



REPUBLIC OF BOTSWANA

STATE OF THE NATION ADDRESS

BY

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PRESIDENT OF THE REPUBLIC OF BOTSWANA

TO THE SECOND SESSION

OF THE TENTH PARLIAMENT

***“Botswana First”***

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**GABORONE**

## Introduction

1. Madam Speaker, before we begin, I request that we all observe a moment of silence for those who have departed during the past year. Thank you.

2. Let me also take this opportunity to commend the Leader of the House, His Honour the Vice President, on his recent well deserved awards. In addition to the Naledi ya Botswana, which he received for his illustrious service to the nation, His Honour also did us proud when he received a World Citizen Award for his international, as well as domestic, contributions. I am sure other members will agree with me that these awards are deserving recognition of a true statesman.

3. Madam Speaker, it is a renewed privilege to address this Honourable House and the nation. This annual occasion allows us to step back and take a broader look at the critical challenges we face, along with the opportunities we can all embrace when we put the interests of our country first.

4. As I once more appear before you, I am mindful of the fact that this address will be the subject of further deliberations. The Government I have been entrusted to lead has and will continue to welcome constructive contributions from all quarters. We have never claimed a monopoly of wisdom. What we have affirmed, and make no apology for so doing, is that as the Government of the day we have a responsibility to lead our country, based on our having taken our programmes and record of good governance to the people.

5. Let us therefore move forward together, agreeing where we can, disagreeing where we believe we must, but at all times respecting the fact that we have a common duty to build a better future for our country. As the political leadership we have a special responsibility to not only give direction but also to lead by example; practicing the human values, as epitomised by Botho, which we preach. When speaking to the public we should, for example, maintain our own dignity by refraining from resorting to insults and abusive language. As leaders we should also avoid misleading our constituents into believing that there can be an easy path to our achieving a more prosperous and productive future.

6. In the end, it is only through greater sacrifice and commitment that we can together achieve our overarching development goal of transforming Botswana into a high income society where all Batswana live in dignity. Such a transformation requires all of us to change our ways of doing things. As a nation we must become more productive, by adopting a working culture based on group performance rather than individual entitlement. To achieve sustainable economic growth, while preserving our well earned reputation for the prudent management of our public resources, we must also have the discipline to live within our means. Above all we should have a common understanding that personal and sectional interests need to be balanced against what is in the collective interest of the nation as a whole.

7. Notwithstanding the fact that we will always have our differences, as Batswana we must remain united by our shared values and common expectations. Alongside our adherence to the principles of democracy and the rule of law, our peaceful progress over the decades has been a product of timeless norms of behaviour such as our tolerance and mutual respect for one another and understanding that our wellbeing as individuals is ultimately dependent on the goodwill and progress of others.

8. As Batswana we should, therefore, not allow our separate desires to blind us from our collective responsibilities. We should rather act like a family and do what is in the common interest, while living within our means today so that we may enjoy the full fruits of our labours tomorrow. Let us also be cautious about those who may not have a genuine interest in our success. We will avoid falling into divisive traps if we maintain and nurture our sense of balance and patriotism in order to collectively overcome our common challenges, while taking advantage of emerging opportunities.

9. Our unity in diversity has been long nurtured by our belief in the power of consultation. In this respect, I along with my fellow Cabinet members have found it odd that some have even criticised us for taking certain issues to Dikgotla around the country, which since time immemorial have remained the bedrock for community discourse on all matters of public concern.

10. At the same time we cannot be fairly accused of neglecting other forms of consultation. These include the Dipitso that are being regularly convened to bring together Government and

non-government stakeholders to confer on specific areas of common interest, such as Youth Empowerment. Over the past two years, 45 such gatherings have been held. These are in addition to other forms in interactive communication ranging from stakeholder workshops to institutional frameworks such as the High Level Consultative Council, with its various sub-sectors, to our initiative of taking Cabinet to the Councils.

11. The plain truth of the matter is that this administration's record of consultation has been and shall remain second to none. For us consultations lie at the core of delivering grassroots democracy for people centred development. In this democracy we strive to be with the people, as well as of, by and for the people.

## **Law & Order**

12. As it has in past, the 2011 Global Peace Index has listed Botswana as being among the world's most stable societies, as well as first in Africa. The annual survey assesses countries' political stability and wellbeing based on factors that include levels of democracy, transparency, education and material wellbeing, respect for human rights and the rule of law. The Index is thus a reminder of where we have been and should remain. We have come a long way in a relatively short time as a people whose social and economic progress, as well as peace and stability, are rooted in our respect for one another and the rule of law.

13. The rule of law lies at the very heart of the principles of democracy, development, dignity and discipline, which along with ensuring timely delivery remain this administration's roadmap for empowering the nation. Our democracy is rooted in our supreme law, the Constitution, which has been the framework for our peaceful development, while our dignity is predicated upon our discipline in respecting society's rules. Our status in this respect was reaffirmed last month by the Mo Ibrahim Foundation, which ranked us number one in Africa in terms of accountability as well as the rule of law.

14. Madam Speaker, while upholding the rule of law is a shared responsibility for all of us it is the core function for our judiciary, law enforcement and watchdog agencies. Our Judiciary, under both the Administration of Justice and Industrial Court, have improved the pace of

litigation and access to justice. These achievements have attracted delegations from elsewhere in the region, who look upon us as a best practice benchmark. Over the past twelve months there has been a further progress. The automated Judicial Case Management and Court Records Management Systems have been installed in almost all of our courts, while the special courts are enhancing the Judiciary's efficiency and effectiveness.

15. Judicial Case Management, which began with the High Court, was cascaded in March 2011 to all Magistrates' courts. This was accompanied by the training of Magistrates and support staff to ensure that the new system started on a solid foundation.

16. The popularity of the Small Claims Courts in Gaborone and Francistown has confirmed a need for these courts to cater for the less privileged members of our society, as shown by the number of cases registered and disposed of by these courts. These Courts are also disposing cases at a much quicker rate. As such plans are now in place to establish a court in Maun, once resources are available.

17. The introduction of Special Stock Theft Courts in four centres has likewise served to expedite the trial of stock theft cases, when events are still fresh in the minds of witnesses and livestock available as exhibits. But, these courts are constrained by insufficient resources. Again, as soon as additional resources become available we intend to set up three more courts at Selebi Phikwe, Palapye and Jwaneng.

18. The Judiciary, in its quest to take justice closer to the people, has with effect from April 2011 set up new Magistrates courts at Gumare and Hukuntsi. These courts were introduced in an endeavour to cut down on distances members of the public have to travel to get court services.

19. There is also now in place a code of Conduct for Botswana Judicial officers, which spells out the behaviour that is expected of them in and outside of court. Bottlenecks in terms of human resource capacity also remain a challenge for the Attorney General's Chambers as well as all of the Courts. In response retention as well as recruitment strategies are being implemented.

20. I am pleased to announce that the Legal Aid Pilot Project has begun to deliver services from the Attorney General's Chambers in Gaborone and Francistown. To this end an agreement has been concluded with the Law Society of Botswana through which legal practitioners in private practice will give 25 hours free legal services per year. Beneficiaries will thereafter become eligible to receive legal aid instructions at a reduced rate. Contracts have also been concluded with four NGOs and a new cooperation agreement with the University of Botswana Legal Clinic is being explored. We hope that these efforts will result in an affordable and sustainable programme to deliver legal aid to those who cannot afford lawyers' fees.

21. Madam Speaker, in addition to the independence and integrity of our judiciary and public prosecutors, major contributors to our country's global reputation for upholding the rule of law include independent oversight institutions such as the Auditor General, Office of Ombudsman and Directorate on Corruption and Economic Crime (DCEC). To enhance their common efforts these three institutions recently signed a Memorandum of Understanding (MoU) to increase their collaboration in such areas as human resource development, public education and outreach. The DCEC has also signed a MoU with the Public Procurement and Assets Disposal Board (PPADB) and the new Competition Authority to jointly fight potential corruption in tendering.

