachers and TSM. However, the absence of senior supervisory officers at this level has inhibited the decentralisation of more sensitive functions.
- TSM established an efficient computerised management information system based on the Infinium Human Resources

Management application. This automation has made retrieval of teacher management information easier and quicker, thus improving the productivity of the Department in terms of accurate personnel record-keeping and for improved public relations.

- A Transfer Policy was developed to facilitate deployment of teachers on a fair, rotational basis around the country.
- Both short and long-term training of teachers was intensified, guided by clear and long-term plans.

UNIVERSITY EDUCATION

15.25 During NDP 8, University of Botswana undertook the following activities:-

- Implemented new undergraduate degree programmes in Nursing Science and Special Education, a Postgraduate Diploma in Statistics and 19 new Graduate programmes at Masters/MPhil/PhD level in a number of disciplines. Approved for implementation in 2002/2003 are new undergraduate programmes in Educational Management, Population Studies, Information Systems, and Finance and new semesterised curricula across all Faculties;
- Continued to enhance the capacity of the Centre for Continuing

Education through the construction of a new building.

- Commenced a major physical expansion of the library.
- Achieved the target staff-student ratio of 1:16 across all Faculties and reached a localisation rate of 59% citizen staff in the academic establishment, against a target of 70%, and developed a staff training policy and training plans;
- Established three new departments to strengthen institutional and academic support – Research and Development, Institutional Planning and the Centre for Academic Development;
- Established the University Foundation; initiated a number of privatisation pilot projects;
- Established partnership agreements with four South African medical schools, which commenced in 2002 and enrolled 29 students in medical studies programmes;
- By 2001/2002, enrolled 72% (31,822) of NDP 8 enrolment target of 43,946 full-time undergraduate students;
- By 2001/2002, graduated 73% (7,979) of NDP 8 enrolment target of 10,872 full-time undergraduate students.

VOCATIONAL EDUCATION AND TRAINING

15.26 Another project undertaken during NDP 8 was the development of the Botswana Technical Education Programme (BTEP). The programme was developed to foundation and certificate levels and covered the following vocational areas: Electrical and Mechanical Engineering, Building Construction, Information and Communications Technology, Multimedia, Business, Clothing Design and Textiles, Hospitality Operations, Tourism with Travel,

Hairdressing and Beauty Therapy. These programmes have been developed in cooperation with the employers and the private sector in Botswana to meet the local industry demand.

15.27 A vocational teacher-training programme was started in interim facilities in Gaborone pending the completion of a College of Technical and Vocational Education in Francistown. An advanced certificate programme of high quality has been designed and is presently undergoing assessment by the University of Botswana for the purposes of UB-affiliation/accreditation.

15.28 Privatisation was introduced, most extensively at Gaborone Technical College where kitchen, security, garden and cleaning services have been privatised. Some cost-sharing measures were introduced. For example, the cash allowances for technical college students were discontinued as well as the free toolboxes in the brigades. Cost-recovery fees were introduced for all foreign students while the fees for short courses for industry and the general public were increased. Brigades with hostel facilities introduced boarding fees. Studies were conducted and a proposal was developed to improve utilisation of existing facilities. The proposed measures include more staff and shift allowances to allow for extension of college opening hours.

15.29 Some efforts were made to open up technical education to previously disadvantaged groups. A departmental equal opportunities policy was developed, awareness workshops were conducted and new admission policies in line with the policy have been implemented.

15.30 The brigades' movement underwent a comprehensive evaluation. The evaluation was intended to find a solution to the problem of poor management and mis-management of funds in the brigades. The report recommends that Government take over the operation of the training units in the brigades. External audits were introduced as one of the measures to improve on financial management in the brigades training institutions.

15.31 One of the successes under NDP 8 was the human resource development programme, see Table 15.4 below. The project aimed at upgrading technical and vocational lecturers and support staff to diploma and degree level. So far, about 15 % of all the staff has had the opportunity to upgrade their qualifications through this programme.

Table 15.4 – DVET Staff Development Project

	NDP 8 target	NDP 8 actual (number trained)
Training Overseas (HND, BEd, MEd.)	50	56
SADC training (HND, BEd, MEd.)	30	74

Source: DVET, 2002

15.32 The National Policy on Vocational Education and Training was passed by Parliament in 1997; the National Training Act was passed in 1998 after which the Botswana Training Authority (BOTA) was established in year 2000. The Authority is still in the process of recruiting staff needed to fulfill its functions.

SPECIAL EDUCATION

15.33 During NDP 8, the goal of the Division of Special Education was to increase access to education and training for learners with special

educational needs. A notable achievement during NDP 8 was the establishment of additional special education units within the conventional school system to ensure inclusive educational provision.

15.34 The expansion of the Francistown Centre for Deaf Education owned by Botswana Society for the Deaf (BSD), a Non-Governmental Organisation, increased the school enrolment from 70 to 100. This is a practical example of Government/NGO collaboration in the provision of education.

Table 15.5 - Special Education Enrolments, 1997-2002

Year	1997	1998	1999	2000	2001	2002
Enrolment	536	599	696	698	756	799

Source: Division of Special Education, 2002

15.35 The Division also offers sponsorship to children with severe and multiple handicap for placement in South Africa and Zimbabwe where appropriate facilities exist. The number of children who benefited from the bursary scheme for placement in South Africa and Zimbabwe rose from 10 in 1997 to 24 in 2002.

15.36 A degree programme in special education was introduced at the University of Botswana during NDP 8. The number of teachers trained in special education increased from 45 in 1997/98 to 170 in 2001/2002. Some efforts were made to increase access to tertiary education during NDP 8, which resulted in 50 students with various disabilities being offered sponsorship to pursue diploma and degree programmes in the country, region and abroad.

NON-FORMAL EDUCATION

15.37 The Department of Non-Formal Education fully achieved the de-linking, expansion and transformation of the Distance Education Programme and the establishment of the Botswana College of Distance and Open Learning and the objectives that specifically addressed the Distance Education Programme were shifted to BOCODOL for implementation. However, it was not able to adequately achieve all the objectives laid out for NDP 8 relating to transformation and expansion of the national literacy programme due to capacity constraints.

BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING (BOCODOL)

15.38 BOCODOL was established by an Act of Parliament in 1998 and the institution became operational in

November 2000. The mandate of BOCODOL is to extend education and training for out of school youth and adults using distance education learning methods.

STUDENT PLACEMENT AND WELFARE

15.39 As the output of school leavers has grown due to the expansion of the secondary school system, so too has the demand for Government sponsorship for tertiary education. The Department has continued to give priority to areas of critical need and those, which will assist in the diversification of the economy. Additional places for Medicine and allied health programmes have been sought in medical schools particularly in Australia, Norway, the Caribbean and the Republic of South Africa. In addition, quotas for the following training areas have been increased in order to support sustainable and diversified development: Hotel, Tourism and Entertainment Management, Art and Music, Media Studies, Computers, Information Technology and Finance.

15.40 In 2001, the Department had to contend with the challenge presented by the abolition of Tirelo Sechaba, which resulted in a double intake and increased sponsorship to local institutions by 10%. In the Republic of South Africa, student numbers increased from 400 in February 2000 to 5,306 by February 2001.

15.41 The recovery of student loans has also commenced. As the initial beneficiaries of the Grant/Loan Scheme began completing their studies, a system of loan recovery had to be implemented. The Department has continued to reduce placement of

students in costly countries such as the United Kingdom and the United States of America. However, some placement for science-based courses that are not available in the SADC region will continue abroad. A milestone for the Department has been the Organisation and Methods Review, which has improved the staffing establishment of the Department, particularly at middle management level.

Information Technology

15.42 During NDP 8, the Ministry of Education developed ICT communication infrastructure linking regional sites to headquarters. Some systems were also developed to improve the management of the sector. The most noteworthy systems are the Teacher Management System, the Student Selection System used for processing and placement of student in tertiary institutions while an Education Information System was initiated. Computer laboratories in secondary schools were also equipped so that the Basic Computer Awareness course could be introduced. At the technical colleges, campus networks have been established to enable students to access the Internet.

National Council on Education

15.43 The National Council on Education (NCE) was established during NDP 8 with the primary goal of monitoring implementation of the RNPE and advising Government on the development of education and training. As quality in education was a major objective of NDP 8, the NCE directed that quality assurance and quality monitoring mechanisms be put in place.

15.44 Under the guidance of the NCE, the Tertiary Education Council,

Botswana Examinations Council and the Botswana Training Authority were established. The NCE also determined the need for a higher-level co-ordinating framework to bring all parts of education and training under one unifying umbrella in the form of a National Qualifications Framework. This strategy is consistent with the aspirations of Vision 2016 to promote a culture of learning as a lifelong pursuit. The framework will also facilitate mobility within the education and training system. It is also consistent with the SADC Protocol on Education and Training. A Regional Qualifications Framework is being developed for the SADC region to facilitate mobility of learners and qualifications across the region. This initiative is facilitated by UNESCO/ILO support.

15.45 Botswana has also participated in regional and international studies aimed at monitoring the quality of education at the primary school level. These studies have provided the Ministry with valuable baseline data against which progress in future can be measured. They have also given the Ministry an indication of how Botswana learners are performing relative to their peers in the region and internationally.

EDUCATION STRATEGY FOR NDP 9

15.46 In order to meet the challenges of a rapidly changing world, it is important for everybody to learn throughout their lifespan. This principle is enunciated in *Vision 2016*, which states that 'All Botswana will have the opportunity for continued and universal education... Education must be made more flexible, so that people can enter and leave the education system at different times in their lives.'

Lifelong learning will, therefore, be a central element of the education strategy for NDP 9. The Ministry of Education, in conjunction with relevant partners, will develop policies, programmes and projects that will enhance the environment for lifelong learning.

15.47 The strategies to be put in place by the Ministry of Education to promote lifelong learning will include shared use of resources, access to part-time courses through the use of varying modes of learning, such as distance and open learning and e-learning. Programmes will be designed to facilitate easy access to learning packages, such as introducing modularised programmes to enable people to build up qualifications. As one of the strategies to ensure quality lifelong learning, a National Qualifications Framework will be developed and implemented to provide linkages and pathways between education and training and ensure quality delivery at all levels of the education and training system.

15.48 Another major challenge that the Ministry will have to address during the Plan period is access to and quality in post-secondary education. This is in view of the increased output of senior secondary school leavers that have to be processed for further education and training. In this respect, technical and vocational education and training is seen as an important avenue through which the secondary school leavers could be prepared for gainful activities that relate to the needs of both the formal and informal labour sector. In particular, the opportunity for technician/diploma level training will be substantially increased.

15.49 Whilst noteworthy achievements have been made in

regard to implementation of the Revised National Policy on Education, there are nonetheless challenges that are still to be addressed in the context of the policy. One such major challenge is the need to pay further attention to the area of Special Education in terms of expansion of educational programmes for the special needs learners, as well as increasing access to this level of the education system. This is important if the country's education system is to be equitable and all-inclusive.

Administration of Education

15.50 The responsibilities of the Ministry of Education have become very large. The increased emphasis on technical and vocational education, the expanding bursaries system and the need for a second University, are some of the activities that have contributed to a very large workload. Thus at the start of NDP 9, there will be need to carry out an O & M review of the Ministry of Education to look into the possibility of splitting the Ministry of Education into two; one Ministry for Basic Education and the second one Ministry for Tertiary Education.

Tertiary Education Council

15.51 The Tertiary Education Council (TEC) was established by an Act of Parliament passed in April 1999. The TEC was constituted in June 2002 and will be responsible for co-coordinating the development of tertiary education and for determining and maintaining standards of teaching, examinations and research at this level. Its functions are as listed in Box 15.1.

Box 15.1 – Functions of the TEC

1. To formulate policy on tertiary education and advise Government accordingly;
2. To co-ordinate the long term planning and overall development of tertiary education;
3. To liaise with both public and private sectors of the economy on all matters relating to human resources development and requirements;
4. To plan for the funding of tertiary education and research, including the recurrent and development needs of public tertiary institutions;
5. To receive and review budgets for public tertiary institutions and make recommendations to Government;
6. To promote co-ordination among tertiary institutions;
7. To advise Government on the establishment of public tertiary institutions;
8. To receive and approve applications from persons seeking to establish private tertiary institutions;
9. To review and approve programmes of study in respect of private tertiary institutions;
10. To accredit private tertiary institutions;
11. To ensure that quality assurance procedures are in place in all tertiary institutions;
12. To ensure the audit of physical facilities and the assessment of their adequacy in tertiary institutions;
13. To advise on any other matters related to tertiary education.

Source: Ministry of Education

Cost Sharing and Cost Recovery

15.52 In keeping with the spirit of the Mid-term Review of National Development Plan 8, one of the critical areas that the Ministry has to address during NDP 9 is cost recovery/cost sharing in the provision of education. This is in realisation of the fact that the level of investment in education that Government has made over the years can no longer be sustained unless alternative avenues for complementing Government efforts are established. In the past 20 years, the Ministry of Education's share of the national budget has consistently been over 20%. In the Financial Year

2002/2003, it reached a record 28%. This level of expenditure is not sustainable in the long run.

15.53 Whilst it is acknowledged that Government would continue to have a major stake in educational development, it must be accepted that though the policy on free education has served the country well, the policy is no longer sustainable. Government on its own can no longer afford the full cost of providing education. It is on this basis that payment of school fees by foreign students was introduced. It has also become necessary to put in place cost sharing measures for Batswana children as well. It should, however, be stressed that introduction of cost-sharing measures in education should not result in the exclusion of Batswana children whose parents/guardians are unable to pay school fees. There would be need for Government to have safety nets through the social welfare system for those children who come from needy backgrounds. Besides payment of school fees as a cost-sharing measure in the provision of education, there is need to look into other areas of the education system where cost-sharing measures could be affected. One such area is the payment of students' allowances in the tertiary education system. Given the ongoing increase in the number of secondary school leavers who have to be sponsored by Government for tertiary education and training payment of such allowances is no longer sustainable nor justified.

15.54 The spirit of self-reliance needs to be revived in order for parents and other stakeholders to complement Government's efforts in providing education. There will be need to strengthen the social welfare services under the local authorities in order to assist in identifying those who are

unable to pay school fees and give them the necessary assistance.

15.55 Consultations are ongoing on the best way to proceed with cost-sharing/cost-recovery. To date, the efforts made in this area have been in the removal of the trainee allowances for technical and vocational trainees, the removal of the free toolkit for completing Brigades trainees and the introduction of fees for foreign students and trainees. Other areas that lend themselves to cost sharing are the introduction of examination fees, stationery fee, and caution fee. Other areas will be explored.

15.56 In pursuant of the recommendations of the Revised National Policy of Education (1994), the Department of Secondary Education has introduced payment of a standardised development levy of P60 per year at Junior Secondary level.

15.57 It has been evident from the growing numbers of fee-charging private schools at different levels that the majority of parents have the capacity to contribute towards the education of their children, especially when they are guaranteed that it will be good quality education. Experience has shown that free education has encouraged undesirable behaviour in some students who happen to be oblivious of the huge investments that government has made in their education.

15.58 BOCODOL will progressively increase the fees paid by secondary education out-of-school learners as part of cost sharing. However, the fees will remain modest so that they are affordable to most out-of-school learners. The contracted vocational, management, professional and post-basic extension courses will, as much

as possible, be offered on a full cost recovery basis. Where these courses target disadvantaged sectors of the community, collaboration with the private sector and donor community will be sought, for the latter to assist in payment of fees.

15.59 The Examinations, Research and Testing Division will introduce nominal fees to cover examination costs for junior and senior secondary examinations.

Information Technology

15.60 During NDP 9, major projects will be to develop an Education Data Network (EDN) so that computer laboratories in schools could be connected to the Internet. ICT education will be intensified during this Plan period to ensure that all students acquire the key skill of computer literacy during their basic education period. Acquisition of hardware and training of personnel will be intensified so that officers can make full use of the system that has been developed.

HIV/AIDS

15.61 Another major challenge that must be addressed during the Plan period is the HIV/AIDS pandemic, which if left unchecked is bound to reverse the gains that have been made in the development of the education system. The two studies conducted during NDP 8 on the impact of HIV/AIDS on the education sector showed enrolments to be adversely affected and productivity of teachers being affected by increased morbidity, absenteeism and mortality. In this respect, the Ministry will, during the course of NDP 9, strengthen its HIV/AIDS campaign, increasingly

moving away from awareness to programmes that promote behaviour change, prevention and mitigation. This will be done by:

- Infusion of HIV/AIDS concerns in the curriculum and school guidance and counselling programmes.
- Promoting behaviour change by employing more interactive pedagogical methodologies of delivering reproductive health education.
- Strengthening the School Health Programme.
- HIV/AIDS materials development and production for students and teachers.
- HIV/AIDS awareness and information dissemination campaigns and programmes.
- Developing HIV/AIDS work place support programmes.
- Collaboration with other stakeholders in the HIV/AIDS prevention and mitigation programmes under the auspices of the National AIDS Council (NAC).
- Developing a district level monitoring mechanism to track the impact of HIV/AIDS on the education system.

Privatisation

15.62 During NDP 9, the Ministry of Education will hive off to the private sector those activities that are not the core business of education and training. Advantage will be taken of new institutions and facilities to target some activities for privatisation.

Office cleaning, security services, catering, gardening are areas that have been identified for privatisation and currently piloted at Gaborone Technical College. Private catering piloted in some institutions during NDP 8 will be evaluated.

15.63 Because of the difficulty of attracting and retaining IT staff and the specialist and diverse skills needed for systems development not needed on a day-to-day basis, the Ministry will rely on out-sourcing these as and when required.

Private Education

15.64 The private sector plays a pivotal role in providing education to many Batswana. The Ministry of Education registers and monitors all private schools in order to ensure that quality is maintained. Institutions that operate illegally and those that fail to conform to or maintain the required standards are closed in accordance with the Education Act. The Act will be reviewed to ensure that curriculum offered in all private institutions is properly regulated.

Performance Management System

15.65 The Ministry of Education has adopted the performance management system and developed a strategic plan that guides the implementation of various programmes and activities in order to improve productivity and service delivery. The core business of the Ministry is reflected by its Key Results Areas (KRA). The specific goals and strategic objectives are indicated in detail in the Ministry's Strategic Plan.

Box 15.2 - Ministry of Education Key Result Areas (KRA) and Goals

KRA 1:	A HIGH LEVEL OF HIV/AIDS AWARENESS
KRA 2:	A COMPETENT NATIONAL HUMAN RESOURCE
KRA 3:	QUALITY AND RELEVANT EDUCATION AND TRAINING
KRA 4:	OPEN ACCESS TO AND EQUITY IN LIFE-LONG EDUCATION AND TRAINING
KRA 5:	USE OF UP-TO-DATE TECHNOLOGY IN EDUCATION AND TRAINING
KRA 6:	RESPONSIVE AND RELEVANT POLICIES
KRA 7:	EFFICIENT AND EFFECTIVE EDUCATIONAL MANAGEMENT
KRA 8:	AN ENABLING LEARNING ENVIRONMENT
KRA 9:	EFFECTIVE PARTNERSHIPS AND STAKEHOLDER SATISFACTION

Source: Ministry of Education Strategic Plan, 2001-2006

MINISTRY MANAGEMENT

National Council on Education

15.66 The National Council on Education has directed that during NDP 9, a robust Education Management Information System (EMIS) be developed to improve the monitoring of the development of education and training in a more rigorous manner. A system of Education Development Indicators will be developed to support decision-making and planning.

Public Relations

15.67 During NDP 9, human and financial resources will be required to transform the Educational Publications Division of the Department of Curriculum Development and Evaluation into a fully-fledged public relations function of the Ministry of Education in accordance with Recommendation 120 of the RNPE.

Transport Requirements

15.68 With the decentralisation of fleet procurement and management by CTO to Ministries, there is need for the Ministry to plan its fleet requirements for NDP 9. The planned projects and programmes are such that the Ministry will need to expand its fleet in order to meet its mandate. The geographic spread of educational institutions dictates decentralisation of major functions to district and regional levels for effective provision of support services. This involves monitoring of the implementation of educational programmes such as school inspection, in-service teacher training and distribution of supplies and educational materials. The possibility of outsourcing this activity to the private sector will be looked into.

Botswana National Commission for UNESCO

15.69 During NDP 9, the objectives of the Botswana National Commission for UNESCO will be to:-

- Strengthen the linkages with UNESCO Secretariat in Paris and other Field Offices so that Botswana can benefit from its membership of UNESCO;
- Implement and harmonise UNESCO Medium Term Strategy 2002-2007 with Botswana Government National Priorities;
- Establish Centres of Excellence in Early Childhood Education and Care (ECEC), Hydrogeology, Energy, Computer Science, Centre for Peace and Conflict Research and Training, Information & Communications Technology;

- Co-ordinate, Monitor and Evaluate the implementation of the Education For All (EFA) Dakar Frame work for Action;
- Strengthen the Human Resource Capacity;
- Strengthen the coordination and management of UNESCO Programmes and Activities;
- Advise Government on effective participation and contribution towards UNESCO supported programmes and activities.

EXAMINATIONS, RESEARCH AND TESTING

15.70 The main objectives of the Division for NDP 9 are to:-

- Implement criterion-referenced testing procedures at primary and junior secondary levels;
- Develop appropriate assessment procedures for learners with disabilities;
- Complete the construction of the purpose-built facility for the Botswana Examinations Council;
- Complete the establishment of the Botswana Examinations Council.

Development of criterion-referenced testing for Primary and Junior Secondary

15.71 The need to change from Norm-Referenced Testing (NRT) to Criterion- Referenced Testing (CRT) was endorsed by the RNPE when it became apparent that NRT was no longer compatible with changes in the national curriculum. The CRT procedure is now fully established in the Primary School Leaving

Examination (PSLE). Meaningful reports are generated which provide feedback into the system. However, for the Standard Four Attainment test, introducing CRT will start during NDP 9, following the review and revision of the curriculum for lower primary by the Department of Curriculum Development and Evaluation.

Localisation of the Cambridge School Certificate Examination

15.72 During NDP 9, the Division will continue to rely on the University of Cambridge Local Examinations Syndicate for the printing of question papers and the processing of the results. The Division does not yet have the capacity to process the results, but a deliberate effort will be made to train officers who will take over this function.

Developing appropriate assessment procedures for learners with disabilities

15.73 Although the Division had set itself the task of developing appropriate assessment procedures for learners with hearing impairment during NDP 8, this was contingent upon the modification of the curriculum. A consultancy which will undertake the modifications will start work before the end of NDP 8. Upon completion of the study, the Division will then proceed with the development of the assessment procedures.

Establishment of the Botswana Examinations Council

15.74 The legislation for the establishment of the Examinations Council has been passed by Parliament and the Division will assume the new status before the end of NDP 8. The

National Assessment/Examinations programmes that will be coordinated by the Botswana Examinations Council are presently coordinated through the Examinations, Research and Testing Division under the Ministry of Education Headquarters. It is intended that the Examinations, Research and Testing Division will be phased out following the establishment of the Examinations Council.

CURRICULUM DEVELOPMENT AND EVALUATION

15.75 The main objectives for curriculum development and evaluation in NDP 9 are to:-

- Develop pre-primary curriculum;
- Improve performance within the department leading to provision of high quality services and productivity;
- Collaborate with all stakeholders in the provision of relevant, appropriate and quality curriculum and support services;

Pre-primary Education Curriculum

15.76 The pre-primary curriculum will be developed in line with the Policy on Early Childhood Care and Education during NDP 9. The Curriculum Development Division will need extra human resource capacity in order to develop the curriculum for this level.

Primary Education Curriculum

15.77 Full implementation of the revised lower primary curriculum will be achieved during NDP 9 through provision of professional support to teachers, improvement of facilities and provision of support material and equipment.

Secondary Education Curriculum

15.78 Evaluation of the programme at this level will be undertaken with the objective to fine-tune the curriculum through research and evaluation.

Guidance and Counselling

15.79 Implementation of the Guidance and Counselling programme is to be strengthened through the following activities:

- At least five Career Resource Centres will be established in accordance with recommendations of the feasibility study done during NDP 8. The Career Resource Centres are a major requirement for ensuring that all in and out-of-school Botswana youth, irrespective of their geographical area, access career information and receive professional psycho-social support.
- Field support will be expanded to respond to the service delivery needs of the Guidance and Counselling programme at regional level.
- Culturally sensitive psychometric tests will be developed to enable vocational assessment and placement of learners into appropriate careers. A consultancy is to be engaged to assist with the development of the tests.
- Counselling rooms are to be provided in all schools and situated where they will be accessible to all the students.
- All schools will develop and set up comprehensive school guidance and counselling programmes that are systematically coordinated.
- During NDP 9, there will be rationalisation of guidance and counselling support services within

the Ministry of Education among Departments of Secondary Education, Primary Education, Curriculum Development and Evaluation, Student Placement and Welfare and Vocational Education and Training to establish a support service structure that will enable proactive and efficient multi-disciplinary remedial responses to ensure maximisation of resources.

Teaching Aids Production

15.80 The Teaching Aids Production Division will acquire improved equipment and train technical staff to equip them with skills such as pattern design and model making. This will facilitate production of various patterns and designs of teaching aids. This should assist make impact on subjects and areas that have hitherto been difficult to do.

Educational Broadcasting

15.81 The Educational Broadcasting Division will continue reviewing and revising radio programmes that are curriculum based for the basic education cycle and other programmes like Current Affairs and Educational Forum for consumption by both teachers and the general public. With the advent of Botswana Television (BTV) providing a national television service, the Division will augment the educational radio programmes with educational television broadcasts.

Educational Publications

15.82 The Division will, through its various publications, also reinforce the upper primary level curriculum, and capture topical and emerging issues that are critical to national development.

PRIMARY EDUCATION

Pre-Primary Education

15.83 The main objectives for pre-school education during NDP 9 are to:-

- Improve quality of the pre-school education programme through the implementation of the Early Childhood Care and Education Policy;
- Improve the quality and effectiveness of the Pre-school management system;
- Develop strategies for effective supervision of the pre-primary education programme;
- Develop strategies for community empowerment to participate in Early Childhood Care and Education Programme;
- Provide an enabling environment to the programme through training of pre-primary teachers and development of pre-school curriculum.

15.84 Partnership between the Ministries of Local Government and Education will be strengthened for effective management of the Pre-school Education Programme. The Pre-school supervisors from Ministry of Local Government will be trained to provide effective and quality supervision of the programme for the 0–4 year olds while the pre-primary school supervisors will be identified and trained from the Ministry of Education to provide effective supervision of the programme for the 4–6 year olds.

15.85 The quality of the pre-school programme will be improved through

capacity building of the Pre-school Development Committee and the relocation of the training of the pre-school teachers to the Department of Teacher Training and Development.

15.86 The members of the community will be empowered to continue to provide pre-school programme through establishment of pre-schools. Government limits its participation to creating an enabling environment by providing effective supervision and management of the programme. The Lobatse Day Care Training Centre will be reviewed to provide quality training for Caregivers, while pre-primary teachers will be trained to the level of a diploma in the Colleges of Education.

15.87 The Pre-school Development Committee will be strengthened in order to develop early stimulation education programmes for Baby Care Services and development of strategies for inclusion of children with special needs.

Primary Education

15.88 The main objectives for primary education during NDP 9 are to:-

- Increase access and equity, in order to achieve universal access to primary education;
- Improve the quality and effectiveness of primary education;
- Improve the internal efficiency of primary education.

15.89 The achievement of Universal Primary Education (UPE) will be pursued through building more primary schools and additional classrooms where appropriate to keep up with increasing enrolments and reduced class size from 40 to 30. Where conventional schools are inappropriate for delivery, non-formal means of education provision will be used. The non-formal programmes will be designed in such a way as to make it possible for pupils to transfer to formal schools when an opportunity arises.

Table 15.6 - Primary Schools Enrolment Projections for NDP 9

	2002	2003	2004	2005	2006	2007	2008
Standard 1	53,061	53,592	54,128	54,669	55,215	55,768	56,325
Standard 2	49,708	50,205	50,707	51,214	51,726	52,244	52,766
Standard 3	46,960	47,430	47,904	48,383	48,867	49,355	49,849
Standard 4	50,122	50,623	51,129	51,641	52,157	52,679	53,206
Standard 5	45,350	45,804	46,262	46,724	47,191	47,663	48,140
Standard 6	44,568	45,014	45,464	45,918	46,378	46,841	47,310
Standard 7	41,889	42,308	42,731	43,158	43,590	44,026	44,466
Special Education	730	737	754	772	800	835	877
TOTAL	332,346	335,669	339,026	342,416	345,841	349,299	352,792
Population projection (6-12)	290,994	298,810	307,411	316,113	324,231	331,897	339,554

Source: Ministry of Education, 2002

Note: The 2002 figures are actual figures and have been used as the base year.

Source for population projection 1991-2021- Central Statistics Office

15.90 Table 15.6 gives primary school projections up to the year 2008. The projections cover all known and registered schools, i.e. government, government aided, and private schools, including schools for the disabled. It is projected that primary school enrolment will increase at an annual growth rate of 1.0% p.a. The total projected increase of 6.2% between 2003 and 2008 is lower than the 11.2% projected over the NDP 8 period, and much lower than the total projected increase of NDP 7, which was 16.7%.

15.91 A number of measures will be put in place to ensure improved quality and effectiveness of primary education. In this regard, professional support for teachers in the field will be intensified through training of supervisory personnel for skill upgrading and through a reduced ratio of Education Officers to schools. Some gradual efforts to integrate pre-primary into the mainstream of primary education will be made. Through the Ministry of Local Government, facilities of

primary schools will be improved by adding libraries and other specialist rooms, providing electricity and improving procurement and distribution of school supplies.

15.92 To improve the efficiency of primary education, efforts will be made to improve the living conditions of children of the remote area dwellers (RADs). Research projects will be undertaken to determine precisely the causes of dropping out of primary schooling and the possible measures to reduce the incidence.

15.93 Cooperation, collaboration and consultation between the Ministries of Education and Local Government will continue to ensure the smooth management of primary education and efficient provision of infrastructure, equipment and supplies among other services.

SECONDARY EDUCATION

15.94 The main objectives for secondary education for NDP 9 are: -

- To provide universal access to junior secondary school education;

- To give all school leavers employable skills or life skills;
- To expand senior secondary education.

Table 15.7- Secondary School Enrolment Projections for NDP 9

	2003	2004	2005	2006	2007	2008	2009
Form 1	40,674	41,081	41,492	41,907	42,326	42,749	43,176
Form 2	41,308	40,430	40,835	41,243	41,656	42,073	42,493
Form 3	40,454	41,061	40,187	40,590	40,996	41,407	41,821
CJSS Total (a)	122,436	122,572	122,514	123,740	124,978	126,229	127,490
Population Projection (13-15 yrs)	115,022	115,966	117,204	118,479	121,049	123,871	127,334
Form 4	19,928	20,227	20,531	20,094	20,295	20,498	20,703
Form 5	18,326	19,789	19,938	20,387	19,953	20,153	20,354
SSS Total (b)	38,254	40,016	40,469	40,481	40,248	40,651	41,057
Grand Total (a) + (b)	160,690	162,588	162,983	164,221	165,226	166,880	168,547

Source: Department of Secondary Education, 2002

- Notes:
1. Average dropout rates for the last four years were used
 2. 50% transition rate to be achieved by 2003
 3. Repetition rates are insignificant and therefore not applied
 4. Attrition rates applied to JC and Senior Secondary are 0.6% and 0.7% respectively.
 5. Population projections:1991-2021 - Central Statistics Office

15.95 During NDP 9, upgrading work will be completed at Moshupa, Letlhakane, Lobatse and Seepapitso Secondary Schools as well as construction of four new Senior Secondary Schools. Additional facilities such as staff houses, equipment for practical subjects, incinerators, vehicles and sports facilities will be provided. A senior secondary school will be identified to

be modified to cater for learners with special educational needs in the north of the country.

15.96 During NDP 9, construction of new CJSSs in major centres will be carried out. In addition, there is need to upgrade a number of existing schools in various parts of the country where primary school enrolments are rising significantly. Additional

facilities such as staff houses, classrooms, Design and Technology workshops, and equipment for practical subjects, vehicles and sports facilities will be provided in all schools. A community junior school has been identified in the North that is going to be modified to cater for students with special needs. Currently some of these students are crowded in one school in the south. In addition to a diversified curriculum, computers have been installed in all junior secondary schools and computer awareness will now be integrated into the core curriculum. All senior secondary schools will introduce computer studies, a subject that promotes employable skills and that prepares youth both for formal employment and self-employment. A major function of the department is quality assurance and control. Technical Assistance will be provided through EU to assist the department to improve its quality assurance system and procedures to ensure a high international standard and to place more responsibility with the institutions themselves.

TEACHER EDUCATION

15.97 The objectives for teacher education for NDP 9 are to:-

- Improve the quality of education through provision of quality teacher education programmes, quality facilities to meet set standards for accreditation and affiliation to the University of Botswana and providing opportunities to serving teachers to upgrade their knowledge base and skills;
- Explore cost effective ways of skills provision and upgrading;

- Develop institutions to be Resource Centres;
- Upgrade management skills of Heads of Schools, Colleges and Education Centres to ensure the effective management of the education system and maintenance of quality;
- Increase access to teacher education;
- Contribute to an AIDS-free generation by 2016 through provision of in-service training, pre-service training and using multi-media to disseminate information on HIV and AIDS as well as use it as a training tool for interactive teaching;
- Provide in primary colleges of education specialist training for infant, middle, upper standards and subject specialists;
- Introduce basic Computer awareness courses and Computer Studies at all Colleges of Education.

15.98 To realise these objectives, several projects are earmarked for implementation during NDP 9 as indicated in the thumbnail sketches.

15.99 The new basic education college, which will have an enrolment of 720, of which 320 places will be for junior secondary and 400 for primary level, will also increase access and output. Increase in enrolment will increase output and this will reduce the number of expatriates in the teaching force. At primary level, where localisation is over 90%, the focus will be on specialisation while at secondary, the focus for teacher production will be on scarce skills

subjects such as Business Studies, Music, Agriculture, Design and Technology, Home Economics, Computer Studies and Physical Education.

Table 15.8- Colleges of Education Enrolments, 2002-2008

	2002	2003	2004	2005	2006	2007	2008
Francistown	392	392	392	392	500**	600	720
Tonota	848	850	850	850	850	850	850
Serowe	361	368	375	455*	464	464	464
Lobatse	395	395	395	395	402	410	418
Molepolole	818	820	820	820	820	820	820
Tlokweg	365	365	365	372	379	387	400
TOTAL	3,179	3,190	3,204	3,284	3,415	3,531	3,672

Source: Department of Teacher Training and Development, 2002

Notes:

** The enrolment of Francistown will increase to close to 500 with additional intake of the secondary students. The target is 720 for the college by the end of NDP 9.

* Serowe will have an increase of 80 students with the completion of the new hostel

A small increase of 2% is used for enrolment increase to cater for off-campus students

The target for primary colleges except for Francistown is to have them mover to 400 in-campus students

Lobatse will maintain the enrolment during 2003-2005 (while new facilities are being constructed)

Secondary Colleges of Education will maintain their enrolments at the current level as no new hostels are planned

15.100 Along with all these developments, the teacher education curriculum will be reviewed and revised to meet the challenges of a diversified economy and skills development for competitiveness in the global market. Processes, procedures and related guidelines will be revisited to help develop an environment conducive for developing an educated, informed, prosperous, productive, innovative, compassionate, just and caring nation in accordance with Vision 2016. Co-curricular activities will be revamped to help develop an AIDS-free generation of the future.

Teaching Service Management

15.101 During NDP 9, the development of human resources will be intensified through the following objectives:

- Intensify both short and long term training to ensure teacher motivation;
- Improve teacher motivation through providing better conditions of service and other incentives;
- Further develop an efficient computerised management information system (Infinium) to carry out the responsibility for projections of human resource growth, job analysis and other related administrative functions;
- Continue decentralising major functions of Teaching Service Management to ensure better management and support services to teachers;

- Enhance the Teacher Establishment Register for effective rationalization of the teaching force.

UNIVERSITY EDUCATION

15.102 The University has identified the following strategic priorities for focus in NDP 9:

- Access and Participation
- Quality Academic Programmes
- Scholarship, Research and Graduate Studies
- Engagement
- Enhancing Capabilities

Access and Participation

15.103 Expanding **access** to education and increasing educational opportunities for the citizens of Botswana is a national priority for advancing the economic development of the nation in a global economy. Increasing student enrolments is the key priority for the University during NDP 9, while maintaining quality academic programmes.

15.104 The University will respond to this priority as follows:

- Increase student enrolment to a target of 15,000 full-time;
- Increase opportunities for access to the University by expanding the number of part-time degree level

qualifications and professional programmes, both on and off campus through Centre for Continuing Education, which target school leavers and non-traditional students.

Quality Academic Programmes

15.105 As a learning organisation, the University is challenged to provide quality, relevant academic and professional programmes responsive to national needs, which provide students with a broad, well rounded education as well as the fundamental tools for life long learning to prepare them to contribute to the national socio-economic development.

15.106 The University will respond to this priority as follows:

- Implement a student enrolment management plan that will grow the numbers of students across all Faculties with a key objective to increase the proportion of students enrolled in Business and Information and Communications Technology, maintain the current proportions in Science, Technology, Health and Education, and decrease the proportions of students enrolled in Humanities and Social Sciences;

Table 15.9 - Student Enrolment data for NDP 8 and NDP 9

Area of Discipline	Full-time student enrolments in 2001/2002		Targeted full time student enrolments by the conclusion of NDP 9	
	Actual	% of total	Targets	% of total
Business Information and Communications Technology	1,005	10	3,000	20
Science, Engineering Technology, Health Sciences	2,679	27	4,050	27
Social Sciences and Humanities	3,949	40	4,500	30
Education	2,025	20	3,000	20
Graduate Studies	319	3	450	3
TOTAL	9,977	100	15,000	100

Source: University of Botswana, 2002

- Develop new undergraduate academic programmes that are responsive to societal needs in areas such as biotechnology, biochemistry, industrial design, architecture, mining engineering, ICT applications and telecommunications, human resource management, tourism and hospitality management, creative and performing arts, psychology, media studies, gender studies, with others to be identified through further needs analysis;
- Reorganise academic programming in ICT to establish a programme focus in ICT applications, communications and telecommunications through bringing existing programmes together and developing and implementing new ones;
- Review the University's current academic organisational structure (Agriculture, Business, Education, Engineering and Technology, Humanities, Science, Social Sciences) from the perspective of strengthening programmes through an interdisciplinary approach;
- Review the current organisational relationships with associated and affiliated institutions to enhance the institutional and academic programme capacity and with particular reference to Botswana College of Agriculture/Faculty of Agriculture and its position in the UB system;
- Strengthen the life long learning, critical thinking and communication skills of students through a refocus of the General Education programme;
- To meet the burgeoning health needs of Botswana, reorganise academic programming in Health Sciences and related fields around a nucleus of existing programme capabilities in Nursing Science and pre-Medical Training, and further develop to include new programmes and departments in biomedical, medical and allied health professions such as Physiotherapy, Occupational Therapy, Speech Therapy, Health Informatics, and Environmental Health. Expand Nursing Science at the undergraduate level, develop a doctoral programme in Nursing Science, and increase recruitment into the pre-Medical Training programme. This programme

development will be aimed at a long-term objective of establishing a Faculty of Health Sciences;

- Establish the Faculty of Engineering and Technology on the main campus, rationalisation of the certificate and diploma level programmes offered by UB and DVET, and create a Centre for Mining Engineering;
- Create a Leadership and Entrepreneur Centre for business support and leadership development through external funding;
- Develop a discipline specific Teaching and Learning Strategy with a complementary Learning Resources Strategy that ensures an integrated portfolio of diverse educational delivery systems and learning resources, and which promotes the concept of the Library as a Learning Resource Centre.
- Enhance institutional research capacity through the development of strategic relationships with academic, industry, and community partners, establish joint projects and secure external funding. Develop strategic partnerships and external funding to develop Harry Openheimer Okavango Research Centre (HOORC) as an international wetlands research centre;
- Set an enrolment target of 3% of the overall full-time student enrolment for graduate students, facilitate the enrolment of citizens through the establishment of a Graduate Scholarship Fund and create graduate teaching and research assistant posts to develop research capacity and capabilities;
- Undertake a comprehensive review of existing graduate programmes with a view to ensuring that they represent unique strengths and societal needs and demands. Establish new graduate programmes in fields of study where there are qualified research faculty, particularly focusing on new and emerging interdisciplinary fields of study, which are in consonance with institutional strength and societal need.

