

STATE OF THE NATION ADDRESS BY H.E. THE PRESIDENT, MR. FESTUS G. MOGAE, TO  
THE SECOND SESSION OF THE NINTH PARLIAMENT (7/11/05)

"RENEWAL THROUGH MUTUAL RESPONSIBILITY"

INTRODUCTION

1. Mr. Speaker, as always it is an honour for me to enter this hall of the people, in order to address the nation. At this the opening of the second session of our Ninth Parliament, it is once more my task to speak about the challenges our country faces and what my Government proposes we should do about them.

2. In speaking of "we" I do not here refer to members of my Government alone. I do not even confine my words to the Honourable Members sitting on both sides of the aisle before me.

3. True, as the duly elected representatives of the people, and thus custodians of their collective aspirations, it is for members of this House to take the lead, be it in Cabinet, on the backbench, or among the loyal opposition. But, in a democracy such as ours, "we" in the end must refer to "we the people", that is all of us. By casting their ballots it is they who give us our mandate.

4. The truth of this was once again reflected in the recent by-election in the Gaborone West-North constituency, which was necessitated by the untimely death of our late colleague and brother Paul Rantao. I believe all of us here were privileged to have known "Ostrich" for his good humour, as well as his many and varied public contributions. I am sure, therefore, that I speak for this entire House when I say that his presence shall be deeply missed.

5. The people of Gaborone West-North have since chosen a new representative. And so today I am also pleased to acknowledge the presence amongst us for the first time of Honourable Otsweletse Moupo. This is not, because I expect him to necessarily see the good sense in everything I am about to say. I am sure we shall find some grounds to differ now and again.

6. Our nation's four decades of uninterrupted multi-party parliamentary democracy should, however, remind us all, that we are part of something that transcends individual political careers and rival manifestos. As I have said on previous occasions, the progress that our country has undeniably achieved since our first general election, back in March 1965, would not have been possible in the absence of a collective vision among Batswana about how they wished to see their country progress.

7. Thus it is that, even as we have debated our differences over the course of nine general elections, and the by-elections in between, so too have we all along continued to travel together to our mutual destiny, meeting and overcoming challenges along the way. And so I say once more that, that which divides us as Batswana should (I am confident shall) remain less than that which binds us together. In this way, our differences in political perspective will continue to be a reflection of our strength in diversity.

8. Let us here rededicate ourselves, as leaders, to the nurturing and maintenance of a moral and tolerant society. We, in particular, ought to be explicit in recognising, that the proponents of various political and social views in our country are neither "bootlickers" nor "sycophants" nor indeed any of the other epithets that have, of late,

all too frequently found their way into the polemics and rhetoric of a few, mostly in the opinion press.

9. Our supporters, that is those who speak both for and against my administration, are individuals who are exercising their responsibility as citizens to stand up for what they believe is best for their country. As such, they are all patriots. While we can agree to disagree, let us also agree that in our mature democracy all voices shall continue to be respected even as they are challenged and/or opposed. Mmualebe o bua la gagwe! Ga a tshwanela gore a rogwe; Gape go itse matlhapa gase yone thutego.

#### Key Challenges

10. Mr. Speaker, like any community, we Batswana continue to face common challenges. Living as we do in an era of globalisation, it is inevitable that these obstacles are both internal and external in their origin. Likewise our efforts to overcome them will require external outreach as well as internal initiative.

11. Here, from the beginning, let me emphasise that while Government is prepared to play a leading role, meeting the challenges we face will require combined efforts and collective sacrifice. In the end, we the people need to ensure, that all segments of society - employers and employees, civil society and the public service, producers and consumers - each play their part.

12. It should come as no surprise to the members of this House, when I say, that the principal economic and social challenges that confront us are not new. That is why overcoming them has been and remains the focus of our National Development Plan (NDP 9).

13. At the beginning of the current planning process that is in 2003 we specifically identified as a key priority the need to realise greater economic diversification in order to create additional employment opportunities and further reduce poverty, through sustainable growth. We also recognised that such outcome would require continued macro-economic stability and financial discipline, as well as public sector and policy reforms.