### **Fighting Corruption**

22. I am pleased to report that Botswana continues to enjoy superior international ratings in terms of our relatively low level of corruption. This past year Transparency International, for the 15th year in a row, ranked us as being the least corrupt country in Africa, as well as among the best in the world, having moved up five places from the previous year. Yet, notwithstanding such accolades, we recognise that when fighting corruption there is always room for improvement and no room for complacency.

23. In keeping with our zero tolerance for corruption commitment, the DCEC, along with other stakeholders, including the new Financial Intelligence Agency and the Directorate on Intelligence and Security, are continuously reviewing their strategies to meet emerging challenges. Another ongoing initiative is the establishment of Anti Corruption Units in all Ministries and Local Authorities. Working alongside PPADB, these Units enforce guidelines to

prevent abuses in procurement. The DCEC has also established its own Professional Standards Unit to ensure the ethical compliance of its officers.

24. To further empower the DCEC, a Bill revising the Corruption and Economic Crime Act will be tabled before this session of Parliament. Government is also in the process of drafting Whistle Blowing Legislation to protect individuals who in the public interest disclose information that relates to corrupt and illegal activities. To further ensure a holistic approach towards fighting corruption a new National Anti Corruption Strategy is being drafted.

25. DCEC is enhancing its partnerships with the private sector and civil society. As a matter of social responsibility the private, as well as the public, institutions have a duty to be proactive against corruption. In this regard an overarching Code of Conduct developed by the DCEC and BOCCIM was launched in September 2011. Here let me acknowledge the private sector's commitment, as signified by the number of companies who subscribe to the Code.

26. Another innovation is the mainstreaming of topics of corruption into various programmes at all levels. For example, anti-corruption topics have been included in the Junior Certificate curriculum. It is through such examples of stakeholders coming together that we shall defeat corruption. I appeal to all Batswana to help us in this fight, by reporting to the relevant authorities even petty attempts to solicit or pay bribes.

## **Police**

27. Madam Speaker, the Botswana Police Service has been upgrading its capacity in line with a more integrated approach to policing that includes the deployment of special task forces, flexi shifts, undercover operations and community policing. I am pleased to report that in the process the Police, in partnership with other security services and the public have continued to make progress in reducing violent and intrusive crime. Last year we recorded a 21.2% reduction in such crimes (14928 incidents in 2010 as compared to 18947 in 2009). During the first half of 2011 there has been a further downward trend when compared to the same period in 2010, with an overall decline in burglaries, theft, break-ins and robbery cases of 41.8%. But,

notwithstanding such progress, the level of criminal activity in our country is unacceptable. To further reduce crime the following new strategies are being introduced:

- \* National Anti-Crime Roving Teams targeting specific Districts and Stations with highest figures in crime;
- \* Fast tracking the tracing and arrest of forensics identified criminals; and the
- \* Identification of depository points for proceeds of crime.

28. These measures are in addition to the continued engagement of special constables, who now number nearly 3000, and the implementation of community based crime reduction initiatives, such as the Community Volunteer Programme, which became effective last April. Already about 7000 out of the allocated 10,000 posts under this programme have been filled, with youth making up two thirds of all those engaged. Another promising initiative is Cluster Policing, which brings community members together with the police to deal with local crime and social disorder. As I speak 571 policing clusters are active throughout the country.

29. In partnership with NGOs, the Police are also addressing gender-based violence through the placement of Gender Focal Persons in Police Stations, who provide psychosocial support and secure shelter for the victims of gender based violence.

30. There has been a modest improvement in road safety, as evidenced by last year's 5% decrease in the number of road accidents. The number of road traffic fatalities also went down from 475 deaths in 2009 to 397 in 2010, a decrease of 19%. But sadly, during the first half of this year 212 lives have been lost due to road accidents, compared to 181 recorded during the same period in 2010. In the face of this challenge the Police are intensifying their implementation of the following strategies:

- \* Public education campaigns and the engagement of other stakeholders on road safety campaigns;
- \* Increased highway patrolling and road blocks; and the

\* Flagging of vehicles to enhance disposal of cases.

31. With reference to Vehicle Flagging, since the initiatives commencement in March 2010, a total of 24445 cases have been flagged, out of which 7368 were resolved through the payment of fines and 19177 are still pending. This positive development has greatly improved the disposal rate of traffic cases. In the long term road traffic violations should further reduce as motorists realise that they cannot avoid the penalties associated with their actions.

32. Since last July, the Police have deployed 9 so-called 'booze buses' for on the spot drunken driving assessment; 6 of which were financed through the Alcohol Levy while 3 were donated by the Motor Vehicle Accident Fund. The utilization of retained traffic fines for enhanced policing is also bearing fruit. Already, 30 motor vehicles have been procured for use in law enforcement, whilst P7.8 million has been availed for the procurement and servicing of traffic control equipment, such as speed and breath alcohol measuring instruments. There are still too many instances of bad and inconsiderate driving on the roads. More steps will be put in place to curb such behaviour.

33. The merger of the Botswana Police Service and Local Police is complete. Almost all former members of the Local Police have been absorbed into the Police Service. A total of 168 Police Posts and 215 Satellite Stations have also been added to the police estate. Whilst the merger has had its challenges, it has also brought about significant advantages in terms of visibility and police outreach to the remotest areas of the country.

34. Illegal immigration remains a challenge. From January to June 2011, over 21 thousand illegal immigrants were repatriated. In support of law enforcement, concerned Ministries are continuing their business monitoring inspections to root out illegal workers. Strict measures will be taken against those who are found violating the law.

35. The challenge of illegal immigration shows that fighting crime requires collective regional and international as well as domestic efforts. In this context, we continue to hold meetings with our neighbours on ways to cooperate in fighting crime.

## **Defence**

36. Our Defence Force (BDF) continues to uphold its mission of defending Botswana's borders, while assisting civil authorities in disaster relief and crime prevention by engaging in joint operations with Police Service in fighting crime, and other Ministries in disaster management, including the control of animal diseases, and the undertaking of anti-poaching operations. The BDF also continues to undertake in bilateral and multilateral engagements to foster peace and stability in the region and beyond, cooperating with international partners, through joint military training and exchanges.

## **Prisons and Rehabilitation**

37. The Botswana Prison Service has achieved progress in the rehabilitation of prisoners to facilitate their effective reintegration into society. A major challenge is overcrowding in prisons. Whereas the overall prison holding capacity is about 4200, the daily average is 5000 inmates. Several initiatives are being implemented in this regard, which include computerised prisoner management system aimed at facilitating prisoner focused rehabilitation programmes that focus on psycho-social needs, while profiling those with high risks of reoffending.

38. Another initiative for the re-integration of ex-prisoners is the establishment of a revolving Kick Start Fund, which will assist them in utilising skills and trades they acquired during rehabilitation to set up their own small enterprises after release. The Fund is to be financed using the proceeds of prison industries. Our rehabilitation efforts are in line with our ongoing policy of remission or reduction of sentences for some inmates who have paid their debt to society. So far 2800 prisoners have received such remission, of which 1585 have been released, while 1215 are still in custody undergoing rehabilitation.

39. Besides being vital to our quality of life, the importance of upholding the rule of law and national security as an enabler of economic growth and sustainable development cannot be overemphasised. We all thus have a stake in not allowing politics to interfere with our support for the combined efforts of our law enforcement agencies.

## Economy

40. Madam Speaker, turning to the economy, I can report that we are recovering from the worst effects of the recent global economic downturn. According to the latest, September 2011, statistics real GDP increased by 12.4% in the second quarter of 2011 as compared to 2010, with growth during the quarter at 7.2%. But, further progress is dependent on both local and international developments. Although the prospects for continued growth are improving, I must here caution that the level and quality of such growth will inevitably be affected by global market conditions, which remain uncertain with some leading economies now threatened by a return to recession. We are moreover not yet free of the full effects of the recession, as we still have a lot to do to return to prerecession levels. Should growth in the developed industrial countries continue to stall, the gains we have so far achieved are likely to be reversed.