Scholarship, Research and Graduate

Studies

15.107 The University will respond to this priority as follows:

- Establish the University as a research leader both nationally and internationally through the development and funding of strategic research areas, develop centres of excellence in specific interdisciplinary areas and other strategic research disciplines that address Botswana's social and economic potential; establish a Centre for Science and Technology;
- Ensure that Research and Graduate Studies are championed at the highest level of executive management by the establishment of a new position of Deputy Vice Chancellor (Research, Innovation and Graduate Studies) with policy responsibility for and general oversight of UB research activities, graduate education, intellectual property, commercialisation of research and liaison with industry.

Engagement

15.108 The University will respond to this priority as follows:

- Strengthen the University's contribution to Botswana's social and cultural heritage through community engagement in support of artistic creative and cultural activities;
- Develop a Centre for HIV/AIDS to serve the needs of the campus community and to guide the nation in programme and policy development; and research, a center for Science and Technology by natural need and priority.
- Strengthen academic departmental boards to help them establish work placements, plan fund raising initiatives, provide service to the community, and advise on academic curricula;
- Strengthen the University's outreach efforts in responding to the needs and demands of society by providing service and advice in areas of social and economic need;
- Through the UB Foundation and Alumni engage individuals, business, industry, and donor agencies in Botswana and the international community to support the growth and development of the University;
- Strengthen efforts to 'internationalise' the campus by continuing to target 10% of the student enrolment for international students, developing programmes, projects and other activities that have a wider regional perspective

with reference to the SADC Protocol on Education and Training, encouraging the number of linkages with international faculty and academic institutions, and promoting the campus as a centre for hosting international events.

Enhancing Capabilities

15.109 The University will respond to these priorities as follows:

- Design and implement programmes for developing student leadership, culture, sports, citizenship and social responsibility;
- Strengthen orientation, academic advising, counselling and personal tutoring to ensure that students receive proper direction with regard to their academic programme and learning needs, and provide support services for international students;
- Maintain overall staff-student ratio of 1:16;
- Develop a discipline and programme specific academic staff resource model based on Association of Commonwealth Universities (ACU) benchmarks that ensures that Faculties are optimally engaged in their core activities and that the academic area is staffed to promote the delivery of quality teaching, learning and scholarship in an efficient and effective manner;
- Establish an on-going professional development programme, which will focus on job development and job satisfaction and will ensure the implementation of the performance management system;

- Further developing the citizen staff recruitment programme to intensify the employment of citizen staff, working to achieve a localisation target of at least 70% in the academic area;
- Developing citizen staff to assume positions of responsibility and leadership as faculty and support staff to assume positions of academic and institutional leadership with specific focus on gender equity;
- Ensure that ICT is a key institutional driver to promote efficiency, effectiveness and productivity through a strategic alignment of ICT with the University's management processes, unit level functions and jobs;
- Implement a comprehensive programme and supporting facilities, to improve the quality of campus life – physical, social, health, aesthetic, cultural, sporting, recreational, safety and security, and support services on campus to improve the student experience, build the morale and productivity of faculty and staff and enhance institutional capabilities;
- Undertake a comprehensive review of the UB Act and governance and decision structures to clarify accountabilities and responsibilities with the goal of achieving organisational effectiveness;
- Implementing a financial management strategy, which includes programmes for self-resourcing, cost reduction and cost sharing in order to secure and efficiently manage the financial resources necessary for the University to fulfil the aspirations, objectives and actions of the NDP 9.

Table 15.10 - University of Botswana Student Enrolment Projections for NDP 9

FACULTY	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Business and ICT	1,376	1,610	1,883	2,203	2,578	3,000
Science, Engineering Technology, Health sciences	3,010	3,191	3,382	3,585	3,800	4,050
Social Sciences and Humanities	4,109	4,191	4,275	4,360	4,447	4,500
Education	2,275	2,412	2,557	2,710	2,873	3,000
Graduate studies	352	369	388	407	427	450
Total	11,121	11,772	12,484	13,266	14,125	15,000

Source: University of Botswana, 2002

Table 15.11- University of Botswana Student Output Projections for NDP 9

FACULTY	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Business and ICT	275	322	377	441	516	600
Science Engineering and Technology, Health sciences	361	383	406	430	456	486
Social Sciences and Humanities	863	880	898	916	934	945
Education	956	1,013	1,074	1,138	1,206	1,260
Graduate studies	116	122	128	134	141	148
TOTAL	2,571	2,720	2,882	3,059	3,253	3,440

Source: University of Botswana, 2002

MEDICAL SCHOOL

15.110 The pre-medical programme was started at the University of Botswana during NDP 8. It will be upgraded to a full Medical School to cater for the training needs in the medical and para-medical areas. At present, all this training is conducted externally at great expense with limited placement of students because of limited slots made available for Botswana students.

SECOND UNIVERSITY

15.111 Work on the second university started in the last year of NDP 8 with a feasibility study, conceptual framework and master plan. This project will be accorded priority because of the need to cater for the growing number of senior secondary school enrolments and the urgency of providing training locally and thus reducing the costs incurred through external placement.

TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

15.112 The goal of the Department during NDP 9 is to ensure improved

access to high quality technical and vocational education and training (TVET), with a view to producing a competent, innovative and internationally competitive National Human Resource with ability to contribute to the socio-economic and technological advancement of the country, the creation of employment and the reduction of inequity.

15.113 The challenge facing the sector is the need to reach out to all out-of-school youth and adults in need of vocational education and training to ensure that they are provided with the skills they need to make a living. In addition, the sector also needs to provide technical and vocational education and training that meets the needs of the local labour market, developed to high international quality criteria and that incorporates the latest developments in technology. This is in line with Vision 2016 which calls for increasing the nation's 'capacity to offer options for vocational and technical training' and for setting 'the highest possible standards for the same'.

15.114 The main objectives for the NDP 9 period are to:-

- Ensure that all graduates of the system have the necessary skills to enter into self-employment;
 - Increase the training opportunities at the technician/diploma level;
 - Invest in infrastructure for technician/diploma level training, thus reducing the cost of and the reliance on training provided outside Botswana at that level;
 - Diversify curricula to accommodate key economic activities of the national economy;
 - Increase access to technical and vocational education and training, through upgrading physical facilities and other means, while ensuring equity through appropriate admissions policies and range of programmes;
 - Increase training opportunities for out-of-school youth and people in employment through the development of distance education and e-learning packages in partnership with BOCODOL, as well as through the construction of Learning Resource Centres;
 - Reduce the cost per trainee through cost-recovery and improved cost-effectiveness in the delivery of programmes;
 - Further strengthen the links with industry, in particular with regard to work attachments for both teachers and students;
 - Continue the staff development programme to ensure quality delivery of programmes and staff in post meeting the criteria of the scheme of service;
 - Enhance access to Information and Communications Technology and use of state-of-the-art technology to improve both the quality and delivery of technical education programmes through improved networks, internet access and e-learning solutions;
 - Put in place mechanisms to ensure that staff with technical and scarce skills qualifications are remunerated adequately in order to attract and retain them as TVET professionals and lecturers;
 - Mobilise support and monitor employer-based training programmes (BOTA);
- 15.115 The Department will continue the development of the college-based Botswana Technical Education Programme (BTEP) to cover technician/ diploma level qualifications. The partnership with the Scottish Qualifications Authority will continue for local capacity building and for external quality audits. This is to ensure that all BTEP qualifications are developed and delivered to a high international standard, as well as being designed to support lifelong learning.
- 15.116 Thus, the priority in terms of development projects will be the establishment of Colleges of Applied Arts and Technology.
- 15.117 All students in BTEP programmes are also trained for self-employment. Apart from an entrepreneurship-training module, they all take a number of important key skills such as communication, numeracy, information technology, problem solving and personal/interpersonal skill to enable them to become ‘independent, productive and innovative entrepreneurs with cutting edge skills’ as required by Vision 2016.
- 15.118 Technical education, by its nature, is very expensive and ways must be found to control the cost per trainee. The Department is planning two measures:

- to improve effective utilisation of facilities by keeping the technical colleges open for extended hours and to ensure every facility is used throughout the day, evening and part of the weekend;
- to provide some of the learning modules as distance education courses and e-learning packages.

15.119 In terms of cost sharing, further measures will be implemented, starting with a boarding fee in 2003. All support services (kitchen, security, garden and cleaning services) in the new colleges will be privatised in line with the privatisation guidelines.

15.120 A major strategy during NDP 9 will be to reach out to the out-of-school youth and people in employment using distance education and e-learning. The BTEP programme, being fully modularised, lends itself well to this development. This initiative will also be facilitated with the establishment of an e-learning resource centre and learning resource centres linked to technical colleges around the country. Technical assistance will be sought to address these new areas of development.

15.121 While technician training is a priority, the training at the lower level is also important from a social point of view. Vision 2016 states that 'vocational and technical training must be available to all as an alternative to academic study'. For students with JC only, the options currently available are the technical colleges and the brigades. These options must therefore remain until there are enough places to take all students through to senior secondary school. The intention is to build more technical colleges in the

rural parts of the country. At the same time, Government must take over the running of the brigade training units to ensure that the training is brought up to Government standard and to a level that meets current labour market needs.

15.122 Salaries for Technical and Vocational Education and Training staff will be reviewed to enable recruitment from the private sector and industry. Staff houses and an intensive human resource development programme will also serve as incentives. The College of Technical and Vocational Training will come into full operation during NDP 9 and provide all lecturers with professional teaching skills, using both full-time courses and distance/e-learning delivery.

15.123 The links already established with industry will be further developed and used. The issue of substantial periods of work attachment has to be addressed and solved. Botswana Training Authority (BOTA), in particular, will assist industry to improve the training for their employees.

15.124 The Botswana Training Authority (BOTA) will establish quality assurance structures and instruments to ensure that training providers meet international standards for those engaged in work based training. The Botswana National Vocational Qualifications Framework will be established with the necessary structures and the development of competency-based modular training will be supported. A vocational training fund will be established through a levy grant system to mobilise resources for training efforts thus realising cost sharing between the private and public sectors. The training levy is intended to promote training

initiatives in the private sector. The Authority will also monitor labour market needs and trends in relation to training.

15.125 Through the Ministry of Labour and Home Affairs, the apprenticeship scheme will be modernised and modularised to provide quality, flexible, competency-based skills development programmes based on occupational standards, which provide work based training opportunities provided by all employers for school-leavers and graduates from the technical education system. The Construction Industry Trust Fund (CITF) will continue to serve the construction industry through its flexible programmes and enhance its operation in terms of range of programmes and national coverage. During NDP 9, the CITF will be transformed into a statutory body, the Construction Industry Training Centre.

NON-FORMAL EDUCATION

15.126 The main objectives for the Out of School Education in the Department of Non-Formal Education during NDP 9 will be to:-

- Plan, design, develop, and implement the Adult Basic Education Programme, the Post-Literacy and Life Skills Programme and the Out of School Children's Education Programme that are accredited;

- Restructure and develop human resources required for the implementation of the three programmes;
- Strengthen the support system for learners and facilitators;
- Create and sustain a literate environment by planning, designing and developing materials;
- Strengthen the infusion and management of HIV/AIDS/STD education in the Department of Non-Formal Education Programmes;
- Strengthen the Departmental operations particularly in the provision of transport, residential and office accommodation at the district, sub-district and village levels;
- Facilitate the diversification of educational radio broadcasts into the medium of television and re-design and strengthen marketing strategies for the Department.

Programme Development

15.127 The National Literacy Programme (NLP) which was launched in 1981 to eradicate illiteracy amongst an estimated 250,000 persons, was realised to be inadequate, as evident from the decline in enrolment in Table 15.12 below.

Table 15.12 - Enrolment Figures for Non-Formal Education, 1980 - 2000

1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
7,676	23,630	18,779	27,935	36,068	38,660	35,354	29,999	26,200	33,226	25,905
1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
19856	26,119	29,667	16,497	20,956	11,072	17,588	15,917	14,474	12,004	n.a

Source: Department of Non-Formal Education, 2002

15.128 During NDP 9, the NLP will be transformed into three out of school education programmes, which are: the Adult Basic Education, the Post-Literacy and Life Skills and the Out of School Education for Children. Curricular, instructional and other learning materials will be developed for the three programmes.

15.129 Development of these new examinable programmes calls for development of monitoring and information management, examinations and assessment systems for such out-of-school education programmes. During NDP 9, the review of the National Literacy Programme information management, examination and testing systems and establishment of new systems commensurate with the new programmes will be undertaken. This will include establishment, equipping and staffing of units for information management and examinations.

15.130 The Department will construct, equip and staff six out-of-school education resource centres (one per region) to support these out-of-school education programmes.

15.131 Programme delivery will take advantage of all available technologies, including ICT, to ensure the best possible means of reaching learners in all parts of the country in this category.

15.132 To facilitate the transformation of the NLP, the Department will undertake a review of the organisational structure and launch a vigorous programme of staff development, redeployment and upgrading commensurate with the new programmes to develop the necessary human resource for implementation. NDP 9 will expedite the decentralisation further to the sixth

Regional Office and to the district and village levels. Provision of transport and office and residential accommodation for both district and village level offices will be strengthened.

Programme Marketing

15.133 Vigorous programme marketing and social mobilisation initiatives will be launched to support the new programmes. This will include the Department's contribution towards educational television broadcasts and the procurement of a mobile TV/radio studio for the Department.

HIV/AIDS and Out-of-School Education

15.134 During NDP 9, the Department will strengthen the management of the HIV/AIDS/STD programme. This will include the establishment of a Unit for Guidance and Counselling.

BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING (BOCODOL)

15.135 Developments and activities of the College during NDP 9 will be guided and shaped by its mandate as stated in the RNPE, Vision 2016, as well as the mission statement for the organisation. The mission of BOCODOL is to empower Batswana with education and skills through open access to quality, innovative distance learning programmes and the promotion of a culture of lifelong learning. The strategic objectives for BOCODOL during NDP 9 are to:-

- Design and develop appropriate educational and skills development courses which will enhance the knowledge base, enhance productivity and income generating capability of learners;

- Deliver quality courses and programmes through the provision of self study materials and technologies as well as a network of nationwide learner support facilities and services to optimise success rates;
- Adopt business and management practices which promote efficiency, financial sustainability and the development of Open and Distance Learning (ODL) products and business opportunities;
- Increase the number of people enrolled in ODC programmes to reduce Batswana unable to access tertiary education and employment by targeting learners who wish to attain secondary education;
- Develop and deliver a range of customer driven courses aimed at equipping Batswana with appropriate applied skills and competencies to raise productivity and unlock potential;
- Access and contribute to best practices in ODL through networking and partnerships with appropriate organisations, institutions and individuals which would enhance the capacity of BOCODOL to deliver quality programmes;
- Pro-actively initiate research and development of ODL products, services and technologies to maximise BOCODOL's ability and potential to meet customer needs;
- Create an enabling environment, which encourages continued capacity building, professional and technical development of staff, recognition and reward, to promote performance excellence.

15.136 Construction of Palapye, Francistown and Maun regional offices will be undertaken during NDP 9. An important aspect of open and distance education is learner support. The new system is meant to promote retention of learners following their enrolment as well as optimise numbers of those who finish programmes successfully. Each regional office will, on average, support a cluster of 15 study centres.

15.137 The cumulative enrolment of BOCODOL starting 2000 for secondary level courses is 6731. Given the rate of enrolment in 2001/2002, the expected annual enrolment rate for NDP 9 is 4000 learners. Assuming a throughput of 1000 each year of NDP 9 and a maximum drop out rate of 15%, the enrolment is projected in table 15.13 below.

Table 15.13 - Enrolment Projections for BOCODOL

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Enrolment	6,731	8,412	9,747	12,147	14,547	16,947	19,347	21,747	24,147	26,547

Source: BOCODOL, 2002

Programme Development

15.138 BOCODOL will continue to offer secondary school equivalence courses, for which material will either be freshly developed or constantly reviewed to enhance their instructional effectiveness. BOCODOL will progressively shift its dependence from print to multi-media learning packages.

15.139 In view of the need to collaborate with other more established institutions and the need to urgently open access for Botswana to high quality learning materials of varying levels, BOCODOL will forge links with local, regional and international Open and Distance Learning (ODL) providers.

ICT and Media

15.140 BOCODOL, as a distance education provider, will increasingly integrate other media with print to diversify delivery of courses. The use of ICT to provide on-line learning and teaching will form part of the methods of providing education to selective learners during NDP 9. Furthermore, BOCODOL will need to develop its own data network, with e-mail and Internet facilities.

Transport requirements

15.141 As the College expands and consolidates its operations during NDP 9, in a bid to ensure access to education by all interested citizens, irrespective of their geographical situation, there will be need for the college to be sufficiently resourced in terms of transport for the regional offices and headquarters for their support functions. In addition, Kang and Maun regional offices will require specialist vehicles equipped with audio-visual aids for their specialised remote learner services.

Manpower Implications

15.142 BOCODOL has had to come up with an organisational structure, which reflects its full professional and support staff complement once fully functional. The implementation of the structure has been phased such that it would be commensurate with the evolution of the College over time. The first phase consisting of about 100 posts was fully implemented by end of NDP 8. Following completion of the construction of headquarters and regional offices, the number of fulltime posts will progressively increase to 130. The infrastructure will bring new functions of Information and Communications Technology and Media support, libraries and general support services.

15.143 In addition to full time staff, BOCODOL will have to engage part-time staff to man the study centres. At 12 tutors per centre, a total of 900 tutors will be engaged for an average of 6 hours per month and paid hourly rates.

SPECIAL EDUCATION

15.144 The specific objectives for special education during NDP 9 are to:-

- Develop special education as an integral part of the regular education system to promote inclusive practices;
- Increase access and equity to education and training for learners with special educational needs;
- Continue to provide advice and support to other Ministry of Education Departments and

Ministry of Local Government for the development of relevant policies and inclusive educational programmes and establishment of special education programmes;

- Decentralise some of the Division of Special Education activities to regions;
- Collaborate with the Department of Curriculum Development and Evaluation to develop early childhood education programmes for young children with special educational needs ;
- Strengthen collaboration with the Department of Vocational Education and Training and Non-Governmental Organisations to increase access to vocational skills training for youth with special educational needs.

15.145 Efforts will be intensified to establish School Intervention Team (SIT) programmes in schools to meet the educational needs of children with learning disabilities.

15.146 During NDP 9, early childhood education programmes targeting special educational needs will be developed. Bursaries for learners with severe and multiple disabilities will continue to be offered until such a time when a local facility has been established. Financial support to Non-Governmental Organisations offering special education will continue during NDP 9. To address the HIV/AIDS pandemic, the Division will continue to build capacity and will continue to conduct workshops to empower officers (infected and affected) with knowledge to fight against HIV/AIDS.

STUDENT PLACEMENT AND WELFARE

15.147 The demand for sponsorship for tertiary education continues to grow in proportion to the expansion of the secondary school system. In order for the Government to meet this demand and ensure maximum benefit to the economy, there is need for co-ordinated human resource planning. This will identify areas of shortage and access to assist in deciding on those areas of study on which to focus. The Department will identify these areas in consultation with the Ministry of Finance and Development Planning and other stakeholders.

15.148 Currently, a large number of school leavers aim at getting into academic degrees programmes as these are the only ones available in the country. At the same time, there remains a shortage of manpower at technician/technologist levels. With the increasing demand for tertiary education, special focus will be on technician level training programmes. The Department will therefore support placement of more students at local technical colleges. With the establishment of the Tertiary Education Council to assure quality in institutions, placement of students may even be extended to local private institutions.

15.149 Increase in the demand for tertiary education puts pressure on the limited resources for sponsorship. To ensure sustainability of the scholarship fund, cost-recovery measures will be intensified. The disbursement and recovery functions will be outsourced.

15.150 Sensitisation and support strategies on HIV/AIDS for students on training abroad, which began in

NDP 8, will be intensified during NDP 9.

15.151 In view of the above, the Departmental objectives for NDP 9 will be to:-

- Review the grant/loan scheme;
- Continue efforts begun in NDP 8 to combat the HIV/AIDS pandemic;
- Align the award of sponsorship with national human resource needs and respond to emerging needs;
- Develop a sustainable scholarship scheme through effective loan recovery and explore the possibility of some

privatisation of the scholarship fund;

- Continue to seek means of maximising training opportunities by reducing placements in costly countries abroad in favour of local and regional placement;
- Support placement of students in local technical colleges and explore opportunities for placement in private local institutions.

CHAPTER 16

HEALTH

INTRODUCTION

16.1 Health remains an integral part of the pillars of the long-term vision of Botswana - Vision 2016, whose overall goal is to have a healthy nation that is fully involved and can contribute meaningfully to the country's development. Human resource is one of the most important resources for pursuit of national goals and objectives. In this regard health sector policy will anchor on Vision 2016 pillar of a compassionate, just and caring society, which formed the basis for the Ministry's Corporate Strategic Plan.

16.2 Provision of health care will remain the shared responsibility of the Ministries of Health and Local Government – a system that has been running smoothly. The former Ministry will continue providing policy direction and leadership, while the latter continues its role of delivery of primary health care services at the district level.

16.3 The Primary Health Care Services are mainly provided by the Ministry of Local Government (District/Town Councils) through the Council Health Departments (District Health Teams) with a current network of 243 clinics, 340 health posts and 810 mobile stops.

Network of Health Care Facilities

16.4 The public health system, which is a referral system in Botswana, comprises all government health facilities owned or supported by Government and facilities open to the

public such as mine hospitals. The Ministry currently administers 3 Referral Hospitals, 6 District Hospitals, and 16 Primary Hospitals, and provides running costs to 3 Mission Hospitals. Debswana has entered into agreement with Government to open the Orapa and Jwaneng Mine hospitals to the public as its contribution to public welfare. The BCL Mine in Selebi-Phikwe is the only one that has confined its services to its employees and their relatives.

The Nature of Health Problems in Botswana

16.5 At the beginning of NDP 8, the pattern of ill health in Botswana indicated a decline in the importance of childhood immunisable diseases and an increase in non-communicable diseases. Infant Mortality Rates (IMR) stood at 37.4 per 1000 and 37.0 per 1000 in 1988 and 1996 respectively [Botswana Family Health Survey (BFHS) III of 1996]. The Survey also reported a decrease in Under-fives Mortality Rate (UMR), from 53.4 per 1000 in 1988 to 45.0 per 1000 in 1996.

16.6 The country has also experienced a resurgence of diseases such as tuberculosis, which at the beginning of NDP 8 period were showing evidence of decline. HIV/AIDS related infections are now the main cause of hospital admissions. This reversal of events has necessitated a re-look into the provision of health services during NDP 9.

REVIEW OF PERFORMANCE DURING NDP 8

16.7 The Ministry's goals during the National Development Plan 8 were: to improve efficiency and cost-effectiveness of health care delivery; to ensure equitable distribution of services; to improve quality of care; to retain appropriate skilled health personnel; and strengthen primary health care programmes.

16.8 These goals hinged on the health sector's three main objectives of sustainability, quality and appropriateness. On the basis of the foregoing, the Ministry had set the following priorities for NDP 8:

- Human resource development;
- Health sector reform, by strengthening of health policy and introduction of innovative management systems;
- Strengthening of health services: especially secondary and some improvements in tertiary facilities; and
- Strengthening support to different levels of the health care service.

Human Resource Development

16.9 Human Resource Development remained top priority during NDP 8. Most health facilities are still faced with problems of staff shortages, both in numbers and skills to enable them to carry out the intended health care services at an acceptable quality. Staff housing for Gaborone and Francistown IHSs of the Phase I were designed at the end of NDP 8 and construction will spill over to NDP 9.

16.10 Phase II, which comprises construction of new Institute of Health

Sciences as well as staff housing in Molepolole and Serowe started in 2001. Construction started towards the end of NDP 8 and will spill over to NDP 9. This will facilitate increased intake and introduction of new subjects in the IHSs.

Enrolled Nurse/General Nurse Upgrade Programme

16.11 The programme is at the completion stage. The last group of part time students will complete their programme in May 2003.

Curriculum review and development

16.12 A lot has been done in this area in an effort to meet the ever-changing needs in the health care delivery system. Curricula being reviewed include those of General Nursing, Midwifery, Community Health Nursing, Family Nurse Practice and Family Welfare Educator. Curricula development for new programmes such as Ophthalmic Nursing has started. Community Mental Health Nursing curriculum has been reviewed, approved and is in its first year of implementation.

Training

16.13 **Pre-service training:** - Local Health Training Institutions have trained 2979 health workers in different disciplines since 1997. Health Education programme, which was discontinued during NDP 8 period, has been restarted at Gaborone I.H.S with an annual intake of 15. The Midwifery programme was introduced at Lobatse and Molepolole Institutes of Health Sciences in January 2002.

16.14 In order to ensure relevance and improvement in the quality of

services provided, Bachelors and Masters Degrees in Nursing were introduced at the University of Botswana in 1996 and 1999, respectively.

16.15 Efforts to establish a Medical School in collaboration with the Ministry of Education are continuing. With the advent of the Faculty of Health Sciences at UB, programmes such as Biomedical Engineering, Medical Records and Rehabilitation can be incorporated into the already existing programmes such as General Engineering, Computer Science and Social Work respectively. An assessment to explore the possibility of offering other allied health programmes like Physiotherapy, Pharmacy, Occupational Therapy, Environmental Health etc currently offered externally will be made.

16.16 An effort to increase the training intakes of Biomedical Engineers in the external Universities, more especially in South Africa, has been made. Since 1997, about 92

health professionals have graduated in various health disciplines from the universities abroad.

16.17 World Health Organisation (WHO) assisted by providing twenty (20) scholarships for human medicine in Ghana. By 2001 all the 20 were placed but five (5) have withdrawn for various reasons. Efforts to replace the five (5) are continuing.

16.18 **In-service training** - Institutes of Health Sciences have trained about 1463 health personnel since the beginning of the plan period, while about 153 have graduated from universities abroad. This post-basic training has, on the other hand, increased problems of staff shortages at facility level due to absenteeism as a result of study leave. The problem is further compounded by trainees' reluctance to come home after completion of training. Table 16.1 reflects training target and achievements.

Table 16.1: Ministry of Health Training Needs and Training Targets

Personnel	NDP 8 Training Targets	NDP 8 Training Achievements	NDP 9 Training Targets
Medical and Dental Specialists	10	5	26
Medical Officers	45	21	39
Dentists	5	12	17
RNs	855	2,060	1,650
Midwives	131	361	1,000
FNPs	47	34	60
Nurse Anaesthetic	30	14	18
Psych. Nurses	120	67	60
Theatre Nurses	12	4	15
Ophthalmic Nurses	12	9	75
Orthopaedic Nursing	12	0	20
Paediatric Nursing	12	3	10
Intensive Care Nursing	12	4	10
ENT Nursing	2	0	3
Neonatal Nursing	6	2	10
A & E Nursing	12	0	15
Oncology Nursing	2	0	3
Neuro Surgery Nursing	2	0	2
Physiotherapists	14	11	47
Occupational Therapists	5	1	15
Radiographers & X-Ray Technicians	10	8	57
X-Ray Assistants	0	0	0
Pharmacists	18	13	41
Pharmacy Technicians	50	58	137
Med. Lab. Technology	8	9	31
Med. Lab. Technicians	60	65	180
Dental Therapists	23	33	30
Bio Med. Engineers	6	5	18
Medical Equipment Technicians	12	0	12
Dieticians/Nutritionists	9	10	28
Social Workers	29	8	226
Hospital Administrators	32	1	30
Medical Records Officers	25	2	23
Dental Technologist	6	0	6
Speech Therapy/ Audiology	17	1	15
Family Welfare Educators	15	217	1,038
Other Professionals		53	

Source: Ministry of Health, Health Manpower Department

16.19 Several problems were encountered in achieving planned training targets. These included, among other things, problems associated with:

- placement in the external training institutions, more especially within the region.
- Length of training for most health professions
- Unattractive pay structures and unclear career paths that make trainees to stay abroad after completion of their studies.
- High turnover of Lecturers in our local training institutions

16.20 Recruitment efforts locally and externally were strengthened during this plan period. These efforts for the Ministry of Health are frustrated among other factors by:

- Difficulty to acquire candidates in highly specialized areas
- Candidates who are offered employment but fail medical examinations
- Candidates who decline offer of appointment after waiting for a long period of time
- High turnover of staff due to resignations, deaths, retirement and non-renewal of contracts. e.g. between January 2001 and January 2002, a total of 73 nurses have resigned, of whom 45 were locals.

16.21 In responding to the problem of staff attrition, initiatives of developing a retention strategy have started. The review of the current pay structure is also ongoing. The continuing implementation of performance improvement initiatives such as PMS, WITS and TQM is expected not only to improve on performance, but also to raise the morale of employees and productivity levels.

16.22 An extensive exercise on the development of staffing methodologies and norms for all health professions within all levels of the referral structure was carried out. This effort attempted to synchronise human resources with their utilisation, as well as assessing the scope of function at each level of the referral chain, skills and numbers required to perform those functions. The outcome of this exercise is the Human Resource Plan that does not only reflect personnel required to staff health facilities and services, but also details the necessary recruitment and training strategies.

16.23 A review and balance of human resource demand and supply is continuing in order to keep pace with the ever-changing health care needs. The implementation of this plan, in as far as acquiring additional budget (posts) is concerned, is being hampered by the current vacancy situation.

Health Sector Reform

16.24 During NDP 8 period, the Ministry undertook a restructuring exercise which was expected to promote a sustained process of policy development and institutional arrangements, health sector reform, designed to improve the functioning and performance of the health sector and ultimately the health status of the population.

Strengthening of Health Policy

16.25 In order to strengthen the health policy, a series of studies were undertaken, aimed at establishing the patterns of health expenditure (public and private), the ability and willingness of Batswana to pay for medical care as well as to formulate new policies that would guide and sustain the health care services.

16.26 The following policies and acts were formulated in NDP 8:

- National policy on blood transfusion and its guidelines.
- Botswana National Drug Policy and its five-year implementation plan.
- Health Care Technology Policy (Equipment Policy):
- The Review and Amendment of the Control of Smoking Act

and the Development of its Regulations:

- The Revision and amendment of the Public Health Act.
- The development of Chemical Substances and Products Act.

16.27 An information system including a national chemical database on chemical awareness programme has been developed and is being implemented.

- The national Environmental Health Policy is under development.
- The Clinical Waste Management Policy on management of clinical waste was produced in collaboration with the NCSA.

User Fees and Health Insurance Studies:

16.28 Public health care in Botswana is mainly financed by taxes via public budgets and to a lesser extent, revenue from user fees. When first introduced in the early 70's, user fees accounted for 7% of the recurrent budget expenditure, but this has been declining over the years to less than 0.1% by 1993.

16.29 Several studies undertaken by the Ministry on user fees reveal that the existing user fee system is disorganized, weak and highly inefficient in providing revenue to the government.

16.30 To provide information on health financing reforms a study on health insurance in Botswana is being undertaken. Its general objective is to determine the performance of the

existing medical aid system regarding efficiency, equity, and sustainability of the health sector.

16.31 Information from this study together with other relevant studies will guide in deciding on a suitable health financing system to choose for the future, and hence on how the costs of providing health services shall be shared between individuals and the government. The process of introducing full cost recovery on medical costs started in June 2002 with foreigners being charged full medical costs. With time, the process is intended to also cover citizens.

National Health Accounts

16.32 Increasing demand for quality health care with limited resources has made it necessary to review resource allocation and efficiency within the country. As a means of monitoring use of resources, the Ministry is undertaking a project on National Health Accounts. Information on the distribution and use of resources in the country will be obtained to assist policy makers in making informed decisions.

Strengthening of Health Services: Secondary Health and Improvements in Tertiary Facilities

Hospital Services

16.33 The construction of Lobatse Mental, Scottish Livingstone, Sekgoma Memorial, Maun and Mahalapye Hospitals started towards the end of NDP 8 period and will be completed in NDP 9.

16.34 The renovation/upgrading of Jubilee to a Psychiatric Unit for the Northern Botswana has not been achieved. The project was at design

stage at the end of NDP 8. Capacity constraints at DABS delayed the project.

16.35 CT Scans were provided at Princess Marina and Nyangabgwe Referral Hospitals.

16.36 Neurosurgery and Oncology services have been introduced at Princess Marina and Nyangabgwe Hospitals. As a cost-saving measure, patients requiring radiography are now being referred to the Gaborone Private Hospital.

16.37 Networking has been done as part of the computerization of Medical Records and support services at Referral Hospitals. Some computer hardware and software have also been purchased. Maun and Sekgoma Hospitals also benefited under the ARV computerization programme.

Primary Health care

16.38 At the beginning of NDP 8, the Ministry managed to complete the construction of four hospitals at Masunga, Sefhare, Gweta and Hukuntsi. Consultants were engaged to produce New Primary Hospitals Design Guide and an architectural brief for construction of new hospitals at Shakawe, Tonota and Moshupa as well as upgrading of Gumare, Palapye and Kasane primary hospitals, whose construction will spill-over to NDP 9. Construction of the new Ghanzi Primary Hospital will also spill-over to NDP 9 as construction started during the last year of NDP 8.

Family Health

(i) Maternal, Child Health and Family Planning (MCH/FP) and Reproductive Health Programme

16.39 Fertility - There is evidence of continuing decline in fertility over time as shown in BFHS III (1996). The fertility stood at 4.3 births in 1996 as compared to 5.5 births in 1988, showing success in the achievement of this indicator in NDP 8. The decline can be attributed to changes in economic and social development such as improvement in primary health care, increased participation of women in the labour force etc. Some women may also be opting not to have children as a result of HIV/AIDS.

16.40 Teenage pregnancy - Teenage pregnancy has also experienced a decline during this period, even though it continues to remain high. The use of family planning services remains low in this age group as compared to older population groups. Access to health service for adolescents and youth continues to be a major constraint as the current health services are meant for all age groups. Although this is the case, the target of reducing teenage pregnancy from 24% to 18% for NDP 8 has been achieved. Teenage pregnancy was reduced from 24% in 1988 to 19% in 1991 and 16.6% in the BHFS III of 1996.

16.41 **Family Planning** - this is one area where NDP 8 target has not been achieved and therefore more effort will be required in NDP 9 to ensure success. The NDP 8 target was to increase contraceptive prevalence to 50% and only 42% has been achieved as revealed by both the BHFS III

(1996) and Botswana Multiple Indicator Survey 2000. The stagnating contraceptive prevalence is attributed to the recent increase in condom use, which clients do not associate with contraceptive use but only associate it with HIV/AIDS prevention.

16.42 **Safe motherhood** - during NDP 8 Safe motherhood program aimed at reducing Maternal Death from 200 deaths to 150 deaths per 100,000 live births. This is a major undertaking that the programme could not achieve because of manpower constraints and technical expertise in this area. Furthermore, it needed a national survey for the program to determine whether the indicator has been achieved or not.

Cervical cancer screening

16.43 This programme ensures early detection of cancer of the cervix among women of reproductive age. There is currently no national screening programme for cancer of the cervix due to manpower constraints.

New programmes introduced in NDP 8

16.44 In order to respond to the HIV/AIDS scourge, two new programmes were introduced whose main focus was the prevention of HIV/AIDS. The major challenge for this programme is poor acceptance by pregnant women.

Prevention of Mother – to - Child Transmission of HIV/AIDS

16.45 This programme was implemented first as a pilot in Gaborone and Francistown in 1999 and up – scaled to other districts in 2000/2001.

Reorientation of the MCH/FP programme to a more comprehensive Sexual and Reproductive Health programme

16.46 This programme defines the broader scope of reproductive health and the inclusion of men in reproductive health. It also outlines issue of gender, fertility, reproductive cancers and focuses largely on adolescent sexual and reproductive health, as these were not emphasised in MCH/FP program. Also during NDP 8, Adolescent Sexual and reproductive health program was developed and training of trainers done in order to address the health needs of adolescents.

Introduction of the Female condom

16.47 In the era of HIV/AIDS, new programmes and innovations should be tried in order to improve the prevention of the spread of the disease. The female condom introduction was done with the aim of both increasing the family planning method mix as well as to empower women with a female - specific method of HIV/AIDS prevention

Table 16.2: Reproductive health Indicators (including Targets for NDP 9)

INDICATOR	NDP 8 TARGETS	ACHIEVED TARGET IN NDP 8	NDP 9 TARGETS
Total fertility	4.0	4.3	3.5
Percentage of teenagers who are mothers	18%	16.6%	10%
Family Planning Knowledge And Use			
Percentage of all women knowing a method	-	95%	99%
Percentage of all women knowing a source	-	96%	99%
Percentage of women ever using any modern method	-	69.8%	80%
Contraceptive Prevalence Rate	50%	42%	60%
Utilisation of MCH Service			
Percentage of births receiving antenatal care	95%	94.1%	99%
Percentage of births having medically supervised deliveries	90%	87%	95%
Percentage of births receiving postnatal care	85%	85.2%	90%
Percentage of clinics transformed to provide Youth Friendly Health services	-	-	30%

Source: Ministry of Health, Family Health Division

Control of Diarrhoeal Diseases Programme (CDDP) and Integrated Management of Childhood Infection (IMCI)

16.48 Control of Diarrhoeal Diseases Programme (CDDP) and Acute Respiratory Infections projects (ARI) implemented training of health workers to improve on the case management skills. It is a strategy that aims at reducing child mortality. IMCI strategy was introduced during NDP 8. The strategy encompasses a range of interventions for the prevention and management of major childhood illnesses, both in health facilities and in the home. Health workers and child

mindes are given knowledge and skills to manage all problematic childhood diseases. 342 health workers have so far been trained on this strategy.

Training of Health Workers

16.49 Since the introduction of IMCI, it has been difficult to continue supporting the districts that are still implementing CDD/ARI due to manpower shortage. According to the Multiply Indicator Survey (MIS 2000), there has been an improvement in the care of children with diarrhoea in hospitals and communities.

Infant and under-five mortality rate

16.50 Botswana Family Health Survey III (BFHS 1996) reports infant mortality rates of 37.4 per 1000 in 1988 and 37.0 in 1996. Under-five Mortality was reported to be 53.4 in 1988 and 45.0 in 1996 (BFHS III). The situation has now been reversed by the advent of HIV/AIDS. The Multiple Indicator Survey (MIS) of 2000 recorded IMR and UMR of 57 per 1000 and 75 per 1000 respectively. Life expectancy at birth has also declined from 65 years to 55.7 years.

(ii) Expanded Programme on Immunisation

Elimination of Neo Natal Tetanus (NNT) and Measles

16.51 During NDP 8 there were no laboratory confirmed cases of NNT and measles cases implying possible elimination of these diseases. Botswana is still awaiting confirmation of her status by WHO. The country continues to implement WHO/UNICEF strategies for elimination of both diseases.

Polio Eradication

16.52 For 10, years the country has not reported Polio. Botswana met the target of being polio free by the year 2000 but we can only be certified polio free as a region together with our neighbouring countries that are still reporting polio. The Ministry, however, continues to implement strategies for polio eradication.

Immunization coverage

16.53 The programme achieved the target of increasing routine immunization coverage to 80%.

Studies that were planned for NDP 8 that were to look at community compliance and attitudes to immunizations were not conducted, primarily because of shortage of manpower and mainly because supervision and monitoring revealed more problems that interfered with immunisations to be on the service delivery side not on the consumer/beneficiary side. It therefore became critical to address service delivery problems.

Cold Chain Maintenance

16.54 The monitoring of cold chain system revealed the following major problems:

- Some health facilities having no fridges at all or not functioning
- Some old fridges (10 years) are not functional or have not been replaced
- Immunization service is not rendered daily

16.55 These problems will be addressed in NDP 9.

(iii) Health Promotion and Education

16.56 Good health as a major determinant of quality of life should be a right for all irrespective of their socio-economic and cultural background. Health Promotion and Education aim at helping individuals and the community to achieve optimum state of health through their own actions and initiatives. This strategy has been one of the pillars of the health sector during NDP 8.