14. Our economy has, contrary to the panic pushing of some, been growing at a respectable average rate of 4.7% per annum during the first half of NDP 9. This is, however, below our own original target of 5.5% per annum. To a great extent the shortfall is due to lower than desired growth in the non-mining sector.

15. Of course, our aggregate growth figure does not reflect the reality of uneven progress. We must also be concerned about the imbalances that exist in the expansion of the different sub-sectors of our economy.

16. The constraints to more balanced growth can, in part, be attributed to such immediate factors as, until recently, the real exchange rate appreciation of the Pula, persistent drought and the inflationary pressure of unfavourable international conditions, such as the skyrocketing cost of fuel. As a result the non-mining sectors are now expected to record a combined annual growth of 5.4%, rather than the 7.7% that was originally targeted.

17. Honourable Members, underlying all our economic challenges is the stubborn fact that our economy continues to be heavily

dependent on diamond mining, which unless and until significant new production comes on stream, has come close to achieving optimal production levels.

18. As we all know, by their very nature our diamond mines are capital, rather than labour, intensive. While this has contributed to their status as being among the world's most profitable and productive operations, it also means that the need to provide greater employment opportunities elsewhere remains a challenge.

19. Given this reality we have no choice but to continue in our efforts to promote greater diversification by attracting additional domestic as well as foreign investment in the promotion of productive alternatives. In this we should not be confounded by the fact that our efforts, hitherto, have yielded more modest results than we might have hoped for.

20. Given our geography as a landlocked and semi-arid country with high transport costs; Given our small internal market and high utility costs; Given the undoubted advantages of our regional and international competitors; and, perhaps above all, Given the unequal, as well as highly competitive, nature of global trade and investment flows; we have all along known, that the path to greater economic diversification would be difficult.

21. It has been due to this awareness that there are no quick fixes to our dependency, that we tasked institutions, such as the Botswana Development Corporation, Botswana Export Development and Investment Authority (BEDIA) and the National Employment, Manpower and Incomes Council (NEMIC), to drive our efforts to attract investment.

22. Significant reforms to streamline the issuance of work and residence permits are now in the pipeline for the coming year. These include the merging of the two permits into one and the continued expansion of regional screening capacity. The latter has already resulted in a significant reduction in the backlog of applications, from over 10000 in July of this year to less than 1000 now. It is our goal by the end of the year to remove the backlog entirely and with it the need to issue waivers.

23. As a further reform, the burden of permit renewal will shift in 2006 from the permit holder to the immigration department. In the process the need for people already granted residence to wait in lines to seek renewals and or three month waiver extensions will be eliminated.

#### Unemployment

24. Mr. Speaker, when it comes to the challenge of unemployment, we are especially mindful of the particular distress that the current scarcity of vocational opportunities causes our first time job seekers. It is a sad irony that today's youth, who are undoubtedly the best educated and trained generation our country has yet produced, should be frustrated in turning their potential into gainful employment.

25. For the welfare of our sons and daughters, and for the greater good of our country, we must find the means to ensure that their talent is not squandered in idleness. Addressing this problem will thus be a major priority for the remainder of NDP 9. Some of the immediate policy measures I propose, to help alleviate the youth unemployment are as follows:

\* Increase the number of Junior Secondary School Leavers who continue to Senior Secondary and vocational training to ensure that the progression rate

to the Senior Secondary Schools or vocational training centres rises to 83% by 2009.

\* Upgrade the quality of Brigades.

\* Expand the Crash Training Programme to enhance skill acquisition.

\* Substantially augment the resources available to the Ministry of Labour and Home Affairs for the Youth Promotion Programme.

\* Create a window under CEDA to provide agricultural loans for graduates of agricultural training institutions.

\* Improve the coordination of youth programmes among the various institutions receiving Government support, and

\* Push forward with a review of Government hiring criteria to remove unnecessary barriers, such as overly stringent experience criteria, that undermine our ability to recruit otherwise qualified and capable Batswana into the public service.

26. We here recognise that the above steps will not, by themselves, end youth unemployment. This is a burden that is proving intractable, even in some of the world's most advanced economies. And so we must continue to seek long-term solutions, which inevitably bring us back to the need for diversification.