41. The largest contributor to our own turnaround has been recovery in the mining sector, especially in the global demand for diamonds, which registered a positive growth of 23.7% in the second quarter of 2011. The non-mining sector also grew by a respectable 7.4% during the same period. Sub-sectors contributing to this positive trend notably included agriculture (15.7%), construction and trade (15.4%), hotels and restaurants (9%).

42. The economic outlook for 2011 is positive, with growth forecast at 5.7% in 2011 and 7.1% in 2012. Our projections of continued recovery are, moreover, supported by the analysis of independent economists and financial institutions. The latest IMF World Economic Outlook Report, for example, anticipates healthy growth over the next two years, while the leading ratings agencies - Moody's and Standard and Poor's - have maintained our country's investment grade ratings in the "A" categories.

43. The Textile Industry, which currently employs a sizable number of Batswana, was severely hit by the economic recession. In response the Special Support Programme to the Textile and Clothing Industry was put in place. As of August 2011, 4286 citizen employee jobs and 153 companies across the country were saved by the programme through subsidies amounting to P 22.6 million. Beneficiary companies include 12 large scale, 14 medium scale, 73 small scale and 54 micro enterprises. The Programme ends in December 2011.

## **Deficit Reduction**

44. That we have so far weathered the global economic downturn better than many economies was not an accident. It was rather an outcome of our commitment to do what is prudent, rather than what might be immediately appealing but otherwise unsustainable. In this respect, we remain determined to achieve a balanced budget in the coming year.

45. Our budget deficit for the 2010/11 was P8.5 billion, while we project a deficit of P6.9 billion for the current financial year. Government revenues and grants increased by 6.5% from P30 billion in the 2009/10 financial year to P32 billion in 2010/11 and are expected to increase further to P35 billion in 2011/12. But, this is still below Government expenditure, which stood at P40.5 billion in 2010/11 and is expected to increase to P41.3 billion in 2011/12. It may here be noted that 28% of the 2010/11 total expenditure paid for the salaries and benefits of civil servants.

46. To make Botswana's taxation system simpler and more efficient as well as investment friendly, Government reviewed both the Income Tax Act and the Value Added Tax. The resulting amendments became operational in July 2011, allowing for increased efficiency in tax collection as well as an expanded tax base, all of which are necessary to augment our limited revenues.

47. With our economy now in modest recovery, some may want to simply wish the deficit away, rather than allowing it to be reduced as was planned and subsequently approved by Parliament through spending restraint. In the long term no one can survive, much less prosper, by spending more than they earn. Past saving will only take us so far. While our foreign exchange reserves improved during the first half of this year, standing at P58 billion as of July 2011, up from P50.9 in December 2010, the portion that actually belongs to Government, the Government Investment Account, remains below its pre-recession level. But, here too there has been improvement; in December 2010 Government's Reserves stood at P 13.5 billion, but as of July 2011 they had risen to P 22 billion.

## **Inflation**

48. The average inflation rate was 6.9% in 2010, down from 8.2% for 2009. Unfortunately during the first half of 2011 inflation deteriorated to 2009 levels. We are both aware and concerned about the erosion of employees take home pay through inflation. Unfortunately, during hard times nations, like families, must make uncomfortable choices about their priorities. It was this unavoidable fact, rather than any lack of sympathy on our part, which recently brought Government as the employer into conflict with some of its employees. Besides being a direct burden on individuals continued higher inflation may also jeopardise the recent reductions in the Bank and Prime Lending Rates to 9.5% and 11% respectively.

### **Labour and Employment**

49. Madam Speaker, what began last April as a legal strike of limited duration, degenerated into a long and at times lawless ordeal, which tested the patience and goodwill of all Batswana. In this respect I wish to take this opportunity to once more thank the majority of workers who remained at their posts for their patriotic dedication to duty in keeping public services running under trying circumstance. As a Nation we cherish the spirit of Botho and Ipelegeng. I take this opportunity to further express my sincere gratitude to all those Batswana who volunteered their services to schools and hospitals during the time of the industrial action. This was a vital initiative and patriotic response that helped maintain service delivery in those sectors. I also wish to acknowledge some of our youth who have continued to assist with tutorials and counseling in our schools. This demonstrates that patriotism is the quality that serves us in adversity as well as unites us in our diversity.

50. We do appreciate the fact that strikes can occur. This is why we have laws in place for their proper management. What became unacceptable was when some decided to forgo these safeguards, resulting in instances of a breakdown in the rule of law such as in ignoring court orders and vandalising of property. Here let me acknowledge that the majority of those who went on strike did stay within the law, which is also to be commended. For its part, Government accepts that it has a responsibility to uphold the labour laws without fear or favour.

51. Let me take this opportunity to also re-affirm that Government as the employer is committed to working in partnership with the Unions in the context of the Public Service and Trade Disputes Acts. But, as I also have previously warned, for such partnership to succeed we should focus on the common interests of workers, while avoiding extraneous political agendas and influence.

52. In line with our National Development Plan (NDP 10), Millennium Development Goals (MDGs) Long-term Vision, and the Botswana Excellence Strategy, which is our framework for diversified growth, as well as the continuing need to nurture our recovery, we are committed to:

- \* Growing the economy and expanding job opportunities;
- \* Maintaining infrastructure along with basic services in such areas as education and health, as well as our costly social supports for both ordinary citizens and those with special needs; while
- \* Achieving the goal of eradicating abject poverty through sustainable enterprise.

53. We have also been proactive in softening the economic burden of citizens through our subsidies of such basic necessities as fuel, water and power, whose costs would otherwise be much higher.

54. In coping with the effects of the recession we, unfortunately, had no choice but to defer many worthy projects. We are now in the third year of NDP 10 implementation. Much of the Plan's budget has been taken up by water, power and roads projects as well as maintenance of existing infrastructure. In the context of deficit reduction there is need to reprioritise spending as we approach the NDP 10 Mid-term Review, which will begin in March 2012 with its findings to be submitted to Parliament in December 2012.

### **Economic Diversification Drive**

55. Madam Speaker, Government has an ambitious programme to diversify the economy. The Economic Diversification Drive (EDD) is anchored on the twin pillars of reduction of the import bill and promotion of local production through local consumption. The purchases are showing that we are on the right track with the value of EDD purchases increasing. A strategy for EDD is being implemented, which incorporates specific milestones. To ensure stakeholder buy in, extensive consultations have taken place in Councils, Dikgotla, Business fora and other gatherings.

56. A total of 2001 enterprises have already been registered with BOCCIM as of August 2011. Of these, 232 enterprises have so far been issued with EDD certificates. In addition, a priority list of EDD sectors and sub-sectors along with a National Suppliers Directory and guidelines for certifying agricultural producers have been produced. Sector and sub-sector specific strategies are also being developed.

57. Local procurement under EDD dovetails with our other established citizen empowerment initiatives such as the Citizen Entrepreneurial Development Agency (CEDA), whose loan, equity and credit guarantee schemes have since my last address so far assisted 424 new projects valued at P 331 million, while creating 1247 new jobs. Overall CEDA since its inception has assisted some 4759 projects valued at over P2.5 billion, while creating some 30,000 jobs.

58. The Local Enterprise Authority (LEA) also continues to provide entrepreneurial skills training and advisory services to citizen entrepreneurs in small, medium and micro-enterprises. Since its establishment in 2007 LEA has assisted over 14306 clients. Currently there are 1510 active clients. Of these 556 are existing businesses, 654 are pre-start up businesses, while 300 are start up businesses. To date 5329 entrepreneurs have been trained by LEA in various courses such as business and financial management, marketing and technical skills for small business owners. In addition LEA has assisted 776 clients develop business plans, 338 of whom have obtained approval on plans worth P 208 million, in the process creating 1722 new jobs.