Community Participation and Involvement

16.57 In line with the 1997 Rural Development Council, a Community Based Programme Strategy (CBPS) for rural development the Ministry of Health has continued to use Village Health Committees and Home Based Groups as a tool for community participation and involvement.

Participatory Methodology

16.58 In support of CBPS, the Ministry of Health has started an initiative to change health care service provision orientation so that participatory methodologies become the standard of practice. Hygiene, sanitation and water are being used as the entry points for the initiative. The Ministry started Participatory Hygiene and Sanitation Transformation (PHAST) pilot projects in five (5) project sites to test the method before scaling it up to other districts.

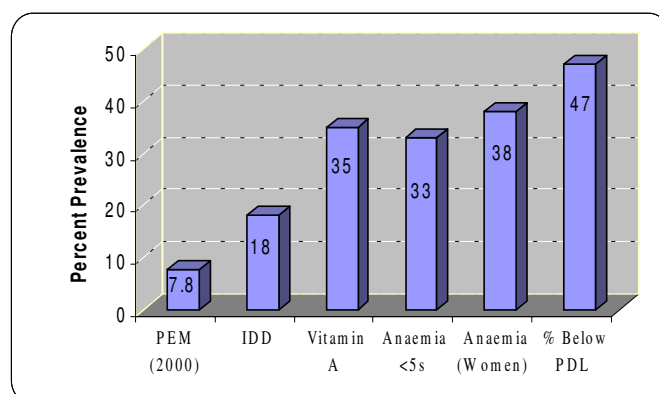
(iv) Food and Nutrition

16.59 Good Nutrition is the foundation of survival, health, educability, productivity and national development. The provision of the Food and Nutrition Services in the country has been among the priority strategies of Primary Health Care (PHC). The national targets set in the National Plan of Action on Children and the 1996 World Food Summit guided the nutrition services during NDP 8.

16.60 Overall, there was improvement in the nutritional status of the under-fives during NDP 8. However, the HIV/AIDS pandemic has had a negative impact on the health and household food security of the

affected households. On the other hand, there has been an escalation of diseases of affluence, the Chronic Non-communicable diseases such as diabetes, hypertension, heart diseases and some cancers. The main risk factors for these diseases (obesity, high blood fats, high cholesterol, high animal fat diets, physical inactivity, alcohol abuse) are preventable as they are related to diets and lifestyles.

Chart 16.1: Nutritional Problems



Source: Ministry of Health, Nutrition Unit

Note: PEM (Protein Energy Malnutrition)
IDD Iodine Deficiency Disorder
PDL Poverty Datum Line

The National Plan of Action for Nutrition (NPAN)

16.61 The National Plan of Action for Nutrition (NPAN), which embodies the country's efforts to enhance multi-sectoral collaboration and cooperation in improving the food and nutrition situation of Botswana, was finalized through two consultancies (WHO and FAO) to incorporate emerging issues of HIV/AIDS, Micronutrient (vitamins and minerals) deficiencies and Integrated Management of Childhood Illness (IMCI). This plan will form the basis for provision of nutrition services during NDP 9.

Monitoring the Nutritional status

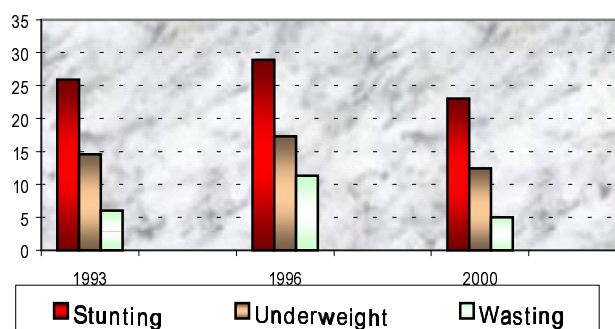
16.62 Monitoring of the nutrition situation in the country continued through the Growth Monitoring and Promotion Programme (GMP), Drought Assessment Tours and periodic population based surveys. Basing on these, mapping of the magnitude and trends of the main nutritional problems was accomplished.

16.63 Using the Botswana National Nutrition Surveillance System (BNNSS), information collected monthly from the 1,085 health facilities continue to be analysed and disseminated. A new gender specific growth chart using the National Centre for Health Statistics Reference was developed and introduced in 1998. Two districts, Kgalagadi and Gumare were supported in conducting nutrition surveys in order to establish the causes of malnutrition by locality.

16.65 Despite the sub-optimal attendance by children at Child Welfare Clinics, (average of 60 to 70%), information generated from the BNNSS, has been very instrumental in monitoring malnutrition trends and influencing major national decisions and policies regarding household food security. The emphasis during NDP 9 will be to decentralise this process to district and community levels to improve efficiency of the system.

16.66 **Moderate Protein-energy malnutrition (PEM)** among children aged 0 to 5 years old, as indicated by low weight for age, decreased from 15% in 1995 to 7-9% between 2000/2001. However, the prevalence of severe malnutrition rate increased from 0.5% in 1996 to about 2% during the year 2000.

Chart 16.2: Trends in prevalence of Protein-Energy Malnutrition.



Source: Nutrition Unit

16.67 Moreover, Inter- and intra-districts variations exist in malnutrition prevalence rates. Districts with remote area dwellers and settlements, notably Kgalagadi North and Ghanzi, have persistently shown highest malnutrition prevalence levels. It is noteworthy that, even in these districts, some improvements have been observed. For example, in Kgalagadi North moderate underweight rate has dropped from about 25% in 1995 to about 15-16% since June 2000.

16.68 Given the trends in prevalence of protein-energy malnutrition among children, achieving the 50 percent reduction of levels of malnutrition (from 15% in 1995 to 7% by 2003) as targeted in the NPA is likely.

Infant and Young Child Nutrition

16.69 Adequate and safe infant feeding practices especially breastfeeding; contribute to prevention/reduction and control of childhood illnesses and malnutrition. Four main areas of support to infant and young child feeding were adapted/strengthened during NDP 8. The **Baby and Mother Friendly Hospital Initiative (BMBFI)** has been introduced in most hospitals and to date 7 hospitals have been designated

as BMBF. Maternal Protection law that provides one-hour break for breastfeeding-working mothers was adopted. The National Breastfeeding Authority was formulated to oversee the efforts to protect, promote and support breastfeeding.

16.70 The regulations on the Marketing of Breast Milk Substitutes have been revised to suit the Botswana situation and to incorporate the current issues on HIV/AIDS and infant feeding/breastfeeding.

16.71 Breastfeeding continued to be practised by the majority of mothers. However, the HIV pandemic and the risk of transmission of the virus through breast milk have emerged as a major constraint to optimal infant feeding. In order to minimize this MTCT risk, the government provides free infant formula to children of HIV positive mothers for up to one year. Infant Feeding guidelines in the context of MTCT were developed and distributed to health workers. A Training of Trainers (TOT) workshop for 22 health workers on Lactation Management and HIV counselling was conducted in 2000. All MTCT counsellors have also been oriented on the infant feeding guidelines. Gaps exist between the training and the feasibility to practically communicate correct information on infant feeding to mothers. As such a study to evaluate infant feeding practices was commissioned in July 2001 and the findings will be used to revise the infant feeding guidelines and development of national infant feeding policy.

16.72 Two nutritionally fortified food products were developed for the Vulnerable Group Feeding Programme. These include *Tsabana*, a sorghum based complementary food

product for children up to 36 months and *Fortified Maize Meal* for older children and the other vulnerable groups (medically selected groups like pregnant and lactating mothers, and tuberculosis patients).

16.73 The food basket for primary schools was reviewed in 2001, with the aim to improve the nutritional quality and adequacy of meals offered to these school children. The other food baskets reviewed /developed during this period were for the orphan, destitute and Home Based Care programmes.

16.74 Quality and safety assurance of the Vulnerable Group Feeding Programme (VGFP) food commodities was carried out regularly through monthly factory inspection for compliance to hygiene standards and food production procedures. Regular laboratory analysis of food commodities for nutritional and microbiological quality was done. In addition review of tender and contract specifications for VGFP food commodities, training and monitoring of health workers and depot managers on management of VGFP food commodities, and participation in development of food legislation was done.

Prevention and control of nutrient deficiencies and other diet related diseases/disorders.

Vitamin A Deficiency (VAD): -

16.75 The strategy adopted to address VAD involved the short-term approach of universal supplementation with vitamin A for mothers after delivery and all children aged 0-36 months. This approach was piloted in Kweneng District during 1999 and using the lessons learnt, it was up-scaled to all the 23 Health districts. Since 2000,

preschool children aged 0-36 months have been receiving high-dose vitamin A capsules with their immunization (measles and immunization boosters) and GMP. In addition, approximately 85% of under-fives received the capsules during the Measles Campaign, in May 2001.

Iodine deficiency Disorders:

16.76 Botswana has adapted the global strategy of eliminating iodine deficiency disorders, the most common cause of preventable mental deficiency, through universal salt iodisation. Botswana Soda Ash, the sole major producer of salt, has voluntarily been iodating salt but the Regulation that will mandate the universal iodisation of salt has been drafted and gazetted. Regional harmonization of salt iodisation levels was effected at the Inter-country Salt Iodisation Meeting held at Francistown, August 1999. Indications are that progress is being made as the 2000 MIS survey revealed a 66% percent level of usage of adequately iodised salt by households as compared to 41% in 1994.

Iron deficiency Anemia:

16.77 Routine iron and folic acid supplementation of pregnant women continued throughout the country.

Food Based approaches:

16.78 Horticultural activities in clinics have also been promoted during training of health workers. Major millers have been sensitised on fortification of foods with vitamins and minerals.

Nutrition Education and Training

16.79 Nutrition Education and Training aims to design, implement, and evaluate pre and in service training in food and nutrition for various cadres including extension workers, NGOs, etc as well as the development of IEC materials/ Nutrition Advocacy. Various nutrition training seminars and workshops were conducted on nutrition and HIV/AIDS, school health, breastfeeding, vitamin A supplementation schedules, Growth Monitoring and Promotion and Vulnerable group Feeding.

Epidemiology

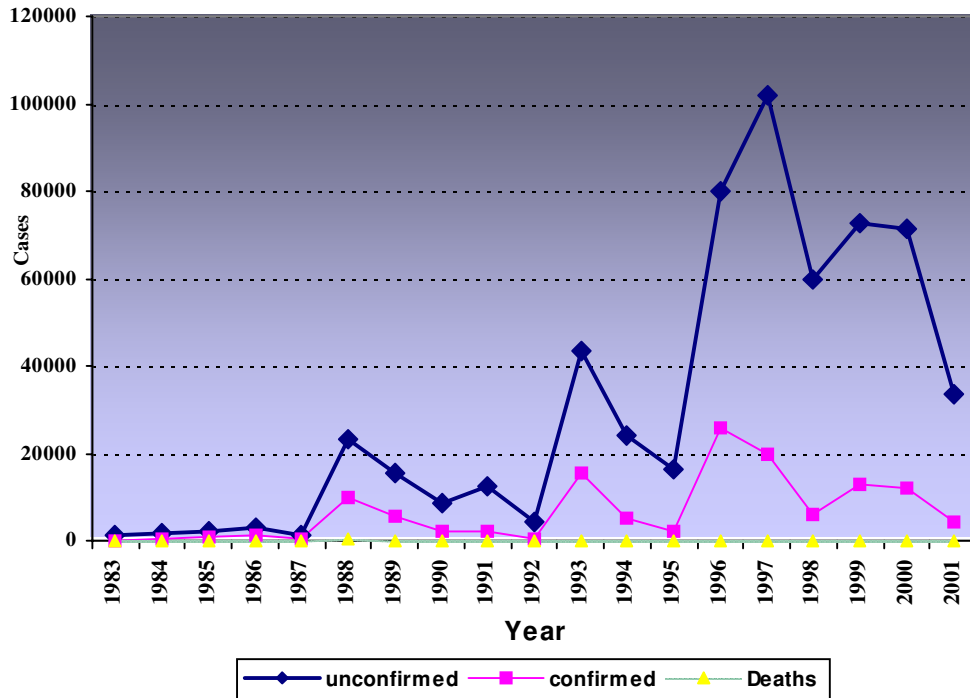
Malaria Control.

16.80 As with other parts of the African continent, Botswana experienced an increase in malaria morbidity and mortality in the 1990's. Severe epidemics were recorded in 1993, 1996, and 1997. Management of severe malaria cases was identified as a priority following the 1996 epidemic, and extensive staff training in the management of severe malaria formed a major component of the Accelerated Malaria Programme launched with World Health Organization support in 1997.

16.81 Significant developments in NDP 8 include the following;

- decentralisation of malaria vector control activities to districts (1997),
- maintenance of a low malaria case fatality rate (0.3 – 0.7 % among confirmed cases, and 0.03 – 0.13% among all cases) despite increases

Chart 16.3 Malaria Notifications 1983 - 2001



Source: Ministry of Health Epidemiological Units

- in average malaria morbidity levels,
- expansion of the programme of government-subsidised insecticide impregnated mosquito nets as a malaria control intervention to six additional high burden districts from 1997. Relatively low population coverage levels (estimated to be less than 15%) were achieved in all districts except the Chobe districts.
- improvement in public awareness and knowledge about malaria.

16.82 A comprehensive malaria programme review was conducted in 1999 confirming case management as one of the programme strengths. Malaria vector control in the form of residual house spraying and the use of insecticide impregnated nets were

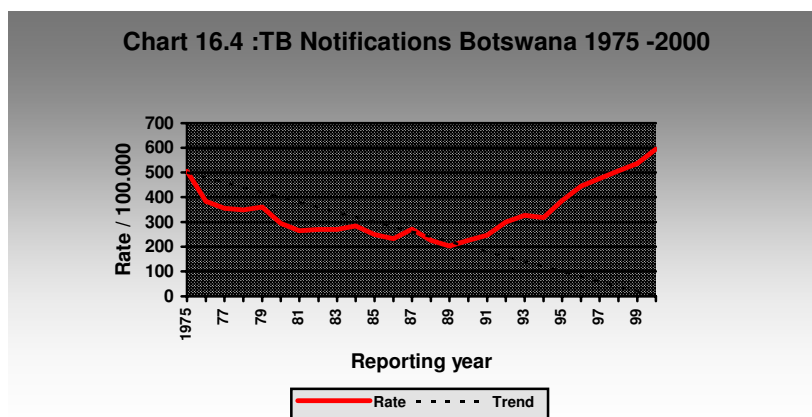
identified as areas that required further strengthening to improve the population coverage and impact in targeted districts.

16.83 Malaria epidemic preparedness and response capacity at both district and national levels was improved with the establishment of a national committee and development and implementation of a national malaria epidemic contingency plan from 1998.

16.84 Core elements of the malaria control strategy were effective case management, vector control using residual house spraying with insecticide, use of insecticide impregnated mosquito nets, epidemic forecasting, preparedness and response, prophylaxis to high risk groups, and community mobilisation. The programme moved from the use of

DDT to pyrethroid insecticides for residual house spraying following demonstration of high levels of susceptibility of the local vector population to pyrethroid insecticides.

national surveys of resistance to anti-TB drugs undertaken in 1996 and 1999. Significant findings of these reviews were that the programme continues to have a sound scientific basis with good access to TB services,



Source: Epidemiology Unit

16.85 Botswana launched the Roll Back Malaria (RBM) initiative in Botswana in April 2001, developed its strategy for RBM implementation, and endorsed the SADC Malaria Plan of Action as part of its commitment to regional malaria control efforts.

Tuberculosis

16.86 Tuberculosis cases have continued to rise as a result of the severe HIV/AIDS epidemic being experienced by the country. The annual notification rose from 444 cases per 100,000 population in 1996 to 595 per 100,000 in 2000 an average increase of 8% per annum over 4 years. During this period the total case burden has more than doubled and if the current trend is maintained it will be in excess of 11,000 cases per annum by 2003. TB has been shown to be the leading cause of death among AIDS patients.

16.87 A Major programme review was undertaken in 1999, and two

and has maintained a low rate of multi-drug resistance in the face of a growing disease burden.

16.88 Significant achievements during NDP 8 include:

- Review of the programme to address TB control challenges associated with HIV/AIDS,
- Carrying out several operational research studies as part of the Government of Botswana/CDC USA collaboration (BOTUSA) the results of some of which have already positively influenced TB control policy,
- Establishment of improved TB diagnostic capacity with the development of a TB reference laboratory with drug resistance capacity.
- Strengthening TB surveillance capacity by the development and implementation of a national computerised TB register.

- Addressing the impact of the HIV/AIDS epidemic on TB by the inclusion of TB management issues in HIV/AIDS service delivery at different levels, and implementation of pilot programme to provide preventive therapy for TB among HIV positive persons, which is expected to go to scale following the pilot evaluation.
- Carrying out the assessment of TB transmission in health care facilities including congregated areas such as prisons
- Pilot testing the Isoniazid TB Preventive Therapy (IPT) for people living with HIV/AIDS
- Evaluation of the operational feasibility of IPT with the intention of rolling it out to all districts.

Schistosomiasis

16.89 Surveillance of the prevalence of schistosomiasis among school children in the North West district continued, confirming the maintenance of a low rate of infection from 80% in NDP 5, 8% in NDP 7, to a low of 1.5% in NDP 8 (2001). This has been achieved through a combination of factors including public education, safe human waste disposal, provision of safe drinking water, and effective case management.

Leprosy

16.90 A survey of leprosy was conducted in 1999 in districts known to have leprosy cases, which detected only one new case. However a review of the progress of cases previously treated demonstrated that due to poor treatment compliance a total of 49 patients required treatment. This figure is below the WHO target of leprosy elimination (less than 1 case per 10,000 population) by the year 2000.

vi) Oral Health

16.91 The (1983-2000) National Dental Health Plan (NDHP) has been evaluated and the results will be used to formulate a new plan for the next 10 years.

Infrastructure

16.92 The delay in completion of the construction of the Gaborone Dental Clinic, and the upgrading of the existing Hospitals has had negative impact on the delivery of oral health services.

HIV/AIDS

16.93 The first case of HIV related illness was discovered in 1985. From that time on, the virus that causes AIDS spread rapidly from urban and peri-urban areas to rural areas, leaving no district spared by the epidemic. The HIV Sentinel Survey among pregnant women carried out in all the 22 districts of the country showed prevalence rates ranging from a minimum of 23.3% in Ghanzi to a maximum of 51.1% in Tutume. The HIV trends during 1993-2001 for all age groups apart from those aged 15 to 19 and 20 to 24 years increased gradually and have reached in 2001 at least twice the prevalence in 1992.

16.94 Based on 2001 HIV Survey it is estimated that 38.6% of the adult population is infected with HIV, the worst affected age group being 25-29 years with a prevalence rate of 48.4%. Median prevalence rate among the 15-19 years was 24.1%. The major significance of the latter age group is that it indicates the rate of new infections for that year.

16.95 Factors believed to have facilitated the spread of HIV are

among others; multiple sexual relationships coupled with lack of/inconsistent condom usage, presence of other Sexually Transmitted Infections, relatively good road network which facilitates population mobility, and the nature of the virus that causes AIDS in Botswana. The virus that is predominantly responsible for AIDS in Botswana is HIV-I subtype C, which is believed to be more easily transmissible than other subtypes.

The National Response to HIV/AIDS

16.96 The response to HIV/AIDS in Botswana has evolved over time, from being predominantly health sector based to being multilevel and multisectoral, with strong political leadership and government commitment.

16.97 The earlier response to the epidemic largely focused on:

- Raising awareness among both health workers and members of the public.
- Blood safety
- Management of opportunistic infections.

16.98 The disease then was largely silent resulting in denial at all levels of the society.

16.99 The response to the epidemic has undergone a major transformation in line with the Botswana National AIDS Policy of 1993 and the Second Medium Term Plan (MTP II) for HIV/AIDS (1997 – 2002), which advocate for an expanded multisectoral response to HIV/AIDS. Sectors other than health (governmental, non-governmental, private and parastatal) are increasingly assuming greater responsibility for HIV/AIDS.

Coordination Structures:

16.100 Coordination structures have been established as follows:-

- National AIDS Council (NAC)
- National AIDS Coordinating Agency (NACA)
- Sectoral AIDS Subcommittees of the NAC
- Parliamentary Select Committee on HIV/AIDS
- District Multisectoral AIDS Committees (DMSACs)
- NGO Coordination Networks.
- Botswana Network of AIDS Service Organisation (BONASO)
- Botswana Network of People Living with AIDS (BONEPWA)
- Botswana Christian AIDS Intervention Program (BOCAIP)
- Botswana Business Coalition on AIDS (BBCA)

Major Challenges

16.101 Botswana has responded to the epidemic by putting in place several programs to both (i) prevent HIV transmission and (ii) mitigate impacts of HIV/AIDS. Challenges that the country encountered include the following:

- Burden of HIV/AIDS and stigma– Botswana is among the worst affected countries of the world. Magnitude of HIV/AIDS is such that the country cannot manage on its own to address it adequately.
- Shortage of trained human resources.
- Botswana is classified as a middle-income country and thus does not qualify for development aid. This places Botswana at a disadvantage

of not receiving much external assistance despite being among the worst affected by HIV/AIDS, which threatens to reverse all the development gains of the past as well as slow down both human and economic development.

HIV/AIDS Programmes

a) Prevention Programs

Information, Education and Communication (IEC)

16.102 The critical role played by IEC in the response to HIV/AIDS is well recognized. Efforts are being made to strengthen this component.

Achievements

- Over 90% of population is aware of HIV/AIDS
- Condom usage has increased.
- IEC Strategy has been developed
- National IEC Committee established
- Serial radio drama being aired and its popularity is increasing.
- AIDS at the workplace program established both within the public service and private sector.

Challenges

- Targeting the difficult to reach areas
- Strengthening of grass-root level structures
- Closing the gap between knowledge and practice

Control of other Sexually Transmitted Infections (STIs)

16.103 Prevention and improved management of other Sexually

Transmitted Infections is being done as one of the strategies for reducing HIV transmission. HIV prevalence rate among male STD patients is over 50%. STI prevention and care activities are integrated into health services at all levels of the health care system. STI services are backed up by a National STI Referral, Training and Research Centre.

Isoniazid Preventive Therapy (IPT)

16.104 Tuberculosis is the most common opportunistic infection and major cause of mortality among HIV infected persons in Botswana. Studies carried out show that:-

- 75% of T.B. patients are co-infected with HIV
- About 40% of AIDS patients die of T.B

16.105 In recognition of this, a program to prevent T.B. among HIV infected persons was started as a pilot in 2000. Pilot evaluation results show that implementing IPT in Botswana is operationally feasible. There is a plan to roll out IPT.

Prevention of Mother-To-Child Transmission (PMTCT) of HIV/AIDS

16.106 The PMTCT programme was established in September 1998 with the aim of improving child survival through the reduction of HIV related morbidity and mortality. The program was launched in April 1999 in the two main cities, Francistown and Gaborone as pilot projects. Rolling out was completed in November 2001. The main objective is to reduce annual incidence of HIV infections in children occurring through mother-to-child transmission of HIV by at least 50%. By the end of 2001, 2,245 women had

received AZT, 1,653 infants were given AZT and 1,595 infants given infant formula for PMTCT. Nationally, 80% of women are counselled on PMTCT. 57% of those counselled are tested for HIV and 58% of those tested positive receive Zidovudine.

16.107 Different strategies are in place to raise awareness on PMTCT in communities: IEC materials, including three PMTCT videos, have been developed and distributed. Radio jingles are aired on national radio stations, newspapers and magazines educate the community on PMTCT. To improve availability and quality of counselling, the training curriculum has been developed and 60% of health workers trained, 200 porta cabins are being distributed to provide additional space for counselling. Program monitoring has been strengthened through integration of PMTCT data into MCH registers.

16.108 During NDP 9, the program will aim at increasing the uptake from 28% to 75%. Different strategies have been identified and will be the focus of the PMTCT action during the coming years:

- IEC will be strengthened through community awareness and dialogue. Community leaders and men groups will be targeted to promote support of women enrolled in the program and create an enabling environment. TCM, PLWHAs and community support groups will be sensitized on PMTCT and involved in community mobilization for PMTCT. Education through media and material distribution will continue.

- Counselling availability and quality will be improved through the involvement of well-trained lay counsellors and regular counsellor debriefing meetings at facility, district and national level.
- The quality of infant feeding counselling will be improved through training of health workers on Breastfeeding and HIV Infant Feeding Counselling. More warehouses will be sought to ensure easy access of infant formula to the consumers.
- Follow-up of clients will be the responsibility of lay counsellors and Family welfare educators at the facility level.

b) Care and Support Programmes

Community Home Based Care (CHBC)

16.109 The program was established in 1995 in response to increased illnesses due to HIV/AIDS. The program aims at ensuring quality care at all levels from health facility to home level. The Ministries of Health and Local Government jointly run the programme.

Achievements

- Community Home Based Care operational guidelines have been developed.
- Training guide with modules developed.
- Developed assessment guide for CHBC clients and families, which includes discharge plan.
- Directory of CHBC providers has been developed and disseminated to stakeholders.

- CHBC staff training was in counselling, participatory methodologies
- Income generating projects for CHBC Volunteers are operational.
- CHBC logistical materials such as bedpans, napkins, gloves are given to caregivers at home.
- Conducted study on stigma to determine the causes of stigma and the form it takes.
- Evaluation of Community Home Based Care pilot project was done and the results informed the program expansion.

Challenges

- Retention of volunteers
- Reducing burden of care by families and communities
- Reducing stigma related to HIV/AIDS
- Sustaining community's participation in CHBC
- Shortage of manpower
- Shortage of transport
- Poverty alleviation
- Development of caring for carers program

Antiretroviral Therapy (ARV)

16.110 In the year 2000, Government decided to introduce ARV therapy in a phased manner. Four initial sites (Gaborone, Francistown, Serowe and Maun) were identified. Critical to this programme are manpower, infrastructure, training, data capturing, drugs and other supplies.

16.111 The programme started in Gaborone in January 2002 and was rolled out to other three sites in July 2002. More sites will be included in NDP 9.

Counselling

16.112 The aim of the counselling program is to develop capacity for counselling at all levels to deal with the emotional and psychosocial aspects of the epidemic. Since the beginning of NDP 8, the counselling program has been reinforced by provision of Voluntary Counselling and Testing Services through the Botswana/USA (BOTUSA) HIV/AIDS program of support.

Achievements

- National Counsellor Training guide has been developed to standardize counselor training.
- Counsellor Trainers have been trained to facilitate training at district level.
- Over 1,000 counsellors have been trained.
- Directory for Counselling services has been developed and disseminated to stakeholders.

Challenges

- Retention of trained counsellors
- Expansion of VCTs to cover the whole country
- Establishment of emotional and psychosocial support program for health workers.
- Provision of ongoing supportive counselling

Clinical Management of Opportunistic Infections

16.113 Infections and tumours are common clinical problems confronting health providers caring for patient with HIV related diseases. Treatment of these infections and tumors are of great importance as it decreases the suffering and prolongs life.

16.114 The goals of providing clinical care are as follows: -

- Reduce HIV related mortality and morbidity
- Improve the quality of the life of PLWA
- Improve the survival of PLWA

16.115 The Clinical Management Program has endeavoured to achieve the above goals by doing the following:

- i) Reviewing guidelines for clinical management of HIV related illnesses.
- ii) Reviewing guidelines on ARV treatment.
- iii) Training of trainers in the districts to provide quality services.
- iv) Continuing medical/clinical education/training of health workers.

Challenges:

- o Inadequate numbers of trained personnel
- o Sustaining expensive programs

c) The Impact of HIV/AIDS on the Health System

16.116 The HIV/AIDS epidemic is beginning to take its toll on the health system. The problem is that the impact has not yet been formally studied, therefore the information given is from routine data collected from 20 hospitals in 1998 and most likely an underestimation. Other than the increase in direct costs, the major impact felt so far is at the service delivery point. This comprises overstretching of hospital services due to increased number of AIDS patients in these facilities. This has resulted in increased admissions and bed

occupancy and also longer hospital stays.

16.117 On average, 55% of admitted patients had HIV related conditions and up to 80% in some medical wards and about 33% of paediatric wards had HIV related conditions.

16.118 Occupancy rates of general wards were 97% and greater than 100% for female and medical wards and 72% for all male and female wards. The average length of stay was 9 days for AIDS patients and 5 for all patients. Hospital expenses on drugs and other items have increased by about 40%.

16.119 The HBC system, which is the cornerstone of the health system's response to the epidemic, is being stretched beyond its means. The high number of patients and the high number of unskilled volunteers are among its shortcomings.

16.120 Other important factors relate to lack of human resources at all levels to respond to the needs. The chronic lack of manpower has been amplified by increased needs at facility level and also loss of lives and chronic absenteeism of health care workers due to AIDS. Projections indicate that 16-18% of health care workers may have died of AIDS by 2005.

16.121 Other impacts include indirect costs such as medical aid costs, and claims for disability and death benefits.

d) Future Course of Action

16.122 For NDP 9 the Ministry of Health aims at developing the following within the Health Sector.

16.123 Training of 900 professional and 500 lay counsellors.

- To train 60 supervisory counsellors.
- To expand voluntary counselling and testing centres from 10 to cover all the districts.
- To introduce 6 alternative models of care i.e. respite homes and to continue training officers.
- To facilitate the formation of psychosocial programmes

16.124 The STD centre, which has since been opened, will facilitate/strengthen training in STD syndromic approach.

HEALTH SECTOR POLICY AND PLANNED DEVELOPMENT STRATEGY FOR NDP 9

16.125 The development and delivery of health services in Botswana shall continue to be based on the principles of primary health care in line with the National Health Policy approved in 1995. Health promotion and disease prevention will continue to be key priorities in NDP 9. Development of health service infrastructure, supported by **appropriate technology**, will be driven by the need to ensure **equitable access** to essential health services as well as **improvement in the quality** of health service delivery. These are planned to be achieved through implementation of quality initiatives such as Total Quality Management (TQM), and the development and implementation of policy standards for all key service areas and disciplines.

16.126 In order to foster decentralisation and improve the efficiency of the health service, as well as increasing participation of the private sector in the economy, partnership with or hiving-off suitable services to the private sector in

selected and appropriate service areas will be undertaken.

16.127 The Ministry of Health will continue to provide policy direction and leadership in the health sector, working in partnership with the Ministry of Local Government, which will continue its role of delivery of primary care services at district level.

16.128 Significant increases in health expenditure during NDP 9 will be occasioned by an expanded health service response to HIV/AIDS, as well as efforts to address the resurgence of communicable diseases such as tuberculosis, diarrhoea, malaria, and the increase in non-communicable diseases such as hypertension, diabetes, injuries and malignant disease.

16.129 The **sustainability** (with respect to the system and finance) of health service provision will be a key concern; hence cost-effectiveness, improved efficiency, and implementation of cost-containment initiatives including equitable and sustainable methods of cost-recovery will be priority issues.

16.130 Sustainability will be further addressed through the effective implementation of the Performance Management System (PMS), which will continue to be central to health service planning and strategy development.

16.131 To this end the Ministry of Health developed a Corporate Performance Plan that reflects the strategic direction of the Ministry in the next 5 years.

16.132 The Vision, Mission and Values proposed in the Corporate Plan are a starting point for a new direction

that builds upon the Ministry's strengths and recognises its weakness, takes advantage of the opportunities and guards against threats. In this context, the Ministry of Health is committed to addressing the common desires of the people by way of designing concrete and implementable strategies that will make Vision 2016 a reality.

Linkage between the ministry strategic plan and vision 2016

16.133 Health remains one of the integral parts of the pillars of Vision 2016 because the ultimate aim of this long-term vision is to have a healthy nation that is fully involved and can contribute meaningfully to development. Most importantly health derives a lot from Vision 2016 pillar of "Building a Compassionate, Just and Caring Nation". It is therefore right to infer that the Ministry of Health's Strategic Plan has a strong linkage with Vision 2016, as well as the National Development Plan 9, with its Vision, Mission and Values as expounded in the Strategic Plan. The Ministry identifies its core business as provision of:

- Comprehensive, preventive, promotive, curative and rehabilitative health care services anchored on the principles of Primary Health Care.
- In addition, the Ministry of Health is responsible for health policy formulation and facilitating the implementation of health policy.
- Maintains a surveillance system on the quality of health care delivered by all agencies.

16.134 The Ministry further identified its Key Result Areas as to:

- Improve Health Status of the Nation
- Customer Satisfaction
- Organisational Efficiency and Effectiveness
- Human Resources Development/Management.

16.135 These will be achieved through the Ministry's Strategic goals as indicated in their Strategic Plan and further elaborated through Annual objectives and activities; the latter are spelt out in the Ministry's Annual Performance Plan. The health sector policy goals are:

- a) To provide quality health services to Batswana in order to improve their health status.
- b) To improve life expectancy of Batswana through implementation of the PHC strategy.
- c) To provide customer focused health services in order to increase customer satisfaction.
- d) To improve quality service delivery through development and implementation of comprehensive health policies and standards by end of NDP 9.
- e) To enhance the Ministry of Health's efficiency and effectiveness through the implementation of innovative performance improvement initiatives.
- f) To review existing HRM health plans in order to come up with a comprehensive plan consistent with the current health needs of the country.

- g) To facilitate combating of the HIV/AIDS pandemic in the country

16.136 Health status of the nation will be improved through health promotion and education initiatives directed at empowering the nation to take greater responsibility for their health at the individual level and to address the leading health challenges of HIV/AIDS prevention and care, the resurgence of communicable diseases significantly affecting child welfare and survival, and non-communicable diseases. These challenges will also be addressed through the inter-sectoral collaboration with the education, water and sanitation and agricultural and social welfare sectors.

16.137 Special emphasis will be given to the health needs of vulnerable groups in the design and delivery of health services including those living with disability, the mentally ill, children and adolescents, pregnant women, orphans and the elderly.

16.138 Success will be measured using social development indicators significantly influenced by health services such as the infant mortality rate, under five mortality, and reproductive health indicators such as maternal mortality, contraceptive prevalence, fertility rate, as well as general and age-specific HIV prevalence rates.

16.139 Customer satisfaction is a critical measure of the quality of service delivery. The Ministry of Health will strive to improve public perceptions of health service delivery through quality initiatives such as regular quality audits of health services, and improvement of service quality through the documentation and

implementation of policy standards through the use of guidelines and treatment protocols, and improvement of skills and attitudes of service providers.

16.140 Establishment of partnerships with the community in the management and planning of health services through appropriate forums at community, facility, district and national level will ensure accountability and improved ownership of the service. Organisational efficiency and effectiveness will be achieved through the implementation of the performance management strategy in all levels of service planning, monitoring of effectiveness and implementation of productivity initiatives such as Work Improvement Teams (WITS).

16.141 An organisation and management review of the Ministry of Health undertaken will re-align the organisational structure and functions of the Ministry so as to address the health challenges the country will face in NDP 9. It will also improve its capacity for intersectoral collaboration with key partners.

16.142 Partnership with the private sector in selected and appropriate service areas will be undertaken to improve the efficiency of service delivery in line with the national policy of increased participation of the private sector in the economy. Suitable service areas for privatisation such as laundry, catering, and maintenance services will be hived off as and when necessary during the course of NDP 9.

16.143 Effective human resource development will be central to the ability of the health services to cope with growing health needs and to sustain health service quality.

16.144 In recognition of the central role that traditional medicine plays in meeting the health needs of the nation, better collaboration will be fostered between the formal health sector and traditional practice, as well as provision of a regulatory framework for its practice.

16.145 Health problems are becoming complex and the required resources to meet the resultant challenges are scarce and finite. This situation necessitates vigilance and prudence in the use of resources for optimising their utility and maximising output.

16.146 In this regard, the Ministry will continue pursuing the objectives of sustainability; quality and appropriateness with a view to achieving the following goals: to improve efficiency and cost-effectiveness of health care delivery; to ensure equitable distribution of services; to improve quality of care; to retain appropriate skilled health personnel; and to strengthen primary health care programmes.

16.147 In the light of these, the priorities for NDP 9 period will be:

- Human resource development;
- Health sector reform, by strengthening of health policy and introduction of innovative management systems;
- Strengthening of health services: especially secondary and some improvements in tertiary facilities; and
- Strengthening support to different levels of the health care service.
- Information technology.

Health Manpower

16.148 The five-year Human Resource Strategic Plan will be fully implemented through the attempt to address its priority area of Human

Resource Development. The following goals and objectives will be pursued:

- The provision of adequate and competent human resource through proper management strategies
- Development, review and update of curricula for the various health programmes in order to capture the current epidemiological trends, more especially now with the advent of HIV/AIDS pandemic.
- Implementation of performance improvement initiatives such as PMS, WITS, TQM, etc in order to effectively and efficiently improve the delivery of health care services.

16.149 The above goals and objectives will be achieved through the implementation of various activities and projects as indicated in the thumb nail sketches.

16.150 The possibility of introducing new programmes such as Intensive Care Unit (ICU), Accident and Emergency (A&E), and Theatre Nursing will continue to be explored, either at diploma and degree levels; as well as the upgrading of some existing diploma programmes to the degree level; and increasing the intakes of some of the existing programmes.

Primary Health

16.151 Government will pursue its objective of providing accessible health care to all communities, with construction of additional health facilities and staff houses during NDP 9.

16.152 Pursuant to the National Policy for care of People with Disabilities objective of combating the incidence of disability and to promote the quality of life for people with disabilities, the National Rehabilitation Programme of people with Disabilities will be

implemented, with special emphasis on Community Based rehabilitation. National Medical Rehabilitation Centre will be established in Gaborone and Rehabilitation Technicians will be trained to man this facility.

16.153 The demand for oral health services continues to increase as the population's knowledge and expectation on health care increases. 24 portable dental units will be purchased and Kanye Dental Clinic will be completed during NDP 9. Dental units will be provided in all the district and primary hospitals that will be constructed during NDP 9.

Hospital services

16.154 Construction of upgraded hospitals and provision of staff houses and other projects to be under hospital services included the establishment of teaching hospital are indicated in the thumb nails sketches.

Technical Support

16.155 The construction of a new Central Medical Stores depot at Francistown is essential to develop capacity for the implementation of the National Drug Policy to ensure regular availability of affordable drugs of acceptable safety, efficacy and quality and contribute to the achievement of the National Health Policy and Vision 2016. The depot will cater for drug supply needs of health facilities in Northern Botswana.

16.156 An independent National Drug Quality Control Laboratory shall be established in order to ensure that drugs produced, distributed, exported and used in Botswana are tested for conformity to international standards of quality. This laboratory shall test drug samples for the public and private sectors and shall function as a

reference laboratory for local drug manufacturers and distributors as well as serve as a reference laboratory by the Botswana Bureau of Standards.

16.157 Several other projects, detailed in the thumbnail sketches, will also be undertaken during NDP 9 in order to achieve the stated objectives of the Ministry.

Computerisation

16.158 In order to improve the Ministry's ability to respond to all situations including emergencies as well as improving patient record management, an integrated health communications system will be developed. Several health facilities will be computerized and software developed as indicated in the thumb nail sketches. The Ministry will expand its utilisation of information technology and patient data management, management of the national health information system, and will actively explore greater use of information technology in its diagnostic services.

Fleet Development

16.159 As a result of HIV/AIDS pandemic, the Ministry's activities and roles increased tremendously during NDP 8, resulting in an increased demand for transport services. Experience in NDP 8 has shown that shortage of transport causes waste and delays in the provision of essential health services.

16.160 The Ministry will purchase all types of vehicles required by the health sector including vehicle related equipment, ambulances and mobile units, to cater for all departments and facilities during NDP 9.

CHAPTER 17

LAND MANAGEMENT, HOUSING AND SETTLEMENT

INTRODUCTION

17.1 There are three (3) main categories of land in Botswana: customary land, freehold land and state land. **Customary** land is administered by the Land Boards, and covers over 70% of the total land area, with 17% of this designated as Wildlife Management Areas. **Freehold** is administered by the Department of Lands through Attorney Generals Chamber's which is responsible for all land transactions. **Freehold** land entitles the landholder to perpetual and exclusive rights to land. **Customary** land entitles the landholder to perpetual and exclusive rights - except in the case of communal grazing. **Freehold** land constitutes about 5% of the total land area in the country. **State** land is administered by the Department of Lands and makes up about 25% of the land area and comprises National Parks and Wildlife Management Areas (19.4%), Forest Reserves (1%), and all urban land (4.6%).