#### Social Challenges

27. Mr. Speaker, in addition to economic concerns, our country has to increasingly confront stark social challenges that threaten to negate the harmony that has for so long been a hallmark of our community. The escalation of violent crimes, such as, murder, rape and armed robbery, is disturbing. To counter this blight we shall continue to invest in the upgrading of our police service so that it is equipped and trained to meet the evolving demands of domestic and regional law enforcement.

28. But, we also recognise, that better policing, in itself, is not the entire answer. We also need to find ways of reinvigorating our sense of community.

29. It will require mutual responsibility, for instance, for us to begin to curb the terrible phenomenon of so-called "passion killings". While it is easy to blame the police or others for alleged lapses after one of these heinous crimes has occurred, if we are true to ourselves we should acknowledge, that it is not possible for those tasked with upholding our security to keep a 24 hour watch on each and every potential culprit. As a preventive measure they shall, however, investigate threats to kill, and, where appropriate prosecute offenders. Mutual responsibility dictates that none of us should be indifferent to circumstances that place others at risk.

30. In my own view, it is also important, that we stop romanticising these wanton acts of murder. In this respect, the continued mis-labelling of them as "passion killings" only serves to further mystify their nature. Clearly these terrible acts are devoid of any passionate quality. They are rather outpourings of hatred and rage, which may have their roots in untreated depression and/or misdirected feelings of personal inadequacy.

31. For now, there is no consensus on causal factors behind

what has become an upsurge of misogynist violence in our society. Of late a number of well meaning individuals have approached me with their own proposals to address this matter more deeply, which are being urgently considered.

32. In the meantime, we shall continue to condemn these crimes, and in the process take exception to those instances, in which our media appear to be unduly fascinated by the perpetrator, rather than sympathise with his victim. We should also acknowledge that we need to be open-minded in seeking better answers as to what motivates this evil in order to bring it to an end.

33. Looking more broadly at the many emerging social challenges we face, from rape and domestic violence, to incidents of anti-social behaviour, as well as the carnage on our roads and the continued spread of HIV, it is clear that alcohol is an aggravating factor. This is why my Government is committed to enforcing regulations that will promote more responsible drinking among those who are entitled and wish to do so, while stopping those who would profit from the poisoning of our minors. The 2003 Liquor Act and its recently approved regulations, thus, aim to place stricter control on the supply of liquor.

#### Developing Society

34. Mr. Speaker, an external economic observer recently described Botswana as a low income country with a high income lifestyle. To the extent that this is true, it should remind us of the constant need to live within our means. Let us be wise enough to humbly recognise that, notwithstanding the assertions of some, including exaggerated international estimates of our per-capita wealth based on Purchasing Power Parity criteria, we are not a "rich country". By any reasonable measure of our actual income and assets - human and material, as well as financial - we are still very much a developing society, located within a marginalized continent.

#### Teamwork

35. Mr. Speaker, given the immensity of the challenges we face as Batswana, we also need to demonstrate, both to ourselves and the world that we can compete together as a team. The time has come for us to once and for all put aside the so-called "PHD" (i.e. Pull Him/Her Down) Syndrome, which debilitates indigenous creativity and entrepreneurship. If we look around the world, it is clear that the most successful societies have always been those whose citizens compete as a team, aiming at the goal in front of them.

36. If we are to be serious about realising our goals through greater synergy we must also turn our backs on the negativity of those who prefer to champion envy than celebrate success amongst us. I applaud the fact that voices are now being raised against the debilitating tendency of our more polemical press to be dismissive of any and all domestic accomplishment, as if the mere acknowledgement, that the glass may be half full would undermine their own incessant insistence that the sky is falling all around. No society, no matter what the nature of the challenges it faced, has ever progressed by wallowing in negativity.

37. As Batswana, let us therefore empower each other, rather than pull each other down. This again will call for a greater degree of mutual responsibility and respect. In the end we should look within ourselves for support, with the knowledge that no one else in the world owes us a living.

