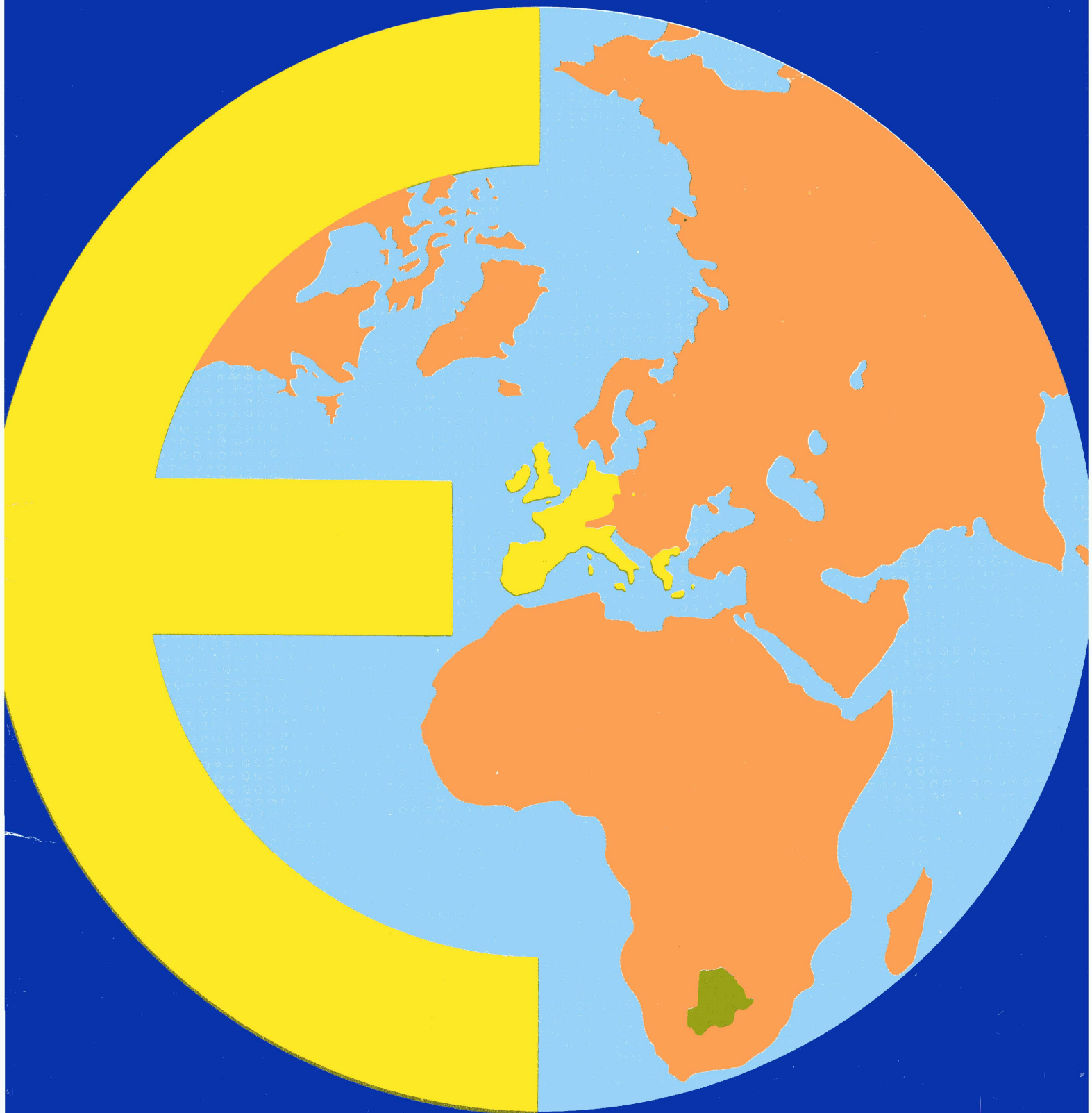


BOTSWANA AND THE EUROPEAN COMMUNITY



BOTSWANA AND THE EUROPEAN COMMUNITY

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June 1986

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IRELAND

UNITED KINGDOM

NETHERLANDS

BELGIUM

LUXEMBOURG

FRANCE

ITALY

PORTUGAL

SPAIN

AFRICA

INTRODUCTION

For more than ten years now, contractual ties as well as historical ones have linked Botswana and the European Community.