17.2 Challenges and opportunities that have been identified by Vision 2016 and are within the portfolio responsibilities of the Ministry of Lands and Housing are: Housing and Shelter; Poverty as well as Attitude and Quality of leadership.

Institutional Framework

Housing Sector

17.3 The Department of Housing is responsible for initiating the housing policy and the development and

implementation of specific housing programmes and strategies. The Department is also responsible for administration of Government pool housing scheme, monitoring and coordination of the Self Help Housing Agencies (SHHA) and District Housing programmes.

17.4 The housing sector consists of other actors which include the Councils, through the Self-Help Housing Agencies, private sector, BHC, Botswana Building Society, other parastatal organisations, Government and non-Governmental Organisations. The Government plays a major role in housing by providing an enabling environment for participation of other role players. The Government still continues to provide serviced land and financial resources for housing development.

Land Use Planning and Administration

17.5 Responsibility for this function is shared between the Ministry of Lands and Housing, and the Ministry of Agriculture (for the preparation of agricultural land use plans).

17.6 Within the Ministry of Lands and Housing, the *Department of Town and Regional Planning* (DTRP) is responsible for the land use planning function. DTRP is also responsible for the physical planning process through the preparation of Regional Master Plans, District Settlement Strategies and Settlement Development Plans that are used for guiding the development of regions and settlements.

17.7 The *Department of Lands'* overall responsibilities are to provide direction on all land related matters by initiating, implementing, coordinating and monitoring of land policies for the benefit and development of Botswana. The Department is mandated to oversee the allocation, use and management of state land through government policies and statutes.

17.8 Within the Ministry of Local Government, the *Land Boards* are responsible for tribal land administration and allocation of land for residential, commercial, industrial and agricultural uses.

Surveys and Mapping

17.9 The major functions of the Department of Surveys and Mapping include provision of maps for villages and towns in order to facilitate planning and development. The department also designs and implements cadastral surveys for the delivery of residential, commercial and industrial plots in state lands.

Land Tribunal

17.10 The Tribal Land Act was amended in 1993 to provide for the establishment of a specialized court to attend to appeals against the decisions of the Land Boards and for enforcement of the Land Board decisions. Section 40 of the Tribal Land (Amendment) Act of 1993 provides for the establishment of the Land Tribunal to assume the responsibility of the Minister in adjudicating on these appeals. This amendment was meant to address the problem of lengthy procedure for processing of appeals plus the increasing number of appeals resulting in long delays.

17.11 The subjects of appeals to Land Tribunal cut across all types of land uses; i.e. residential, commercial, industrial, arable (including horticulture), pastoral (including and especially piggery, poultry, dairy and small stock), civic and community and tourism.

REVIEW OF NDP 8

Housing

17.12 Policy direction in the housing sector during NDP 8 was guided by the 1981 National Policy on Housing and the Revised National Policy on Housing of 2000. Other influences such as Habitat II defined complementary roles of Government and the private sector.

17.13 The objectives of Government during NDP 8 were:

- (i) To provide a coordinated and long term direction of the housing sector;
- (ii) To integrate income generation with shelter provision as a strategy for poverty alleviation; and
- (iii) To provide assistance to households who do not qualify for the SHHA programme, and cannot afford BHC houses.

Integrated Poverty Alleviation and Housing Scheme

17.14 Integrated Pilot Poverty Alleviation and Housing Schemes were started at Mahalapye, Francistown and Ghanzi in order to integrate skills acquisition, employment creation, income generation and shelter provision. The focus of the scheme is to assist households who do not qualify for SHHA to establish income-generating ventures to enable them to generate enough money to construct houses.

The ventures that were selected were in the area of building materials production such as bricks, paving slabs and kerbstones. As at September 2002 an amount of P2.1 million was generated by the Scheme and 224 beneficiaries were trained out of a potential of 250 for the three sites. Twenty eight (28) houses have been completed and another thirty three (33) will be completed before the end of NDP 8. The projects have been successful e.g. during the first year of operation each project area generated an average of about P210, 000. The projects are now self-supporting and are repaying to Government the loans that were provided. The evaluation of the scheme has been completed and has recommended replication of the scheme to other areas. This will be done at the beginning of NDP 9 when manpower and logistical support are made available.

Water and Sewerage Reticulation in Old SHHA Areas

17.15 A project to reticulate water to Old SHHA plots was completed at a cost of P8 million during the middle of NDP 8 except in former upgrading (squatter) areas with Old Naledi, Peleng, Botshabelo and parts of Monarch which required proper plot rationalization. Consultancy studies to rationalize plot layouts in these areas were completed during NDP 8. Construction of infrastructure commenced during the last year of NDP 8.

Block Survey of Old SHHA Areas

17.16 It was intended during NDP 8 to carry out block survey of Old SHHA plots in order to facilitate conversion from certificate of rights to fixed period state grants. It was however noted that survey of SHHA plots was

an exercise that could be undertaken by individual households as and when the need arose to carry out conversions.

SHHA Loan

17.17 Building Material Loans continue to be an avenue through which Low Income households access housing finance. The amount of SHHA loan was increased in 1998 from P3,600 to P6,000 and further increased in the year 2000 to P20,000 in terms of the National Policy on Housing. The facility can now be used for purchase of building materials as well as payment for labour costs. The facility has also been extended to Non-Township (Rural) areas in accordance with the National Policy on Housing. During NDP 8 a total amount of P39,138,525 was disbursed to Councils for onward transmission to beneficiaries in both urban and rural areas.

17.18 There is concern that the Self Help Housing Agency (SHHA) loans have not been efficiently utilised. Despite increasing the maximum entitlement of the loan from P400 at inception of the SHHA programme in the early 1970s to P20,000 as approved in terms of the new National policy on Housing, SHHA structures still generally look unsightly, unfinished and in need of improvement.

Housing Association Schemes

17.19 It was intended during NDP 8 to introduce a modified aided Self Help Scheme with a cooperative bias to assist households with incomes ranging from P10,001 to P16,000 per annum. A review of income eligibility bracket undertaken in 1998 pegged the SHHA threshold from P1,800 to P30,000. This effectively covered the

income group, which was targeted by the Housing Association Scheme. The upper limit was further increased to P36,400 in terms of the National Policy on Housing (Government Paper No. 2 of 2000). These measures effectively nullified the need for the introduction of the Housing Association Scheme for households with incomes between P10,000 and P16,000 per annum.

District and Institutional Housing

17.20 Government has been responsible for building houses for accommodating Civil Servants

Box 17.1: Housing Plan

- (i) Adoption of a uniform rental structure based on type, age, condition of the properties and their locations.
- (ii) Adoption of a maintenance cycle of 3 to 4 years.
- (iii) Demolition of properties that are over 30 years and are in a poor state and those that are outdated.

Source: Ministry of Lands and Housing

Role of the Private Sector

17.22 Although individuals have contributed significantly towards housing development, the role of the private (corporate) sector in housing production is still rather low. Besides the initiation undertaken by Phakalane Estates (Pty) Ltd, Time Projects (Pty) Ltd and Universal Builders (Pty) Ltd in Gaborone there has been insignificant development by other developers.

17.23 There are numerous constraints that discourage private business interests from venturing into real estate development in Botswana. They include among others, over-reliance on BHC, relatively less developed market, slow delivery of plots and unaffordable construction finance for low-income groups. Government decided to

throughout the country. One thousand one hundred units (1,100) were planned for construction during NDP 8. However, 1,123 units are expected to be complete by the end of the Plan Period.

17.21 Furthermore, a revaluation exercise for District and Institutional Houses was carried out during NDP 8. The purpose of this was to determine the number of government housing stock, assess rentals and determine the extent of maintenance requirement. The recommendations from this exercise will be implemented during NDP 9 and are outlined in Box 17.1.

involve the private sector in land servicing through allocation of raw land to the private sector. Over ten (10) companies have been awarded 1,163 individual plots for development and resale to citizens. Another two (2) companies have been given two (2) high-density plots that will yield two hundred and thirty (230) plots.

Botswana Housing Corporation

17.24 BHC has managed to consolidate its efforts towards self-sustenance and has produced an unqualified set of accounts for the 2000/01 financial year, after many years of qualification. The Corporation continues to explore ways of growing its business. In that regard, BHC has determined that the best way forward would be to focus on its core activities,

those of property development and estate management.

17.25 A major activity during NDP 8 was the formulation of the five-year business plan, the focus of which was

to commercialise the organization's operations. This has involved putting in place corporate performance measures as well as performance management system for its employees.

Table 17.1: Financial Performance of BHC

	1997/98 (P '000)	1998/99 (P '000)	1999/00 (P '000)	2000/01 (P '000)
Operating Surplus/(Loss)	24,942	35,185	51,684	48,072
Return on Equity	10%	11%	14%	11%
Cost/Income Ratio	84%	79%	73%	73%

Source: Botswana Housing Corporation

17.26 The better results were achieved by engaging in the restructuring exercise that commenced during NDP 7 and continued into NDP 8. The improving operating results are due to BHC efforts to increase revenues as well as reducing operating

costs, government policy to gradually increase rentals up to the market level and the conversion of P250 million debts into equity. The effect of cost controls is illustrated by the reduction in the cost to income ratio, from 84% in 1997/98 to 73% in 2000/01.

Table 17.2: BHC Construction Activity during NDP 8

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/2003
Properties started	202	132	308	84	136	600
Cumulative Total	202	336	644	728	864	1,462

Source: Botswana Housing Corporation

17.27 The houses were constructed primarily for sale to private individuals and institutions. This strategy is intended to encourage citizen home ownership and it also enables BHC to focus on property development.

Regional Master Plans

17.28 The National Settlement Policy has delineated Botswana into four planning regions. These are Northern Region, Eastern Region, South Eastern Region and the Western Region. One of the Policy decisions was that a regional master plan for each planning region should be prepared in order to develop an inventory of resources including their type and potential and formulate policies and strategies for their utilisation. The preparation of the Western Region Master Plan will be completed before the end of NDP 8. The preparation of the regional master plan for South Eastern region started in the last year of NDP 8, while those for the Northern and Eastern regions will be prepared during NDP 9. The preparation of these plans is staggered due to manpower and financial constraints.

District Settlement Strategies

17.29 In order to implement the National Settlement policy at the district level, the Ministry has been involved in the preparation of District Settlement Strategies. The overall goal of District Settlement Strategies (DSS) is to provide a framework for the equitable distribution of investment, services, development efforts and resources throughout each district. Government through financial and technical assistance has prepared Chobe and Kweneng District Settlement Strategies. The preparation of the DSS for Ngamiland, North East

and Kgatleng started in the last year of NDP 8.

Land Use Plans

17.30 Effective and efficient land and environmental management must be guided by sound land use planning. While policies are developed to aid land management, in most cases these policies are not fully complementary. Towards the end of NDP 8, the Ministry of Lands and Housing initiated the review of Botswana Land Policies. The work was contracted to Consultants who were expected to submit the report at the beginning of 2003. The Central District Integrated Land Use Plan, the Ngamiland Water Point Survey, the Motloutse River Feasibility Study, the Ghanzi Communal Area Management Plan and the Kweneng District Integrated Land Use Plan were prepared during NDP 8. Land Use Plans for Mmamashia and Otse-Mogobane Villages were prepared and handed over to the Kgatleng and Maletle Land Boards respectively for implementation during NDP 8.

Settlement Development Plans

17.31 The Ministry has been involved in the preparation of Settlement Development Plans for primary, secondary and some selected tertiary centres during NDP 8 in order to guide the growth of these settlements. These settlements are Gaborone, Francistown, Selebi-Phikwe, Tonota, Ghanzi, Kasane, Gumare, Moshupa, Mmathethe, Manyana and Pandamatenga.

Other Land Use Activities

17.32 The other activities that the Ministry has been involved in during NDP 8 are outlined in Box 17.2 and will be completed in NDP 9.

Box 17.2: Land Use Activities

Amendment of the Town and Country Planning Act
Amendment of Tribal Land Act
Amendment of the Tribunal Order; and
Review of the Development Control Code

Source: Ministry of Lands and Housing

Settlement Trends during NDP 8

17.33 During NDP 8, major urban centres such as Gaborone and Francistown have continued to attract most of the people immigrating from rural to urban areas due to the availability of better employment opportunities in the two cities. However, there has also been significant population growth in the urban villages. According to the preliminary figures of the 2001 Population and Housing Census, the population of Mogoditshane increased from 14,246 in 1991 to 38,816 in 2001 at an annual growth rate of 10.54%. Other urban villages, which experienced an annual growth rate of above 5% between 1991 and 2001, are Maun (5.08%), Gabane (5.89%), Tlokweng (6%), Ghanzi (6.04%), Kasane (6.46%) and Bobonong (6.64%). All these growth rates are higher than those of the cities and towns in the country over the same period.

National Policy on Agriculture

Development

17.34 Implementation of the fencing component of this policy, with ranches identified, demarcated and allocated in the Central, Ngamiland, Ghanzi, Kgalagadi, Southern, Kweneng and Kgatleng districts (Phase 1), has progressed well during NDP 8. Areas that were identified during Tribal Grazing Land Policy (TGLP) implementation and are not yet

developed will be revisited. Water point survey for Ngamiland and ground water resource assessment for Motloutse have been undertaken, and similar studies will continue to be undertaken in NDP 9.

Wildlife Management Areas

17.35 Wildlife Management Areas (WMA) are an integral part of the Tourism Policy implementation. WMAs facilitate implementation of the wildlife resource oriented Community Based Natural Resources Management Programme (CBNRM). Government has adopted CBNRM as a way of ensuring that communities participate in natural resource conservation and realise tangible benefits from management of natural resources. Ministry of Lands and Housing will continue its partnerships with Ministry of Environment, Wildlife and Tourism in ensuring that communities realise economic benefits from management of these resources.

Land Boards Development

17.36 Except for Kgalagadi and Tlokweng Main Land Boards, all main Land Boards have been provided with suitable office accommodation. Kgalagadi Main Land Board offices will be completed during the first year of NDP 9 and those for Tlokweng will be constructed in the first and second years of NDP 9. A total of 13 Sub Land Boards were completed during NDP 8 and construction of another 5 commenced during the last year of the plan period – making a total of eighteen (18). The problem of office accommodation is still a serious problem especially for Subordinate Land Boards. In some cases different units use a single room to perform their respective functions. The other major problem for Land Boards is the low

level of academic qualifications and inadequate experience of staff and Board Members who cannot therefore meet the challenges of land administration and management. This problem is worse at Subordinate Land Boards. This has to be addressed since it has adversely affected performance. For the latter, changes that were instituted to meet these challenges are outlined in Box 17.3. Staff development will be continued during NDP 9.

Box 17.3: Requirements for Land Board Member

- a. Setting the minimum academic qualification at strictly Junior Certificate except in those areas where there are no Junior Certificate holders.
- b. Voting at the Kgotla will be by a simplified secret ballot.
- c. Candidates will be screened and the specified number of best-qualified candidates short-listed to stand for election in each Sub Land Board area.

Source: Ministry of Lands and Housing

Land Tribunal

17.37 The Land Tribunal has managed to reduce the waiting period for appeals to be heard to within eighteen (18) months. This period will go down with the establishment of the second Land Tribunal, which is expected to be in place before the end of NDP 8.

Government Office Blocks

17.38 The problem of inadequate office accommodation continued throughout the NDP 8 period. In view of capacity constraints, the strategy adopted during that period was to commence construction of one office block and design another every financial year. Office blocks that were

completed during NDP 8 are Blocks 6 and 8, Francistown Integrated Office Block, MFDP Link Block and Headquarters for Attorney General Chambers/Department of Taxes. The project also caters for official residence of Cabinet Ministers. The Executive House for the former President was completed during the NDP 8 period.

HIV / AIDS

17.39 The HIV/AIDS problem has affected some Departments of the Ministry directly through loss of staff members and indirectly through frequent requests for leave in order to attend family bereavements. The programme on sensitising members of staff was undertaken in NDP 8 and will be continued in NDP 9 together with other programmes. Though the Ministry did not have a sector policy in place, it has been carrying out activities aimed at addressing the HIV/AIDS scourge. Some departments have operational plans in place and have been running awareness campaign workshops to address the problem. The Ministry's intention is to establish HIV/AIDS institutions during this plan period which will comprise of Multi Sectoral Advisory Committee, AIDS Coordinator and focal persons in all departments. During this period requisite training for Committee members, the Coordinator and focal persons will be carried out. In addition, general awareness on HIV/AIDS will continue to be undertaken in the Ministry.

POLICY AND STRATEGY FOR NDP 9

Housing Sector

17.40 Implementation of the housing programme will be aligned to the Vision 2016 and the mandate of the Ministry of Lands and Housing reflected through strategic goals and objectives. In view of this, the focus will be on housing policy effectiveness, facilitation of housing delivery and promotion of home ownership.

17.41 Specific goals to achieve policy effectiveness will be to encourage private sector participation in housing development and provision of housing accommodation for civil servants through the District Housing Programme. The private sector participation in real estate development will be encouraged through improvement of access to land.

17.42 Housing delivery will be facilitated through the design and development of affordable housing schemes for all income groups. Home ownership will be promoted through the SHHA and other appropriate schemes and the allocation of pool houses to local officers.

17.43 The National Policy on Housing will provide policy direction for the housing sector during NDP 9. Consistent with Vision 2016, the 2000 National Policy on Housing aims at the provision of decent and affordable housing for all Batswana, within a safe and sanitary environment.

17.44 The major thrust of the housing sector during NDP 9 will be to ensure that ‘all Batswana will be able to obtain access to good quality basic shelter in both urban and rural areas’,

as espoused by the National Vision (Vision 2016). In order to establish unity of purpose and understanding among the various interest groups in housing development, a formal coordination mechanism called the Housing Policy Coordination Council (HPCC) will be established by the first year of NDP 9. This Forum will enable the Ministry to coordinate and oversee the implementation of the National Policy on housing. The HPCC will bring together all stakeholders engaged directly or indirectly in housing delivery and harmonise their activities. The Council will be a ‘think tank’ with a advisory powers to assist the MLH to attain housing objectives enshrined in the National Policy on Housing and play a complementary role to assist the Ministry to implement policy decisions faster by bringing together interest groups.

Upgrading of Infrastructure in Old SHHA Areas

17.45 Sewerage reticulation will be undertaken to phase out pit latrines in Old SHHA areas.

SHHA Loan Scheme

17.46 Collection of loans by Councils has not been satisfactory. The management of SHHA Loans will consequently be undertaken by the Private Sector. This is in line with the policy that Government should hive-off activities that could be better undertaken by the Private sector.

17.47 The projected demand for SHHA Loans in rural areas is about 54,000 on the basis of maximum entitlement of P20,000. It is estimated that one in five households requires a loan (the figure is one in three in urban

areas), which means about 54,000 households will require loans.

The SHHA Turnkey Project

17.48 In order to overcome the problem of unsightly SHHA structures and piecemeal developments, it has been decided to develop a turnkey housing project for low-income households in both urban and rural areas. The Government will identify low-income plots in urban areas, others in rural areas and make funds available to construct houses.

17.49 A pilot project, which started in Francistown in NDP 8, will spill over into NDP 9. It is intended to replicate the programme to other areas of the country, both urban and rural during NDP 9.

Poverty Alleviation and Housing Scheme

17.50 In order to spread the project more evenly throughout the country, Government will continue to provide starter capital to purchase machinery, funds for construction of production infrastructure and initial production costs. The revenue from the project should be used to start a revolving fund in order to replicate the project in other parts of the country.

District and Institutional Housing

17.51 Government will continue to build district and institutional houses throughout the country to provide accommodation for public officers posted to outer stations. The intention of Government during this plan period is to clear the backlog of about 2,500 units. Government will also take

measures to accelerate the privatization of maintenance works for Government residential properties where feasible.

Botswana Housing Corporation

17.52 The Corporation will continue to acquire more land in both urban and rural areas ahead of development. This will facilitate faster development. BHC has also embarked on cooperating with the private sector in order to promote skills transfer to its employees and improve efficiency.

Table 17.3: Expected Construction Starts from 2003/04 to 2005/06

	Units to be Started	Cumulative Total
2003/04	600	600
2004/05	1,000	1,600
2005/06	1,000	2,200

Source: Botswana Housing Corporation

Regional Master Plans

17.53 The focus will also be on the preparation of Regional Master Plans for the Northern, Eastern and South-Eastern Regions in order to promote rational and sustainable utilisation of natural resources. This will include the identification of service centers for production zones in areas with potential for agricultural production and tourism development.

District Settlement Strategies

17.54 The District Settlement Strategies for Kgalagadi, Ghanzi and Central will be done during NDP 9. Due to manpower and financial constraints, it was essential to prepare these DSS in a staggered manner.

Settlement Development Plans

17.55 Provision of services to settlements will follow economic criteria to ensure that public resources are used efficiently. The provision of services to small settlements that are spread over a wide geographic area is not cost effective since the cost per unit is high. The majority of smaller settlements, which have not attained village status, will be considered for grouping in order to achieve economies of scale.

17.56 Other projects that will be undertaken during NDP 9 are the preparation of the Botswana National Physical Development Plan, which will regulate the geographical distribution of social and economic development with the aim of promoting equity and efficiency and minimising conflicts between the various land uses.

Land Use Planning and Administration

17.57 During NDP 9, the key issue will be strategic land management to ensure efficient, optimal land and natural resource use. The Tribal Land Act will be reviewed to address the problematic areas.

Rural State Land Management

17.58 Conversion of parts of the unoccupied rural state lands to customary land will be undertaken, allowing for closer management and monitoring by local land boards. Boundaries between the state lands and customary lands will be demarcated. For state lands designated for tourism implementation, studies will be undertaken to assess resource availability to facilitate the determination of economic rentals to be charged to concessionaires.

Dual Grazing Rights

17.59 Dual grazing rights continue to pose a challenge for efficient management of the grazing resources. This problem started with TGLP and is set to continue with the implementation of the fencing component of the National Policy on Agricultural Development. The Government is studying the dual grazing rights issue as part of the review of the Botswana Land Policies.

National Land Inventory

17.60 During NDP 8, MLHE embarked on the development of both the State and Tribal Land Management Information Systems (SLIMS/TLIMS). Full implementation of these systems will be undertaken during NDP 9. This will facilitate the development of a comprehensive land resource database.

Purchase of Freehold Farms

17.61 MLH will continue with efforts to acquire more freehold farms to cater especially for the land needs of Gaborone, Lobatse, North East and South East. The North East and South East districts are very small in size, and as population grows, more land will be required to meet the needs of the population for development. Gaborone and Lobatse have a high demand for land for both residential and commercial/industrial purposes. Land for expansion for these centres can only be acquired from freehold and some tribal land. Guidelines have been developed to guide this process and these will continue to be followed. An underlying principle is that there should be an assessed need to acquire such farms. Government may have to consider acquiring available farms en-masse (land banking) to avoid cost

escalations on the price of raw freehold land.

Compensation for Customary Land

17.62 Village expansion requires acquisition of fields to meet the demand for land. Compensation guidelines will continuously be updated to guide payments for land that has been acquired. Low compensation fees have been the source of problems for land boards with landholders reluctant to release their lands for planning and re-allocation. Compensation for development projects will, as is customary, be met from the funds voted for the particular project.

Squatting

17.63 To combat the problem of squatting, the Ministry will strengthen its land management system by among others reviewing the operations of the Land Boards to ensure that they devote more time to land management activities. It has been realised that shortage of qualified staff, low academic qualifications of Land Board Members and logistical support contribute immensely to the low performance of Land Boards. Adequate skilled manpower and other logistics will have to be availed to the Land Boards to enable them to deliver quality services and deal with the problem of squatters.

Land Boards Development

17.64 Once the Land Boards are transferred to the Ministry of Lands and Housing, accelerated training will be undertaken for Land Board staff and board members in order to improve service delivery.

17.65 Lack of appropriate and adequate office accommodation will continue to be a problem during NDP 9. A total of 17 Sub Land Board offices and one Main Land Board office will be constructed during NDP 9. Land Boards are also faced with inadequate transport and equipment. This will be addressed through the purchase of more vehicles and equipment with the latest and appropriate technology.

Land Use Planning

17.66 The Ministry of Lands and Housing will prepare Integrated Land Use Plans for the remaining districts. Integrated land use plans have been completed for Central and Kweneng districts, while the Southern District integrated land use plan is ongoing. Communal area management plans have been completed for Ghanzi and Kgalagadi. Water point surveys and underground water resource assessments will also be undertaken for some districts. Reviews of past land use plans, e.g. the Nokaneng Flats Land Use & Development Plan will be undertaken to facilitate implementation.

National Policy on Agriculture

Development

17.67 NDP 9 will be devoted to the implementation of Phase II of demarcation of ranches, which has already started in Central, Ngamiland, Ghanzi and Kgalagadi districts.

Land Tribunal

17.68 The Land Tribunal has experienced a backlog of cases and therefore it has been decided to increase the number of tribunals to two. Furthermore, there is active consideration of the possibility to broaden the scope of the Land Tribunal by extending the Tribunal' s jurisdiction

to appeals emanating from: i) Town and Country Planning Board Decisions; and ii) Land Board decisions which are currently outside the jurisdiction of the Land Tribunal e.g. decisions on cancellation of leases.

Surveys and Mapping

17.69 With the completion of the Department's strategic plan, efforts will be continued to improve efficiency and effectiveness in the delivery of service. In this regard, the necessary improvements like acquisition of high precise positional data will be undertaken.

Government Office Blocks

17.70 In addition to purchasing existing office blocks for owner occupation, Government will continue construction of offices for the various ministries and departments. The Ministry of Lands and Housing office block will be constructed during the first half of the NDP 9. Other projects planned for NDP 9 include: Ministers' Housing; Executive Block; Land Tribunal/ Ombudsman/Independent Electoral Commission headquarters; Auditor General headquarters; DABS/DEMS headquarters; CTO/DRTS/Roads headquarters, Lobatse Integrated office block; Ministry of Finance and Development Planning refurbishment; Ministry of Trade and Industry headquarters and Attorney General's Chambers in Francistown.

HIV / AIDS

17.71 The Ministry will develop a sector policy on HIV/AIDS and a three year Action Plan. This policy action plan will be implemented during the plan period and regular monitoring and evaluation will be undertaken to ensure that they are efficiently and effectively implemented.

17.72 HIV/AIDS Strategies for NDP 9 are:

- Mainstream HIV/AIDS programme in Land/plot allocation briefing and handing over sessions with clients and contractors
- Letter of offer to consultants/engineers should incorporate HIV/AIDS message
- HIV/AIDS programme to be a pre-requisite for contractors to win a tender.
- To put in place an institutional structure made up of Coordinator and Focal Persons form and train the HIV/AIDS Committee members
- To conduct a KAP study to provide a baseline on peoples behaviour to assist programme design
- To undertake social mobilisation of the various groups in the organisation: top, middle and lower level management.
- To develop an operational plan for implementation.
- To regularly monitor all ongoing programmes to assess level of impact.

CHAPTER 18

CULTURE AND SOCIAL SERVICES

INTRODUCTION

18.1 This chapter reviews developments during National Development Plan 8 (NDP 8) and outlines strategies and policies to be pursued during National Development Plan 9 (NDP 9) by individual Departments under the Ministry of Labour and Home Affairs (MLHA) and its related stakeholders. The chapter also outlines how the Ministry will facilitate attainment of Vision 2016 pillars through various activities.

18.2 Responsibilities for cultural and social services reviewed in this chapter fall under the mandate of various stakeholders namely MLHA and its affiliated Non-Governmental Organisations (NGOs), the Ministry of Local Government (through the Social Welfare and Social Benefit Divisions) and Ministry of Communications, Science and Technology (through the Department of Information and Broadcasting).

18.3 The Ministry of Labour and Home Affairs is a key provider of a wide range of cultural and social services that are essential for the social and economic development of our country. To fulfill its mandate the Ministry continues to employ the Performance Management System (PMS), a public sector reform which is a comprehensive and all-embracing approach geared towards efficient service delivery for the benefit and upliftment of the nation. To this end, the Ministry has formulated a

Strategic Plan for the period 2000 to 2006, through which various challenges will be addressed, amongst them, the mitigation of the impact of HIV/AIDS in the society.

Institutional Framework

18.4 The Ministry is responsible for the following:-

Cultural services

18.5 These are provided through the following Departments:-

- Botswana National Library Service
- National Museum and Art Gallery
- National Archives and Records Services
- Culture and Youth

Social services

18.6 These are provided through the following Departments

- Industrial Court
- Immigration and Citizenship
- Civil and National Registration
- Prisons and Rehabilitation
- Labour and Social Security
- Madirelo Training and Testing Center (MTTC)
- Women's Affairs
- Sports and recreation

18.7 The Department of Social Services develops, coordinates, monitors and evaluates implementation of social

services programmes, with particular focus on, among others, vulnerable groups such as children, destitutes, female headed households, women and people with disabilities. To fulfill its mandate, the Department networks with local and international agencies.

18.8 This mandate is in line with creating a compassionate, just and caring nation. Through the above activities, a caring and supportive environment is created by empowering and rehabilitating individuals, groups and communities with a view to creating sustainable social development.

18.9 Programmes offered by the division include;

- ♣ Family Welfare services.
- ♣ Child Welfare Services.
- ♣ Specialized Services which entail rehabilitation of juvenile offenders through probation services.
- ♣ Community Development
- ♣ Home Economics which deals with issues of nutrition, child care and development and its aim is to empower individuals, families and communities.
- ♣ Destitution and Elderly which develops policies and impart skills in economic empowering activities.
- ♣ Research, Information and Documentation.

18.10 The Division also gives financial support to NGOs that provide welfare services. They are SOS Children's Village, Botshabelo Rehabilitation and Crisis Centre, Botswana Christian Council (that helps street children), Childline, some day care centres and several other welfare providing NGOs.

Industrial Court

18.11 The Industrial Court was established by the Trade Disputes Act (Cap. 48:02) of 1992, to settle trade disputes, secure and maintain good industrial relations. The Court has jurisdiction in every matter brought before it and it has powers to prohibit any employee or employer, or any trade union or employer's organisation, from taking or continuing any industrial action. It thereby maintains good industrial relations, which among other things are a pre-requisite to attain the two pillars of Vision 2016 namely **a safe and secure nation and a productive, prosperous and innovative nation.**

Immigration and Citizenship

18.12 The Department is responsible for enforcing the Immigration Act and Citizenship Act. The overall mandate of the Department of Immigration and Citizenship is to protect the society against the entrance and residence of people with undesirable behaviour, while at the same time facilitating movement of genuine travellers in and out of the country. Specific services offered by the Department include processing applications for citizenship and residence permits, issuance of passports, visas, visitor's permits and exemption certificates.

18.13 The mandate augurs well with the promotion of **a safe and secure nation by 2016.**

Civil and National Registration

18.14 The Division of Civil Registration is responsible for the

registration of births, deaths, marriages, societies, Trade Unions and Employers' Federation as well as administration of the Lotteries and Betting Act and the Change of Name Act.

18.15 The Division of National Registration is mandated by the National Registration Act of 1986 to register all citizens aged sixteen (16) years and above and those who become citizens through registration or naturalisation for the purposes of issuing them with National Identity Cards (OMANG). The Division currently operates (25) twenty-five district offices throughout the country where registration and card distribution take place. In carrying out this mandate, the Division travels to all parts of the country in order to reach out to all citizens including those who are not able to travel to Omang district offices.

18.16 Following the Organisation and Methods Review (O& M), which was undertaken during NDP 8, the two divisions will be merged into one department.

Prisons and Rehabilitation

18.17 The Botswana Prison service is responsible for the safe custody, care, training and rehabilitation of people serving prison sentences. In order to fulfill its mandate, the service is guided by the Prisons Act and works closely with the National Parole Board, Prisons Council and Prisons visiting committees.

Labour and Social Security

18.18 The Department of Labour and Social Security provides labour administration services and these include mediation of labour disputes, provision of labour and factory inspectorate

services, work permit processing, apprenticeship training and testing, workers safety and health management and workers compensation administration. These services promote stable industrial relations which is an important pre-requisite for sustainable economic growth, prosperity and socio-economic development.

Botswana National Library Service

18.19 The Botswana National Library Service's mission is to "provide the nation with information and promote its utilisation for educational, research and recreational purposes. Provision of services is through a network of public, educational and special libraries at national and international level".

18.20 Core responsibilities of the Department are:-

- To provide and manage the public library system through the establishment of branch libraries, reading rooms, and mobile libraries.
- To advise government, parastatals and non-governmental organisations in the development of their libraries and information centres.
- To collect and preserve for posterity, the literary culture of Botswana.

18.21 These activities will contribute towards the achievement of an educated and informed nation, which will in the long run translate into a prosperous, productive, innovative and accountable nation.

National Museum, Monuments and Art Gallery

18.22 The primary goal of the National Museum is to preserve and promote Botswana's cultural and natural properties for now and for posterity. Oral traditions also form an integral part of this process.

18.23 This is achieved through:

- Collection of natural and cultural objects for storage and display.
- Information generation and dissemination to the public through available media.
- Research into art, natural sciences, ethnography, archaeology and education.
- Networking with other professional local and international organizations.
- Identification and establishment of cultural and natural monuments or landscapes.

18.24 Activities undertaken by the Department hinge on the following pillars of Vision 2016:-

- **An educated and informed nation (through dissemination of information related to heritage matters).**
- **A proud and united nation.**

18.25 Attainment of these goals is facilitated through the museum's objective of collaboration with communities and other stakeholders on programmes that seek to protect and sustainably utilise natural and cultural resources.

18.26 Regarding privatisation, the Museum does not envisage that any

service may need to be privatised during NDP 9.

Culture and Youth

18.27 The primary goal of the Department of Culture and Youth is to promote and preserve culture and to create an enabling environment for youth and the general public to participate in cultural development in this country.

18.28 The Department coordinates youth and cultural activities at the national level. In this regard, the Department is guided by its vision and mission statements that emphasise provision of excellent customer service, in a timely manner. In the long run, preserving culture will instil a sense of pride and unity in the entire nation.

18.29 To fulfill its mandate, the Department will be guided by the National Youth Policy which was adopted in 1996, the National Action Plan for Youth which was approved by Parliament in June 2001, and the National Policy on Culture which was adopted in December 2001.

18.30 The Department will strengthen collaboration with its implementing partners namely the Botswana National Youth Council and the Botswana Council of Non-Governmental Organisations in an effort to achieve the desired goals.

Women's Affairs

18.31 In 1981, the Government of Botswana made a commitment to address women in development issues, through the establishment of the Women's Affairs Unit, which has since grown into a Department in 1997.

Sport and Recreation

18.32 The Department of Sport and Recreation was established in April 1997 as the primary government agency responsible for the formulation and implementation of policies and programmes pertaining to the development of sport and recreation in the country. The department is charged with the responsibility of ensuring equal opportunities for all citizens to participate in sport and recreational activities of their choice regardless of their age, sex, physical ability or socio-economic background.

18.33 Sport is an alternative means of addressing some youth problems such as unemployment and drug and alcohol abuse. It can also be used to promote social harmony thereby promoting **unity and tolerance**.

National Archives and Records Services

18.34 The Department has the responsibility of providing an economic records management service to Government and the parastatals, and to preserve public records of archival value for posterity and information purposes, as mandated by the National Archives Act of 1978. This responsibility is achieved through Registries, Records Centres and the Archives Administration Services. Provision of these services will facilitate the attainment of **an educated, informed, open and accountable nation**.

18.35 There are potential areas, such as binding and microfilms, where costs could be recovered. However, due to capacity constraints and lack of appropriate equipment, this may not be feasible during NDP 9.

Information and Broadcasting

18.36 The functions of the Department of Information and Broadcasting, as laid down in the policy directive issued in 1969, are:

- ♣ To interpret the policy and actions of the Government to the people by continuing service of information and public relations and through campaigns and concentrated publicity on particular subjects.
- ♣ To encourage and assist the people of Botswana to take an increasing interest in and responsibility for the economic, cultural and political development of their country.
- ♣ To advise government on public opinion and in the field of public relations, generally.
- ♣ To develop and exploit media which will assist ministries and departments in performing their routine and extension duties.
- ♣ To publicise Botswana outside its borders.

REVIEW OF PERFORMANCE DURING NDP 8

Social Welfare Division

18.37 The following projects were completed during NDP 8:-

- o A situational analysis on street children in Botswana has been completed and recommendations will be used for programme development.

- ⊖ Review of the Affiliations Proceedings Act.
- ⊖ Review of the Children's Act.
- ⊖ Preparation of Alternative Care Regulations for Children.
- ⊖ Review of Destitute Policy
- ⊖ Construction of the School of Industry
- ⊖ Establishment of a Task Force to review the Home Economics Programme.
- ⊖ Review of Day Care Centre Policy.

- ⊖ Short Term Plan of Action for Orphans in Botswana
- ⊖ Introduction of the Home Based Care Programme.

18.38 In an effort to provide income maintenance to the elderly, a universal Old Age Pension Scheme was introduced in 1996. The scheme pays all Botswana citizens who have attained the age of 65 and is administered by the Ministry of Local Government in conjunction with the Ministry of Finance and Development Planning.

Industrial Court

18.39 Table 18.1 indicates the number of cases registered during NDP 8.

Table 18.1: Cases registered and heard by the Industrial Court

Year	No of Cases Registered	No of Cases Settled	No of Cases Withdrawn	No of Cases Decided	No of Cases Abandoned by Applicants	No of Cases outstanding	% Growth
1997	92	9	-	65	18	-	(58%)
1998	184	26	6	138	14	1	100%
1999	266	29	10	153	55	19	45%
2000	261	37	19	143	39	23	(2%)
2001	291	22	2	122	-	145	11%
2002	58	3	-	-	-	55	
Total	1,142	126	37	621	126	188	Average 47.25%

Source: Industrial Court Case Register

18.40 Due to implementation capacity constraints, the construction of the Gaborone Industrial Court which was planned during NDP 8 could not go ahead.

Civil and National Registration

18.41 In an effort to decentralise and bring services nearer to people, the Divisions of Civil and National Registration have constructed offices in Palapye, Sefhare, Letlhakane and Masunga during NDP 8, under the immigration and registration facilities programme.

18.42 The target for NDP 8 (203 000 additional applicants for OMANG) have been registered and their cards have been produced.

18.43 The production section of Omang cards and verification of fingerprints has been computerised.

Labour and Social Security

18.44 The construction of the four trade workshops at the Madirelo Training and Testing Center (MTTC) has been completed during the last year of NDP 8, while Gaborone West, Kanye and Sowa labour Offices will be carried over to NDP 9.

18.45 The review of the minimum wage and the preparation of a Statement of User Requirements (SOUR) for the computerisation of the Department will spill over into NDP 9.

Botswana National Library Services (BNLS)

18.46 The construction of the BNLS headquarters could not be implemented; however, design of the building was substantially completed during NDP 8.

18.47 Moshupa and Shoshong branch libraries were completed and became operational during NDP 8. The Francistown Branch Library was relocated to Shoprite complex, to facilitate provision of a more efficient service.

18.48 Due to lack of implementation capacity, extensions to Serowe, Ramotswa, Molepolole, Mahalapye, Mochudi and Kanye branch libraries were not implemented.

18.49 Thirteen Village Reading Rooms were established, bringing the total of Reading Rooms to 67 and 75 Book Box Service points for Primary Schools were established. There is a very high demand for this service due to the fact that the majority of government primary schools do not have libraries. However, the Book Box Service does not in any way serve as a replacement for school libraries.

18.50 In an effort to improve literacy, twelve titles were published under the publications programme Ipalele series, and additional six (6) titles will be published.

National Museum, Monuments and Art Gallery

18.51 The National Museum has not achieved much during NDP 8 due to implementation capacity constraints.

18.52 The following projects have been completed :-

- ♣ Tsodilo site Museum has been inscribed into the World Heritage List. However, the fencing component and the rectification of

the water problem will spill over into NDP 9.

- ♣ Designs for the Landscaping of the museum grounds and stormwater drainage.
- ♣ Designs for the development of a botanical garden

18.53 The National Museum has also reviewed the legislation on monuments to make it mandatory for environmental impact studies and archaeological impact assessments to be carried out before project commencement.



Ditholwana Traditional Dance Troupe



Botswana Music Camp 2002

Culture and Youth

18.54 The National Cultural Policy was drafted and adopted during NDP 8. The policy provides a strategy for building our national identity and pride. It also addresses national cultural issues with a view to meeting aspirations of Botswana citizens.