## **Investment Promotion**

59. Given the need to diversify our economy, investment promotion remains a key priority. In August of this year, Parliament approved the Special Economic Zones Policy, which provides for the creation of investor-friendly business enclaves, which will serve as magnets for attracting both domestic and foreign investment, thus also becoming catalysts for employment. Government is now committed, as a matter of urgency, to the realisation of these Special Economic Zones on the ground.

60. Cabinet has also formed a Cabinet Committee to oversee further reforms necessary to improve the ease of doing business in Botswana. To further facilitate business development, in the context of the Botswana Excellence Strategy, Government is already committed to reducing bottlenecks to private sector growth, such as obtaining land, licenses and permits, including residence permits, that frustrate value added job creation and skills transfer.

61. The ongoing merger of the IFSC with BEDIA into a unified investment promotion authority should be finalised in the coming year. For its part the IFSC has attracted and certified 35 financial institutions to conduct business in our country. The aggregated capital of these IFSC companies now stands at P 8 billion, a considerable achievement by any measure. Their total combined capital investment, moreover stood at P827 million as of the end of the second quarter of 2011/12 with the associated employment of 1794. The bulk of investment generated came from new investments with a total value of P660 million and employment levels of 1157. BEDIA assisted companies further exported P381 million worth of goods.

62. In an endeavour to further enhance the business climate, Parliament approved the Competition Act to prohibit anti-competitive practices. The Competition Authority has since been established and the Executive Secretary assumed office in April 2011 and implementation regulations were published in October 2011, making the Authority fully operational.

### **Local Development**

63. Madam Speaker, whether we speak of economic empowerment or improved service delivery, achieving good governance at the national level is dependent on the effectiveness of our Local Authorities. It is for this reason that last year we launched our "Taking Cabinet to the

Councils" initiative that has facilitated the exchange of ideas between the National Executive and Local Authorities. We recognise that the local Authorities play a critical role in enhancing our democracy by, among other things, ensuring that our policies and programmes match local capacity and expectations. So far we have convened 8 such meetings, which are scheduled to continue in the coming months, so that Cabinet ultimately has the opportunity to interact with all of the nation's Local Authorities.

64. As the Executive we are committed to bringing services closer to citizens by strengthening the capacity of local government structures. This is reflected in the phased, cost effective creation of additional Sub-Districts, which is consistent with our wider commitment to decentralisation. We have also adopted a Local Economic Development Policy to promote partnerships between authorities, businesses and the community at local level.

65. Traditional Leadership, Bogosi, continues to play a pivotal role in nation building and cultural preservation as well as the delivery of justice through customary courts. Government is committed to strengthening the role of Bogosi within local governance structures, while recognising that traditional leadership like other institutions will need to adapt to the changing social environment. In partnership with traditional leaders, Government has convened "Dipitso tsa Bogosi" to bring traditional leaders together in addressing concerns about the erosion of societal values as evidenced by forms of misbehaviour that should be alien to our society. Consultations on the review of the Customary Courts Act are complete and the findings will be presented to Parliament.

66. Inasmuch as we recognise and value Bogosi as a cornerstone of our Republic, I feel compelled to stress that appeals to tradition at the local level must never be at the expense of our national unity and progress. When celebrating our diversity and mobilising initiatives at community level, we should remember that as Batswana we have but one country, one citizenship, which should always come first. While we can be united in our diversity, we cannot be divided in our civic and legal obligations as citizens of a democratic republic. As citizens and as patriots our loyalty to the nation should thus take precedence over ties of ethnicity, tribe or locality.

67. Let us also celebrate the fact that over the past five decades we have made common progress by our coming together to embrace a democratic culture based on the collective rights and responsibilities of all of our citizens. I have already spoken at some length about the need for all of us to continue to make national progress by upholding the rule of law. In this respect there cannot be one set of laws for some and not others. Our rights and responsibilities to one another are indivisible.

## **Social Safety**

68. A country cannot be said to have truly achieved prosperity when a portion of its citizens remain in poverty. As part of our commitment to ensure the welfare and dignity of all Botswana, Government will continue to provide social protection programmes for different categories of vulnerable people. To this end, Government has developed a Social Development Policy Framework to empower individuals and communities. A Local Government Pitso was convened in August 2011 to launch the framework under the theme Rebuilding Resilient Communities.

69. Government continues to provide social protection to our senior citizens through the Old Age Pension and World War Veterans' Schemes. A total of 92,916 Pensioners and 2809 World War II Veterans or their surviving spouses and children (below the age of 21) receive monthly allowances. This financial year P287 million has been allocated for these payments, which since April 2011 have been outsourced to Botswana Post.

70. While supporting those in need, it is our vision to graduate the destitute out of poverty. We are implementing the poverty eradication programme in all constituencies; having so far trained 5631 beneficiaries in 24 constituencies for the backyard garden project, while rolling out the programme in the remaining 33 constituencies. Overall, approximately 11400 households or more than 68000 people throughout Botswana are eligible to benefit from the programme by the end of this financial year.

71. Let me here stress that our poverty eradication roadmap has never been confined to the back yard garden initiative. There are up to 18 alternative packages. Potential beneficiaries

must choose the package that best suits them, with each individual entitled to only one choice. While we acknowledge challenges of water scarcity and cost, everything is being done to overcome such bottlenecks. To cater for the anticipated windfall of output in produce, products and services, Government is working to promote local markets and Market Days to support the processing as well as direct marketing. Those who have attended Market Days around the country can testify to the quality, quantity and attractiveness of our local products.

72. To ensure sustainability as part of the Poverty Eradication Program, Government is developing a robust monitoring and evaluation system. The poverty eradication programme is grounded in international experience as well as local commitment to increase the potential for the hitherto poor to contribute in the improvement of individual household income, while making a net contribution to national wealth creation. We shall increase linkages between produce, products, services and their procurement and leverage on Botswana's purchasing power.

### **Ipelegeng**

73. Government has provided funds amounting to P330 million for the Ipelegeng Programme, which continues to provide temporary work for the unemployed, while contributing to infrastructure maintenance, environmental cleanliness, fighting crime and job security. Since April 2011, the programme has engaged a total of 141,799 beneficiaries. This includes 30,897 youth. The wage rate has been increased for labourers and supervisors for a six hour working day for 20 days in a month, while the monthly employment target was increased to 50,000 people. Due to the nature of the work, which takes labourers distances from their homes, we shall from next year be providing on the job sustenance.

### **Affirmative Action**

74. Our commitment to citizen based empowerment is further evidenced by additional programmes and initiatives, including affirmative action in the vocational empowerment of people with disabilities, which will include ensuring that:

- \* A Monitoring and Evaluation System for improved teaching and learning outcomes for People with Disabilities is in place;

- \* Standardised Early Life Skills Programme and Vocational Orientation at Primary School are provided to learners with Intellectual Impairment.

- \* People with Disabilities, who successfully complete their studies at recognised tertiary institutions, are assisted to seek employment, depending on availability of vacancies.

- \* Special funding mechanisms and social safety nets targeting People with Disabilities are introduced through CEDA and other Government agencies to promote self-employment and entrepreneurship among this group of Batswana.

75. The revised Remote Area Development Programme (RADP) also provides for affirmative action in empowering Remote Area Communities, which have lagged behind the rest of the country in terms of their development and poverty levels. As such residents of these Communities are being given special consideration in such areas as sponsorship for tertiary education and vocational recruitment. Last month a RADP Pitso was held in Ghanzi to afford Remote Area Dwellers, as well as other stakeholders, an opportunity to make their own input into how we can further refine and extend our interventions, recognising that too many of our past interventions have been cascaded downwards rather than developed at grassroots level for the communities' benefit. Specific recommendations arising from the Pitso, which we support, include:

- \* Adoption of a multi-sector approach for the effective implementation of the Remote Area Development Programme and Affirmative Action Plan;

- \* Establishment of a development backlog eradication programme aimed at addressing underdevelopment in remote area settlements;

- \* Special dispensation for allocation of land for RAD communities by various land boards; and

- \* Greater innovation by local Authorities in sourcing funds for RAD development.