As a signatory of the successive Lomé Conventions, which currently group more than sixty African, Caribbean and Pacific (ACP) countries and the twelve Member States of the European Community under a single contract, Botswana enjoys trading advantages on the Community market, in particular for her beef exports, for which a preferential arrangement of significant value exists. The EEC takes more than 80% of Botswana's total exports, and supplies in all between 30% and 40% of her imports.

The Community and its Member States taken together are also a major source of development aid to Botswana, providing about a quarter of all such assistance in recent years. Under the Lomé Conventions, Community support has been given to several areas of Botswana's economy, in particular to livestock, rural development and communications.

As an active member of SADCC, Botswana also benefits from the extensive support which the European Community has been providing to the Southern African group since it was established in April 1980.

This brochure describes the principal aspects of EEC-Botswana* co-operation.



THE EUROPEAN COMMUNITY

The Community in Europe

The European Community is made up of twelve countries: Belgium, Denmark, France, the Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom. All these countries have signed three treaties which form the framework for the construction of a united Europe:

- the European Coal and Steel Community (ECSC) treaty of 1951;
- the European Atomic Energy Community (EURATOM) treaty of 1957;
- the European Economic Community (EEC) treaty of 1957.

The aim of the treaties is the formation of an economic union — bringing with it closer political cooperation — in which goods, people, capital and services can circulate freely and where foreign trade, agriculture, transport and other sectors of the economy are governed by common policies.

The European Community exists to promote prosperity in Europe, to guarantee peace between its member states, and to help other countries by means of trade and financial cooperation.

There are five Community institutions:

- The Council of Ministers, which has the power to take decisions. The

member states are represented in the Council at ministerial level. Decisions are taken either unanimously, or by a qualified majority, i.e. at least 54 votes out of a total of 76 (France, Germany, Italy and the United Kingdom each have 10 votes, Spain has 8, Belgium, Greece, the Netherlands and Portugal have 5 each, Denmark and Ireland both have 3, and Luxembourg has 2).

- The Commission, which proposes and administers common policies, and makes sure that the treaties are observed. The Commission has 17 members, called "commissioners", who in the exercise of their duties are required to act in the interests of the Community as a whole and not of their own respective countries.
- The European Parliament, which, with 518 members directly elected every five years, represents the inhabitants of the Community. The Parliament gives its opinion on the proposals submitted by the Commission. It is the Parliament which adopts the Community budget every year after discussions with the Council of Ministers.