18.55 The Department has not been able to fulfill its objective for artist welfare and development due to shortage of manpower and financial constraints.

18.56 In order to facilitate implementation of the Youth Policy and Action Plan, an intersectoral committee on youth has been established.

18.57 In order to expedite the process of dealing with issues in the NGO sector, Secretariats for Botswana National Youth Council and Botswana Council of Non-Governmental Organisations were established.

18.58 Twenty nine (29) district youth extension offices have been established and due to manpower constraints these have not responded adequately to the

concerns of young people. Additional manpower will be requested during NDP 9.

18.59 As an endeavor to stimulate and encourage talent development amongst the youth, the National Youth Awards that were planned for during NDP 8 have been established and the programme will continue into NDP 9.

18.60 The Department is currently working with organizations that deal with adolescent reproductive health, such as Botswana Family Welfare Association (BOFWA)

Women's Affairs

18.61 During NDP 8, major focus was on the integration of gender issues in the national development process with particular focus on the critical areas of concern to Botswana as outlined in the National Gender Programme. These areas are poverty, economic empowerment, power and decision-making, education and training, health, the girl-child and gender based violence including human rights.

18.62 Gender focal persons were appointed in each Ministry to facilitate the integration process and the Botswana National Council on Women which is the highest advisory board to government on gender issues was instituted.

18.63 The National Gender Programme was launched as a critical foundation for attaining the gender and development goals. The document serves as a reference point for a multi-sectoral and coordinated response to gender issues.

18.64 Through gender sensitisation programmes, a decline in gender disparities particularly in the representation of women in decision-making, and enrolments in the education system was achieved. Female representation in Parliament has increased from 12.5% as at 1994 elections to 18.18% as at 1999 elections.

18.65 Government's partnership with UNDP resulted in the implementation of supporting programmes to the National Gender Programme. Focus was on the promotion of the capacity of the Department, consultancies on gender mainstreaming by key ministries, strengthening of civil society to mainstream gender, implementation of strategies to eliminate gender based violence.

18.66 During NDP 8, reviews on all Laws Affecting the Status of Women, the Socio-economic implications of Violence Against Women, and an audit of economic activities were undertaken. Working committees to monitor implementation encompassing all stakeholders would be set up.

Sport and Recreation

18.67 During NDP 8, the Department of Sport and Recreation (DSR) has been able to:

- ♣ Develop a National Sport and Recreation Policy, which provides a focus and guidance for harnessing the resources at the disposal of the country to ensure that sport contributes to the attainment of Vision 2016.

- ♣ Construct Integrated Sports Facilities at Maun, Masunga, Molepolole and Serowe.
- ♣ Utilise sport as a communication tool to reach out to a great number of citizens, especially the youth who represent the future of the country, as well as to ensure equal rights and opportunities in sport for all citizens regardless of ethnic background, gender, colour, creed or political affiliation.
- ♣ Project sport as an educational vehicle to promote health, fitness, pursuit of excellence and the protection of the environment by all citizens regardless of ethnic background, gender, colour, creed or political affiliation.
- ♣ Develop the sports facilities management plan.
- ♣ Disseminate information on HIV/AIDS by printing HIV/AIDS messages on tickets during major tournaments



Junior Sport Programme

National Archives and Records Services

18.68 The National Archives serves as a centre for public information and a guardian of the national documentary heritage. Botswana National Archives and Records Services through the implementation of its strategic goals, aims to promote quality information flow, through provision of effective records management as well as archives administration by acquiring, preserving and making accessible information on nation's documentary heritage to the public. To this end a Records Centre was constructed in Francistown during NDP 8.

Information and Broadcasting

18.69 During NDP 8 there was an increase in the number of newspapers, magazines, public and commercial broadcasting.

18.70 The government introduced a national television service, while Radio Botswana's commercial channel was developed into a fully-fledged commercial channel with a nation-wide coverage. Two commercial radio stations Gabz FM and Yarona FM were licensed.

18.71 The Department constructed a head-quarters building in Gaborone and one regional office in Serowe.

18.72 FM and MW transmitters were installed in the following areas:- Tsabong, Jwaneng, Ghanzi, Mahalapye, Maun, Shakawe, Kasane, Selebi Phikwe, Palapye, Kanye, Hukunsi, Letlhakeng, Bobonong, Masunga and Tutume to improve reception of Radio Botswana signals.

18.73 Botswana Television terrestrial transmitters were developed in Francistown, Selebi Phikwe, Palapye, Serowe, Mahalapye, Gaborone, Lobatse, Kanye, Masunga/Tutume, Orapa/Letlhakane, Maun and Jwaneng.

POLICIES AND PROGRAMMES FOR NDP 9

18.74 The Department of Social services will pursue the following programmes;

Child Welfare Services.

18.75 These include Child Welfare and Protection of Children's Rights, Mpule Kwelagobe Children's Centre and Orphan Care Services. Specialised Services, through the School of Industry, Family Welfare Services which entail AIDS in the work place, Community Home Based Care Programmers and Casework will also be offered.

18.76 A National Child Welfare Policy will be developed to provide the necessary protection of children, strengthen capacity related to child rights and facilitate public awareness on the United Nations Convention of the Child (UNCRC) and the African Charter on Rights and Welfare of the Child (ACWRC).

18.77 To accomplish Mule Kwelagobe Children's Centre's objective which is to provide shelter, education, security, health care, recreation and psycho-social support to children in need of such services, 10 family houses will be renovated to make them children-friendly.

18.78 Due to an unprecedented increase in the number of orphans, Botswana has experienced, as a result of HIV/AIDS and other tragedies, the Division of Social Services will continue to:

- ⊖ Provide welfare and psychosocial support to orphans and vulnerable children as well as to their caregivers.
- ⊖ Implement Regulations governing alternative arrangement for children in need of Care.
- ⊖ Strengthen partnership and collaboration amongst government, NGOs/CBOs in the implementation of the Orphan care programme.
- ⊖ Upgrade the School of Industry to accommodate girl children.
- ⊖ Construct four (4) community based prototype workshops that will provide recreational and income generating programmes in Maun, Francistown, Mahalapye and Ghanzi for 50 juvenile delinquents.
- ⊖ Purchase computers for CHBC personnel and develop training manuals for caregivers and community leaders, provide death and bereavement counselling programmes and engage a consultant to evaluate the impact of the intervention of social workers in the programme.

The Department will also:-

- ⊖ Develop a policy on the elderly and enhance capacity of those who are now helping this group.
- ⊖ Support NGOs to establish Care Centres for the elderly.

- o Popularise the Early Childhood Care and Education Policy and support establishment of Child Care Centres' Association.
- o In view of the increasing rate of HIV/AIDS infection and loss of human resource, the Division will train peer counsellors, undertake peer counselling and carry out regular visits to families of the infected and affected.

18.79 Ministry Management will

- Provide technical assistance in planning and mobilisation of resources for HIV/AIDS activities in the Ministry.
- Develop and facilitate implementation of programs that address HIV/AIDS related stigma and ensure that the rights of PLWAs are protected.
- Develop a resource centre for ease of access to services and information on HIV/AIDS, for all departments.
- Build capacity for all department focal persons to ensure provision of care and support to infected and affected employees and their families.
- Create a safe environment for those infected and affected, including their families.
- Advocate for action research on areas of service delivery, prevention, care and support.

Industrial Court

18.80 Efforts to maintain good industrial relations will continue during NDP 9. To this end, both the design and actual construction of the Gaborone Industrial Court will be carried over to NDP 9.

18.81 The Industrial Court will collaborate with the Labour Department on HIV/AIDS related policies and guidelines that aim to address labour cases involving the rights of PLWAs.

Civil and National Registration

18.82 During NDP 9, the following activities will be implemented:-

- Develop mechanisms that will ensure monitoring of NGOs working on HIV/AIDS programs to reduce duplication.
- Construct integrated office blocks at Charleshill, Ghanzi, Mochudi, Selebi Phikwe, Jwaneng, Lobatse and Molepolole.
- Construct a gallery and visitors' reception facility at the Gaborone National Museum.

Labour and Social Services

18.83 Labour offices, carried over from NDP 8, will be constructed in Gaborone, Kanye and Sowa. Additional offices will be opened in Ramotswa, Bobonong and Masunga during NDP 9.

18.84 MTTC undertakes testing related to hotels, restaurants, and lodges. To this end, a kitchen and dining room and solar

workshop for testing and screen wall will be constructed during NDP 9.

18.85 To improve the processing of disputes, a unit that specialises in mediation and arbitration will be established.

18.86 A policy and legislation on social security will be prepared.

18.87 The Department will ensure that the rights of People Living with HIV/AIDS (PLWAs) are not infringed upon, as stipulated in the National HIV/AIDS Policy and any labour-related legislation that may be developed.

Botswana National Library Service

18.88 During NDP 9 the Department will undertake the following activities:-

- ♣ Extend computerisation of operations and services to the Public libraries to improve service delivery.
- ♣ Develop public libraries as multi-media resource centres in order to cater for the needs of diversified communities served.
- ♣ Construct a BNLS head-quarters building in the Central Business District. New branch libraries will be constructed in various locations, using the modified design which will provide more office accommodation, storage and public service areas. Appropriate measures will be put in place to provide for the disabled. Some of the existing facilities will also be extended.
- ♣ Extend services in the form of village reading rooms, book box

service and continue the expansion of mobile libraries.

- ♣ Continue the publication of the Ipalele Series in support of the literacy programme.
- ♣ Give priority to brailing of basic government documents and of popular material for the blind.
- ♣ Create database and resource centers on HIV/AIDS information and research.

National Museum, Monuments and Art Gallery

18.89 The National Museum will implement the following projects :-

- Erection of a monument in honor of the three chiefs Bathoen I, Sebele I and Khama III.
- Construct a museum component to complement the private sector initiated mini-cultural village in Kolobeng
- Develop a botanical garden
- Develop a Natural History Block
- Strengthen the use of art painting and sculpture as a means of disseminating HIV/AIDS messages

18.90 Landscape the National Museum grounds and construct stormwater drainage and fence the Tsodilo Hills Museum. The National Museum will also educate developers, consultants and the general public to ensure adherence to the amended Act and introduce entrance fees at selected monuments and sites.

Gender and Development during NDP 9

18.91 The primary focus will be on the National Gender Policy, which outlines strategic programmes and required actions on the critical areas of concern.

18.92 Botswana has signed the following international conventions in the area of gender.

- ◆ The Convention on the Elimination of all Forms of Discrimination against Women (CEDAW).
- ◆ The African Charter on Human and People's rights of Women in Africa (ACHPR).
- ◆ SADC Declaration on gender and development.
- ◆ The convention on the rights of a child
- ◆ The Beijing Declaration and Platform for Action
- ◆ The Commonwealth Plan of Action on Gender and Development
- ◆ The Prevention and Eradication of Violence Against Women

18.93 The SADC Declaration on Gender and Development (1997) and the Commonwealth Plan of Action on Gender and Development (1995) stipulate a minimum target of 30% of women in positions of political decision-making. The Department and relevant stakeholders will intensify consultation and education efforts in order that this figure is reached by the year 2005.

18.94 To facilitate achievement of gender activities, the Women's Affairs Department will be re-organised during NDP 9 and a website will be developed.

18.95 The Department will increase support to women's economic empowerment projects, trade fairs, expositions, legal aid services and exchange programmes and extend gender mainstreaming to the Private sector, Parastatals and civil society. Gender issues will also be mainstreamed into HIV/AIDS interventions and in Government policies and programmes.

18.96 Relevant bodies responsible for women's capacity development and support such as the Botswana National Council on Women, the Women's NGO Coalition and Gender Focal points will be strengthened in order for them to function effectively.

18.97 The National Gender Programme will act as a critical tool for the attainment of development goals for Vision 2016.

18.98 The Department will give priority to opening offices in Maun, Kasane, Selebi Phikwe, Kanye, Tsabong and Serowe. A multi-purpose information centre will be built in Gaborone. It will house offices for the Gender Affairs Department, among other things.

18.99 The Department will venture into an intensive marketing strategy of its activities and intensify its public information and dissemination activities through exhibitions, radio and television presentations.

18.100 Research initiatives and activities will be developed and strengthened during NDP 9. Gender dis-aggregated data will be the pillar of all policy formulation.

18.101 The Policy on Women will be reviewed in order to formulate a Gender and Development Policy which is more encompassing and gender sensitive.

18.102 Support and strengthen programs that address female reproductive health including that of men and mainstreaming HIV.

Culture and Youth

18.103 The youth population in this country continues to grow and this poses a serious challenge to government. This increase results in unemployment, poverty and the general lack of opportunities for youth in a number of development areas. As such, Government and other development partners are challenged to respond by implementing the Action Plan and strategy for youth which outlines possible responses to the critical areas affecting youth. The Department hopes that collaboration with UNDP will yield more tangible programmes.

18.104 The Department will construct multi-purpose youth centres in Gaborone, Francistown, Mahalapye and Letlhakane.

Botswana National Youth Council

18.105 The feasibility of establishing a youth Development Fund will be explored.

Culture and Performing Arts

18.106 A national cultural village and a state theatre will be established during NDP 9. These projects arose out of lack of purpose-built venue for the promotion and preservation of Botswana's culture. The Village (to be constructed in Toutswe Mogala) will comprise multi-purpose traditional and modern structures depicting all facets of social and cultural life of Botswana, while the state theatre (to be constructed in Gaborone) will serve as a venue for the promotion of art, music, drama and theatre, among other things. An Environmental Impact Assessment (EIA) has been undertaken at Toutswe-Mogala to pave way for the construction of the cultural village.

National Archives and Records Services

18.107 To facilitate the achievement of the twin policy objectives of collecting, preserving and making accessible the nation's documentary heritage and providing an efficient and effective records management service to the public, the Department will finalise the Disaster Management Plan, Conservation Policy and amend the National Archives Act to incorporate current records and electronic records. To this end, the Gaborone Archives building will be expanded and new records centres will be constructed in Gaborone and Kanye.

Sports and Recreation during NDP 9

18.108 The theme for sport during NDP 9 will be “**Sport for National Development: Maintaining the Momentum Towards 2016**”. This will be affected through the implementation of the National Sport and Recreation Policy in line with Vision 2016. During NDP 9, the Department, in liaison with the Botswana National Sports Council (BNSC) and Botswana National Olympic Committee (BNOC), will continue to play a catalytic role in implementation of the following programmes:

Sport facilities development

18.109 During NDP 9, additional sport and recreation facilities at Bobonong, Kasane, Ghanzi, Letlhakane, Kanye and Mahalapye will be constructed. The Lobatse and the Gaborone national stadia will be upgraded. The Tsabong and Francistown stadia will be carried over from NDP 8. Particular attention will be placed on the need to contribute to environmental protection and preservation of the historical, cultural and heritage sites.

Sport and Education

18.110 Physical education and sport are a fundamental part of the education of youth. They should be utilized in the social, physical and psychological development of the country’s young people. Participation in sport will help to develop important values like discipline, teamwork, creativity and responsibility in youth, thereby contributing towards moulding the youth of this country to becoming **morally**

tolerant, united and proud members of the community.

18.111 Implementation of the Junior Sport Programme will assist in the upliftment of the standards of school sport in all schools. To this end, the Department of Sport and Recreation will work with the Ministry of Education to provide the teachers and young children with sporting skills in order to help them improve the quality and quantity of physical education and sport in all schools. Among other things, the formation of a Primary Schools’ Sporting Body along the lines of Botswana Institutions Sports Association (BISA) will enhance service delivery at primary school level. The Department will continue to encourage private sector participation in sponsoring and supporting the Junior Sport Programme.

18.112 Network with the Botswana National Youth Council, Botswana National Sports Council, Local Authorities, Department of Youth and Culture to extend opportunities beyond the school day by encouraging these bodies to provide a range of after school activities for all pupils irrespective of their age. Sport for leisure, recreation and fun will be given serious attention during NDP 9.

Gender mobilization

18.113 The Department will work with other stakeholders on various initiatives to increase the participation of women in sport and physical recreation.

Sport, Health and Productivity

18.114 In conjunction with the Botswana National Productivity Centre (BNPC)

and other stakeholders, the Department will continue to promote the adoption of active and healthy lifestyles. This will contribute to enhancing productivity at the workplaces.

District Sport Committees

18.115 The Department will continue to cooperate with Local Authorities in empowering district sports communities as part of community mobilization through district sports festivals. These will also be strengthened to play a major role in fostering club formation and community mobilization for sport in the districts.

Sport and Environment

18.116 Through this programme, different communities will be mobilized to promote public health and protection of the environment.

Traditional/Indigenous sport

18.117 During NDP 9, the Department will revive some of the traditional games and recreational activities.

Elite sport

18.118 The BNSC, BNOC and the National Sport Associations will be encouraged to continue their role as the lead bodies in the coordination of elite sport during NDP 9. Among other things, the primary focus will be on the following programmes:-

-
- ♣ Talent development
- ♣ Centres of excellence
- ♣ Sport and HIV/AIDS
- ♣ Establishing and enhancing linkages with other countries, for purposes of exchanging ideas, information and

experiences through technical assistance and cooperation.

To address the problem of youth and HIV, the department will:

- establish sports and recreational centres to keep youth occupied,
- encourage the use of sports role models to enhance IEC on HIV/AIDS,
- strengthen activities directed towards reducing the risk of HIV transmission during contact sports and promotion of counseling services and VCT.

Information and Broadcasting during NDP 9

18.119 To publicise Botswana outside its borders, the government will enact a Mass Media Communications Law to regulate the print media. This law will be expected to complement the 1998 Broadcasting Act which freed the airwaves for commercial and community broadcasting.

18.120 To enhance the Department's efficiency, and ensure diversity in coverage, a review of its management and operational structures was conducted during NDP 8. However, implementation of the restructuring process will be done during NDP 9. To widen its coverage, the department will embark on an extensive terrestrial transmitter network development for both Botswana Television and Radio Botswana.

18.121 About 80% of the population has access to good quality radio signals in

the Medium and FM bands and 40 % have access to BTV through terrestrial transmitter coverage. There is a need for the expansion of both the national radio and television terrestrial network to cover the remaining areas with significant population densities. On the other hand, 100% coverage for radio and television is available via satellite. However, access to satellite receiving equipment is still considered expensive and unaffordable by the majority of viewers; hence the need to continue developing the terrestrial network which provides an affordable mode of reception.

18.122 The role of the Daily News will remain strong so long as the private newspapers are limited in their frequency and geographical coverage.

The Daily News, which still remains the only daily newspaper, will be improved in terms of quality and service delivery, including delivery to remote areas of the country.

18.123 A thorough review of the costs, management structure and appropriate long-term role of the Daily News will be undertaken during the first half of NDP 9. The printing of the Daily News and Kutlwano magazine will be contracted out to the private sector in line with government's privatisation policy.

18.124 The construction programme, which will include three regional offices and a number of district offices (at the rate of two per financial year) will continue during NDP 9.

CHAPTER 19

PUBLIC SECTOR MANAGEMENT

INTRODUCTION

19.1 The Public Sector is the principal actor in macro socio-economic policy making infrastructure and an architect of an enabling environment for national development. Public Sector management covers such aspects of management as productivity management, and management of human, financial and other resources. It involves an array of activities ranging from planning, formulation and implementation of policies, programmes and projects for the delivery of goods and services to the nation through a number of government and quasi-government institutional arrangements. Consequently, it is imperative that the structures, policies and operations of the Public Sector respond adequately to the socio-economic needs of the nation, as articulated in the Vision 2016, and to global challenges. This implies that the quality of the Public Sector management is essential to the fulfillment of the theme of the National Development Plan 9: 'Towards Realization of the Vision 2016: Sustainable and Diversified Development through Competitiveness in the Global Market'.

19.2 The Directorate of Public Service Management is mandated to provide the overall policy framework in human resource and productivity management practices. This chapter will, therefore, restrict its discussion of the role of the Directorate of Public Service Management in the management of the

Public Sector to the areas of human resource and productivity management. Human resource and productivity management policies and practices are to be used in the Public Sector for effective management of the human capital and other resources required to deliver the National Development Plan goals, and ultimately achieve the national aspirations as enshrined in the Vision 2016. The extent to which the goals of the National Development Plan 9, and consequently those of the Vision 2016, are achieved is dependent on how effectively the human and other resources will be applied to the delivery of the planned programmes. It is, therefore, necessary that the envisaged Public Sector management policies and strategies be succinctly spelt out in the National Development Plan 9.

19.3 The implementation of the human resource management policies and other management practices in the Public Sector, developed within the macro policy framework provided by the Directorate of Public Service Management, are done through institutional arrangements with specific focus and clientele. This is intended to cater for the special needs of the components of the Public Sector and eventually catalyze the enablement of business environment for national development.

Institutional Framework

19.4 The institutional framework for the Public Sector includes the Directorate of Public Service Management; ministries and independent departments; parastatal organizations; Department of Local Government Service Management (DLGSM), in the case of the Ministry of Local Government; and the Teaching Service Management (TSM), in the case of the Ministry of Education. The detailed mandates of these institutions are given below.

Local Government Service

19.5 This is catered for by the Department of Local Government Service Management (DLGSM). The Department has statutory responsibility, derived from the Local Government Service Act, for the formulation and administration of human resource management policies and other conditions of service for the Local Authorities, within the general policy framework defined by the Directorate of Public Service Management. The review of the performance of the Department and the Local Authorities during the NDP 8 is covered under Chapter 20 on Local Government.

Teaching Service

19.6 This is served by the Teaching Service Management, which has a statutory responsibility, derived from the Teaching Service Act, for the formulation and administration of human resource management policies and other conditions of service for primary and secondary school teachers. The review of the performance of the Teaching Service Management during the NDP 8

is covered under Chapter 15 on the Ministry of Education.

Parastatal Sector

19.7 The parastatal sector is part of the broader Public Sector and consists of quasi-governmental organizations and government agencies, many of which were created or established through Acts of Parliament. Parastatal organizations exist to provide goods and services, which Central Government is not well placed to provide. Government holds equity in most parastatal organizations and is represented in the Boards that run them.

19.8 Given the statutory responsibilities of the parastatal organizations, which has a bearing on the image of the public sector, Government has direct interest in ensuring that they operate in a manner that satisfy their statutory responsibilities and the expectations of their stakeholders. Consequently, the Government decided, during NDP 7, to establish the Public Enterprises Monitoring Unit whose mandate, among other responsibilities, is to analyze and advise on the financial performance of Public Enterprises and suggests measures for improving their efficiency. Government also passed a Privatization Policy during NDP 8, which resulted in the creation of the Public Enterprises Evaluation and Privatization Agency (PEEPA). The objective of the policy is to enhance and improve the efficiency of public enterprises.

19.9 Both the Public Enterprises Monitoring Unit (PEMU) and the Public

Enterprises Evaluation and Privatization Agency (PEEPA) being Government agencies responsible for the management of the parastatal sector, are to manage the parastatal organizations based on the broad management framework defined by the Directorate of Public Service Management. The review of the performance of parastatal organizations during NDP 8 is covered under the chapters of the ministries under which they fall.

Public Service

19.10 The Public Service consists of all ministries and independent departments in Central Government. The Directorate of Public Service Management, however, has the statutory responsibility for administering the public service in terms of the Public Service Act. The Directorate of Public Service Management falls under the Ministry of State President. Its principal role is to manage and co-ordinate human resource activities in all government ministries and departments. The ultimate objectives are:

- To provide a stable, reliable and impartial public service to the government of the day;
- To increase the efficiency and effectiveness of the government by providing quality human resource input, so that the government's multifarious services to the public, and its national development activities are implemented;

- To effectively manage the public service within the framework of good service to the public, concern for the welfare of employees, adherence to the Public Service Act and attainment of the national social-economic development objectives.

In carrying out its mandate, the Directorate of Public Service Management is also guided by its Vision, Mission, Values and Strategic Plan.

19.11 The DPSM also has responsibility for Botswana Institute of Administration and Commerce, which is largely responsible for in-service training in the Public Service, the Botswana National Productivity Centre and the Institute of Development Management. These institutions are also the channels through which modern management practices are introduced in the Public Sector by way of building the capacity of the public officers in management and administrative skills.

19.12 As stated above, the review of the implementation of human resource management policies and modern management practices and their impact on service delivery by the other components of the Public Sector are covered under respective ministerial chapters. Reviewed below, therefore, are those policy areas, which were planned for implementation by the Directorate of Public Service Management either directly or through coordination of other sectoral interventions.

REVIEW OF PERFORMANCE DURING NDP 8

19.13 During National Development Plan 8, a number of initiatives were undertaken to improve productivity and efficiency in the Public Service. These initiatives included the introduction of Public Service Reform Programmes, as well as improvement in human resource management policies and strategies. The review indicates what was planned for the plan period, what was achieved under each planned programme, the challenges that were faced during the implementation of the programmes and those aspects of the planned programmes to be carried forward for implementation during the National Development Plan 9.

The Public Service Reform Programme

19.14 The Public Service Reform Programmes includes Performance Management System (PMS); Work Improvement Teams (WITS); Computerized Personnel Management System (CPMS); Organization and Methods (O&M); Privatization; Performance Based Reward System (PBRs); Parallel Progression; Scarce Skills; Job evaluation; Localization; and Decentralization.

19.15 The functions of the Performance Management System, Organisation and Methods Reviews and Work Improvement Teams are different but complementary strategies aimed at improving productivity in the Public Service. Whereas PMS is primarily concerned with the formulation and implementation of short to long-term plans for improving productivity, O&M Reviews are aimed at the achievement of Government plans and policies by

clarifying and aligning ministerial goals, objectives and functions to organisational structures. WITS, on the other hand, is a strategy, which is used to detect and solve problems, resulting from implementation of policies and programmes.

i) Performance Management Systems

19.16 The system is intended to facilitate the introduction and management of change in ministries and departments, as well as instil a culture of managing performance and producing results as expected by the nation. Its main objectives are to improve individual and organisational performance in a systematic and sustainable way; to provide a ministerial planning and change management framework that is linked to the Government planning and budgeting processes; and to enable Government to improve performance and enhance its capacity to provide efficient service delivery to Batswana. PMS is, therefore, a strategy that helps ministries and independent departments to define their future and design how to reach the desired destination.

19.17 The Performance Management System was introduced in all ministries and departments during NDP 8, through a five-year project, which started in 1999, and ends in 2004. The main activity was the installation of the System, which comprised training the public service leadership on PMS and change management, development of the public service vision, ministerial vision statements and strategic plans, and the development of annual performance

plans (APPs) to deliver the strategies. To date, all ministries and independent departments have developed their strategic plans and annual performance plans (APPs).

19.18 To effectively manage their strategic plans, ministries and independent departments are to measure their performance and review their progress quarterly. Most ministries and independent departments carry out quarterly reviews. However, most of them have not been able to measure their performance using the standard measurement tools. The problem has been identified and addressed and ministries are to start measuring their performance to support their reviews from now through to NDP 9 period.

19.19 Ministries and independent departments were also required to cascade PMS philosophy and principles down to the lowest levels, after developing their corporate strategic and annual performance plans, to enable their staff to understand, appreciate and support PMS initiatives. The rate of cascading PMS has varied from one organization to another, depending on their capacity to undertake this. However, in the majority of cases, education and PMS awareness has not effectively reached the staff at the middle and lower levels of the ministries. The cascading process is scheduled for completion during NDP 9, while the education process will continue throughout the project period.

19.20 Other PMS activities planned for implementation during the NDP 8 include introduction of PMS to Local Authorities, development of Performance based reward system,

review of the performance appraisal instrument and mid-term evaluation of the PMS project. The process of introducing PMS to Local Authorities, which is considered to have greater impact on overall government service delivery, has been started and will take most part of NDP 9. The development of performance based reward system; performance contract and review of performance appraisal instruments have also started and are to be completed before the end of NDP 8. Mid-term evaluation of the PMS project has been undertaken. The result of the evaluation, which was conducted after two and half years into the implementation of the project, indicated that the project is generally well on course. However, a number of recommendations were made to facilitate effective and focused implementation of the project. The recommendations have been accepted by the government and have been programmed for implementation from now through to NDP 9.

19.21 The major challenge faced during the implementation of PMS was the entrenched paradigms among some leaders, which tended not to support the introduction of PMS in ministries. PMS was viewed by such leaders as another programme destined to fail. This slowed down the implementation of the programme. The other major challenge was the difficulty that ministries faced generally with the application of the measurement tools. This has been addressed and it is hoped that ministries will be able to apply the tools from now onwards. However facilitating ministries in the use of measurement tools will continue during NDP 9.

19.22 The other big challenge is the public expectation for better service delivery by the Public Service since the introduction of PMS. This expectation has not been met and it is the concern of the government that reasonable progress is made during NDP 9. The introduction of PMS at the Local Authority level and the decision by ministries to concentrate service delivery on key priority areas among other strategies will help to address this concern.

ii) Work Improvement Teams

19.23 The WITS strategy was introduced in the Public Service in 1993. The strategy seeks to foster team spirit, commitment to work and a mindset that seeks excellence. It is one of the strategies used in PMS to facilitate the identification and solution of problems at the operational level in ministries and independent departments.

19.24 Training of WITS members, together with the execution of projects continued during NDP 8. To date, 565 facilitators and well over 2,500 team leaders have been trained. More than sixteen WITS awareness sessions have been held for top managers, while 1,000 teams have been registered compared to the planned 1150. Over 700 projects have been undertaken of which more than 400 have been completed. As a way of publicizing the WITS programme and the benefits it can bring, a national convention has been held annually for the past five years. The annual event has also been used to reflect on the progress made and challenges encountered in the implementation of WITS during the year under review.

19.25 The Commonwealth Secretariat evaluated WITS programme in 1998 and valuable recommendations were made for its improvement. Since then there have been signs of positive work culture, commitment to work and concern for customers' needs, which is evolving in those ministries and departments that have taken WITS seriously. For instance, the impact of the application of WITS principles has been remarkable at the Botswana Police Force as evidenced by public acknowledgement of the quality of their service delivery. The application of WITS principles to improve service delivery by ministries and independent departments will be promoted vigorously during NDP 9 period. To ensure that WITS is effectively used in the Public Service, more focus will be put on monitoring its impact on service delivery.

19.26 The introduction of PMS posed a serious conceptual challenge to WITS because it was generally believed that PMS would replace WITS. This was based on the misunderstanding of the functional relationship between the two reform strategies. WITS and PMS are two sides of the same coin and as such a decision has been made to integrate them so that the two strategies can be used effectively to achieve the best performance result for the organizations.

iii) Computerisation of Personnel Management Systems

19.27 In 1997, the Directorate of Public Service Management embarked on the computerisation of all the personnel records and posts in the Public Service through the Computerisation of Personnel Management System (CPMS) Project. The project involves the

installation of human resources applications and it comprises four different phases, namely:

- o Pilot Phase
- o Roll-out Phase
- o Enablement Phase and
- o Enrichment Phase

19.28 The pilot and roll out phases have been completed. Work has started on the Enablement Phase and will continue into NDP 9. The completion of the roll out of the system has resulted in the establishment of a core human resource management system in every ministry and independent department. Each Human Resource Officer in government now has a Personal Computer (PC) connected via the Government Data Network (GDN) to the Computerised Personnel Management System. Approximately 400 Human Resource Officers in ministries and independent departments have been trained in the use of the Lotus Notes e-mail, Infinium Human Resource system and the online DPSM policy database.

19.29 Despite the progress made so far, difficulties continue to be encountered in the usage of the Computerised Personnel Management System. Some ministries do not regularly update data on the system with all the changes taking place. This affects the quality of data. Ownership of the system by ministries is still a challenge and DPSM is continually encouraging them to take full responsibility for the ownership of the information and the system. There have also been some instances where officers who were trained and re-trained on the system have been assigned other duties thus affecting the management of the system. DPSM has put appropriate

measures in place to address these problems.

19.30 The Teaching Service Management, the Botswana Police Service and the Local Authorities are also computerising their human resource management systems. As a long-term strategy to ensure the sustainability of the systems, in terms of maintenance and operational costs and to ensure maintenance of data-quality, the departments are co-operating with the Accountant General to develop a system interlinking the payroll and the human resource management systems.

iv) Organisation and Methods (O&M)

19.31 Organisational reviews are used to align ministerial goals, objectives and functions with its vision and mission and determine the core functions of a ministry, thereby facilitating the identification of functions to be considered for privatisation, commercialisation and contracting out. It also involves the review of ministerial policies and procedures and re-engineering of its processes to facilitate effective implementation of its mandate. It, therefore, facilitates effective management of organizations through rationalisation of their organisational structures. This function supports Performance Management System because it provides an enabling environment for its implementation.

19.32 A review of overall government portfolio responsibilities was undertaken during NDP 8. The purpose of the review was to identify, rationalise and regroup related sectoral portfolio responsibilities as well as eliminate duplications and overlaps of government

portfolio responsibilities across ministries. In addition, O&M reviews were conducted and finalised during NDP 8 for the following institutions: Administration of Justice; Ministry of Foreign Affairs and International Cooperation; Student Career Services; Grants and Loans; UNESCO; Social Services; Prisons and Rehabilitation; Government Aided Training Institutions (BIAC); Ministry of Trade and Industry; National Registration; Lands and Housing, Environment, Wildlife and Tourism; and Labour and Social Security.

19.33 Work is currently in progress on the O&M reviews of the Ministries and Departments of Local Government, Agriculture, Health, Directorate of Public Service Management, Office of the President, Health, Architecture and Building Services and Electrical and Mechanical Services. Work is about to start on the O&M review of the Departments of the Auditor General and Attorney General's Chambers. All these reviews are to be completed during NDP 8. More reviews will be carried out during NDP 9 as most ministries and independent departments align their structures and functions to their mission.

19.34 Due to increased demand for restructuring by ministries and departments and capacity constraints, the Directorate has allowed ministries and departments to engage private management consultants. To facilitate this, the Directorate has developed comprehensive guidelines for the management and monitoring of private management consultants in order to ensure value for money to government.

19.35 The impact of past O&M reviews on the performance of ministries and departments has not been evaluated owing to the absence of a proper monitoring and evaluation mechanism. Following O&M reviews, most ministries tended to implement only those recommendations that would give them more resources, particularly more posts, at the expense of other equally important recommendations, thus affecting the intended result of the reviews.

v) Privatisation

19.36 The government embarked on privatisation so as to improve productivity and efficiency in the delivery of services by the public sector. Privatisation entails divesting non-core functions to the private sector, while Government remains with the responsibility to provide an enabling environment, infrastructure and essential services like health, education and transport.

19.37 The contribution of the Directorate of Public Service Management to the privatisation policy goals is through its involvement in the implementation of PMS strategy and O&M reviews of ministries and independent departments. PMS strategy and O&M help ministries and independent departments to establish their core business and identify those functions which can be considered for privatisation, commercialisation and outsourcing.

vi) Performance Based Reward System (PBRS)

19.38 Performance Based Reward System (PBRS) is intended to link individual employee performance to rewards so as to facilitate retention of good officers, encourage good performance, and discourage poor or non-performance. Work on the

development of PBRs is scheduled for completion before the end of NDP 8, while the actual implementation of the system will be done during NDP 9.

vii) Performance Contract

19.39 The development and implementation of PBRs is intended to facilitate the introduction of performance contract for senior officers in the Public Service. The implication of this will be that employment in the Public Service for this category of employees will be based purely on performance and delivery as per their contract. The development of performance contract system will be concluded during the NDP 8 and implemented during NDP 9.

viii) Performance Appraisal

19.40 For effective management of performance based reward system and performance contract, an appropriate performance appraisal instrument is required. The current performance appraisal instrument is being revised to facilitate this. The revision will be completed during the NDP 8, while its implementation will be done during NDP 9.

ix) Training and Localisation

19.41 Localisation targets have continued to be difficult to meet during NDP 8. The reasons for this are that:

- (a) Government continues to lose skilled and educated manpower to other sectors of the economy, which offer higher remuneration packages than government; and

- (b) In the past three years, the economy has been losing skilled manpower through death.

This has resulted in situations where Government is compelled to recruit expatriates, thus worsening the localisation situation.

19.42 The focus of training during the NDP 8 has been to redirect the placement of trainees to in-country training and the region in order to reduce the costs of training to Government and provide training for more public officers. This strategy will continue to be pursued during NDP 9.

x) Decentralisation of Human Resource Management Functions

19.43 Decentralisation of human resource management functions from the Directorate of Public Service Management (DPSM) to ministries was another reform implemented during NDP 8. It covered human resource functions for posts up to D1 level. The primary objective of the decentralisation was to give Permanent Secretaries full control on all matters relating to the management of human resource in their ministries. This has enhanced effective and timely decision making on staff matters at ministry level. An evaluation of the impact of the decentralization process will be done during NDP 9.

xi) Decentralization of other functions

19.44 To empower Permanent Secretaries to effectively deliver on their strategic plans, it was resolved by the Productivity Improvement Committee (PIC Force) that certain functions of the Ministry of Finance and Development Planning; Ministry of Works, Transport and Communication; State President;

Ministry of Lands and Housing, Ministry of Environment, Wildlife and Tourism; Ministry of Labour and Home affairs; and Attorney General Chambers be decentralized to other ministries and departments. It is anticipated that the envisaged decentralization will start before the end of the NDP 8 and continue during NDP 9.

xii) Parallel Progression Scheme

19.45 The parallel progression scheme was introduced during NDP 7. Its objective was to improve career prospects for Artisans, Technicians and Professionals and retain them in the Service. A review was undertaken during the NDP 8 to establish whether the Scheme met its primary objective or not, following which Government decided to abolish the upgrading of posts under which officers used to be automatically promoted. However, the salary structures developed under the parallel progression scheme have been retained as they offer better career progression paths for technical and professional cadres.

xiii) Scarce Skills Grades Scheme

19.46 Government took a decision in 1998 to introduce scarce skills grades in the Public Service. The introduction of the scarce skill grades was in recognition of the need to attract and retain local personnel with certain critical and rare skills.

19.47 However, the introduction of the scheme overlooked certain critical factors in the determination of scarce skill grades and the identification of cadres that were to benefit from those grades. This resulted in many

inconsistencies in the implementation of the scheme, which distorted the Public Service salary structure. For example, it excluded other cadres that qualified while including some that should not have qualified. This caused widespread disgruntlement amongst public officers, and in some instances, litigation against Government.

19.48 In view of the problems encountered, Government decided to abolish the scarce skills grades and replace it with a scarcity allowance. A scarce skill compensation scheme, which will have a firm criterion for determining occupations in the Public Service that should attract payment of scarcity allowance as well as the rates to be paid as scarcity allowance will be developed. The process to establish the scheme has started and will be implemented during NDP 9

xiv) Job Evaluation

19.49 Government introduced a Job Evaluation System called Patterson Decision Band System in 1988. The system uses decision making to measure the relative responsibilities of jobs.

19.50 The Job Evaluation System has not been evaluated since its introduction to determine its strengths and weaknesses. Government has, therefore, decided that the system be evaluated to determine its relevance in view of the developments that have taken place over time. This will be commenced during the NDP 8 and completed during the course of NDP 9.

19.51 The 1998 Salaries Review Commission and a consultancy that was commissioned in 2001 to review the

salaries and allowances in the Public Service recommended the establishment of a pay structure peculiar to the Botswana Police Service. In addition, the Consultancy recommended the inclusion of Botswana Prisons Service, Teaching and Health Services in the review. It also recommended the review of the job evaluation system currently being used in the Public Service.

19.52 The process of establishing a pay structure for the Botswana Police Service, Botswana Prisons Service, Health service personnel, and teachers is in progress and is scheduled for completion before the end of NDP 8.

HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT POLICIES AND STRATEGIES

19.53 These policies include those on Remote Area Service Allowance; Public Officers Pension Scheme; Early Exit; and Industrial and Employee Relations. These policies were reviewed in an effort to produce human resource management policies that would facilitate the attraction and retention of qualified and competent public officers.

i) Remote Area Service Allowance (RASA)

19.54 The Remote Area Service Allowance was introduced in 1996 to replace Local and Frontier Allowances. The purpose of RASA is to induce public officers to work in remote areas and to cushion them against severe hardships experienced in such areas. Such hardships relate to the availability of and accessibility to health,

educational facilities and other social amenities.