76. Given the higher rate of poverty among women, Government continues to provide economic empowerment support through the disbursement of grants to women to start

income generating projects. Additional funding drawn from the alcohol levy to assist more women to become involved in income generating projects is being put in place.

## **Youth Empowerment**

77. Madam Speaker, Government has no greater priority than empowering our future by empowering the youth. To achieve this we have developed a comprehensive framework of assistance. The Action Plan for the National Youth Policy approved by Parliament earlier this year is being implemented. We are also implementing recommendations made at the 2010 Youth Pitso, while examining additional proposals arising from last month's follow-up Pitso. Within this framework, youth continue to benefit from such initiatives as the Youth Development Fund, Youth Exchange and skills development programmes as well as additional sector specific interventions.

78. Through contributions from the Alcohol Levy, the Youth Development Fund has been doubled from P60 million last year to P120 million this year, giving more young people the opportunity of realizing their entrepreneurial potential. To date, assistance for a total of 1838 businesses have been approved at a cost of some P147 million; resulting in the creation of just over 4500 jobs. In addition, 475 Youth Development Fund beneficiaries have undergone mentoring and business skills training this year. To enhance our efforts project monitoring, now at district level, is being strengthened.

79. Access to arable land and industrial facilities has been identified as a major challenge for youth projects. Government has intervened to address this challenge to accelerate project uptake. For instance, a 63 hectare farm has been acquired at Mmankodi for an integrated agricultural business to benefit a considerable number of young people. In Moiyabana, a 46 hectare farm has been secured and is earmarked to accommodate 83 young people.

80. In addition, Government supports emerging youth industries through the refurbishment of unused buildings. To this end, a total of 10 sites have been upgraded at a cost of P14.4 million. Communities have also availed boreholes, unutilized structures, community halls and schools for use by the youth. To promote good social values and influence good behaviour, initiatives

such as role modelling, life skills training and peer education, along with HIV/AIDS testing and counselling, continue to be promoted. These programmes have reached over 61 thousand young people across the country.

81. Government is also empowering youth in the construction industry through the establishment of databases of youth with relevant vocational skills, categorized by district and villages, as well as for youth owned companies, which are shared with ministries, parastatals and nongovernmental organizations. Since the programme started, maintenance tenders worth P30.3 million have been awarded countrywide to about 64 youth contractors from the corporate database. For the financial year 2011/2012, 15% of the maintenance budget has been reserved for youth individuals and companies.

82. The National Internship Programme aims at equipping University graduates with skills and knowledge to prepare them for the job market. As of July 2011, 4500 Interns have been placed in institutions, with just over 3000 currently enrolled in the programme while 1227 have been absorbed into permanent employment. Although the majority of interns are in the Public Service, efforts are ongoing to have greater numbers absorbed into private and parastatal organisations. We are going to put in place ways to revise the programme. In the meantime the following steps are now being undertaken:

- \* Increased recruitment and re-tooling in areas need such as Technical and Vocational Education and Training;
- \* Strategic attachments in major public projects; and
- \* Further focused training, including life skills training and in exceptional cases graduate programmes, to better match skills with market needs.

## **Mining**

83. Madam Speaker, the mineral sector's performance continued to improve during the past year as evidenced by increased sales and rising commodity prices. Demand from Asian markets has been a principal contributor to this trend, which is encouraging for the prospects of our

newly licensed and emerging mineral projects. We now anticipate growth and diversification in the mineral sector to play a critical role in driving our economy forward.

84. Employment in the mining industry has remained relatively stable standing at 18,451 as of June 2011; while downstream diamond industry employment has so far increased by about 8% to 3250 this year. In addition the Jwaneng Cut 8 project is currently providing temporary employment for 2400 people of whom 84% are citizens.

85. Our success in developing, diversifying and maximising the benefits we receive from our minerals has been rooted in the principle that the natural resources of our country, irrespective of where they are located, must be used equitably for the benefit of all citizens. This is why ultimate ownership of our mineral wealth is entrusted to the state, notwithstanding who may claim the land on which it is found. As a result all of our citizens, whatever their regional affiliation, have a collective stake and enjoy common benefits, rather than just those few who by chance find themselves sitting on nature's gifts. At the same time it is this policy of collective resource ownership that has empowered Government, acting as a trustee, to secure favourable mining and marketing agreements, such as the latest sales agreement with DeBeers.

86. The new sales agreement signed between Government and De Beers, which has not been affected by last Friday's announcement of a change in the Company's shareholding, is a breakthrough in our efforts to ensure that we fully achieve our vision, through the Diamond Hub, of becoming a global centre for downstream diamond industries as well as production, aggregation and sales. Under the agreement De Beers is to move all of its sorting and trading of gems to Gaborone by the end of 2013. Also under the agreement, we shall directly sell 10%, thereafter rising to higher percentages, of our local production. De Beers' will also significantly increase the value of the diamonds it makes available to manufacturing companies in Botswana, while further agreeing to finance the Jwaneng Cut 8 Project.

87. In addition to diamond beneficiation, the agreement can be a driver of growth in other areas of our economy, such as financial and other service industries, but only if we as Batswana are willing to fully embrace the new opportunities through private sector initiatives coupled with greater productivity. In this respect we are only restricted by our own limitations.

88. Even before the agreement, trends in our domestic diamond industry were encouraging. As of June 2011 DTC Botswana had sold \$377 million to local sight holders, as compared to \$277 million at the same period in 2010. Increased demand has resulted in higher profits on the sale of our diamonds, which this year earned P14.45 billion against an anticipated P9.79 billion. The downstream diamond industry continues to evolve. This year 2 of the 16 cutting and polishing factories commenced diamond jewellery manufacturing for export.

89. Since November 2010 Firestone Diamonds has begun marketing their diamonds locally. The Lerala mine, which was saved through Government assistance, along with the Boteti and Gope mines, will also contribute to the local market over the next two years. Together they are expected to produce an additional 900 thousand carats per annum.

90. In an effort to enhance the national diversification efforts, the Ministry is also in the process of reviewing the Mines and Minerals Act to better cater for the development of Coal Bed Methane as well as additional legislation to facilitate the development of a downstream gas industry.

91. As diamonds are a finite resource, we have to turn to other minerals especially coal. The country has an estimated 200 billion tonnes of coal, which can be used to meet local energy needs as well as exported. Given emerging global demand, particularly for the growing economies of Asia, coal will remain a key fuel for power generation; but with a clear understanding that issues of Green House Gas emissions will have to be mitigated through the use of clean coal technologies. To meet the demand for coal will further entail the development of railway infrastructure. This gives urgency to the Trans-Kalahari and Botswana to Mozambique via Zimbabwe railway projects. We aim to start exporting coal in the next 12 months.

92. Besides the new and expanded diamond and coal mining we continue to be encouraged by the progress being made with respect to other minerals such as base and rare metals, soda ash and salt.

## **Energy**

93. Madam Speaker, while the Energy sector has been facing great challenges in meeting the demand for reliable energy services, with the commissioning of the 600MW Morupule B Power in 2012, we should return to normal. Here I wish to pay tribute to Batswana for their understanding during the difficult period we have gone through. Without your cooperation in implementing energy saving measures the situation would have been worse.

94. Progress on the construction of the 600MW Morupule B Power Station, together with the associated transmission and water infrastructure development remains on target to meet the scheduled commissioning by end of 2012. Completion of the project will increase the installed domestic electricity generation capacity from the current level of 280MW to 810MW at the end of 2012. Additional investment will be required to restore the existing Morupule Power Station to a dependable capacity of 100MW. This will allow national consumption to be met until 2015/16 when new generation capacity will be required.