38. Honourable Members, in confronting our current challenges we do have the advantage of building on past progress. The Mid-Term Review of NDP 9 will be formally presented to you in the course of this sitting.

#### The Pula's Exchange Rate

39. One of the major constraints to more rapid growth and diversification has been an overvalued currency. In May this year, it was thus deemed necessary to introduce a crawling peg exchange rate mechanism. This was to prevent the Pula from being misaligned for extended periods of time, thus requiring large periodic adjustments.

40. In order to lay a solid foundation for the new mechanism, it was also necessary to correct the existing overvaluation, and hence the 12% devaluation of the Pula last May. This has enhanced predictability and stability of the Pula's exchange rate. For example, its exchange rate with the U.S. dollar since the devaluation has been stable at about 0.18 or five pula fifty-five thebe. This happens to have been its average exchange rate for 2002 and higher than that of 2001.

41. In any country, an overvalued currency means that the cost of locally produced goods and services, which generate local employment and income, becomes too high. If the cost of our beef or diamonds is overvalued in today's competitive global market; if our tourist facilities become too expensive when compared with those found elsewhere; if our labour costs are not competitive by international standards, all Batswana will pay the price. No economy can sustain itself without domestic production to balance its imported consumption.

#### Financial Management and Discipline

42. Another issue of serious concern is the lack of financial management and discipline amongst some local financial enterprises. Cases of poor corporate governance have been reported on the part of some non-banking institutions such as insurance companies and pension funds. In this regard a Non-Bank Regulatory Authority Bill is being drafted for submission to this Honourable House during the forthcoming budget meeting.

#### Partial Cost Recovery

43. Cost recovery is another policy every Motswana should accept so as to ensure that we do not live beyond our means. People must realize that for the various programmes provided by Government to be sustained and even improved in terms of coverage and quality, those already benefiting and who can afford to do so must be prepared to pay a small proportion of the cost. Partial cost recovery is a form of "Ipelegeng" and should be understood as such.

44. Of immediate interest in this regard is the introduction of partial cost recovery in education with effect from January 2006. I wish to again re-assure the Nation that, in the implementation of this partial cost recovery, adequate safeguards will be made to ensure, that those genuinely unable to pay are not denied the services they require.

#### Citizen Empowerment

45. Mr. Speaker, there is not and can not be, greater economic empowerment of citizens by their government than through the provision of education. The Government of Botswana has, from day one of its existence, first subsidised, then when the budgetary situation improved, provided free education. In keeping with the principle of mutual responsibility, and now that budgetary constraints have once more made themselves felt, Government is asking parents to make a 5% contribution.

46. How any parent, with a modicum of love for his/her child can find this unacceptable eludes my apprehension. I do not know what such parents, if they exist, would have done if they lived in some other country. We have said that only parents who can afford it would be required to make the contribution, which for Junior Secondary Schools in the coming year will amount to twenty-five pula a month. Otherwise we shall still guarantee each child a minimum of ten years of education, with primary schooling remaining free.

47. Over and above education, Government has, over the years, provided special schemes for further citizen economic empowerment. There has been the Botswana Enterprises Development Unit (BEDU), the Bull-Subsidy Scheme, Services to Livestock Owners in Communal Areas (SLOCA), Arable Lands Development Programme (ALDEP), Accelerated Rain Fed Arable Land Programme (ARAP), the Small Borrowers Fund administered by NDB, the Financial Assistance Policy (FAP), Small, Medium and Micro Enterprises Programme (SMME), and now Citizen Entrepreneur Development Agency (CEDA).

48. Our economic empowerment efforts differ from that in some countries where wealth and enterprises have already been created. In Botswana, citizen empowerment necessarily entails enabling citizens to create wealth and enterprises for themselves. The schemes I have just enumerated were all either grant or subsidy schemes. Most of them were, and to some extent still are, misused and abused by Botswana. Consequently progress has been less than dramatic.