19.55 The major challenge with the implementation of RASA is that the parameters that were established at the beginning of the Scheme may no longer be relevant or appropriate. The policy will, therefore, be reviewed during the NDP 8 to establish the appropriateness of the parameters or the relevance of RASA in view of the developments in the areas of the country that used to attract RASA.

ii) Public Officers Pension Scheme

19.56 The Botswana Public Officers Pension Fund commenced on the 1st April 2001. Government contributes 17.5% whilst Public Officers 2.5% for the first two years, i.e. up to 31st March, 2003. From 1st April 2003 Government will contribute 15% whilst Public Officers contribute 5%. The scheme covers the whole Public Service, including Central Government, Local Authorities, Teaching Service, Botswana Defence Force, Botswana Police Service and Botswana Prisons Service. The membership of the Scheme stood at 21633 as at 1st April 2002.

iii) Early Exit Policy

19.57 Government approved a privatisation policy during NDP 8 with a view to improving Public Service efficiency and productivity by making the Public Service concentrate on its core functions and leave the other functions to be provided by the private sector.

19.58 Privatisation will involve corporatisation of government

departments; the use of leases and management contracts; and partial or in some cases full transfer of ownership to the private sector. When such transformation process takes place in a ministry or department, it is likely to necessitate termination of services of some of the staff in the affected ministry or department. To ensure that the affected people do not lose their benefits, the Government is developing an early exit policy, which is to be finalised before the end of NDP 8 and implemented during the course of NDP 9.

iv) Industrial and Employee Relations

19.59 Government planned to promote, during National Development Plan 8, good employee relations at all levels of the Public Service through the establishment of well structured consultative machinery. This was intended to facilitate effective management of labour disputes and collective bargaining process. The establishment of the consultative machinery included the resuscitation of the consultative structures at the local and regional levels i.e. at the Regional and Local Works Committees. It also included making the District Commissioners the chairpersons for the Regional Works Committees, which have been incorporated into the District Development Committee annual program.

19.60 Documentation and evaluation of the staff inspections policy, and the review of inspection processes and procedures are some of the activities that are being implemented during NDP 8 and are to be concluded during NDP 9.

19.61 Major implementation challenges faced during NDP 8 included persistent demand by the union for the review of minimum wage for the industrial class employees to unsustainable levels, and unresolved labour disputes.

v) Others

19.62 The other policies which were dealt with during NDP 8 include the review of some sections of the Public Service Act to facilitate the decentralisation of human resources functions to ministries; development of HIV/AIDS Code of Conduct for the Public Service; the appointment of external and local recruitment agencies to facilitate the reduction of vacancy levels in the Public Service; and the review of the General Orders and Foreign Service Allowance. All these are to be completed during NDP 8.

Size and Structure of the Public Service

i) Central Government Establishment

19.63 Central Government manpower establishment grew from 72,083 posts in 1997 to 77,277 posts in 2002/2003, representing an average annual rate of growth of 1.3 percent. This is 0.2 percentage points higher than the target rate of growth of 1.1 set for NDP 8. Much of the growth in the manpower establishment can be attributed to:

- ⊖ pressure created by new projects or projects which have increased in scope, contingencies or new legislation, which required posts for new facilities;

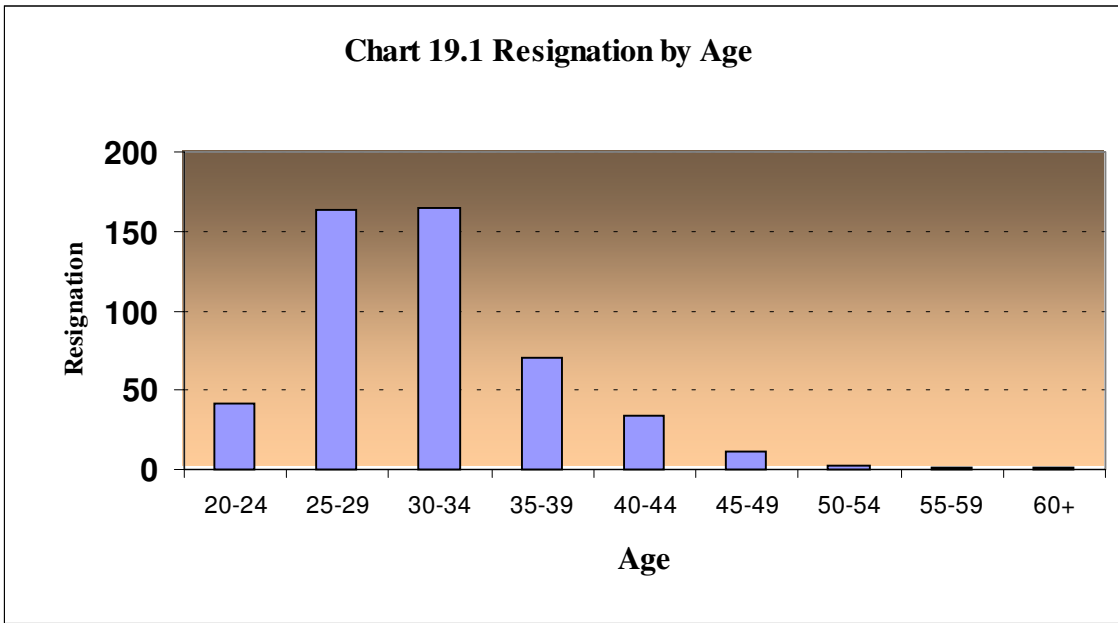
- o underestimation of manpower requirements at plan preparation stage;
- o posts created in ministries/departments as a result of O&M reviews; and
- o accommodation of returning trainees.

19.64 The 1.3 percent average annual rate of growth achieved during NDP 8 contrasts sharply with the 5.2 percent average annual rate of growth for the NDP 7 plan period. The major reason for this favourable outcome was that ministries and departments with high vacancy rates were denied new posts; instead, they were encouraged to utilise existing vacant posts through conversions, transfers and redesignations rather than creating new ones as a way of optimising the utilisation of existing manpower. This strategy also served to reduce the vacancy rate from 5% in NDP 7 to an average 4% in NDP 8. However, this level of vacancy rate is still not close enough to the target rate of 2% set for NDP 8 and effort will be made during NDP 9 to reduce the vacancy rate to the required level of 2%.

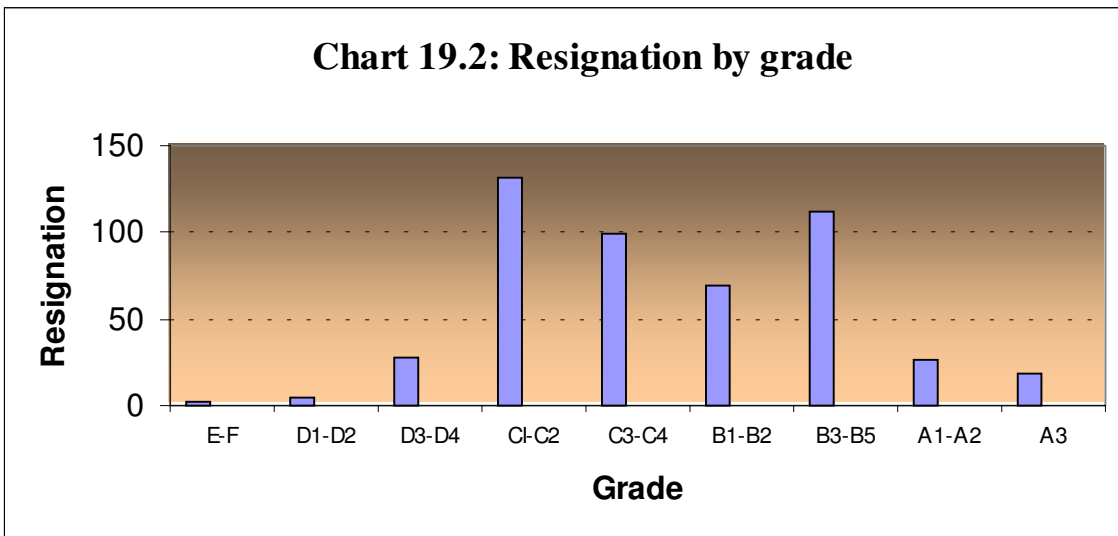
ii) Attrition

19.65 Employees normally leave Public Service by way of resignation, termination, death or retirement. The available data on attrition for the period 1997 to 2001 indicates that the majority of employees left the public service during NDP 8 through resignation as indicated in Chart 19.1 and Chart 19.2 respectively and through death as indicated in figure 19.3 and Chart 19.4 respectively. This is not surprising given the youthful composition of the Botswana Public Service as indicated in Chart 19.5.

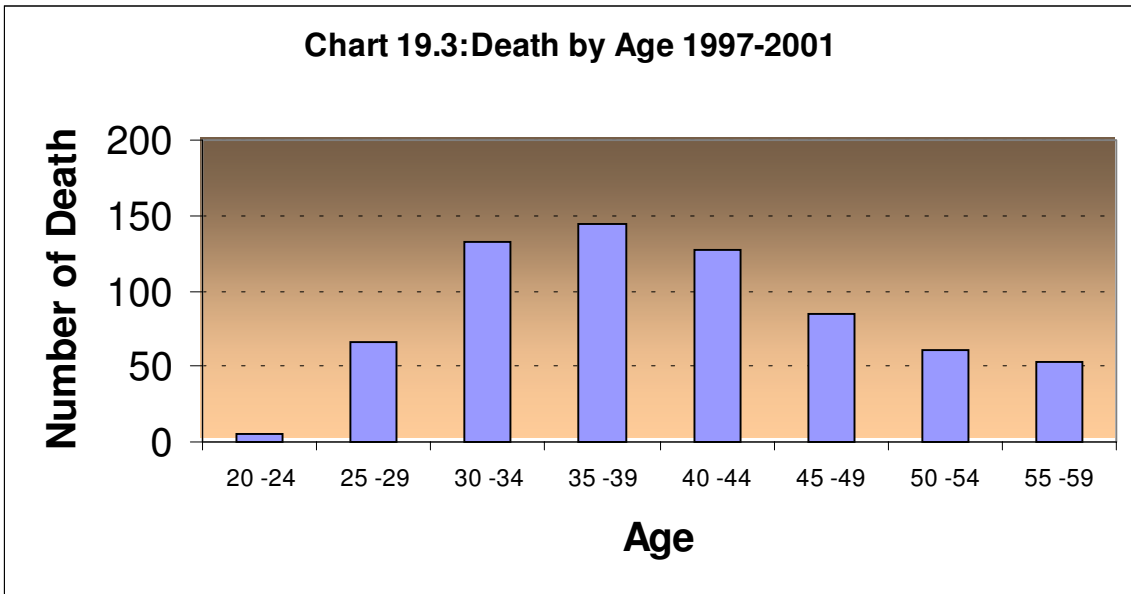
19.66 Historically, younger employees tend to be more mobile than older employees as they would not have invested a lot of time in their employment. Majority of employees who resigned from the service over the 1997-2001 periods were in the 25-39 age cohort, while those who left through death were concentrated in the 30-45 age cohort.



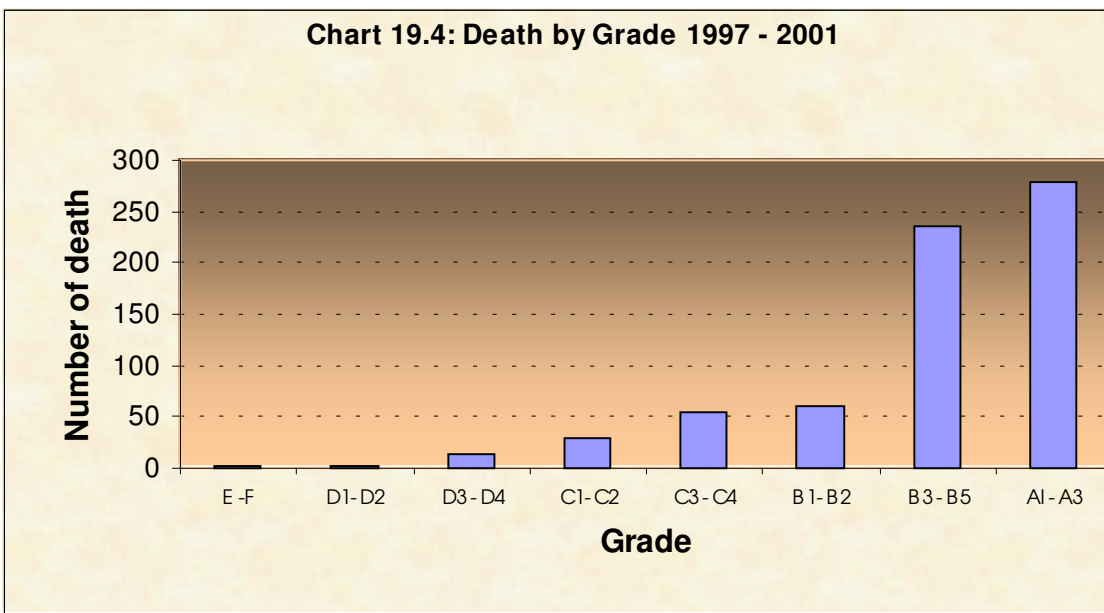
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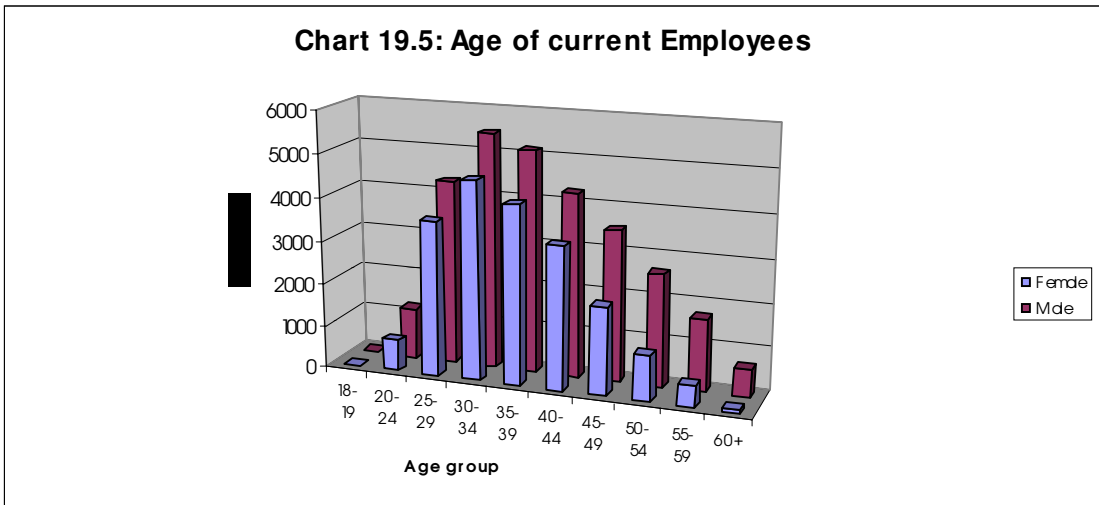
Source: Directorate of Public Service Management



Source: Directorate of Public Service Management

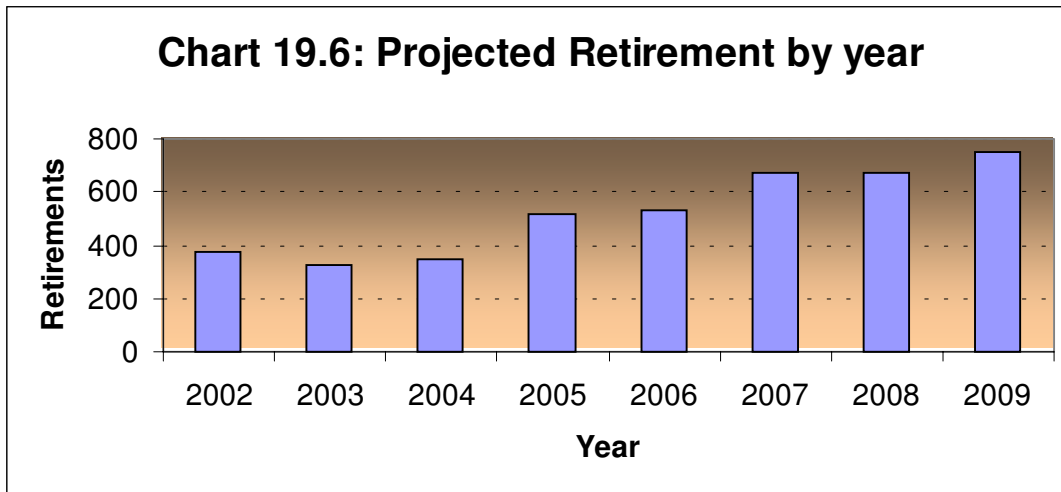


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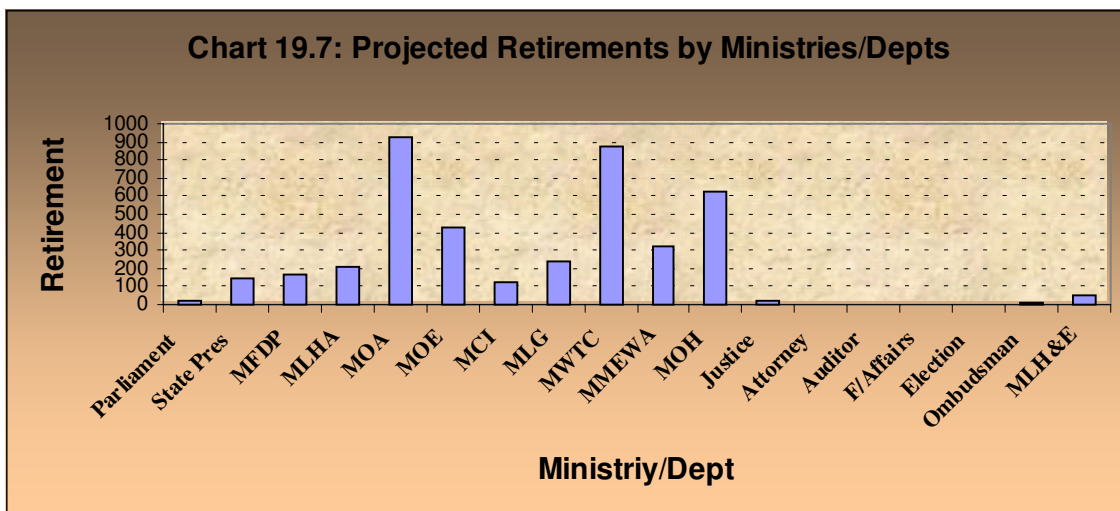


Source: Directorate of Public Service Management

19.67 Those who resigned from the Service were mostly found in the professional and technical occupations that are afflicted by high demand and scarcity and could therefore command higher salaries elsewhere. These occupations include engineers, architects, doctors, accountants, economists, lawyers, systems analysts, programmers, etc.



Source: Directorate of Public Service Management



Source: Directorate of Public Service Management

iii) Age Composition

19.68 The Public Service age profile indicated in figure 19.5 does not include the Teaching Service and the Police Service. The age structure shows relatively young public servants. Over 70% of the people employed in the Public Service fall within the 25-45 age bracket while just over 20% fall between the ages of 45-60. Those below the age of 20 years constitute

less than 4% of the total number of employees.

iv) Localisation Profile

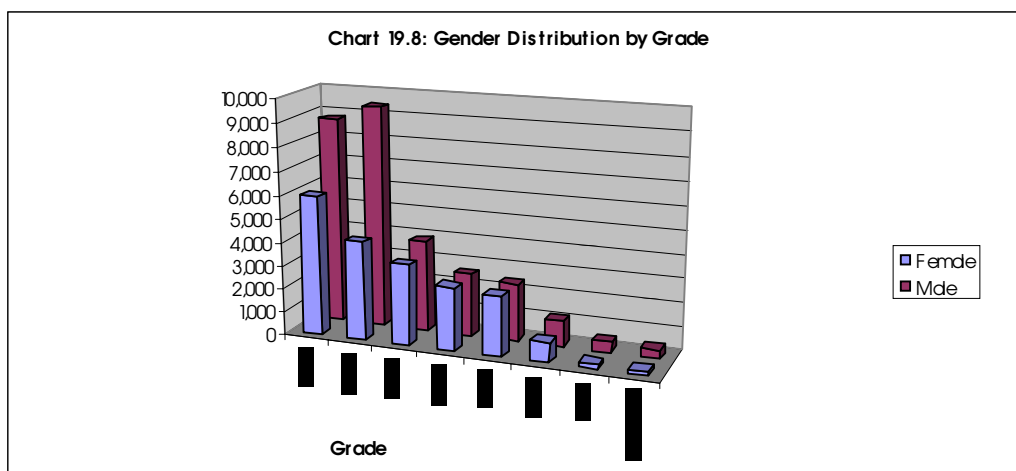
19.69 Data from the Computerised Personnel Management System show that there are approximately 45,000 employees in Central Government, excluding the Teaching Service, Police Service, Local Government Service and Botswana Defence Force (BDF). Of the 45,000, approximately 1,050 or 2% are expatriate officers on contract.

The major employers of expatriate officers are the Ministries of Health and Works and Transport, which employ about 530 and just over 100 expatriates respectively. The presence of a sizeable number of expatriates in the two ministries underscores the technical nature of these ministries. The Ministry of Foreign Affairs and International Cooperation also employs a sizeable number of expatriates. However, these are locally recruited staff in Botswana missions abroad.

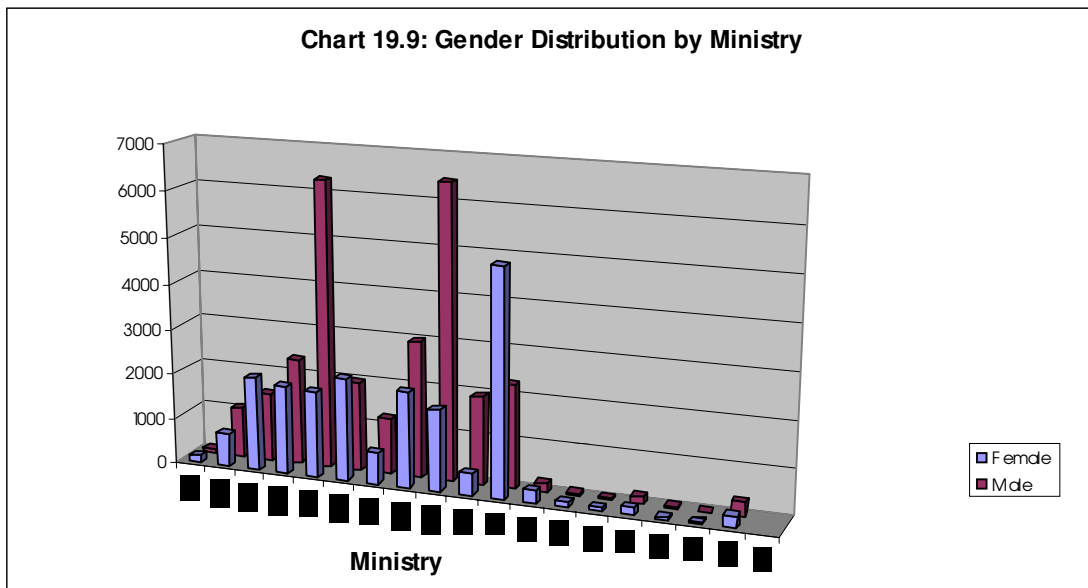
v) Gender Distribution

19.70 Available data from the Computerised Personnel Management System shows that the overall distribution of employees by gender is fairly proportional with a 50-50 split between male and female officers.

However, the distribution also indicates that female officers dominate some ministries and departments. Examples are the Ministries of Finance and Development Planning, Health, Education, Local Government and the Departments of Administration of Justice, Auditor-General, Directorate of Public Service Management, Attorney General's Chambers, Ombudsman and Parliament. This is to be expected for the ministries of Education and Health because historically, these ministries employ more females than males in the form of teachers and nurses, respectively.



Source: Directorate of Public Service Management



Source: Directorate of Public Service Management

Note: 010 Parliament, 020 State President, 030 MFDP, 040 MLHA, 050 MoA, 060 MoE, 070 MTI, 080 MLG, 090 MWT, 100 MMEWR, 110 MoH, 120 AoJ, 130 Attorney General, 140 Auditor General, 150 MoFAIC, 160 IEC, 170 Ombudsman, 180 MLH, 190 MCST, 200 MEWT

19.71 Ministries, which are dominated by male employees, are those of Agriculture, Minerals, Energy and Water Affairs, Works and Transport, State President, Trade and Industry, Environment, Wildlife and Tourism and the Independent Electoral Commission. The incidence of male prevalence in State President, Ministry of Trade and Industry and Ministry of Labour and Home Affairs is, in part, attributable to the Departments of Police, Prisons, Wildlife and Office of the President (Security Guards) who employ more males because of the nature of their work.

19.72 The gender distribution by grade shows a strong female dominance in the middle management levels; principally the C.3, C.2 and C1 grades while grades higher than C.1 show lower figures than the male officers as indicated in Chart 19.8.

POLICIES AND STRATEGIES FOR MANAGING THE PUBLIC SECTOR DURING NDP 9

19.73 The Public Sector, as stated in Section II, comprises the Teaching Service, Local Authorities, parastatal organizations and the Public Service. As an architect of an enabling environment for national development, the Public Sector is to facilitate the realization of the Vision 2016 goals and the delivery of the national development plan. Hence, it must be efficient and effective in the delivery of its core business, which requires the application of appropriate management strategies including Performance Management System (PMS); Work Improvement Teams (WITS); Computerization of Personnel Management System (CPMS); Organization and Methods reviews (O&M); rationalization of its functions and right-sizing of its staff establishment; and privatisation of its

non-core functions. The policies and strategies to be articulated for the management of the Public Sector, during the National Development Plan 9, will also include plans for effective supervision to guarantee quality service delivery.

Supervision of the Public Sector Institutions

19.74 Supervision of the Teaching Service, the Local Authorities and the parastatal organizations are done by the ministries they fall under. On the other hand, the Directorate of Public Service Management provides broad guidelines on human resource management and other management practices to be used by other ministries in managing their day-to-day operations and the organizations that fall under them. It also supervises the implementation of the human resource management policies and reform initiatives by ministries.

19.75 To ensure that these institutions operate efficiently and effectively, supervision by the ministries under which they fall are to be improved and made output based with well-defined remedial strategies.

Review of the Public Sector Performance

19.76 Structures for the review of the Public Service performance are in place in the form of Ministerial Performance Improvement Committees (MPIC), PIC-Force and Economic Committee of Cabinet (ECC). At the ministry level, Permanent Secretaries review their performance on the Annual Performance Plans with the Heads of Department on a quarterly basis at the Ministerial Performance Improvement Committee meetings, while at the PIC-

Force level, Permanent Secretary to the President reviews the performance of the Public Service with Permanent Secretaries on a quarterly basis, based on their respective Annual Performance Plans. On the other hand, His Excellency the President reviews the Performance of the Public Service with the ministers, based on the Annual Performance Plans for their ministries, at the Economic Committee of Cabinet on a half-yearly basis. These reviews are intended to facilitate effective coordination and monitoring of the overall performance of the Public Service.

19.77 Whereas ministries usually include parastatal organizations under them in their ministerial performance reviews, reports emanating from these reviews do not feature either at the PIC – Force or at the Economic Committee of Cabinet and yet these organizations also implement public programmes funded from the public coffers. Neither are the reports on the Teaching Service nor the Local Authorities reflected by the Ministry of Education and the Ministry Local Government respectively at either the PIC-Force or the Economic Committee of Cabinet.

19.78 Considering that the Teaching Service Management, the Local Authorities, and the parastatal organizations deliver public goods and services, their non-delivery would impact negatively on the overall performance of the public sector in particular and the performance of the economy in general. In view of this, it is imperative that performance of these institutions are also monitored and reviewed periodically to ensure that they perform within the standards prescribed by the government.

19.79 Relevant ministries will articulate policies and strategies for

managing the Local Authorities, the Teaching Service, and the parastatal organizations during the National Development Plan 9 in the relevant chapters. However, the Directorate of Public Service Management will articulate the policies and strategies for managing the Public Service during NDP 9 as detailed below and provide a broad management framework to guide the rest of the public sector.

Public Service Reforms

i) Performance Management System

19.80 During NDP 9, the focus of this programme will shift to the delivery of the strategic plans by ministries and departments. Emphasis will be placed on progress and performance on Annual Performance Plans (APPs) by each ministry. In addition, other key enablers of the PMS will be put in place during NDP 9 to further consolidate sustenance of the system in the Public Service. In this regard, it is intended to introduce a Performance Based Reward System in the Public Service. The system will link individual employee performance to rewards so as to facilitate retention and encouragement of good performance and to effectively discourage poor or non-performance.

19.81 The system will also be supported by the introduction of performance contracts for public officers. It is expected that renewal, extension or termination of a contract will be based purely on performance and the rewards will be in direct proportion to this performance. In addition, public officers will be introduced to a new appraisal instrument that focuses on the individual's performance and competencies. The instrument is expected to facilitate effective and

objective appraisal of all employees in an endeavour to improve their performance and delivery.

19.82 NDP 9 will also see an increased linkage of the PMS with the Government planning and budgeting processes. All future NDPs will also be focused on achieving the tenets of Vision 2016.

19.83 Furthermore, ministerial performance reviews will be intensified and each ministry or department will produce progress reports on their annual performance plans (APPs) and the impact on their strategic goals on quarterly basis. At the end of each financial year, each ministry will produce an annual report reflecting performance on the APPs, strategic goals and the NDP macro indicators. The annual report is expected to inform Parliament on the performance of each ministry when considering ministries budgetary requests for subsequent financial years.

ii) Work Improvement Teams

19.84 During NDP 9, the utilisation of the Work Improvement Teams strategy will be intensified to further enhance performance improvement and efficiency. It is expected that ministries will increasingly use the teams to resolve problems, especially those impacting on the delivery of services to the nation. Training will also be continued to ensure that teams become much more effective in improving service delivery.

iii) Decentralisation of Human Resource Functions

19.85 The decentralisation of human resource management functions to ministries has necessitated the establishment of Promotions, Training and Appointment Boards. The Directorate will continue to be represented in these Boards in order to provide expert support and advice whenever this is required. Attendance at Promotions, Training and Appointment Boards will also ensure consistency of application of policies and procedures and transparency throughout the Public Service.

iv) Decentralization of other Functions

19.86 Recommendations of the PIC Force Sub Committee on the Decentralization of other functions referred to under NDP 8 review will be implemented during the course of NDP 9 and an evaluation of its impact done during the same period.

v) Job Evaluation

19.87 A review and evaluation of the current job evaluation system will be undertaken during NDP 9. The results of the evaluation will assist Government to decide whether the current system of job evaluation should be retained or whether a new system of job evaluation should be introduced.

vi) O&M Reviews of Ministries and Departments

19.88 The reviews of the new Ministries of Environment, Wildlife and Tourism; Communications, Science and Technology and the Attorney General's Chambers will commence during NDP 8 and will spill over into NDP 9.

19.89 The following sixteen Ministries and Departments will be reviewed during NDP 9:

- Works and Transport
- Minerals, Energy and Water Resources
- Ministry of Education
- Ombudsman
- Directorate on Corruption and Economic Crime (DCEC)
- Independent Electoral Commission
- Labour and Home Affairs
- Foreign Affairs and International Cooperation
- Administration of Justice
- Finance and Development Planning
- Agriculture
- Trade and Industry
- National Assembly
- Botswana Police Service
- Local Government
- Lands and Housing
- Environment, Wildlife and Tourism

19.90 A monitoring and evaluation mechanism will be developed during NDP 9 to facilitate the assessment of the impact of the O&M reviews on the efficiency and effectiveness of the Public Service.

vii) Computerisation of Personnel Management Systems

19.91 The Directorate of Public Service Management will continue with implementation of the remaining two phases of the Computerised Personnel Management System. This comprises the Enablement Phase and the Enrichment Phase. The implementation of the Enablement Phase will cover the following modules:

- An absence module, which will allow government to record and

- analyse the absences taken by officers.
- A recruitment module which will give government the capability to record personal details of applicants which can then be used to match applicants to vacancies across government.
- A skills and competency module which will allow government to search through the database for people with specific skills, find positions that match an employee's profile for potential redeployment or career development.
- An employee development module, which will link an officer's performance appraisal with his development needs, training and career plans.
- A health and safety module, which will record details of all workplace accidents and incidences.
- A training administration module, which will greatly simplify the administration of training. It will also record all the training received by an officer.
- A benefits administration module, which will be used to record a post's allocation of benefits and its entitlement.

19.92 The Enrichment Phase of the Computerised Personnel Management System will cover the following modules or activities:

- Installing a manpower-planning module, which will assist in manpower planning, forecasting and analysis of data available in the Computerised Personnel Management System.

- Re-engineering some of the DPSM's processes to harmonise them with the decentralisation of human resource functions. The re-engineering will incorporate workflow systems, which will automate most of the human resources activities of the Directorate and the ministries.
- Installing a document management system module. The objective of installing this module is to reduce the paper flow within DPSM and to reduce the workload of the Registry.
- Connecting the Government ID System to the CPMS. This way the government will be able to match the officer's details in the CPMS with the officer's photo in the ID system. This will allow any HR officer in any ministry to access an officer's photo and his details on one screen at his desk.

19.93 It is envisaged that by installing all the various components of the CPMS, DPSM and all Ministries and Independent Departments will have a fully computerised HR System that will be of an excellent standard by the end of NDP 9.

viii) Privatisation

19.94 As stated in Section III of this chapter, the contribution of the Directorate of Public Service Management to the privatisation policy goals is through its involvement in the implementation of PMS strategy and O&M reviews of ministries and independent departments. PMS strategy and O&M help ministries and independent departments to establish their core business and identify those functions which can be considered for privatisation, commercialisation and

contracting out. DPSM will facilitate the privatisation initiatives in the Public Service through the planned O&M reviews and PMS activities during NDP 9.

ix) Industrial and Employee Relations

19.95 With the ratification of the International Labour Organisation Conventions and the anticipated unionisation of the public service, the focus for the Directorate's industrial relations functions will now be on areas such as negotiation, collective bargaining and grievance handling. Re-focusing on these areas will ensure continued labour stability and harmonious relations between government and employees.

19.96 The Directorate of Public Service Management also intends to negotiate with the Manual Workers Union for the review of the Regulations of Industrial Class Employees (RIE) in order to bring them in harmony with current labour laws, especially the Employment Act. This will facilitate smooth administration of the RIE issues.

19.97 Government has ratified ILO Convention 151, which will allow the public service to unionize. The Ministry of Labour and Home Affairs is in the process of reviewing the Employment and Trade and Disputes Acts. The Directorate of Public Service Management plans to review relevant sections of the Public Service Act to harmonize them with the above mentioned Acts during NDP 9 period.

19.98 Activities planned for NDP 9 include discussions with the Manual Workers Union to agree on periodic negotiations regarding wage increases. This will help to avoid the current, frequent and unstructured form of

wage negotiations. A tradition will be followed during NDP 9 where the market forces and competition within a specific industry will strategically determine wage levels. Consequently, benchmarking will greatly influence the wage structure.

19.99 During NDP 9 the concentration of efforts in improving Industrial and Employee Relations will be in building capacity in the institutions handling industrial relations matters. This will be through training, retraining and increased manpower compliment.

x) Localization

19.100 The existing policy on localization is considered adequate and does not require review. The problem resides with implementation. As part of the Public Service reforms, the Directorate intends to develop a localization monitoring strategy during NDP 9. The strategy is intended to assist ministries to keep track of their localization status.

xi) Training

19.101 The budgetary provision for Public Service training will continue to be reviewed, on an annual basis, with a view to achieving the objective of human resources development during NDP 9. Efforts are being made to intensify placement of trainees in the region, as well as in other parts of Africa, with a view to reducing costs and increasing the number of public officers trained. Training Needs Analysis of the Public Service will be carried out during NDP 9 in order to ensure that future training addresses critical areas of the Public Service.

19.102 In order to address the skills gap created by loss of trained human

resources through resignation and death, more opportunities will be opened for part-time study and distance learning to enable larger numbers of officers to develop their skills and competencies without having to leave their jobs for institutional training. To support this, Government will consider offering advances to officers for payment of school fees, where necessary and if it is deemed feasible.

xii) Conditions of Service

19.103 The review of various human resources policies, procedures and conditions of service is a continuous process for the Directorate. As a result the review of policies and other conditions of service will continue during NDP 9, as and when it is found necessary.

xiii) Size and Structure of the Public Service

Reducing vacancies

19.104 In optimising the size of the Public Service, the Directorate will ensure that posts are allocated in line with Government programmes and priorities. Associated with this strategy is the issue of ensuring that vacancies in the Public Service are reduced to an acceptable level of 2%.

19.105 The overall vacancy rate averaged 4 percent during NDP 8. In order to reduce vacancies and to minimise the cost to Government, the following measures will continue to be implemented during NDP 9:

- o freezing the creation of new posts where large numbers of vacancies exist;

- o where appropriate, offering competitive packages for rare or scarce skills, and for those posts which have proved difficult to fill;
- o engaging external and local recruitment agencies;
- o trading in vacant posts for other priority posts or those which have proved difficult to fill;
- o working with ministries to identify locals for accelerated promotions in critical areas of scarcity;
- o maximising technical co-operation assistance;
- o abolishing or freezing posts which have been vacant for over two years.

POLICIES AND STRATEGIES FOR MANAGING PARASTATAL ORGANIZATIONS DURING NDP 9

19.106 As mentioned in section II of this chapter, Government created the Public Enterprises Monitoring Unit (PEMU) and Public Enterprises Evaluation and Privatization Agency (PEEPA). The major responsibility of the Public Enterprises Monitoring Unit is to analyze the financial performance of all Public Enterprises who are required to operate on commercial lines and advise on ways and measures to improve their efficiency and set minimum performance criteria for the organizations to follow.

19.107 One major factor, which often affects the profitability of commercial public enterprises relates to operational costs and internal in-efficiencies. In this connection, PEMU will be required to promote the use of appropriate management practices in

these organizations to ensure that poor management does not affect them.

19.108 DPSM, as Government advisor on Public Service management, will assist the management of PEMU and PEEPA to acquire relevant management skills to enable them manage the agencies appropriately. DPSM will also facilitate the development of an institutional arrangement through which the proposals for the functions to be privatized from the Public Service can be discussed and decisions made before they are passed on to PEEPA for action.

Botswana Institute of Administration and Commerce

19.109 The main objectives for Botswana Institute of Administration and Commerce (BIAC) during NDP 9 are to:

- ♣ Develop public officers in the needed skills of Accounting Secretarial, Public Management, Computing and Communication.
- ♣ Increase access to BIAC programmes through diversified methods of delivery and attendance.
- ♣ Establish a second campus to further facilitate increased intake, subject to funding availability.

Table 19.1 BIAC Student Enrolment Projections

Years	Intake
2002	678
2003	759
2004	850
2005	952
2006	1,066
2007	1,194
2008	1,338

Source: BIAC

19.109 The possibility of introducing new courses during NDP 9 will be explored. Research and consultancy unit will also be set up to coordinate all the research and consultancies to be undertaken by the faculty. This will be an important venture in the advent of the Institute becoming self-supporting or a semi-autonomous entity.

CHAPTER 20

LOCAL GOVERNMENT

INTRODUCTION

20.1 The Ministry of Local Government is responsible for providing a wide range of social services in both rural and urban areas in Botswana. These services include primary education, primary health, water (including waste water), sanitation, tertiary roads, social and community services, remote area development as well as issues of local governance.

20.2 The Ministry has to a large extent decentralised delivery of the above services to Local Authorities, which serve as agencies for planning and execution of local level development programmes in their respective areas of jurisdiction. The role of the Ministry is therefore largely confined to provision of development planning support, funding and policy guidance to Local Authorities. The Ministry plays this role through its various departments and divisions, which are: Local Government and Development, District Administration, Local Government Service Management, Tribal Administration, Sanitation and Waste Management, Social Services, Remote Area Development Programme and Research and Planning.