95. We continue to face challenges in the petroleum sector due to our dependency on a single route of fuel supply. We are therefore developing alternative supply routes through Mozambique, Namibia, and Zimbabwe to supplement our traditional supply route through South Africa. In order to further improve the country's security of supply for fuel, Government is establishing a national oil company whose mandate will be to ensure availability of petroleum products in the country. Meanwhile our expansion of our strategic depot at Tshele continues to progress.

96. As of May 2011 national access to electricity stood at 63%. To increase this figure the National Electricity Standard Connection Cost of P5000 for new households was introduced late last year and has already benefitted over 11,000 customers. This has been made possible by the National Electrification Fund, into which all electricity users contribute 5 Thebe per kilowatt-hour on their monthly bills. By August 2011 the Fund had accumulated a total of over P202 million.

97. Similarly, pricing for medium and large business users is structured to encourage better management of the demand on the power system. Some 850,000 incandescent electricity bulbs have been replaced with the higher efficiency Compact Fluorescent Lamps throughout the

country. The project has realised a reduction of some 30MW in the national peak power demand. The project was carried out by 5 citizen contractors.

98. The development of the renewable energy sub-sector is also progressing. With Japanese assistance, work has now started on a 1.3 MW photovoltaic power station pilot project in Phakalane, which is scheduled for completion in 2013. Government is also undertaking a feasibility study for the development of a 200MW Concentrated Solar thermal power station. Progress also continues to be made by BPC Lesedi (Pty) Ltd, a subsidiary company of the Botswana Power Corporation, in promoting such off-grid energy solutions as solar home systems, efficient wood stoves, heat retention bags, rechargeable lanterns through its network of SMME franchisees.

99. Our conservation efforts are being augmented by the Hot Water Load Control project, which entails the remote management of customer geysers at times when there are electricity supply constraints. Some 54, 000 of the targeted 80,000 households in Gaborone, Francistown, Lobatse, Selebi-Phikwe and Jwaneng have so far been fitted with the necessary equipment; realising reduction of approximately 10MW in the national peak power demand.

100. To further address national power supply shortages, an emergency solution comprising a total of 160MW of diesel-based emergency generation facilities has now been fully implemented. The 70MW diesel-based rental facility near Matsiloje was put into operation in January 2010 and continues to perform successfully to alleviate shortfalls in electricity supply and reducing the frequency and extent of supply interruptions (load-shedding). The other project, comprising 90MW of dual fuel (diesel and gas) generation in Orapa commenced operation in August 2011.

## **Water**

101. Madam Speaker, both current and projected water scarcity is a major challenge. The water sector therefore strives to efficiently develop and protect our limited water resources. As part of this effort, the Water Sector Reform programme is progressing according to schedule. As of the end of September a total of 318 out of 540 water supply villages have been taken over by

WUC, along with a total of 1453 employees from the Department of Water Affairs and Local Authorities. All the remaining water supply villages will be taken over by April 2012 save for the Maun Management Area, which is scheduled for April 2013.

102. The take-over by the Water Utilities Corporation from the Department of Water Affairs and Local Authorities has had teething challenges, which are being addressed through the rehabilitation and expansion of distribution networks for major villages. This has resulted in the provision of emergency water projects in 16 villages at a cost of P362 million. Out of 373 villages taken-over, 140 villages are now under a billing system whereby clients are able to pay their bills at any WUC office. Since the beginning of the take-over in May 2009 some 18,914 private water connections have also been made. The target for clearing the backlog is April 2012.

103. Government is also implementing a number of major infrastructural projects in order to meet increasing water demand. The progress to-date on these is as follows: The construction of the three dams mainly Dikgatlhong, Lotsane and Thune are on schedule with the completion date for both Dikgatlhong and Lotsane dams expected to be in February and March of 2012 respectively. Thune will be completed in 2013. The dams will also support economic diversification by provision of water for irrigated agriculture.

104. Water will be conveyed from the dams in the eastern part of the country through the envisaged North South Carrier 2 Pipeline during NDP 10. The North South carrier Pipeline 2 will only be constructed up to Palapye. The remainder of the length up to Mmamashia treatment works will be looked at during NDP 10 mid-term review. As part of the project Government will also upgrade the existing North South carrier pipeline to increase its capacity.

105. The contract for the Molepolole, Thamaga, Moshupa, Kanye and Goodhope villages' connection to the North South carrier was awarded in December 2010 for the Design Audit, redesign and tender management for construction of the pipeline. Construction is scheduled to commence during the 2012/2013 Financial Year. The construction of Goodhope Village Water Supply is expected to be complete by December 2012. In order to further address the water shortage in areas where surface water is not readily available, government continues to develop additional Groundwater Resources in the country.

106. A reclamation project for Gaborone wastewater is ongoing with a pilot treatment plant set to begin operations this month. Government is also promoting water conservation with various stakeholders through an integrated water resources management process. Innovations have been demonstrated in such areas of grey water recycling, effluent utilization and rainwater harvesting.

107. Madam Speaker, the Limpopo and Zambezi Watercourse Commissions came into effect last May creating new opportunities for the cooperative development and management of the two basin's water resources, while the Okavango and Orange-Senque Water Commissions are already being coordinated from Gaborone and Pretoria respectively.

108. Government remains committed to drawing some 495 Million Cubic Metres of water per annum from the Chobe - Zambezi River system, for medium and long term development. In line with this requirement, final notes to SADC and Member States have been sent in accordance with the revised SADC Protocol on Shared Watercourses. South Africa, through our existing Water Supply Agreement has pledged to supply water to the Middlepits village cluster. This will require investment in additional infrastructure, which should be completed by April 2013.

## **Agriculture**

109. Madam Speaker, though I am pleased to announce continued growth in many agricultural subsectors, more can be done towards fully realising our productive potential.

110. Commercial development of the livestock sub-sector is also hampered by animal diseases. Early this year the country experienced an outbreak of Foot and Mouth Disease (FMD) in the Northeast and Bobirwa. Consequently, all veterinary disease control zones recognized by the World Organization for Animal Health (OIE) as FMD free without vaccination, commonly known as green zones, lost their FMD free status and our beef could not access international export markets.

111. In response, Government adopted a FMD eradication strategy which included establishing a containment zone, vaccination and subsequent stamping out of all cattle in the containment zone. As a result OIE approved our application for the establishment of a containment zone, thus re-instating all our traditional green zones as FMD free without vaccination. Our veterinary movement protocol has thus been revised to facilitate movement of animals and animal products, allowing the Francistown BMC abattoir to re-open.

112. We have signed a MoU with Zimbabwe on joint FMD control, which has involved a commitment on the part of the Zimbabwe to vaccinate cattle within 40km along our shared border from Plumtree to Beitbridge. Government has also been able to sell more than 50% of the cattle from the infected zone for slaughter in Zimbabwe. Only animals that are not suitable for slaughter are being destroyed. Meanwhile in the Bobirwa area, the disease is being controlled through a new purified vaccine.

113. Another serious setback this year was the suspension of access to the EU beef market following an inspection of our veterinary services and BMC slaughter facilities. In response we quickly agreed with the EU on an action plan, which is being implemented. In the meantime we continue to explore alternative markets for our beef in an endeavour to diversify from our traditional markets. In addition to sales to Zimbabwe, we recently secured the Angolan market for both live cattle and beef products from Botswana. As a result, the Maun BMC abattoir has re-opened to slaughter primarily for the Angolan market.

114. Madam Speaker, small stock population has increased from around 1.6 million to 1.8 million over the past year, which can be partially attributed to the Livestock Management and Infrastructure Development (LIMID) programme. Since phase two of the programme was launched in September 2010 2587 applications were submitted and 548 projects were approved, while 344 are under implementation. We still face challenges relating to shortage of supplies and inflated prices for small stock.