#### Business and Economic Advisory Council

49. Mr. Speaker, I established the Business and Economic Advisory Council in September. It is to advise Government on a comprehensive Strategy for accelerated Economic Diversification and Sustainable Growth, as well as identify critical policy and other measures necessary for the success of the strategy. The membership of the Council includes nationals and non-nationals from the public and private sector. Hon. Members will appreciate that it is necessary to infuse innovative and bold perspectives into our thinking, planning and execution mechanisms if Botswana is to take maximum advantage of global investment, trade and other opportunities. The Council will also formulate an Action Plan and identify key projects that will provide initial impetus to economic diversification.

#### Trade & Investment

50. Mr. Speaker, the development of trade and industry is a gradual process that involves the identification, formulation, review and implementation of various policies and programmes as well as the enactment of legislation and implementation of appropriate strategies. In this regard, Government will continue to pursue its mandate of attracting investment flows, developing local entrepreneurship and increasing market access for locally produced goods and services. The purpose is to achieve the growth and diversification of the economy, as well as reduce poverty and unemployment.

51. To improve investment flows, there is a need to

expeditiously remove the administrative and regulatory bottlenecks identified by the Foreign Direct Investment Advisory Service (FIAS) Study of the World Bank. My Government has already started implementing the recommendations of this study and has assigned the National Employment, Manpower and Incomes Council (NEMIC) the responsibility to coordinate the exercise and report progress thereof to Cabinet on a quarterly basis. In addition, a Foreign Direct Investment (FDI) Strategy is to be completed by the end of this financial year.

52. In August this year, this Honourable House passed the Competition Policy. The main objective of this Policy is to prevent and redress any anticompetitive practices and conduct by firms; encourage competition and the efficient use of resources; promote investments; broaden choices and stabilize prices, thus leading to an overall positive effect on the economy. As a follow up to this Policy, my Government is currently working with the United Nations Conference on Trade and Development (UNCTAD) to develop a Competition Law, which will facilitate acceptable business conduct and practices.

#### Business Regulation

53. As you are aware, Mr. Speaker, the Trade and Liquor Act has been separated into the new Trade Act 2003 and the new Liquor Act 2003, regulations for which have just been completed. The aim of the Trade Act 2003 and its Regulations of 2005 is to further decentralize the issuance of trade licenses to local authorities and reduce the overall time for issuance of the licenses.

54. The Micro Lending Regulations, which have just been finalised, will specify terms and conditions of loans, thus protecting borrowers from exploitation. This should lead to reduction of indebtedness, which invariably impoverishes our people who tend to be insensitive to the cost of borrowing.

55. The Industrial Development Act is being reviewed with a view to simplifying licensing procedures for manufacturing industries. It is envisaged, that the issuance of industrial licenses will also be decentralized to local authorities.

56. The Companies Act has been reviewed with a view to simplifying the registration of companies thus removing impediments to private sector development. Regulations for the Companies Act are being finalized.

#### Industrial Relations

57. Honourable Members, relations between employees and employers are something we should all be concerned about. Worker's rights and contractual agreements between the employer and the employee are protected in terms of our labour laws. All employees are entitled to humane working conditions, fair compensation as well as safety in work places.

Employers must get the full value of what they pay for and employees must provide services commensurate with what they are paid. It is self-evident that employers and employees need one another. You cannot have employees without employers and vice versa.

58. But we have to recognise that foreign investors, and even our own domestic investors, always have the option of locating in countries that are more hospitable. When differences between employees and employers arise, laid down dispute settlement procedures should be followed and disagreements amicably resolved.



59. I am, therefore, worried about recent instances of disagreement, that were aired in the opinions media with employees and employers taking turns at disparaging one another. This is unhealthy and unproductive. If Botswana is to prosper, it is important to have harmonious industrial relations, mutual trust and support in addition to high levels of productivity. I am well aware, that there are self proclaimed champions of workers rights who sometimes deliberately mislead workers and provoke industrial strife. This can not be in the best interests of our Nation and, as national leaders, we must deplore the actions of such instigators.

#### Drought Relief

60. Honourable Members, the absence of rain from August to October throughout the country is very worrying and presents a major challenge to our Nation. The agricultural sector is particularly hard hit. The grazing situation is generally poor and rapidly deteriorating.