20.3 Local level development planning in Botswana is carried out through a well-established and decentralised system where communities, Local Authorities and other district level institutions have a role to play. A fundamental premise of planning in Botswana is that it should,

to the extent possible, be based on a *“bottom-up” planning system through consultation, whereby the people have the opportunity to express their needs and prioritise them. These needs, in turn, constitute the basis for local level planning and eventually national planning.*

20.4 Local level planning provides coordination across sectors and between programmes that have diverse origins, funding and implementation responsibilities. The responsibility for the maintenance of the decentralised development planning falls under a system of local government developed at independence and improved over the years.

20.5 This chapter spells out policies and programmes, which will be implemented during National Development Plan 9 (NDP 9) period. The preparation of NDP 9 comes at a time when the Ministry of Local Government has already prepared its vision. The Ministry’s vision emphasises *a competitive, customer-focused centre of excellence in social service delivery, development co-ordination and capacity building as well as maintaining a transparent culture in keeping with National Principles and ideals of Vision 2016.*

20.6 The Ministry’s NDP 9 programmes have therefore been designed to further the ideals and objectives of Vision 2016, which among other things call for the creation of a prosperous Botswana. Efforts will continue to be made to align the Ministry’s NDP 9 programmes with

other long-term Government policy initiatives such as the Revised National Policy for Rural Development and the National Strategy for Poverty Reduction. The Policy and the Strategy are consistent with both the vision of the Ministry and Vision 2016.

Local Government Structure

20.7 Local Government is the second tier system of Government in Botswana. This system consists of Councils, Tribal Administration, Land Boards, District Administration (and Central Government Departments), District Development Committees and Village Development Committees.

20.8 The nine district and six urban **Councils** are popularly elected bodies whose responsibilities include: primary education, primary health care, tertiary roads, village water and waste water, social welfare and community development and remote area development. In large districts, **Councils** have decentralised some of their functions to **Sub-districts**. These functions are complemented by Central Government Ministries who do undertake certain activities and responsibilities such as water, health, roads, education, and others.

20.9 The **Tribal Administration** is composed of Chiefs, Sub-chiefs, Village Headmen, Administrative staff and the Local Police Force. It has traditional duties and facilitates development. Through its influence at the Kgotla, the institution encourages and supports local level development, where consultations through popular participation in decision making and prioritisation of development are undertaken. The institution also handles over 80% of criminal and civil cases in the country.

20.10 The twelve **Main Land Boards** are statutorily responsible for tribal land administration. With the split of the then Ministry of Local Government, Lands and Housing during NDP 8, Land Boards manpower and other resource management were transferred to the established Ministry of Lands and Housing. However the institution is still locally based and thus remains part of the Local Government structure. In larger districts, Main Land Boards have decentralised some of the land allocation functions to **Subordinates Land Boards**. There are currently 38 sub-land boards and as and when the situation dictates, additional ones may be created.

20.11 The **District Administration** is responsible for coordination of central government activities. This pivotal role is embodied in the functions of the Department of District Administration and District Development Committees. The District Commissioner is the Government's senior representative at the district level.

20.12 **District Development Committees (DDCs)** were established by a Presidential Directive in 1970 as administrative bodies to coordinate the activities of central and local government institutions under the chairmanship of the District Commissioner. Its membership includes Chief Executives of Councils, Land Boards, Tribal Administration, and heads of locally based central government departments. Over the years, the membership of the committee has expanded to include heads of council departments, and lately members of NGOs, private sector and others. DDC is one of the most significant organisations for the coordination of local level developmental activities.

20.13 **Village Development Committees (VDCs)** were established in 1968 for the purpose of initiating and coordinating village level development programmes. This structure was later introduced in urban areas as **Ward Development Committees (WDCs)**. The role of this institution is largely to ensure community participation in the formulation and implementation of village / ward development plans. It is responsible to its community through the Kgotla.

20.14 The main link for Local Government with Central Government rests with the Ministry of Local Government. This Ministry exists to provide policy direction and guidance to local institutions in their quest for socio-economic development of the country. In order to achieve this, the Ministry is guided by the following objectives:

- to serve urban and rural communities through provision of effective basic social services such as primary education, health, water, etc. through local institutions;
- to serve as the government's focal point of policy and operational matters pertaining to Local Governance;
- to ensure effective representation of Central Government and coordination of activities of Central Government at the local level;
- to ensure community participation in all aspects of local government and development through establishment of efficient local government institutions;
- to build and enhance the capacity of local institutions by providing them with manpower and related services; and

- to maintain and put to best use the Botswana tribal administration system and customs for social harmony, order and development.

20.15 The growth and expansion of Local Government Institutions over the years have called for new and better methods of coordination and service delivery. To this end, a Local Government Commission was set up in December 2000 to review the effectiveness of the structure, organization, roles and responsibilities of Local Government institutions. In addition, and following the split of Ministry of Local Government and Lands, the Organisation and Methods Review of the Ministry of Local Government and that of Local Authorities was carried out. The recommendations of these reports will be implemented during NDP 9.

REVIEW OF PERFORMANCE DURING NDP 8

Local Authorities

20.16 In line with the Decentralization Action Plan, more projects were transferred to the Councils for implementation during NDP 8. The Ministry of Local Government continued to build capacity at local level in order to transfer implementation of most of its projects to the Local Authorities.

20.17 Specific objectives for NDP 8 included:

- ♣ improving responsibility, accountability and capacity of Local Authorities in the areas of development planning, financial controls and effective and efficient implementation;
- ♣ further decentralising the budgeting process;

- ♣ increasing the role of Local Authorities in promoting sustainable economic diversification and development;
- ♣ strengthening regional development planning, with a focus on rural-urban linkages and sharing of resources and facilities;
- ♣ involving communities in development planning through the Community Based Organisations (CBOs); and
- ♣ strengthening Local Authority Personnel for improved capacity to deliver services.

20.18 During NDP 8, significant progress was made in achieving the above outlined objectives, but that was not without constraints.

Local Authority Finance Management

20.19 NDP 8 reiterated Government's commitment to improving accountability and capacity of Local Authorities in areas of planning, financial controls and implementation. In terms of the plan, top priority was given to financial administration, the objective of which was to increase the ability of Local Authorities to manage their own financial affairs efficiently.

20.20 The Local Authorities: the District Councils, Urban Councils and Land Boards are wholly dependent on central government for their development budget, and significantly dependent on the centre for their recurrent budget. The Land Boards and District Councils receive up to 95% of their recurrent requirements from central government, while the urban councils rely on central government for up to 70% of their recurrent income. This absolute dependence on the central government has been cited by some quarters as

solely responsible for stifling decentralisation to Local Authorities.

20.21 Formula Determined Revenue Support Grants: This formula sets the recurrent grants to the Councils from the central government according to a pre-determined formula which takes into account the size of the population served by a particular district/urban council, the remoteness or otherwise of the administrative area and the geographical size. This system was approved by Government in 1994 and was first applied and effected during the financial year 1996/97. This has since been reviewed to take into account the physical size of various local authorities, capital budget, local authority revenue, as well as fixed and variable costs for individual local authorities.

20.22 New Revenue Sources: The need to expand revenue sources for Local Authorities was identified in NDP 7. During NDP 8 a study was commissioned to explore possibilities for expanding the revenue base of Local Authorities. The study examined the possibility of re-introducing Local Government Tax; the extension of Property Tax to District Councils; the collection of Retail Turnover Tax, Hotel and Petroleum Taxes. These are still under consideration by Government.

20.23 Other measures developed during NDP 8 included the model Bye-laws and the costing manual.

- i) *The model bye-laws:* This component of the Policy Paper was intended to review those laws, regulations and rules which may hamper the Councils from collecting revenue and independently setting their own fees.

- ii) *The Costing Manual*: The user fee manual has also been prepared, and it lists the services provided by the Local Authorities, and how they can be costed. This was intended to reduce dependence on central government even on matters relating to determining the service costs for services provided by individual Local Authorities.

20.24 Computerisation of Local Authority Treasury Departments: Pursuant to the recommendations of the 1993 Policy Paper and Decentralization Action Plan, the Local Authority computerization program was continued and expanded to include Local Authority core accounts covering all Councils and Land boards.

20.25 In order to improve accountability, **Local Authority Public Accounts Committee (LAPAC)** was formed and became operational with its first report published in 2002. The functions and powers of LAPAC are to examine accounts of every district council, city council, town council, township authority and land board and to report examination of such accounts, financial statements and audits to the Minister.

Human Resource Development

20.26 During NDP 8, emphasis was placed on enhancing capacity at the Local Authorities, both qualitatively and quantitatively, so as to improve their competency in delivering the vital services at the local level.

20.27 The Local Authorities are faced with a problem of manpower shortage which inhibits them from adequately meeting the demands for the services they are expected to deliver. This shortage is more pronounced in the

professional and technical fields. The Ministry has as a result now intensified recruitment not only locally but externally.

Organisation and Methods

20.28 The disparity in salary structures and staff progression between Local Authorities and Central Government continues to be a source of great concern to the former. This concern has resulted in low morale and high turnover of staff in Local Authorities.

20.29 In order to address this concern, the Ministry of Local Government initiated the O & M exercise for Local Authorities in 1999. The exercise has been completed and a Consultant has been engaged to carry out job evaluation for the Local Authorities' staff. It is expected that the results of the O & M exercise will assist the Ministry in addressing this long outstanding issue. A similar exercise was carried out for the ministry following the split of the then Ministry of Local Government, Lands and Housing. The report is still being considered.

Physical Infrastructure and Service Provision

Village Infrastructure

20.30 During NDP 8, a number of projects were carried out which included Bobonong and Serowe Malls, Mochudi, Mahalapye, Palapye Phase 1, Ghanzi, Mogoditshane, Goodhope Phase 1, Tati Siding, Kasane, Tlokweng and Kanye. In addition, infrastructural designs were completed for 8 centres.

20.31 The most substantial drawback encountered in the implementation of projects has been the existing unplanned pattern and structure of land

allocation and developments. This has made developments very costly as either the buildings and other structures have to be relocated after being compensated for or additional infrastructural developments have to be built around such buildings and structures. This pattern has necessitated that new and more organised village plans be prepared to ensure cost effective developments.

Urban Land Servicing

20.32 The audit of the Accelerated Land Servicing Programme (ALSP) was initiated towards the end of NDP 7 and completed during NDP 8. It revealed that despite a large number of applicants on the waiting list, plots should be serviced only where effective demand has been established. This is in order to avoid allocation of plots for speculative purposes. The audit also revealed that a four-year development period is no longer viable because allottees can mortgage land and borrow money for both payment of plots and development. During NDP 8, a total of 43 large commercial plots at Gaborone Central Business District and 2,146 SHHA plots at Francistown Gerald Estate were serviced. Cadastral Surveys were carried out at Lobatse Airstrip and Selebi Phikwe –Mekoro. The problem encountered has been the rampant vandalism especially on electrical infrastructure.

Rural Water Supply and Wastewater

20.33 The main focus during NDP 8 was the rehabilitation and upgrading of existing Rural Water Supplies schemes in order to cope with increased demands. A total of 254 projects for rehabilitation and upgrading of systems were completed. The implemented projects were approximately 21% above NDP 8 planned target of 210 projects for

rehabilitation and upgrading. Out of this total, 45 were major rehabilitation and upgrading, which were contracted out to private consultants and contractors. The rest were done in-house by Councils.

20.34 Emphasis was also placed on groundwater investigation to provide additional boreholes so as to increase the security of water supplies. Groundwater investigation and subsequent drilling were successfully completed in 211 villages resulting in the provision of additional boreholes, which served as standby supplies in most villages. This represents approximately 18% above NDP 8 planned target of 179 villages.

20.35 In NDP 8 sewerage and sewage treatment infrastructure development was included under the Rural Water Supply Programme. In this regard, the rehabilitation of water supplies in most of our secondary villages such as Bobonong, Tutume, Gabane and Shoshong included a component of sewerage and sewage treatment infrastructure facilities.

20.36 To ensure the sustainability of village water supplies, the operation and maintenance of village water supplies outside the 17 major villages was another area of service provision, which the District Councils continued to pursue during NDP 8. More emphasis was placed on provision of additional offices, stores, workshops and logistical support facilities such as vehicles, plant and equipment. Through this approach the District Councils either have well-established offices and workshops or the construction of these office and workshops are ongoing. This is also important if the policy thrust of transferring the 17 major villages' water supply to councils as proposed in

NDP 8 is to be effected during this plan period.

20.37 Some problems were encountered during the course of implementation of NDP 8. These were watering of livestock through standpipes and declining yields of boreholes.

Labour Intensive Public Works Programme

20.38 Labour Intensive Public Works Programme continued to be extensively implemented during the plan period. Emphasis was placed on relieving the unemployed through construction of valuable infrastructure in both rural and urban areas, as well as maintenance of existing facilities. The programme was extensively used to augment funding for construction of classrooms, teachers quarters, staff housing and toilets under the Primary School Facilities programme. The large part of the funds provided under this Labour Intensive Public Works Programme has mainly been for Drought Relief Projects such as construction of dams, drift fences, firebreaks, clinics, staff houses and other related public facilities. The critical problem encountered in the implementation of the programme has been the shortage of skilled labour in the districts.

Community Projects Programme

20.39 The Community Projects Programme has over the years suffered from low spending. This prompted Ministry of Local Government to undertake a review of the programme through the Ministry's Research Unit. The review identified the following as some of the shortcomings:

- high contribution required from beneficiaries;
- low ceiling for the small

infrastructure component;

- lack of clear selection criteria for allocation of block grants to VDCs/WDCs; and
- lack of proper training of Social and Community Development staff on project planning /management skills.

The Ministry is currently addressing these problems with a view to improving on implementation of the programme.

Remote Area Development Programme

20.40 The programme continued to provide basic infrastructure and promote economic development in the 64 Remote Area Dwellers Settlements. About 90% of them have basic infrastructure such as school, health post and potable water. Progress was made on the livestock scheme of the Economic Promotion Fund, while there were setbacks with regard to income and employment generating projects due to lack of markets, entrepreneurial skills and commitments by beneficiaries.

Roads Programme

20.41 During NDP 8, the Roads Programme implementation was largely through out-sourcing from the private sector. This method of implementation has greatly relieved the burden of performance from Local Authorities and has enabled private sector participation in the roads construction field. Due to limited funding, not much was achieved during the plan period. The projects which were implemented included tarring, gravelling, rehabilitation of roads damaged by the 2000 floods, construction of earth roads (using casual labour), 45 culverts and 9 drifts (including those on roads damaged by the 2000 floods) and procurement of

36 vehicles and 51 plant and equipment.

Waste Management and Sanitation

20.42 The NDP 8 Planning period provided for the construction of 22,000 latrine substructures. A total of 18,635 latrine sub structures representing 85% of the total latrines to be constructed were completed. Ventilated Improved Pit latrines (VIP) remain the most popular form of on site sanitation to date. They are, however, suitable only in low vulnerability areas in terms of ground water pollution, and thus much emphasis was placed during NDP 8 on the promotion of sealed dry compost units in medium and high vulnerability areas. This led to the emergence of several competing technologies providing alternatives to the VIPs. One such unit which was piloted during NDP 8 is the Enviro Loo, a sealed dry compost unit incorporating accelerated dehydration by utilizing wind powered turbine ventilator. A final evaluation of this unit will be undertaken in the next plan period. Other technologies and products which are competing for participation in the rural sanitation programme include brand names such as calcamite and gendarme.

20.43 During NDP 8, the following projects were implemented under Urban Sewerage Programme: Landfills at Lobatse, Jwaneng, Francistown, Selebi Phikwe, upgrading of Broadhurst pump station and procurement of waste water quality monitoring equipment, upgrading and dislodging of sewerage ponds at Sowa and upgrading of Francistown and Selebi-Phikwe Sewerage Infrastructure. Landfills are generally costly at an average cost of P15,000,000 as they include plant and equipment.

Other Services

20.44 Other Services provided by Local Authorities include Primary Health, Primary Education, Integrated Office Blocks for both Central Government and Local Authorities, Council Chambers and Township Services.

Food Relief Programme

20.45 During NDP 8, three Depots were built at Letlhakane, Palapye and Mabutsane. Therefore by the end of the Plan period, there were eighteen (18) depots around the country and four (4) regional offices. The food relief programme provides supplementary feeding to improve nutritional status of vulnerable groups such as primary school children, all under fives, expectant and lactating mothers and TB out-patients. The programme also catered for emergency food requirements in the event of natural disasters such as floods and outbreaks of cattle diseases. Food items supplied under this programme include sorghum, skimmed milk, vegetable oil, maize meal, beans and Soya.

Local Level Development Plans

20.46 The integration and simultaneous implementation of DDP/UDP and NDP can be cited as one of the major achievements of NDP 8. This approach to planning and implementation of development programmes greatly facilitates co-ordination of efforts by Central Government agencies and Local Authorities in service delivery.

20.47 Another important achievement during NDP 8 period was the environmental audit of NDP 8, DDP 5 and UDP 1. This was done under the Environmental Planning Programme

(EPP), which was jointly funded by the Governments of Botswana and Denmark. The programme also catered for the training of district-based planners in the integration of environmental issues in development plans. Other achievements in this front include: the production of Environmental Planning Manual to guide planners; revision of the Planning Officers Manual and the District Planning Handbook to incorporate guidelines for integration of environmental issues in planning; development of environmental job profiles; and generic training plans for officers at district level.

Development Planning & HIV/AIDS

20.48 Ministry of Local Government has initiated a programme to contribute to the ongoing attempts to fight the spread of HIV/AIDS and to mitigate its effects among those infected and affected. In particular, MLG has undertaken to mainstream HIV/AIDS prevention, Mitigation and care into the planning processes, service delivery and the overall mandate of the ministry. The Ministry recognizes that the war against HIV/AIDS can be won if it is fought at the grassroots level, by involving all structures at the local level. The mandate and position of MLG (i.e. decentralized service provision) already provides structures within which mainstreaming HIV/AIDS activities can effectively take place.

20.49 The MLG programmes during NDP 8 were predominantly aimed at mitigating the effects of HIV/AIDS by providing care and welfare support to patients through Home Based Care (HBC) and to orphans. Most of the HIV/AIDS programmes continue to run parallel to development programmes, with prevention and mitigation strategies that are not integrated with the planning processes at local level. The District Multi-Sectoral Aids Committee (DMSAC) coordinates the Multi-sectoral response at district level, bringing together government and non-governmental sectors which ultimately feeds into the National Coordination mechanisms at NACA.

National Settlement Policy

20.50 The Botswana National Settlement Policy (NSP) - White Paper No.2 of 1998 - was approved by the National Assembly in 1998. This document outlines *issues* that are in the form of policy framework and strategies on settlement hierarchy, infrastructure and services, planning regions, land use and tenure and population and settlements. The main goal of the policy was to come up with a framework, which would guide and encourage equitable distribution of investment in order to achieve spatially balanced development across the whole country. The specific objectives of the NSP are outlined in Box 20.1.

Box 20.1: Objectives of the National Settlement Policy

- | | |
|------|--|
| i) | Provide guidelines and long-term strategy for the development of human settlements. |
| ii) | Rationalise and promote the optimal use of land and the preservation of the best arable land. |
| iii) | Promote the conservation of natural resources for the benefit of the present and future generations. |
| iv) | Provide guidelines for the development of the transportation and utility networks in order to strengthen the functional linkages between settlements and |
| v) | Reduce the rate of migration to towns. |

Source: Ministry of Local Government

20.51 By the time the NSP was approved, implementation of the National Development Plan (NDP) 8 and District Development Plans (DDP) 5 had already started. This made it difficult for the Local Authorities and Central Government to start implementing some recommendations in the Policy, especially that of providing infrastructure and services to all settlements with a minimum population of 250 people and potable water and two teacher primary schools to settlements with a population range of 150 to 249. During the Mid-Term Review of NDP 8, concern was raised regarding the immense financial and manpower implications of implementing this recommendation. This was due to the fact that there would be many settlements to be serviced. The policy has since been reviewed.

STRATEGY FOR NDP 9

Overall Objective

20.52 The MLG strategy for the NDP 9 derives its mandate from the seven pillars of Vision 2016. In this context the MLG's overall objective is to be a competitive, customer-focused centre of excellence in social service delivery, development co-ordination, community mobilisation, and capacity

building. To effectively and efficiently achieve this objective, the Ministry has embarked on comprehensive public sector reforms spearheaded by the recommendations of the 2nd Local Government Structure Commission (LGSC) and the Performance Management System (PMS). Public sector reforms have been emphasised as one of the critical areas to be addressed by the Government during NDP 9.

Public Sector Reforms

20.53 The PMS seeks to introduce results-oriented performance in the civil service. These reforms are deemed indispensable to efficient service delivery. Under PMS the MLG developed its vision (see paragraph 20.5) which is consistent with the civil service vision and Vision 2016.

20.54 The Ministry's Strategic Plan consists of six Key Result Areas (KRAs) namely:

- Physical and Social Infrastructure Provision;
- Social protection provision;
- Enhanced local governance;
- Policy implementation Effectiveness;
- Productivity and Organisation Effectiveness; and

- Customer satisfaction.

20.55 From these KRAs, Strategic Goals, Strategic Objectives and Key Performance Indicators have been developed. These have essentially focussed on the core functions of the Ministry.

20.56 During NDP 9, PMS will also be rolled out to Local Authorities. Local Authorities and Departments will be required to produce strategic plans in line with that of the Ministry. These plans shall reflect the strategic objectives and corporate priorities of each Local Authority as well as districts and will help guide the preparation of financial plans which are required for resource allocations for both Recurrent and Development budget. The Ministry in collaboration with districts will also develop some performance indicators to help Local Authorities measure and monitor their performance and strive for improvement in service delivery. The Ministry will further use these as benchmarks for local authority “**best practices**”. As a result, several procedures and processes such as Tender processes will be reviewed with a view to improving service delivery.

20.57 At the end of NDP 8, the 2nd Local Government Structure Commission was set up. A number of recommendations came out from the Commission and most have financial and other resource implications. The following recommendations, in summary form, need specific mention because of their resource implications as well as their alignment to the Ministry’s strategic plan and foundation:

- ♣ strengthening of Councils and Tribal Administration by allocating more resources to them;
- ♣ creation of additional Sub-Districts as well as creation of other structures below Sub-District referred to as Administrative Authorities and Service Centres;
- ♣ the two levels of government to collaborate closely to a stage and level where they can share resources for cost effectiveness in service delivery at the local level;
- ♣ appropriate Conditions of Service for Local Authority employees be developed. Also emphasis on need to attract and retain capable staff by ensuring that salaries of Local Authorities personnel are comparable to those of Central Government;
- ♣ VDCs and VETs have statutes and budgets and that they be re-organised by improving on their management and delivery capacity through training; and
- ♣ strengthening of coordination of development and service delivery at local level.

20.58 These are but a broad based mandate and agenda which has to be implemented taking into consideration the continued and increased demand for additional infrastructure and other services.

20.59 Partly as a result of the above mentioned reforms, MLG will continue with its support to decentralise and build capacity of local authorities. All these should substantially contribute to the overall objective of improved quality of service delivery.

Decentralisation and Local Authorities Capacity Building

20.60 Decentralisation has always been viewed as a means and not an end

in itself. It can never be valued by itself, but rather only in terms of other desired objectives to which it contributes. Decentralisation thus ensures that Local Authorities and communities have effective control over their own affairs and could be held accountable for their actions and operations. The capacity of the Local Authorities will no doubt need to be strengthened in order that they fully discharge their mandate and remain totally accountable to the public.

20.61 The overall policy for decentralization therefore aims to:

- a. facilitate and enhance control and coordination of planning and implementation capacity in the execution of development policies, programmes and projects;
- b. enhance local popular participation in decision making;
- c. ensure and facilitate sustainable service delivery to communities;
- d. develop systems for Local Governance and development;
- e. promote democracy and Governance; and
- f. promote social and economic development.

20.62 Past and present experience has shown that decentralization to Local Authorities is not accompanied by requisite resources and this has been confirmed by the Local Government Structure Commission. Effective decentralization, however, requires that the transfer of responsibilities to Local Authorities be accompanied by a commensurate transfer of resources and authority, as well as the creation of the necessary revenue generating

capacity. It also requires the development of appropriate enabling legal framework for the generation and management of these resources.

20.63 With regard to Central Government activities, decentralization has taken the form of de-concentration of Ministerial and Departmental activities to the local level. These activities require coordination to avoid duplication of effort and conflict of interest as well as ensuring cost-effectiveness and opportunities for resource sharing. District Commissioners have always been mandated to do that coordination and have indeed been pivotal in fulfilling that responsibility. This coordination is, however, faced with a number of problems which need to be addressed. Such problems include inadequate integration of Government programmes and insufficient realization and recognition for the need to embrace coordination as a cost effective and efficient way of service delivery. Lack of unity of purpose has come to manifest itself in poor service delivery with the consequent erosion of trust and confidence on Government. The need to appreciate that the public office is there because of the public that require to be serviced has to be emphasised.

20.64 During this plan period it is intended to establish a functional organisational structure for the formulation, management and coordination of decentralised activities at the local level. The proposed Strategies for meeting the objectives of an organisational structure for decentralisation are:

- a. to streamline and further strengthen local government structures for managing, and co-ordinating decentralised activities;

- b. to clarify the role of the Ministry of Local Government with respect to coordination of Central Government activities and programmes at local level;
- c. to establish an Inter-Ministerial Committee or forum on decentralisation;
- d. to support exchange programmes between Local Authorities in the form of twinning, study tours and other experiences at grassroots and Local Government levels in order to broaden Local Government base, facilitate interaction and promote capacity building;
- e. to review and promulgate laws that enhance efficient and responsive Local Governance;
- f. to develop a comprehensive Decentralisation Policy; and
- g. to establish additional structures at Sub-District level.

Addressing National Critical Areas

20.65 Given its overall objective and the public sector reforms currently under way, national critical areas such as poverty reduction, rural development, environment protection and conservation, human resource development, and HIV/AIDS will have to be taken on board and mainstreamed into the MLG's development strategy.

20.66 **Poverty Reduction** - In line with the National Strategy for Poverty Reduction, MLG will continue with its current and newly planned programmes on poverty reduction, focusing specifically on reaching the vulnerable groups in society with social safety net type of programmes for orphans, children in distress and in

need of care, destitute persons, the aged, terminally ill patients being cared for at home, and people affected by HIV/AIDS. The Ministry's strategy on poverty reduction also entails providing services that will allow people greater availability and access to those services. These strategies are intrinsically linked with the Ministry's commitment to rural development, another critical issue.

20.67 **Rural Development** - The Ministry's strategy for Rural Development will be consistent with the Revised National Policy for Rural Development, which states amongst its objectives that poverty be reduced, greater popular participation in the development planning and implementation process be achieved and opportunities for employment and income generation be created. MLG strategy is to continue with its participatory approach to planning and implementation with the involvement of grass-root institutions, and to ensure that infrastructure at District and Village levels are built to support service delivery, popular participation in decision making and other Governmental policies and programmes.

20.68 **Environment** - The environment is a cross-cutting issue, which needs to be integrated into the Government's mandate. During the preparation for NDP 9, the Ministry initiated a programme for the mainstreaming of the environment into its planning process within the District and Urban Development Plans. Therefore, District Development Plans 6 and Urban Development Plans 2 have integrated environmental concerns. This is particularly important because many of the environmental problems have their roots in local activities; so Local

Authorities have a key role to play in making sustainable development happen. During the plans implementation stage, the environmental strategies will be developed further with particular emphasis placed on ensuring that all project proposals are subjected to Environmental Impact Assessments (EIA).

20.69 Human Resource Development - Trained and skilled personnel are the backbone of the Ministry's delivery system. The Ministry's strategy is to build on the expertise of the staff of Local Government by deepening its capacity. The major challenge to be faced by the Ministry is to devise an appropriate HIV/AIDS workplace programme so as to prevent and mitigate the impact AIDS will have on the staff of Local Government and subsequently on its service delivery system.

20.70 This strategic issue is consistent with the recommendations of the 2nd Local Government Structure Commission Report which states the need for accelerating the process of strengthening Councils' financial and human resource base. Appropriate Conditions of Service for Local Authority employees will be developed. Also emphasised and approved by the Ministry is the need to attract and retain capable staff by ensuring that salaries of Local Authorities personnel is comparable to that of Central Government.

HIV/AIDS: Integration of HIV/AIDS into Development Planning

20.71 Efforts have been made to integrate HIV/AIDS into the development planning process, as well as ensuring that the annual local level

development plans, such as the DDP6s/UDP2s include activities on HIV prevention, mitigation and care. In addition to that, the MLG will strengthen the capacity of the DMSAC to implement HIV/AIDS activities as well as strengthening their capacity to co-ordinate HIV/AIDS activities from a development perspective.

20.72 The MLG will also put in place strategies for strengthening Home Based Care and Orphan Care (HBC&OC) programmes, which provide care and support to home-based patients, orphans and potential orphans/children in distress. In strengthening these programmes, emphasis will be on the family as the unit of care and support.

20.73 The capacity of the MLG to carry out its mandate depends on its ability to provide services; the HIV/AIDS epidemic can threaten this ability by affecting the MLG human resources. The Ministry will also put in place a workplace programme that will look at the impact of HIV/AIDS on MLG employees, and ways of mitigating its impacts.

20.74 An important cross-cutting component in the mainstreaming of HIV/AIDS is Monitoring and Evaluation (M&E). The basis of it is to monitor HIV/AIDS activities at local level in terms of performance and outcomes and in the long-term, assess the impact of HIV/AIDS programme on the epidemic. Performance and outcomes monitoring will enable the Ministry of Local Government to provide the Local Authorities with policy response to changing environment and to the evolution of the epidemic. It is worth pointing out that part of the monitoring system will enable the Districts themselves to understand the unfolding situation and

respond to it. Assessing the impact will have to be part of a national monitoring system, which will necessarily involve MLG.

20.75 To be able to implement this strategy, in January 2001, the Ministry of Local Government established at headquarters the AIDS Co-ordinating Unit, whose main role is to support and facilitate Districts in mainstreaming and equipping the District Planners with the concepts and skills for integration of HIV/AIDS into District Development Programmes and projects.

20.76 Integration of HIV/AIDS into District Development Programmes/Projects is part of the National Strategic Planning Process, which has as one of its aims to establish a District-based strategy for HIV/AIDS so as to boost and coordinate intervention efforts. The MLG will contribute to this process by providing the needed technical personnel to be used as the focal point for such coordination.

Community Mobilisation

20.77 Community mobilisation is aimed at organizing communities in the rural areas with the view to promoting their participation in rural development. Though much has been done in relation to the social infrastructure, poverty remains a problem. It has been realized that for any development to be sustainable, it has to be people-centred. NDP 8 *revealed* community participation in development activities as weak and there were indications that the situation was deteriorating. The principal aim in community mobilisation during NDP 9 will be to promote mutual social responsibility in decision making and service delivery through community based organizations and effective

leadership structures. The following strategies shall be adopted:

- a. to improve consultation and participation in the design and formulation of programmes aimed at alleviating economic stagnation of rural areas, as well as reducing the incidence of poverty among rural households;
- b. to promote the development and implementation of a comprehensive range of inter-sectoral and mutually supporting services and income generating activities;
- c. to enhance planning and management capabilities of district and sub-district authorities in programme development, implementation and evaluation of sectoral inputs in an integrated manner;
- d. to establish structures for effective coordination, integration and institutionalization of participatory development approaches, programmes and projects at the local level; and
- e. to inculcate a sense of responsibility amongst local communities and develop patterns of Governance that support efforts in local participation.

Local Economic Development (LED)

20.78 LED is a programme geared towards transformation of cities, towns and rural areas into viable economic entities. This is done through identifying and harnessing resources and opportunities needed for stimulation of sustainable economic development.

20.79 Besides their traditional role of providing services in the form of

potable water, health, education, sanitation, etc., Local Authorities are rightly placed to identify activities which can be undertaken through this initiative. They could play a leading role in the promotion of social and economic development. By investing in the basic services – by providing good quality cost-effective services and making their local areas pleasant places to work and live in – is the key towards the promotion of local economic development. Other initiatives that Local Authorities shall pursue include:

- ♣ developing guidelines to assist Local Authorities in promoting local economic development; and
- ♣ reviewing existing procedures and regulations which could help create a more conducive and enabling environment for promotion of LED.

National Settlement Policy

20.80 During NDP 9 period, the implementation of the NSP will be the major focus. The NSP has formulated strategies for five fundamental aspects namely; settlement hierarchy, infrastructure and services, planning regions, land use and tenure, and population and settlements. In terms of settlement development and servicing, first priority will be given to primary centres, while secondary and tertiary centres will be accorded second and third priority respectively.

20.81 Since the NSP is multi-sectoral, its implementation will involve all Ministries, Local Authorities and Parastatals, and the Department of Town and Regional Planning will play a pivotal role of coordination and monitoring. The multi-sectoral characteristic of the NSP, especially in the area of provision of basic infrastructure and services in both

settlements and production zones, will go a long way in facilitating the attainment of some of the principles of vision 2016.

Physical and Social Infrastructure

20.82 Provision of physical and social infrastructure has been a major conduit through which improvement in rural and urban welfare could be effected and it shall continue to be so. Equally important is the need to build capacity and avail resources to Local Authorities to enable them to regularly maintain this infrastructure. Below are projects which will be undertaken during NDP 9:

- **Urban Land Servicing:** The number of plots proposed to be serviced during NDP 9 to meet the expected effective demand is 18,100. It is expected that Councils with the assistance of the Ministry of Lands and Housing will directly manage these projects;
- **Village Infrastructure:** A total of 20 villages including Primary, Secondary and some Tertiary Centres will be covered. Emphasis will be on centrally located service centres. It is intended that Local Authorities continue to implement the majority of projects during NDP 9. The aim is to ensure that decentralising of functions continue to form the core of Government's approach in implementing projects;
- **Roads Programme:** The major thrust of this project is the implementation of the recommendations of the Botswana Roads Maintenance Study. Local Authorities will be responsible for the implementation of this project and will continue to use private contractors for road construction

and maintenance work where possible, in order to avoid the need for any significant purchase of heavy road construction plant;

- ***Village Water and Sewerage:*** During NDP 9, this project will provide funds for the upgrading and rehabilitation of rural village water supply schemes and also the provision of water borne sewerage facilities for secondary villages. In addition, the project will provide funding for the capacity building of District Councils to efficiently operate and maintain both water supply and sewerage schemes, as well as gradually take part in some of the upgrading and rehabilitation activities currently being done by the Department of Water Affairs;
- ***Office Construction:*** The following will be constructed; two Rural Administration Centres at Moshupa and Tonota, council chamber in Ghanzi, new Civic Centre in Gaborone, offices for the newly established Administration Authorities, Service Centres in line with the 2nd LGSC, as well as extension and upgrading of existing Rural Administration Centres, mostly in Primary Centres;
- ***Customary Courts:*** A total of 150 customary Courts will be constructed. Each court will come with a package of housing, transport and communication;
- ***Primary Education:*** A total of 6000 classrooms and 3000 teachers' quarters will be constructed. In addition, other facilities such as RADs hostels, administration blocks, toilets, libraries, vehicles, kitchens, dining halls and storerooms will be provided;
- ***Urban Sewerage:*** During NDP 9 sewerage infrastructure in Gaborone, Jwaneng, Selebi Phikwe and Francistown CBD/Monarch will be upgraded. The need to upgrade Gaborone treatment works emanates from the fact that the greater Gaborone area, being Mogoditshane and Tlokweng, will be connected to the already overloaded treatment plant. Construction of Gaborone Regional Landfill, which will also cater for greater Gaborone area, will commence during the first year of this Plan;
- ***National Rural Sanitation Programme:*** A total of 9 landfills will be constructed. Other components of rural sanitation that will be implemented during NDP 9 include procurement of waste management vehicle and equipment, construction of abattoirs/slaughter houses, and provision of sludge digesters and drying beds;
- ***Social Welfare Services:*** This project will cover extension of the School of Industry in Molepolole to increase its capacity and cater for female delinquents. In addition, 2 prototype workshops for After Care Services and 2 Emergency Homes to serve as drop-in Centres for the Orphans and Vulnerable Children in transit to Jwaneng from the Northern part of the country will be built in Maun and Palapye. Further, the Mpule Kwelagobe Children's Centre donated to government by Jwaneng Mine will be renovated and expanded to suit children's needs;

- ***Storage and Distribution facilities:*** During NDP 9, a total of 16 Food and Storage Warehouses will be constructed. Priority will be given to projects which were planned for NDP 8, but were not completed. These include warehouses at Kanye, Mochudi, Kasane, Lobatse, Ghanzi, Masunga, Tsabong. Other projects which will be implemented during NDP 9 include Ramotswa, Bobonong, Francistown, Letlhakane, Molepolole, Mahalapye, Gumare, Hukuntsi and Serowe. This project will also cover transport and computerisation of these warehouses;
- ***Recreational Facilities.*** This project covers construction of public parks, multi purpose halls and youth centres, development and maintenance of cemeteries and purchasing of playground equipment;
- ***Municipal Services:*** Projects such as fire stations and fire fighting equipment, bus ranks and public parking areas, market stalls, mechanical workshops, warehouses, Mayors/Council Chairpersons' houses will be covered under this programme;
- ***Local Authority Infrastructure Maintenance:*** This project was created during NDP 8 to clear maintenance backlog in Local Authorities. However, due to implementation problems, the maintenance backlog could not be cleared. Therefore, this project will be continued in NDP 9 and completion is expected within the first two years of the plan. Thereafter, maintenance will be covered under the recurrent budget;
- ***MLG Computerisation:*** This project provides funds for the procurement of computer equipment and accessories and networking of all the strategic offices for Ministry Departments and the Local Authorities. The following components which were started in NDP 8 will be completed during NDP 9:
 - i. Tribal Land Administration System for land use planning and management
 - ii. Installation of Human Resources and Payroll package;
 - iii. Financial Management Computer System; and
 - iv. A comprehensive project planning, monitoring and evaluation tool
 - v. MLG/LA website; and
 - vi. social benefits system (Old Age Pensions, World War Veterans, Orphan Care and Destitutes programmes).
- ***MLG/LA Fleet Development:*** During NDP 9, vehicles will be purchased for different departments of the Ministry of Local Government including Food Relief Depots. In addition, specialised vehicles which cannot be covered under specific projects will be provided under this project;
- ***Local Authorities Training:*** Extension of the Local Police Training College will be undertaken during NDP 9 as well as the establishment of Local Authorities Training Institute (LATI);
- ***Local Authority Planning and Management:*** The objective of this project is to assist Local Authorities capacity building in the

management of plan preparation, implementation, monitoring and evaluation processes. Local development plans continue to lack commitment and ownership by stakeholders and the intended beneficiaries, largely due to inadequate consultation and hence weak participation by communities;

- ***Remote Area Development Project:*** During NDP 9, provision of basic infrastructure will be continued. Efforts will be made to graduate some RADS settlements to village status. There will be emphasis on land rights and improved shelter, employment and income generating opportunities among the RADS;
- ***Labour Intensive Public Works:*** The aim of this programme is to provide a source of income for the

most vulnerable members of communities by employing simple tools to construct and maintain public facilities; and

- ***Community Projects:*** During NDP 9 concerted effort will be placed on capacity building for VDCs and other community organisations so as to enhance uptake as well as planning and management of activities under this programme. Funds will continue to be availed to support projects initiated and implemented by Village and Ward Development Committees. Another major and complementary component of this programme is the Micro Projects Programme, which includes income-generating activities, environmental conservation and social infrastructure.

CHAPTER 21

LAW, JUSTICE, SECURITY AND FOREIGN RELATIONS

INTRODUCTION

Overview

21.1 This Chapter deals with the security of the nation. The chapter describes the various institutions associated with law, justice and security, reviews their achievements during NDP 8, and sets out strategies for NDP 9 with the view Towards Realisation of Vision 2016: Sustainable and Diversified Development Through Competitiveness in Global Markets. The institutions involved are described below.

Parliament

21.2 Parliament is established under Chapter V of the Republic of Botswana Constitution. As mentioned in Part I of the Constitution, it comprises of the President and the National Assembly. The National Assembly consists of the President, the elected Members and specially elected Members, the Attorney General and the Speaker who can either be elected from among Members themselves or from outside. Currently there are 400 elected Members and four specially elected. The Constitution as amended provides that the number of elected members be increased by 17 new members during the 2004 general election. General elections are held every five (5) years and were last held in 1999. Parliament has the responsibility of enacting laws, authorizing public expenditure, raising of national revenues through taxation, loans etc and serves as a medium for

representing and articulating the will, aspirations and needs of the people. Part III of Chapter V establishes the House of Chiefs, which is an advisory body.