- The Court of Justice, which is responsible for settling disputes arising from

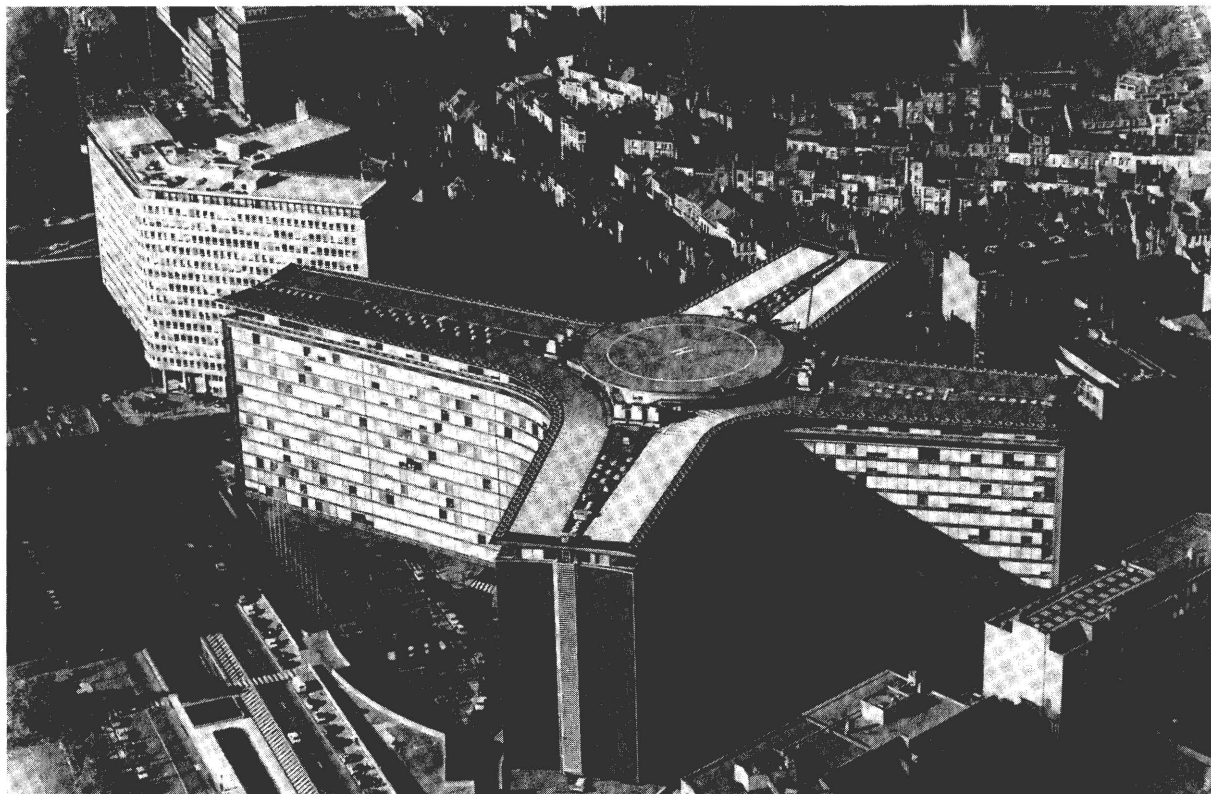
the application of Community law. The Court has 13 judges.

- The Court of Auditors, which has 12 members, checks that Community funds are properly spent.

In addition to these institutions, there exist other bodies involved in the running of the Community, in particular:

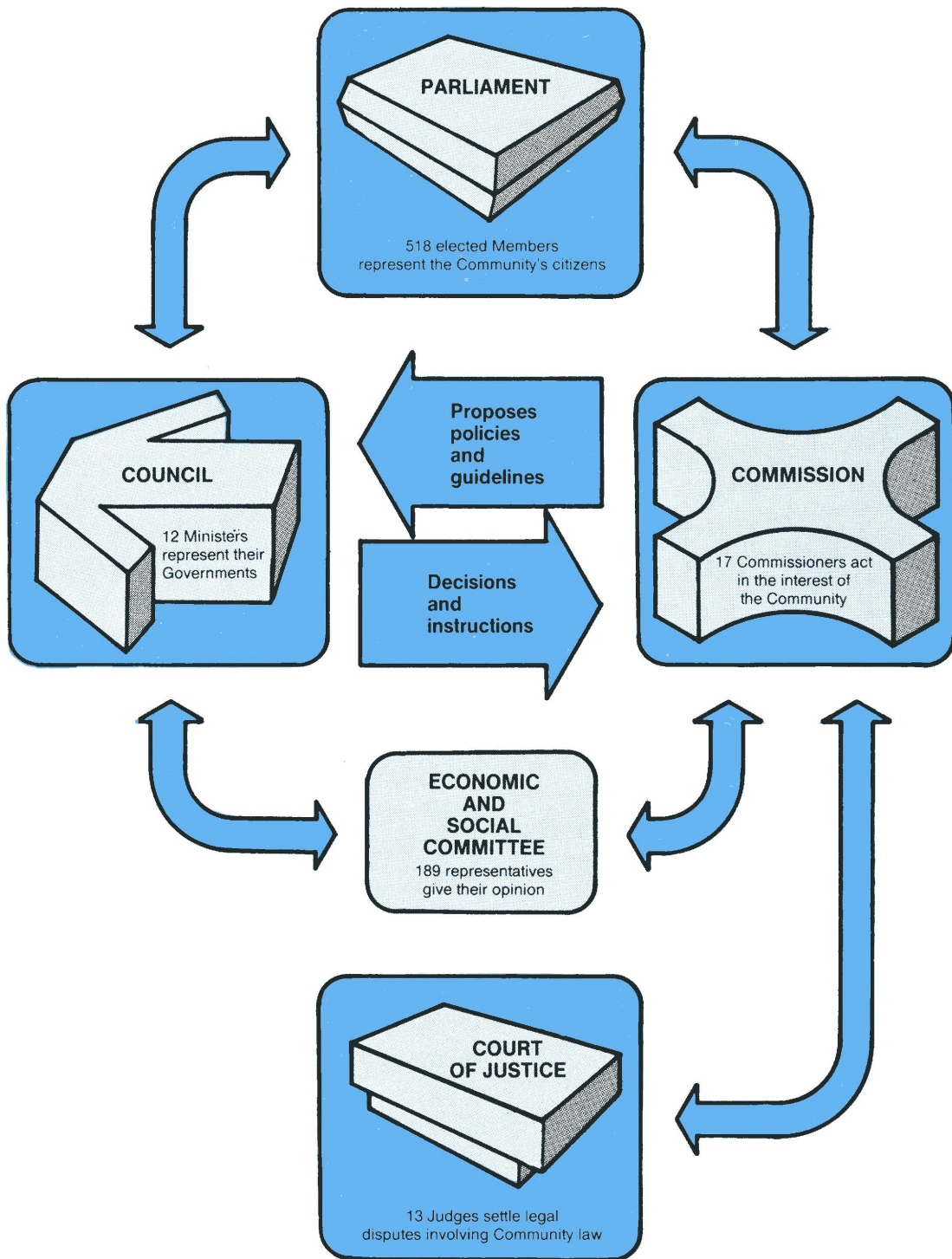
- The Economic and Social Committee, an advisory body with 189 members representing employers, trade unions and other interest groups such as farmers or consumers. Like the Parliament, it must give its opinion on Commission proposals before these can be adopted by the Council.
- The European Investment Bank, which has its own powers of decision, and which is endowed with capital subscribed by the member states, raises money on the capital markets to finance loans to Community countries and to developing countries which have comprehensive cooperation agreements with the Community (Mediterranean and ACP countries).

The whole Community edifice is crowned by the European Council of heads of state or government, who meet two or three times a year to discuss the broad direction of European policy.



Headquarters of the Commission (centre) and the Council of Ministers (left), Brussels, Belgium.

HOW THE INSTITUTIONS OF THE EUROPEAN COMMUNITY WORK





The Court of Justice in Luxembourg.



The European Parliament, Strasbourg, France.

The Community in the World

In its relations with third countries, the European Community pursues a policy based on freedom of trade, as well as a forward-looking policy of aid and co-operation with developing countries.

It supports the spirit underlying the GATT multilateral negotiations. As the body responsible for the common commercial policy of its Member States, the Community has taken an active part in the successive rounds of talks conducted by GATT to lower customs tariffs and remove non-tariff barriers to trade. The average level of its own external tariff is currently, at under 4%, one of the lowest in the industrialised world.