61. The Ministry of Local Government was allocated a net amount of P164 million for the implementation of the Drought Relief Labour Based Public Works Programme. A total of 834 projects have been started countrywide and they employed about 3000 people, over two thirds of whom are female. The drought relief free seed distribution, along with other subsidies, is now expected to benefit some 75,000 communal farmers throughout Botswana.

62. As a result of our interventions, I am especially pleased to report that the nutritional status of the under fives continued to improve countrywide and existing Government programmes ensured that people who could not support themselves were provided with the means to sustain their lives.

63. Mr. Speaker, I will now report on some major developments in some of the sectors of our economy.

#### Mineral Sector

64. The Mineral Sector registered a near 7% growth rate in the first half of NDP 9. Total employment in the mining industry increased from 13 233 in 2002 to 14, 264 in 2004.

65. During 2004 diamond production was 31.125 million carats, representing a record output by our mines. Other achievements in the diamond sub-sector include increased exploration activity with a number of new kimberlite pipes being discovered. A feasibility study is being carried out on one of them.

66. At the start of NDP 9, the copper/nickel market was just recovering from a sustained period of low prices which impacted negatively on BCL's operations, necessitating injection of emergency funding into the company. This recovery has continued to date and consequently, BCL's financial performance has improved.

67. The Tati Nickel Mining Company at Phoenix continues to operate satisfactorily. The Company has successfully piloted the Activox technology, which eliminates the need for smelting. With this technology, the production of both nickel and copper metal can be done on-site. Commercial development of this technology would contribute towards our economic diversification efforts and increase value addition within Botswana.

68. A new gold mine, Mupane, was commissioned at the end of 2004. Also, African Copper, a company that has been listed on both the Botswana and London Stock Exchanges is about to complete a feasibility study on a copper mine near Dukwi. Its prospects look good.

69. Other developments in the mineral sector include the completion of a Coal Beneficiation Study. As a result of its findings, Morupule Colliery plans to construct a plant with an estimated capacity of 30,000 tonnes per month. This will in turn increase our domestic power generation capacity.

#### Energy

70. Honourable Members, currently, we import more than 70% of our electricity from the Southern African Power Pool and it is projected that around 2007/10 surplus generation capacity in the region will run out. To address this problem, the Botswana Power Corporation has completed a generation expansion study for Morupule Power Station. Government will also continue to proactively promote the possibility of establishing an export power station to take advantage of the region's expected power shortage.

71. A Government funded Coal Bed Methane gas study has also now been completed and its results indicate that the coal beds of Botswana contain an estimated in-situ gas of 60 trillion cubic feet with prospects for commercial viability for 15 to 20% of the deposits. A Botswana based company is currently investigating the possibilities of exploiting Coal Bed Methane in the area of Kodibeleng, near Shoshong. The resulting gas production could be used for cooking and heating as well as an alternative power generation source.

72. Fifteen villages were electrified during 2003/04, increasing national access from 30% to 37%. But, further progress during NDP 9 is jeopardised due to budgetary constraints. Government will thus explore alternative financing.

73. In order to continue to protect our environment and also to comply with the decision taken within SADC as well as to follow international best practice, leaded petrol will be phased out at the end of 2005. Burning leaded petrol emits microscopic particles of lead into the atmosphere, which have been found to be harmful to human beings. To mitigate the costs of fitting catalytic converters in older vehicles estimated at some 13% of the total vehicle population, Government and the oil industry decided to replace leaded petrol with Lead Replacement Petrol for an interim period of 10 years before full transition to unleaded petrol.

#### Water

74. The lack of adequate rainfall, particularly in the southern part of the country and the resultant drastic drop in levels in the Gaborone dam has led to restrictions, which have had a positive impact on consumption. The existing North-South Carrier pipeline has been and will continue to meet most of the demands of Gaborone and surrounding areas. I am pleased to report to this House that it has of late been pumping 77 million litres of water per day to Gaborone, which is modestly above our original target of 75 million litres.

75. As part of the wastewater re-use strategy, the Department of Water Affairs (DWA) has successfully constructed a wetland system in Gaborone. I appeal to Botswana to conserve and harvest water whenever opportunities present themselves. Equally, in developing infrastructure and constructing buildings, we should all use water saving

technologies.