Office of the Ombudsman

21.3 The Ombudsman Act of 1995 established the office of the Ombudsman. The responsibility of the Ombudsman is to implement and administer the act with a view to preventing maladministration in connection with the affairs of Government. He/she investigates any improper conduct by persons performing a public function and, where necessary, recommends action to be taken to remedy the situation.

Administration of Justice (AOJ)

21.4 Chapter VI of the Constitution establishes the Judicature of the Republic of Botswana, which consists of the Court of Appeal and the High Court, located in Lobatse. A Division of the High Court has also been established in Francistown to serve the north. There are, to date, 19 Magistrates Courts throughout the country and 442 Customary Courts. The latter, which are the responsibility of the Ministry of Local Government, mainly apply customary law, and are also empowered to apply the Penal Code.

Attorney General (AG)

21.5 The AG is the Government's principal legal advisor and an ex-officio Member of Parliament, and also responsible for criminal prosecutions to the exclusion of any other authority. Legal advice to all Government ministries and departments is centralized in the Attorney General's Chambers. All legal suits for or against the Government are instituted by or against the Attorney General in a representative capacity in terms of Botswana laws.

21.6 The AG's Chambers consists of six divisions: the Civil, General, Prosecutions, Legislative and Law Reporting, Lands Division and the Deeds Registry. The Civil Division is responsible for all legal suits by or against the Attorney General and all other suits by or against Local Authorities where Government Policy is at issue. The General Division deals with treaties, finance negotiations and legal opinions. Prosecutions Division handles prosecutions of complex cases, whilst the police do day-to-day prosecutions under delegated authority. The legislative and law Reporting Division is responsible for the preparation of Government Bills, statutory notices, editing of the gazette and the reporting and editing of the Law reports of Botswana. The Lands Division deals with conveyancing of State land and property acquired by the State, and with leases; and the Deeds Registry is in charge of registration of title deeds, leases, mortgages and notarial deeds for Botswana laws.

Auditor General

21.7 The Auditor General audits and reports on the public accounts of most authorities of the Government, and

must be satisfied that all reasonable precautions are taken to safeguard the proper collection, custody and disbursement of public monies and stores. At the same time, the Auditor General must be satisfied that the stipulated laws, instructions and directions related to public moneys and stores are duly observed. Any apparent lack of economy, efficiency or effectiveness in the expenditure or utilization of public moneys or stores is reported to Parliament by means of reports to the Minister of Finance and Development Planning.

Botswana Police Service

21.8 The Botswana Police Service protects life and property, prevent and detect crime, repress internal disturbances, maintain security and public tranquility, apprehend offenders, bring offenders to justice, duly enforce laws with which it is charged, and generally maintain peace. The Botswana Police Service is headed by the Commissioner of Police and is supervised by the Office of the President.

Directorate on Corruption and Economic Crime (DCEC)

21.9 The DCEC was established in September 1994 under the Corruption and Economic Crime Act No. 13 of 1994 to prevent and investigate suspected cases of corruption and economic crime. The Directorate is an operationally independent Department of the Ministry of State President. It has three main functions viz;

- (a) Investigation and prosecution of some offenders, the latter being under the delegated authority of the Attorney General;

- (b) Educating the public against the evils of corruption and enlisting their support in the fight against the problems; and
- (c) Preventing corruption and economic crime.

21.10 The following departments fall under the Ministry of Labour and Home Affairs:

Department of Immigration and Citizenship

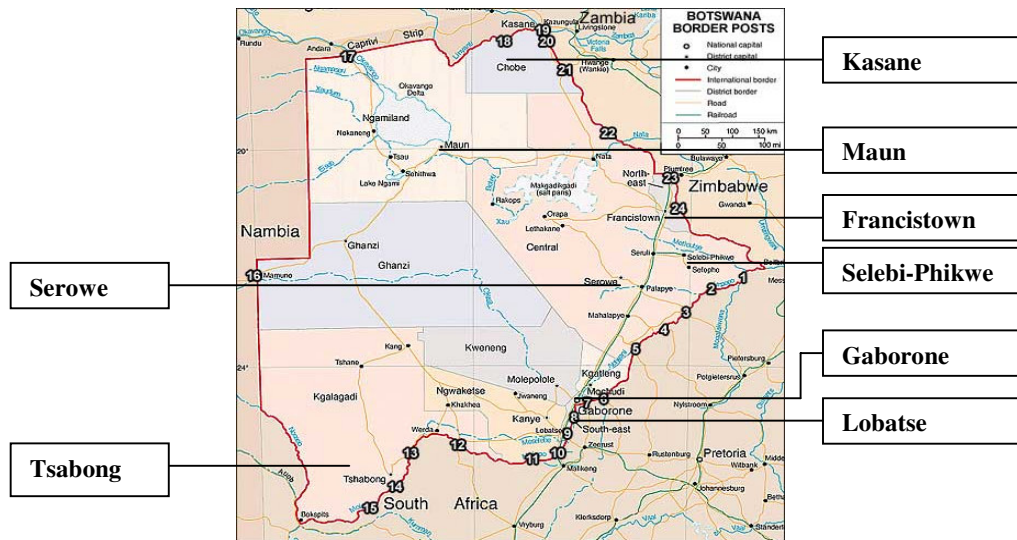
21.11 The role of the Department of Immigration and Citizenship is to protect society against the entrance, residence and movement in and out of the country of people with undesirable behaviour, while at the same time ensuring the smooth passage of genuine travellers. It also offers immigration related services to the public, e.g. passport service and acquisition of Botswana Citizenship.

21.12 The Department has seven divisions. The Migration and Visa Division serves as a secretariat to the National Immigrants Selection Board. It issues visas, visitors' permits, and exemption certificates. It coordinates the activities of the Regional Immigrants Selection Boards. The Investigation and Repatriation Division

coordinates the investigation, repatriation and other immigration related matters. The Passport Division issues passports and deals with matters related to acquisition of citizenship. The Departmental Management Division formulates management policies and coordinates management related activities. The Training and Development Division plans, organises and coordinates training and human resources development. The Planning and Research Division plans and implements the development projects of the department.

21.13 The activities of these divisions have been decentralised to eight regions namely: South Central (with its administrative centre in Gaborone); Southern (Lobatse); Ghanzi/Kgalagadi (Tsabong); Chobe (Kasane); Ngami (Maun); Serowe (Serowe); Selebi-Phikwe (Selebi-Phikwe); and Northern (Francistown). (See map below).

Map 21.1 Botswana Border Posts



Source: Department of Tourism (web site)

NB: The numbers indicate Botswana border posts.

Department of Prisons and Rehabilitation

21.14 The Department of Prisons and Rehabilitation is responsible for the safe custody of people detained under the law. The Department periodically reviews the relevance of Prisons Legislation and where necessary, makes recommendations for amendments. It further recommends and monitors the existence of various committees such as Parole Boards, Prison Councils, Prison Visiting Committees, Prison Advisory Committee etc. as stipulated by the Prisons Act.

Botswana Defence Force (BDF)

21.15 BDF was formed in 1977 by an Act of Parliament in response to incursions into Botswana arising from conflicts in neighbouring states. Since its formation, BDF has played a significant role in security operations and anti-poaching activities. It has undertaken patrols along the borders

with neighbouring countries and mounted roadblocks to prevent entry of weapons from neighbouring countries.

Independent Electoral Commission (IEC)

21.16 The IEC was established by Section 65A of the Constitution in 1997 which also provides for the composition of the Commission. The functions of the Commission are;

- (a) To conduct and supervise elections of members of the National Assembly and Local Authorities.
- (b) To conduct a Referendum.
- (c) To ensure that elections are conducted efficiently, properly, freely and fairly.
- (d) To give instructions and directives to the Secretary of the Commission in regard to the exercise of his/her functions under the Constitution and Electoral Laws generally.

(e) To perform such other functions as Parliament may by law prescribe.

Foreign Affairs

21.17 The Ministry of Foreign Affairs and International Cooperation is charged with the responsibility to develop and manage a conducive environment, enabling Botswana to interact with the international community. The Ministry coordinates foreign relations issues, promotes the interests of Botswana abroad and provides consular and protocol services.

REVIEW OF PERFORMANCE DURING NDP 8

Parliament

21.18 Thirty-eight constituency offices are operational. Consultations are ongoing on the determination of conditions of service for constituency staff. The construction of new Parliamentary offices has been delayed by the outcome of the Balopi

Commission on Sections 77, 78 and 79 of the Constitution of Botswana and the Delimitation Commission following the 2001 Population and Housing Census. Phase II of Computerisation has led to about thirty-four offices in the Botswana Parliament and constituency offices being equipped.

Administration of Justice (AOJ)

21.19 Regular Circuit Courts have over the years been adopted with a view to reducing the backlog of murder and traffic cases. A total of 99 cases were disposed off through Circuit Courts between 1998 and 2001 (Table 21.1). Specialized traffic courts have been established to deal specifically with the backlog of traffic cases in Gaborone and Francistown. Other specialized courts such as family courts will be established as the human resource situation and court facilities improve.

Table 21.1 – Cases in Circuit Court from 1997 – 2001

Year	Number of Cases in Circuit Court	Number of Cases Disposed off	Number of Cases disposed off after Circuit Court
1998	49	40	9
1999	31	24	7
2000	30	11	19
2001	28	24	4

Source: Administration of Justice 2002

21.20 The Administration of Justice has been faced with a shortage of human resources across the board, which has affected its efficiency and effectiveness. The shortages were mainly experienced in the categories of

both the professional and non-professional i.e. magistrates, clerks of court, clerk assistants, Court reporters etc.

21.21 However, the Organisation and Methods Review identified the need for increased manpower at the magisterial level. As a result, 16 additional posts of magistrates were created raising the complement from 42 to 58. These additional posts naturally attracted additional support staff. The need to engage court reporters was also recognized in order to provide accurate court records and expedite court proceedings.

21.22 AOJ has a staff complement of 656 posts as per Establishment Register 2002/2003. In 2000/2001 the Department produced human resource projections, which revealed that the AOJ needed 285 non-professional posts and 174 posts were allocated. There is still a shortage of 161 posts. Planned development projects will require 198 posts.

21.23 During NDP 8, the complement of judges at the High Court increased from ten (10) to twelve (12) out of which six (6) are locals. Plans are under way to localise the Court of Appeal, which is currently 100% non-resident and non-citizen. The Court of Appeal has of late allowed some citizen Judges of the High Court to participate in the Court of Appeal in order to expose them to the operations of the Court and to further build experience.

21.24 The computerized Court Record Management system will be integrated with other stakeholders systems such as Attorney General, Police, Prisons, Directorate on Corruption and Economic Crime, Immigration etc.

Attorney General's Chambers

21.25 Introduction of Information Technology has been successfully

implemented. Almost 80% of the staff of Attorney General use computers on a one-to-one basis and also have been exposed to basic computer skills. Efficiency has therefore been greatly enhanced.

21.26 During NDP 8, the Government continued to experience an exodus of professional staff to private practice. As a result, secondment of a desired number of staff to Ministries and Departments was not possible due to manpower shortage. Since December 1997, three state counsels were seconded to Ministry of Trade and Industry, Independent Electoral Commission and the Central Tender Board. Shortage of staff has contributed to slow delivery of service including the backlog of prosecution of cases. This problem was further compounded by the increase in crime. However, in July 2001, salaries of legal professional staff were increased through an assimilation exercise so as to maintain parity with the salaries of the legal professionals in the Administration of Justice. Thus, the improved working conditions of service resulted in more new graduates joining the Department and the return of others.

Auditor General

21.27 The Local Government Authority Public Accounts Committee (LAPAC) was established in 1999 to strengthen accountability at the Local Government. The Special Operation Unit was set up in 1995 through the Organisation and Methods Review with a view to ensuring that auditing standards and practices are maintained. The audit communication network which was expected to effectively and efficiently help in the audit of computerized systems has not been fully developed due to lack of suitable

accommodation. A special software programme will be required to convert auditees' accounting data into readable form.

Botswana Police Service

21.28 Though crime in all its forms and fronts is intolerable, crimes of particular concern to the nation are as follows: Murder and Attempts, Robberies, Rape and Attempts, Defilement, Burglary/Housebreaking and Theft. During the period 1996 to 2000, the Police dealt with 740,158 offences compared to 552,161

recorded offences for period 1991 to 1995 indicating an increase of 34% over a five (5) year period. A review of the period 1996 – 2000 indicates that the offences increased by 2% from 1996 – 1997. For 1998 and 1999, there was a decrease of 0.14% and 8.7% respectively. The year 2000 saw an increase in crime of 12.61%. For period 1996 to 2000 the following are the total figures of serious crime recorded (Table 21.2):



Police College - OTSE

Table 21.2 – Serious Crimes from 1996 - 2000

Offences	Years					
	1996	1997	1998	1999	2000	Total
Murder and Attempts	207	217	193	219	222	1,058
Robbery	1,172	1,079	1,057	1,160	1,152	5,620
Rape and Attempts	1,101	1,183	1,310	1,345	1,383	6,322
Defilement	83	108	137	143	184	655
House Breaking and Theft	4,383	4,530	4,892	4,623	5,328	23,756
Burglary and Theft	4,599	4,673	4,185	3,259	3,835	20,551
Total:	11,545	11,790	11,774	10,749	12,104	57,962

Source: Botswana Police Service Annual Reports 1996 - 2000.

21.29 Traffic violations remained a source of concern during NDP 8. Table 21.3 shows increases in traffic

accidents of 14.94% from 1996 to 1997, 20% for 1998, 18.50% for 1999, 3.6% for 2000 and 5.0% for 2001.

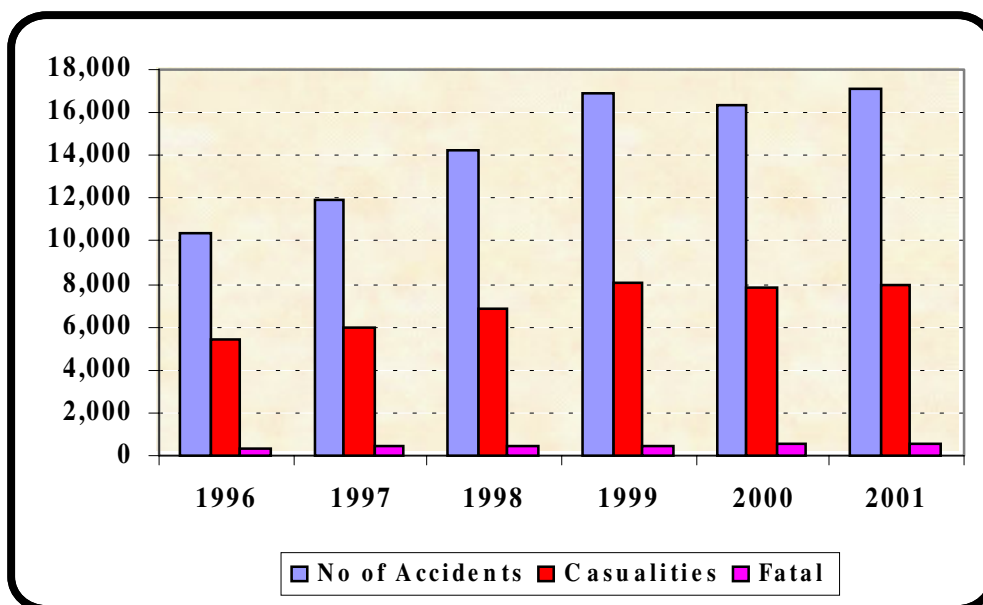
Table 21.3 Road Traffic Accidents

	1996	1997	1998	1999	2000	2001
No of Accidents	10,338	11,882	14,279	16,922	16,313	17,125
Casualties	5,457	5,956	6,887	8,049	7,790	7,945
Fatal	338	411	453	494	528	526

Source: Botswana Police Service Annual Reports 1996 - 2000.

21.30 Road traffic safety continues to be a serious problem in the country, with an average 15,000 traffic accidents annually, of which approximately 500 are fatal injuries.

Chart 21.1 Road Traffic Accidents



Source: Botswana Police Service Annual Reports 1996 - 2001

21.31 The Botswana Police Service will continue in their Annual Policing Plans to target traffic violations in a bid to suppress them. The amendment of the Traffic Act during NDP 8 and the introduction of the automated traffic enforcement system should prove useful during NDP 9.

21.32 All Police Telecommunications projects earmarked for implementation during NDP 8 were completed. Out of the eleven (11) new police stations planned, six (6) were completed, four (4) are under construction, whilst one (1) has been deferred. Overall implementation is 72%. However, only five (5) existing stations were improved during NDP 8 out of the nine (9) planned, while the remaining 4 are under construction.

21.33 Construction of houses fell below the target of 798 housing units. A total of five (5) projects comprising 575 units are complete, whilst nine (9) projects consisting of 223 housing units are under construction. An

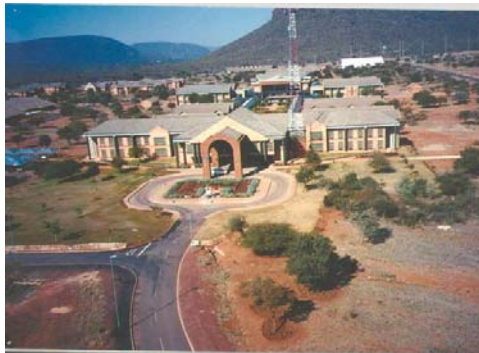
additional 531 emergency houses were allocated to the Police Service to address the problem of accommodation. These are at various stages of pre-contract services.

21.34 The Police establishment increased by 21.65%, from 5,174 to 6,294 posts, between 1995 and 2000. This increase met the requirements of new facilities and extension of the existing stations.

21.35 The New Botswana Police College which offers recruits, in-service and other specialised training is complete together with the training curriculum. The Law Enforcement Academy, which was completed in October 2002, is also offering specialised training.

21.36 The transport fleet increased by 20.4%, from 1,074 in 1995 to 1,293 in 2000. This represents an average of five (5) officers to a vehicle, against the guideline on allocation of transport resources of four (4) officers to a

vehicle. These figures include motorcycles, buses of all sizes, recovery vehicles and trucks.



Police College - OTSE

Directorate on Corruption and Economic Crime (DCEC)

21.37 The Directorate's long-term objective to achieve a corruption free society and the development of opportunities for partnerships with the public, civil society and other stakeholders to tackle the volume of corruption and economic crime.

21.38 Substantial progress has been made during the period under review. The construction of a purpose built headquarters has been completed. A total of 24 housing units in Gaborone and 4 in Francistown have been acquired. An additional 49 houses would be built during the last year of NDP 8.

21.39 The DCEC's Information Management System will be completed by the end of the plan period. This system provides for complete computerized management of cases. The system removes the need for the maintenance of case files, improves supervision and accountability as well as easing retrieval of information.

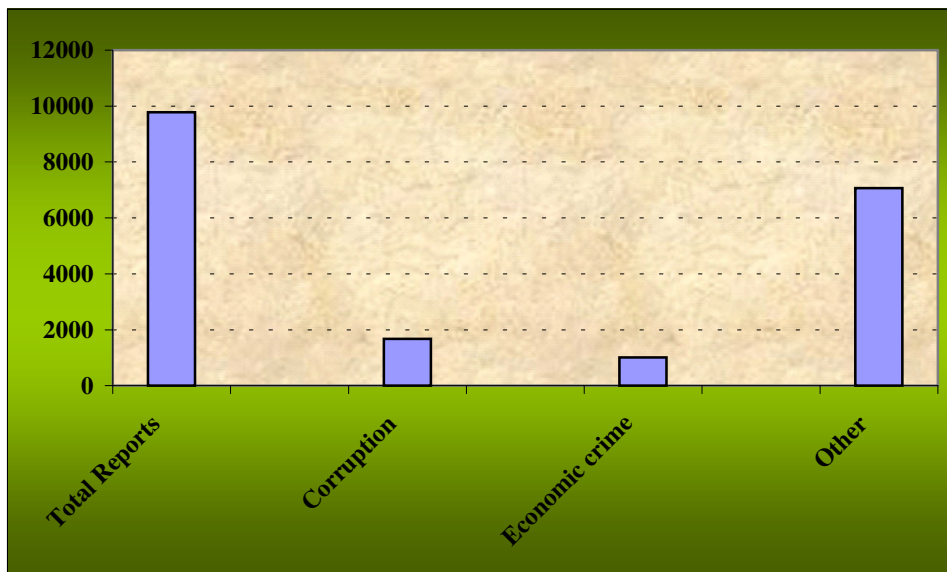
21.40 During the period under review, the Directorate embarked on a

number of investigations, some of which were high profile, and which subsequently led to successful prosecutions and convictions. Almost all high profile investigations either occurred during its formative stage or prior to its formation. Of all complaints made to the DCEC, 74% of the complainants identify themselves to the Directorate.

21.41 During NDP 8, the DCEC also embarked on a vigorous publicity campaign aimed at fostering public support and reducing opportunities for corruption and economic crime. This was done through print media, production of posters, erection of bill boards at strategic places and through conducting management assignment studies on Government and parastatal organisations to address identified weaknesses in the systems and procedures that could lend themselves to corrupt practices.

21.42 Anti-corruption strategies focusing on making corruption a high risk and low return undertaking have been developed and continue to be implemented. DCEC has realised a slight increase of 4.25% in the number of reports it has received even though incidents of corruption and economic crime remain constant.

Chart 21.2 – Incidents of Corruption and Economic Crime



Source: Directorate on Corruption and Economic Crime, 2002

21.43 As will be seen in Chart 21.2 a total of 9,772 cases were reported since inception. Of these, 1,680 (17.2%) were pursuable allegations of corruption and 1,016 (10.4%) of economic crime. The remaining 7,076 reports (72.4%) were either about matters outside DCEC’s remit or could not be pursued for lack of information or specificity.

Table 21.4: Investigations Commenced

Year	No of Investigations Commenced
1994	172
1995	409
1996	417
1997	329
1998	334
1999	291
2000	394
2001	381

Source: Directorate on Corruption and Economic Crime, 2002

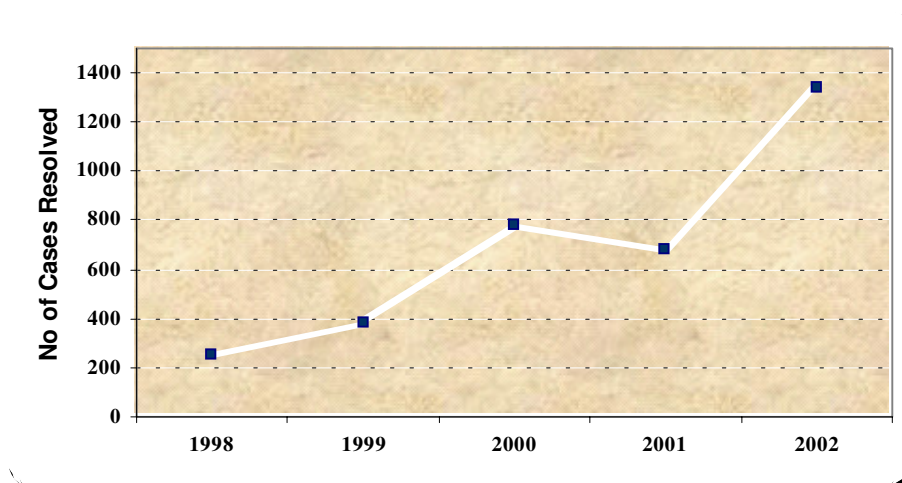
21.44 A total of 2 727 cases have been investigated, with others ending in prosecution and resulting in mixed results (Table 21.4).

Ombudsman

21.45 From the inception in 1997 up to the end of 2002 more than 3,400

(Three Thousand Four Hundred) complaints concerning the Public Sector had been received and resolved. A much greater bulk of the complaints were jurisdictional and were investigated and resolved as was necessary. Between 1999 and 2000, there was a sharp increase as depicted by Chart 21.3.

Chart 21.3 – Cases Resolved 1998– 2002



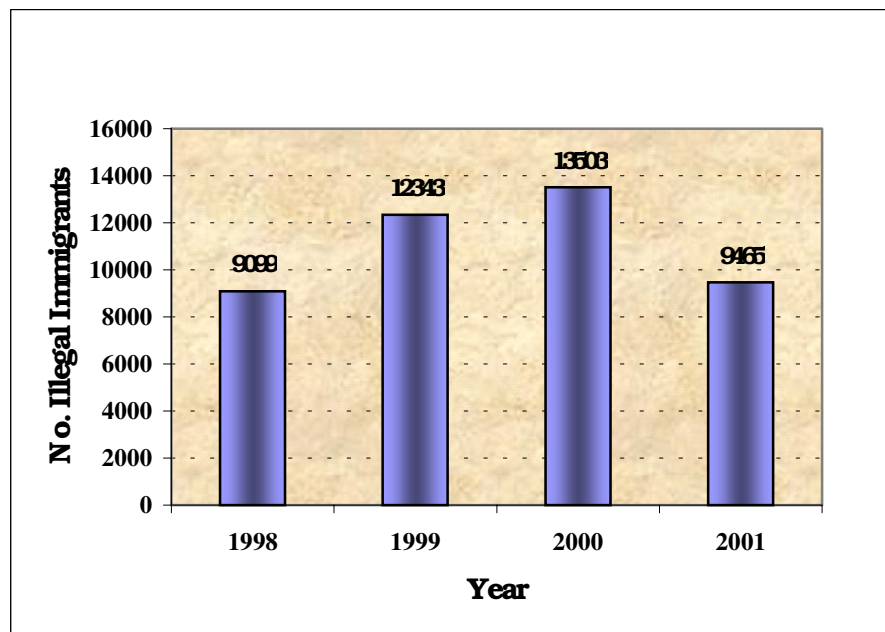
Source: Office of the Ombudsman 2002

Immigration

21.46 Government is in the process of computerising some of its key functions namely: computerisation of thirteen border posts and five passport-issuing centres. The new passports will be machine readable with improved security features. The roll out of the remaining border posts will be considered during NDP 9.

21.47 In order to drastically reduce the number of foreign nationals residing illegally in Botswana and to discourage Botswana from aiding and abetting unlawful entry, the Immigration Act will be amended to introduce stiffer penalties.

Chart 21.4 – Illegal Immigrants 1998 – 2001



Source: Department of Immigration and Citizenship, 2002

Prisons and Rehabilitation

21.48 The Prisons Service had committed itself to undertaking a number of initiatives. The Pre-Release Training Policy is awaiting approval and implementation of the scheme will be continued in NDP 9.

21.49 The Research Unit was to be strengthened by computerizing it to enable it to capture and store relevant information about prisoners and ex-prisoners so that rehabilitation programmes can be monitored efficiently. Computers have been secured and training of officers and networking are ongoing.

21.50 In line with the ideal of a Compassionate, Just and Caring Nation of Vision 2016 for Botswana, Government is concerned about congestion in prisons. To this end, certain measures were taken during NDP 8 to address the problem. Two

prisons in Tshane and Letlhakane and a Centre for Illegal Immigrants in Francistown have been completed. Projects, which have been started in the last half of the Plan are; Boys Prisons at Moshupa and expansion of Selebi- Phikwe, Maun and Ghanzi Prisons.

21.51 The Prisons Act was also amended which led to an increase in the extramural qualifying sentences from six months to twelve months and allowing release of terminally ill inmates on Home Based Care. The amendment resulted in major reduction in prison overcrowding from 126% to 89%.

21.52 Prison Standing Orders and Scheme of Service were reviewed and amended in order to improve service efficiency. The primary consideration under officers' welfare is shelter as

espoused by Vision 2016. However, only three units of three storey low cost flats were built in Gaborone.

Independent Electoral Commission

21.53 The Commission conducted the 1999 General Election assisted by a Team of Experts to evaluate its performance in the conduct of the elections. The Commission has also conducted 13 by-elections including one re-election since the 1999 General Election. Another major development for the Commission is the National Referendum on the Judiciary, which was conducted on 3rd November 2001.

21.54 The IEC commissioned a Voter Apathy Study as a result of the diminishing voter turnout at elections. The findings will form a basis for voter education strategies, which will be integrated into the larger voter education curriculum.

Defence

21.55 During NDP 8, the Botswana Defence Force took part in the restoration of Law and Order in Lesotho under the auspices of SADC.

21.56 Additional housing units, barracks and blocks of bachelor flats were completed at Thebephatshwa and Glen Valley. Other projects scheduled for completion are the Francistown housing and auditorium and mess facilities, Mogoditshane and Glen Valley Clinic. The Tsabong and Ghanzi camps were deferred.

Foreign Affairs

21.57 Recognising that the international scene within which the Ministry of Foreign Affairs and

International Cooperation operates calls for a size and level of organization which matches the same level and scope of operation of counterpart organizations world-wide, Government has been taking appropriate measures to enhance the overall efficiency and effectiveness of the Ministry.

21.58 The Department of Foreign Affairs was upgraded to a fully-fledged Ministry. This enhanced institutional status will help in improving the Ministry's capacity to effectively execute its mandate.

21.59 The Ministry of Foreign Affairs and International Cooperation has been restructured into five (5) Departments and one (1) Division as follows; Department of Ministry Management, Department of Multilateral Affairs, Department of Protocol and Consular Matters, Department of Africa/Asia Affairs, Department of Europe and American Affairs and the Division of Information and Research.

STRATEGY FOR NDP 9

Parliament

21.60 Through its Strategic Plan, Parliament has undertaken to provide well-read and researched legislative advice, prudent resource management, transfer and application of information technology skills, availability of researched information and staff development and growth. Strategies include; production of a legislative manual on parliamentary practices and procedures; use of information technology; development of an information database for Bills, policies etc; review of existing resource management systems and training.

Administration of Justice

21.61 One of the goals of the Administration of Justice in its strategic plan is to promote greater access to justice through the provision of appropriate infrastructure in rural and urban/peri-urban communities. This need was also in response to Vision 2016 where it was observed that; “The availability of courts and other disputes settlement agencies is presently concentrated in the major centres, and there are delays in the processing of disputes as well as in the enforcement of decisions. The challenge is to extend these facilities to rural areas”

21.62 Efforts are continuing to bring down the backlog of cases. All disputes will be resolved in a transparent, professional and timely manner. Some of the activities geared at achieving that are:-

- Registering all cases immediately upon receipt.
- Instituting delay reduction system.
- Training stenographers/court reporters
- Accessing of the Internet by all Judges and Magistrates
- Equipping the library.
- Serving, enforcing and executing court orders in a transparent, professional and timely manner and developing professional standards.
- Legal Division to focus on reduction of backlog as a breakthrough improvement area annually.

21.63 The ongoing computerization of the registries will assist in the management of cases and further give accurate information on the status of cases, the backlog, the rate of disposal and causes for delays. It will further help in tracking every case that has been reported in the courts.

21.64 The other method introduced to deal with the backlog of cases is the introduction of the traffic courts in Gaborone and Francistown.

21.65 Temporary courts have been held in Gaborone to help clear the backlog in traffic cases. Four (4) temporary magistrates from the private practice took part in that exercise and a lot of cases were disposed of, although some remained pending.

Attorney General’s Chambers

21.66 In keeping with the aspiration of Vision 2016 to restore public confidence in the Criminal Justice System, to tackle serious and violent crime and public legal education and awareness, the Attorney General’s Chambers has identified five (5) Key Results Areas. Timely dispensation of Justice; Lawful Government decisions; Certainty of Ownership of Land; Customer Satisfaction; and Motivated Staff are the most critical areas in the delivery of the core business.

21.67 Prompt delivery of professional legal services is to be secured through decentralization of services by establishing regional offices as well as secondment of more staff to various Ministries and Departments.

21.68 A drafting instructions manual will be developed, which, it is hoped, will substantially improve the quality of legislative drafting instructions and

lend to the completion of drafting legislation in the shortest possible time.

21.69 In order to retain staff, their motivation has to be enhanced not only through adequate salaries but also through the provision of adequate support services, maintenance of adequate staff levels as well as training. Decentralisation of legal services to Francistown will necessitate increases in human resources as well as vehicles for transportation of state counsel to out stationed courts in the northern part of the country.

21.70 In response to HIV/AIDS epidemic, Attorney General will:

- ♣ Educate the public on the legal aspects of HIV/AIDS through the Public Relations office when established
- ♣ Mainstream legal aspects of HIV/AIDS in legal education programmes with the ministries
- ♣ Develop and provide legal advise to government on HIV/AIDS issues
- ♣ Reflect HIV/AIDS issues in the drafting of laws, agreements, and conventions

Auditor General

21.71 During NDP 9, the Auditor General will endeavour to provide high quality audit services in order to satisfy customers and promote accountability and transparency in the public sector. The Auditor General will develop strategies for the provision of professional support to the Public Accounts Committee in order to enhance good governance. With increasing public consciousness, the demand for public accountability of persons or entities entrusted with

management of public resources has become increasingly evident. There is, therefore, a greater need for the accountability process to be in place and operating effectively.

Botswana Police Service

21.72 During NDP 9, the police will aim at achieving the following:

- ♣ To reduce crime and make communities safer.
- ♣ To eliminate physical violation of individuals.
- ♣ Improve communication through extensive use of information technology and an increased transport support.
- ♣ To reduce the number of deaths and serious injuries on the roads.
- ♣ To enhance the effectiveness of Crime Prevention initiatives.
- ♣ To improve crime detection.
- ♣ To mainstream HIV/AIDS into core business.

21.73 To achieve these aims it will be necessary to:

- ♣ Implement the new curriculum at the Botswana Police College.
- ♣ Review existing transport and communication equipment.
- ♣ Develop the Police Forensic Laboratory and Forensic Service.
- ♣ Increase patrol coverage (police visibility)
- ♣ Ensure availability of sufficient police offices and residential accommodation.

- ♣ Introduce traffic control and enforcement system in major roads.

DCEC

21.74 The workload facing DCEC's investigators has grown considerably. The optimum number of cases per investigating officer is five (5). To reach this target and sustain it, and hence give the public the level of service they are entitled to, further investigators are needed. In addition, an analysis of the geographical distribution of the investigation caseload reveals the need to establish a base in the north, which will speed up throughput of cases arising in and around that area.

21.75 DCEC's establishment is planned to increase gradually from 153 to 213 posts. DCEC has established a strong internal infrastructure for staff counseling on the problem of HIV/AIDS and this has been streamlined into its strategic plan. Ways will be explored during NDP 9 of inculcating HIV/AIDS prevention messages into, and without diminishing, its anti-corruption public education campaign.

Ombudsman

21.76 One of the ideals of Vision 2016 is a future for Botswana with a community-oriented democracy with strong decentralized institutions. The Office of the Ombudsman will ensure that this ideal future is attained through promotion of good governance. The office will also promote accountability and transparency in the Public Sector. There will be two centers in the whole country to coordinate investigation activities, namely, Gaborone as the office headquarters and Francistown as a branch office. However, circuit

investigations will be conducted on a regular basis to enable as far as possible accessibility to Ombudsman services by the less privileged communities who reside far away from these centers. Such will, in some instances, be carried out on a quarterly basis.

21.77 The Office of the Ombudsman aims to achieve the following:

- Promote Good Governance and Responsible Leadership.
- Reduce investigation time of throughput from 12 to about 6 months.
- Intensify public awareness campaigns.
- Establish investigation centres nationwide.
- Conduct quarterly circuit investigations countrywide.
- Improve accessibility.

Strategies

21.78 The following strategies will be employed:-

- Implement Performance Management System.
- Recruit more staff to expand the investigations and support services teams.
- Review existing investigative procedures and strategies.
- Start a public relations (Communications) office.

- Install and maintain a computerized case management system.
- Send staff on long and short-term training programmes.
- Expand the Computerized Case Management system.

Independent Electoral Commission

21.79 The IEC has the responsibility of ensuring that elections are conducted efficiently, properly, freely and fairly within the requirements of the Constitution and Electoral Laws generally, in that way upholding one of the national principles of Botswana, which is Democracy.

Objectives

- ♣ The IEC will intensify voter education on democratic principles and practices.
- ♣ The voter education will be shared with all stakeholders and the Ministry of Education with the view to infuse its aspects into the schools curricula.
- ♣ Political parties will be involved in the voter and civic education.

Immigration

21.80 In order to attain a Prosperous, Productive and Innovative and Safe and Secure Nation, Government will computerize its major functions and engage in staff development. Additional offices and staff houses to alleviate accommodation problems will be provided.

21.81 Computerisation of services will result in greater improvement and efficiency at which services are provided to the public. Given the importance of tourism in Botswana, there is need to improve efficiency in facilitating movement of people in and out of Botswana, thereby also assisting in trade integration in line with globalization.

21.82 Regional immigration boundaries will be aligned to those of District Administrative boundaries where possible. However, additional resources would be required to establish more regional offices.

Prisons and Rehabilitation

21.83 The overall objective of the Prisons Service is to provide effective custody and rehabilitation of prisoners, so that they might be productive and law-abiding citizens. Given the level of overcrowding in prisons, completion of ongoing projects will not effectively address the problem. If the number of prisoners were to remain constant, overcrowding would be reduced by 50%.

21.84 The Prisons Service plans to intensify training of prisoners by building five (5) industry workshops and two (2) libraries and five (5) clinics to accord the inmates easy access to primary medical care and hospital facilities. With the prevalence of HIV/AIDS, the Service is committed to ensuring that the inmates are given access to the clinics for counseling, anti-retroviral treatment etc.

21.85 Botswana is experiencing serious forms of crime, some of which were unknown to the country in the past years. Such offences attract heavy sentences and those convicted of the

offences resist custody. Therefore, a maximum-security prison will be designed.

21.86 The following policies are planned;

- ♣ A policy on the computation of sentences in line with relevant laws to facilitate easy understanding of the principles involved.
- ♣ A policy on custody and searches of prisoners in order to enhance operational efficiency of the Service
- ♣ A policy on the training of prisoners so that there are standards for rehabilitation of prisoners.
- ♣ A Personnel Policy Manual.

Botswana Defence Force

21.87 To minimize the problems of incomplete or unattended projects, the BDF will, in addition to the services provided by both the Departments of Architecture and Building Services and Electrical and Mechanical Services, increase internal capacity by outsourcing to the private sector, including the Botswana Housing Corporation (BHC).

21.88 The BDF has a large deficiency in all types of equipment, vehicles and infrastructure, especially living accommodation, etc. These deficiencies hinder the operational role of the Force. Stability in Botswana should not reduce the readiness and efficiency of the BDF. It is imperative that the BDF acquires a professional, modern, mobile and accountable force capable of promptly responding to a wide range of internal and external challenges. The BDF is a major tool

used to realize the security objectives of the National Strategic Vision 2016.

21.89 The larger share of the BDF's development expenditure will go towards addressing commitments on military equipment and infrastructure. The major strategic goals of the revised policy will be the consolidation of the achievements attained in the past and repositioning the country afresh for new challenges that will arise in the 21st Century.

Foreign Affairs

21.90 The responsibility for foreign affairs falls under the Ministry of Foreign Affairs and International Cooperation. The Ministry will coordinate and facilitate the fine-tuning of Botswana's dealings with the outside world to ensure that the country derives maximum benefit from its interaction with the international community. Areas of particular attention will include:

- Beefing up of bilateral relations;
- Re-enforcing regional cooperation and integration;
- Coordinating foreign relations;
- Employee motivation;
- Operational efficiency and effectiveness
- Contributing to causes of international concern.

21.91 The Ministry of Foreign Affairs and International Cooperation will strengthen its cooperation with other Ministries to promote Botswana's interests, particularly in the areas of bilateral cooperation, regional integration, promotion of peace and security, consular services, investment and tourism promotion and international trade.

21.92 Recognising the key role that the Ministry of Foreign Affairs and International Cooperation plays in the development of the country, and potential of the HIV/AIDS epidemic to derail its realization, during NDP 9, the sector will undertake HIV/AIDS programmes as follows:

- To develop a workplace policy on HIV/AIDS
- To mainstream HIV/AIDS issues into the training curriculum of diplomats
- To develop mechanisms for regularly updating foreign missions on the state of the epidemic to enable forge linkages with the international community for assistance in combating the epidemic
- To empower diplomats to engage in effective dialogue with host countries for support