115. Still in the Livestock sub-sector government has released a Botswana made beef breed, named "MUSI" in September 2011. This is a composite beef breed that has been developed for local conditions.

116. As a way of addressing the concerns of poor supplies at the Livestock Advisory Centres, Government has taken a decision to operate the centres through a revolving fund, which has already proven to be effective for stocking the centres. Information on the sector programmes continue to be disseminated through the media. In addition field days were organized in various districts during the year in order to impart knowledge to farmers.

## **Arable**

117. With the support of the ISPAAD programme, during 2010/11 cropping season 118 thousand farmers planted a total of 377 thousand hectares, which is 11% more than the previous season and three and half times greater than the area under cultivation in 2007-08. Since 2008 the number of ISPAAD beneficiaries has also steadily increased. The target cereal production was 72800 metric tons and the records to date indicate that the production is 71% of the annual target. The figures are not yet conclusive as the farmers have not finished harvesting. It should be noted that a lot of produce is sold to the public before the dry season and the record shows that at least about P2.7 million has been used to purchase the produce at various government institutions. We expect the ISPAAD horticulture component to contribute to meeting the national vegetable demand.

118. There has been further success in increasing the land for commercial arable agriculture. The Government owned Sedibeng Farm (3797ha) has now been allocated to commercial farmers, while the modalities of allocating the Musi Farm (5580ha) for commercial production are being finalised with Ngwaketse Land Board. Additional 16625 ha of commercial arable land has been allocated in Pandamatenga.

119. Government is also committed to assisting farmers with cluster fencing in arable farmlands as a move to protect their fields from being destroyed by cattle and wildlife. Commercialization of the dairy industry, small stock, honey as well as the irrigated and rain fed arable production are being further promoted through the NAMPAADD programme, which now dovetails with our broader efforts to promote rural development through the EDD, local procurement and poverty eradication initiatives.

120. To continue improvement of the agriculture sector, Government in consultation with concerned stakeholders, has started the review of the National Agriculture Policy, which dates back to 1991. The revised policy will look at the entire value chain of products in the sector. Government is also in the process of creating more responsive extension systems. This includes creation of District focused structures, where staff with expertise in particular environments will be moved to relevant Districts.

## **Tourism**

121. Our efforts to expand our tourism industry are progressing as was reflected in last year's record 2.1 million international tourist arrivals, who are estimated to have spent P 4.7 billion, while we also had 1.2 million domestic tourists, who generated nearly one billion in additional revenue. To grow these figures further, we are making a proactive effort to broaden our tourism base. Out of the targeted 100 heritage sites, developments at 82 sites have been completed. These include access roads, trails and signage.

122. New tourism opportunities are being sought through the development of Dams, Educational Parks and Game Reserves within the country. Management plans are being developed for Gaborone Game Reserve and Dam, Francistown and Maun Educational Parks and Dithopo Game Ranch. Work to list Okavango Delta as the second World Heritage Site in Botswana is expected to be completed by 2012.

123. With support from external partners such as the World Bank, Government continues to identify innovative measures to mitigate human-wildlife conflict. An example is the positive response by local farmers to the promotion of chilli peppers and beekeeping as a deterrent for elephants, as well as a cash crop. Traditional practices such as kraaling, herding with dogs and the use of restraining fences are also being revived and strengthened.

124. I am pleased to report further progress regarding development of Trans-frontier Conservation Areas:

\* Amendment to the Bilateral Agreement of the Kgalagadi Trans-Frontier Park between Botswana and South Africa was signed late last year, which provides governance structures for the joint management.

\* A treaty governing the Kavango Zambezi Trans-Frontier Conservation Area with Angola, Namibia, Zambia and Zimbabwe, was signed and its Secretariat office at Kasane launched in August 2011.

\* Consultations for a final treaty for the Greater Mapungubwe Trans-Frontier Conservation Area between South Africa, Zimbabwe and ourselves remains ongoing.

125. A Framework Management Plan for the Makgadikgadi was launched in June 2011, which incorporates recommendations for wise use of the Pans. All areas of possible use are included, among them eco-tourism and the sustainable use of natural resources.

### **Environmental Protection**

126. Also, following approval of the review of Environmental Impact Assessment Act, draft EIA regulations are being aligned to the revised Act.

127. Uncontrolled wild land fires continue to be a major challenge to forest and range resources management. With assistance from Australia, Government continues to work with communities in refining our wilderness fire management strategy, which has resulted in the training of 1162 fire fighters. In addition, rural fire brigades are being established in Chobe, Ngamiland, Central and Ghanzi districts. An Advance Fire Monitoring System has also been installed at the Department of Forestry and Range Resources

128. Tree planting continues to combat land degradation. Since April 2010 approximately 136000 trees have been planted through the Accelerated Tree Planting Programme. There has also been an increase in small and medium sized nursery establishments, while the further promotion of backyard nurseries has now been incorporated into our poverty eradication efforts.

129. Government is also currently working with the World Bank in the development of a climate change policy. Our Department of Meteorological Services has taken up its additional responsibility of serving the SADC Regional Implementation Centre for the African Monitoring of the Environment for Sustainable Development programme.

130. In partnership with UNDP, we are further developing the guidelines for waste recycling so as to enable sustainable waste separation, re-use and recycling. This approach is meant to gradually move us away from construction of landfills to waste resource recovery and re-use. We are making further progress in expanding the sewer network around the country. The Gaborone Sewerage Reticulation project is expected to be complete by August 2012. The sewerage scheme for Goodhope has been completed while construction of sewerage infrastructure in Kanye, Kasane and Molepolole will soon commence.

## **Construction**

131. For a long time our construction industry lacked professionalism and effective regulation. This has led to problems such as corruption, fraud and the premature boarding of Government buildings. To reduce the risk of substantial variations being introduced after a construction project has commenced, a Stakeholder Reference Group consisting of people representing the developer and clients has been introduced along with Design and Quality Audit Teams for each stage of design and construction. The Quality Audit Teams will furthermore make unannounced inspections of projects at various stages of their construction. We shall continue to hold the party that caused the defect accountable for costs to correct the work. Poor workmanship, along with failure to complete work on time, by both local and foreign companies, has cost Government dearly and shall not be tolerated.

132. As part of the restructuring of DBES, a Claims Audit Team was also introduced, which uncovered substantial amounts of money that were falsely claimed by contractors and consultants. This abuse was at a high cost to Government; initially up to P 1 million in unwarranted amounts were uncovered every week. As a result there have been some payment delays, which should abate now that the abuses have been reduced and service providers are improving the quality of their submissions.

133. To further instil professionalism and integrity in the construction industry, we have enacted both the Engineers' and Architects' Registration Acts. Government together with the construction industry representatives are working on the establishment of a construction industry body that will oversee its operations and have engaged the Botswana Institute of Development Policy Analysis (BIDPA) to help determine the kind of overseeing body that is required to better regulate industry behaviour.

134. In addition, better inspections have been introduced to ensure that completed projects are up to standard before their handover. We are further ensuring that any defects that are subsequently discovered during the liability period are also corrected, with the resulting costs borne by the responsible party. Progress in these areas has been facilitated by the twice yearly convening of Construction Industry Dipitso.

### **Infrastructure Development**

135. Since independence, Government has adopted five year National Development Plans to guide project implementation. An overview of the past implementation of these plans has confirmed that too many of the projects were not completed as planned. Consequently projects ended up being carried over to the next planning period and sometimes even beyond. In order to address the above, a comprehensive review and overhaul of planning and project delivery systems by Government are necessary in the long term.

136. Another critical requirement is to achieve quality and durability on all infrastructure developments; hence the developers and designers must follow the proposed Planning Principles and impose all specified Quality Controls for all Construction Projects.