76. Construction of Ntimbale dam in the North East district is expected to be completed by March 2006. Preparations for the construction of the Dikgatlong dam are at an advanced stage. This project will take four years to complete. The detailed design for the Thune dam will be completed this month. The groundwater development projects in Kang - Phuduhudu, Matsheng, Boteti and Kanye areas are all scheduled for completion during the 2005/06 financial year. Sanitation projects in Serowe, Ghanzi, Mahalapye, Palapye and Tonota are at an advanced stage of implementation. The National Water Master Plan Review project will be completed in March 2006.

#### Roads

77. Mr. Speaker, Government will continue to implement the road infrastructure projects included in NDP 9. But, here again we do face budgetary constraints. As a result some of the completed design projects which are ready for tendering have had to be deferred. This has forced us to reprioritise the projects for implementation by giving first priority to reconstruction or rehabilitation of the existing roads, followed by those projects that have been previously deferred. In addition, under the Bridges Programme, a total of nine bridges are being designed, while the securing of the funding to construct the Kazungula Bridge continues to be pursued.

#### Information and Communications

78. Another key area for infrastructure investment during the remainder of NDP 9 will be in the field of information and communications technologies. The need to create more sustainable job opportunities will require that we continue to give priority to the upgrading of our national telecommunications network to provide high capacity international connectivity. We shall also continue the roll out of modern telecommunications, including internet connectivity, in rural areas through our Nteleletsa programme.

#### Education & Training

79. Mr. Speaker, Government shall continue to ensure that opportunities for tertiary education are increased through the expansion of our existing University of Botswana, and the building of the second University of Science and Technology. Start up funds for the latter have already been approved, and the initial recruitment of staff for project coordination is now ongoing. A Bill for the University's establishment will, furthermore, be placed before this session of Parliament.

80. Government has also decided to place qualifying students into local private tertiary institutions that shall meet the set criteria for registration and accreditation with the Botswana Training Authority (BOTA) and the Tertiary Education Council (TEC).

#### Public Service Delivery

81. As regards public sector reforms, Mr Speaker, the Performance Management System (PMS) continues to be a driver of change and performance improvement. I have indicated on a number of occasions that the PMS in particular has facilitated the introduction and institutionalization of useful tools to enhance performance planning and delivery in the Public Service. Such tools include, strategic planning, annual performance planning, budgets that are related to the plans, and performance reviews especially at Permanent Secretaries level.

82. I am pleased to report that there has been a measurable improvement in the service delivery of some Ministries as a result of their embrace of the PMS process. The registration of companies now takes on average 11 days, while the issuance of title deeds in the urban centres is 6 days. While I am concerned about continued instances of late payment on the part of Central Government to suppliers, I am pleased to note that most departments have achieved a 14 day turn around.

83. But, notwithstanding the examples of improvement I have cited, I am well aware, that Government has still not arrived at the level of service delivery to which we aspire. We are particularly concerned about the continued project delays and associated cost escalations, which also result in delays in paying for goods and services provided to Government.

84. I shall, therefore, expect Ministries in the coming year to continue to find ways of improving their performance. Besides internally generated reforms they will be expected to begin partnering more with the private sector for the delivery of goods and services, more especially in the maintenance of public infrastructure, which in some areas has been badly neglected.

85. In recent months, air transportation has, in particular, experienced serious delivery problems which have and continue to worry not only my Government, but more importantly, the much needed tourism industry. In view of this, my Government has made an undertaking that these and other performance areas will be the main focus for improvement. This explains why the installation of the PMS at the local government level remains our priority because this is where the majority of government products and services are delivered.

86. It should be noted that productivity enhancement is of vital importance if this country to remain viable and competitive. Whereas the Government has a role in setting an enabling environment in this area, the private sector also has to equally and seriously address service delivery issues and productivity in general. The whole nation should join in this collective effort if we are to turn around the fortunes of the country and grow the economy.