## Science & Technology

137. In today's global market, innovation, research and development are key contributors to sustainable development. The draft policy on Research Science Technology and Innovation will convert our presently fragmented science research activities into a more cohesive approach. Through this Policy, which will be tabled during this Parliamentary sitting, we are committed to building our national capacity for coordinated scientific innovation by establishing facilitating structures with monitoring and support mechanisms. This will better ensure that our research focuses on achieving national priorities for sustained development through diversification. Alongside the draft Research Science Technology and Innovation Policy is a draft Implementation Plan, which is a blue-print for translating the aspirations into reality. In partnership with the private sector it will thus be our goal to increase our investment in research and development from its current estimated 0.43% of GDP to our NDP 10 target of 2%. This effort will be facilitated by the National Innovation Capabilities Database on Research, Science, Technology and Innovation Resources in Botswana, which will provide online information about local research capacity and infrastructure.

138. In order to further strengthen the National System of Innovation the Government intends to rationalize research institutions by merging BOTEK and RIPCO. The rationalization is expected to refocus these institutions in a manner consistent with the Revised Science and Technology Policy. In the meantime the two institutions continue to conduct research and development of innovative products and services. BOTEK was this year awarded a patent for the Kgalagadi Sand Building Block by the African Regional Intellectual Property Organisation. It is building demonstration houses in different parts of the country to showcase the bricks practical application.

139. With support from Sweden, the Botswana Innovation Hub is currently working on implementing the Clean Tech Programme, which will drive research and business development in the energy and environment sector. The Hub is also implementing an ICT development programme. A key component of this initiative is the establishment of the Microsoft Innovation Centre during 2011. In addition, the Hub is one of the four regional partner institutions in the Southern Africa Innovation Support programme, funded by Finland, to promote regional cooperation in innovation.

140. To enhance nuclear safety and security, portable radiation monitoring devices have been distributed to 16 ports of entry to curb inadvertent trafficking of radioactive sources and detect any undeclared radioactive sources imported and exported out of the country. Efforts are in place to monitor the ambient radioactivity from both man-made sources and naturally occurring radioactive material. Environmental radiation monitoring stations have been installed in nine locations to detect and record any changes of environmental radioactivity.

### **Mass Media, ICT and Telecommunications**

141. Madam Speaker, the Information functions of government continue to play a catalyst role in "connecting government with every citizen everyday" in line with a national vision of an educated and informed nation. In this respect Government remains committed to Botswana's transformation as a digitally enabled information age society through our investment in communications in line with our implementation of the National ICT Policy and international best practice. The E-Portal which is evolving as a one stop shop for Government information and services is being constantly revised and added to, to better meet the needs of its domestic and international users. The Draft National e-Government Strategy has also been completed and shared with stakeholders.

142. Botswana, like the rest of the world, is actively preparing for the change from analogue to digital terrestrial television broadcasting. To this end, the Department of Broadcasting Services has embarked on an expansion of a terrestrial network for Digital Television Transmission at a total cost of P160 million. This project entails the installation of 38 new transmitters around the country in order to extend both Radio and Television coverage and reception. To date, 34 such transmitters have been installed in various parts of the country.

143. A large proportion of our citizens rely on the government Daily News paper for their information needs on government policies and programmes, and how they can enquire about and access public services. I am happy to note that the Daily News now reaches a growing number of small villages and remote areas. Since government contracted the Botswana Post for the distribution of the Daily News, the number of villages receiving the government newspaper has more than doubled from 210 in 2009 to 463 villages in 2011

144. The roll-out of telecommunications services to 197 non serviced areas through the Nteletsa II is expected to be completed in December 2011. As I reported last year many of the villages originally covered under Nteletsa I have experienced network breakdowns due to both technical faults and the negative impact of the theft of solar panels and other equipment. To remedy the situation, the Botswana Telecommunications Corporation (BTC) has been installing alternative technologies. This effort began in March 2011 and it is scheduled to be completed by the end of 2012.

145. As I have reported on previous occasions, to further ensure that Botswana has access to affordable and efficient telecommunications, Government has undertaken joint venture investments with other countries in the development of undersea fibre optic cable systems and their associated terrestrial backhaul links. This project has two major components, namely the East Africa Submarine Cable System (EASSy) and the West Africa Cable System (WACS). The EASSy component has been commissioned and has been carrying national traffic since December 2010, which has already had a positive impact on the wholesale cost of telecommunications services.

146. The other component, known as the West Africa Cable System WACS, is still under implementation and it is expected to be completed by April 2012. Deriving maximum benefit from both of these projects will also require further investments in local networks to achieve optimal bandwidth and connectivity.

147. The process of BTC privatisation has commenced and a consortium has been appointed as advisors for the project implementation. The advisors are currently carrying out a financial, legal, human resource and regulatory due diligence on the BTC. Government has also approved a transaction structure for the privatisation, which will be done in three phases.

## **Transport Hub**

148. The Transport Hub was established to identify and coordinate transport projects and policy initiatives that will transform Botswana into a regional transportation centre. Several initiatives are being implemented to realise this goal, including:

- \* Completion in April 2011 of a feasibility study and detailed designs on the Kazungula Bridge, along with sourcing of funds for construction.

- \* Finalising a decision on the alignment of Trans-Kalahari Railway line with Namibia. It is anticipated the project will be awarded for construction first quarter of financial year 2012/2013.

- \* Securing a developer and operator for the Dry Port Facility in Walvis Bay, with the award of tenders expected by the end of this month.

- \* Completing Phase II of Sir Seretse Khama International Airport expansion; while the new Francistown Airport has already been completed.

- \* Extension of the Maun Airport runway which is scheduled for completion early next year.

The new Kasane terminal building which had been scheduled for completion by February 2011 had been delayed due to redesign, which now incorporates existing structures.

## **Aviation**

149. Madam Speaker, the aviation industry was especially hard hit by the global economic downturn, while its recovery has been slowed by rising fuel prices. Passenger numbers slipped during the fourth quarter of 2010 and the first quarter of 2011. In this context, a statutory financial audit of Air Botswana is in progress and preliminary indications are that the airline's losses will be even greater than the previous year's figure of P45 million. For some time Air Botswana has been plagued by a range of challenges reflecting poor governance structures and resulting performance. To move forward the Air Botswana Strategic Plan 2011 is now being implemented, which incorporates a new organisational structure.

150. The recent passage by Parliament of the Civil Aviation and Aviation Security Acts is another step forward. Subsidiary legislation to support both the safety and air services licensing of air transport has also been drafted. In an effort to attract additional air traffic, Government has negotiated Bilateral Air Services Agreements with 19 countries. In this respect we will continue to identify and prioritise countries that have airlines capable of starting operations into Botswana.

## **Railways**

151. Madam Speaker, the implementation of the Botswana Railways' Turnaround Strategy continues. Initiatives to improve operational efficiencies and capacity are being undertaken under this strategy to ensure the organisation's sustained profitability. To meet the challenge aging rolling stock maintenance programs are now being executed with more attention to in-house efforts, with new maintenance facilities to be constructed in Mahalapye. Additional recently completed projects include:

- \* The rehabilitation of the Sua Pan Branch line and up-grading of the Selebi-Phikwe yard;
- \* Morupule B Rail Spur for transportation of lime and the Lobatse Clay Works Rail Spur for transportation of bricks; and
- \* Palapye Glass Factory Rail Spur for transportation of silica sand and soda ash.

152. Gaborone Container Terminal (Gabcon) continues to be a success, having recorded a net profit of P7 million during the last financial year. The company has constructed another container terminal in Palapye to facilitate containerised cargo in the central region, which is now operational. The Francistown Dry Port will also soon be managed by Gabcon under a management contract with Botswana Railways.

153. BR Properties whose mandate is to manage and exploit Botswana Railways properties along commercial lines as a subsidiary company is now on its third year of operation. Last year the subsidiary started a Retail Development Project in Gaborone in partnership with private