#### Social Safety Net

87. Mr. Speaker, our Vision calls for us to remain compassionate and caring, as well as just. To maintain these values we must continue to integrate into the mainstream of our society, those sections of the population that are marginalised by circumstance, such as the destitute and people living with disabilities.

#### HIV/AIDS

88. I believe that we have reached a crossroads in which there is genuine opportunity to begin to move towards significant and sustainable reduction in new HIV infections. But, people will first have to embrace this prospect in their own lives.

89. We are already at a stage where most of us are aware of both the consequences of the virus and the "A, B, C" of preventing its spread. It is by now well known that we have also put in place both "routine" and "voluntary" testing to encourage and facilitate the goal of having all Batswana know their HIV status. This remains a prerequisite for halting its spread. We therefore have both the knowledge and capacity to overcome the scourge. But, do we also possess the necessary will? One fact,

that should also be obvious, but perhaps is not as yet to everyone, is that, there is still no known cure for AIDS. We have successfully rolled out anti-retroviral therapy, exceeding our WHO target of 50,000 by December 2005. This is having a positive effect on their wellbeing. But, it must be recognised that such people are still infected, and thus can still infect others.

90. Perhaps one of the greatest difficulties we face in confronting the virus is the fact that its defeat depends on us as individuals. Government can not defeat the virus. Neither can civil society organisations nor our friends in the international community. In the end we all must assume personal responsibility. Each of us must decide whether we are either going to be part of the problem, or its solution.

#### Unity in Diversity

91. Mr. Speaker, at the beginning of my address I spoke of the need for those of us in this House to exercise our leadership in promoting a political culture, that is respectful of diverse opinion. The need to maintain and enhance our nation's traditional commitment to tolerance of each other at both the individual and group level should encompass all aspects of our society. This will require compromise. During the last session, this House overwhelmingly passed the Constitutional Amendment Bill. In so doing many of you recognised, that the legislation could not be all things to all people. It was, rather a step forward, in that it will ensure, that the reconstituted Ntlo ya Dikgosi will be more inclusive. Let us therefore continue to work together to make sure that this reform is implemented in a positive spirit.

#### International Goodwill and Cooperation

92. While recommitting ourselves to a greater sense of unity in diversity as citizens of this wonderful country of ours, let us also strive to avoid utterances or behaviour that suggests hostility to outsiders. In an era of globalisation, xenophobia, like internally directed negativism, is ultimately self-destructive to the perpetrator. Both at home and abroad our modest nation of 1.7 million should remain friendly disposed to all who are well disposed to us.

93. Mr. Speaker, as a small landlocked and peace loving country it will always be in our interest to work for enhanced regional and international cooperation. Last August we hosted the 25th Anniversary of the Southern African Development Community (SADC). At that gathering I, as the newly elected Chairperson, promised to devote my energies to the implementation of the Regional Indicative Strategic Development Plan.

94. As part of the African Union Ministerial Follow-up Mechanism we are further seeking to advance our common position on the reform of the United Nations' Security Council.

95. Mr. Speaker, Botswana attaches great importance to her bilateral relations with her immediate neighbours, which over the past year have been enhanced through exchanges of visits and the signing of various cooperation agreements. I further wish to here acknowledge the generous assistance Botswana has received from the international community, which has contributed to our development endeavours.

#### Achievers

96. Mr. Speaker, Ladies and Gentlemen, before concluding let me also seize this opportunity to once more acknowledge that we have

amongst our citizens, young and old, many achievers in the field of sports and entertainment, as well as in business, Government and civil society who are showing all of us our positive potential.

97. Here I wish to especially acknowledge our youth. At the beginning of this address I emphasised the burden of youth unemployment because my government recognizes that, alongside the scourge of HIV/AIDS and drought, it represents a primary challenge.

98. But, let us also appreciate that overcoming this challenge is also our greatest opportunity. This is apparent in the success many of our youth are already enjoying. Through their talent, discipline and team work they give us confidence that we can all become part of a nation of winners.

#### Conclusion

99. Finally, as we face the challenges ahead let us, whatever the nature of our personal faith in a higher authority, also seek the blessings and guidance of the Lord in all of our endeavours. With these words let me conclude by saying thank you and God bless!