The Community took the lead, when it introduced its scheme of generalized preferences in 1971, to encourage developing country exports. Since then, it has consistently widened the scope of its scheme, which at present covers some 120 countries and a vast number of products.

The Community is a party to all major international commodity agreements, and will participate fully in the Common Fund, when it is finally established.

It is a member of the international wheat agreement, and has become, with the United States, the main supplier of food aid to the developing countries.

In addition to its trade activities, the Community co-operates in the economic development of the majority of countries in the third world. With expenditure on bilateral and multilateral aid running at about 12,000 million dollars a year, the Community and its Member States between them provide roughly one third of all official development assistance to developing countries.

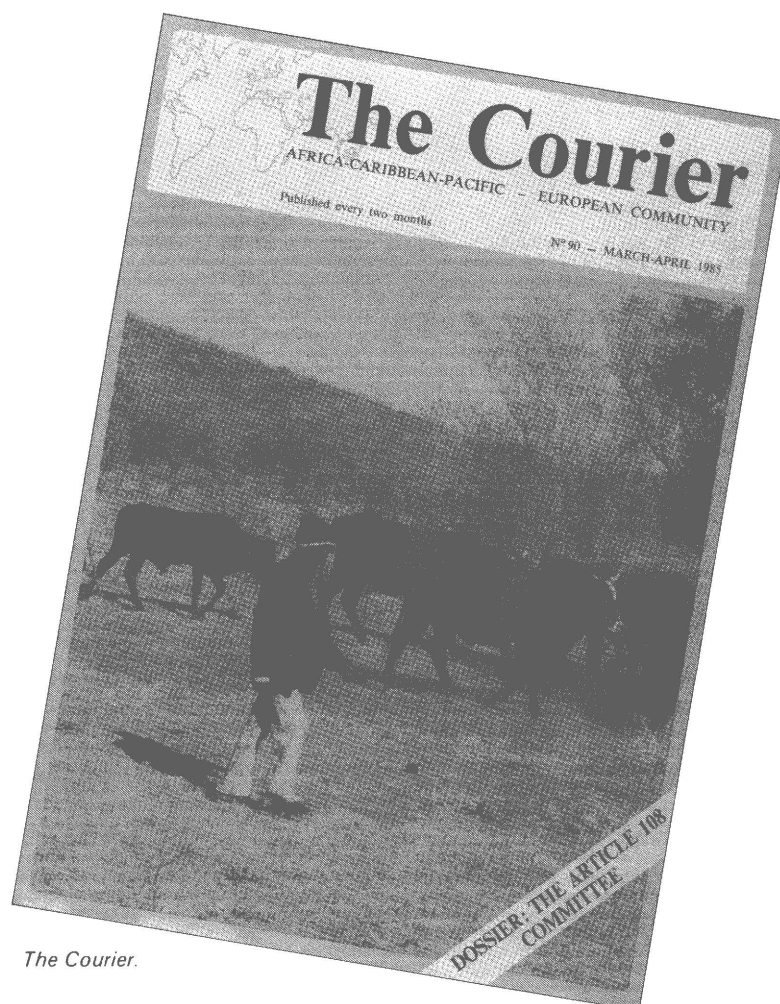
The Community as such is present in Asia and in Latin America where it finances a growing programme of rural development aid, and encourages regional groupings such as the Association of South-East Asian Nations (ASEAN) and the countries of the Andean Pact.

A series of trade and aid agreements concluded with eight southern and south-eastern Mediterranean countries

embody the Community's support for this region's development. The Community wishes to go further and is working for inter-regional co-operation between EEC and Arab League countries in the framework of the Euro-Arab Dialogue.

Finally, the Lomé Convention, a collective agreement between the twelve countries of the European Community and sixty-six African, Caribbean and Pacific countries, backed up with substantial funds and joint institutions, gives rise to multiple activities in the field and a permanent dialogue at institutional level.

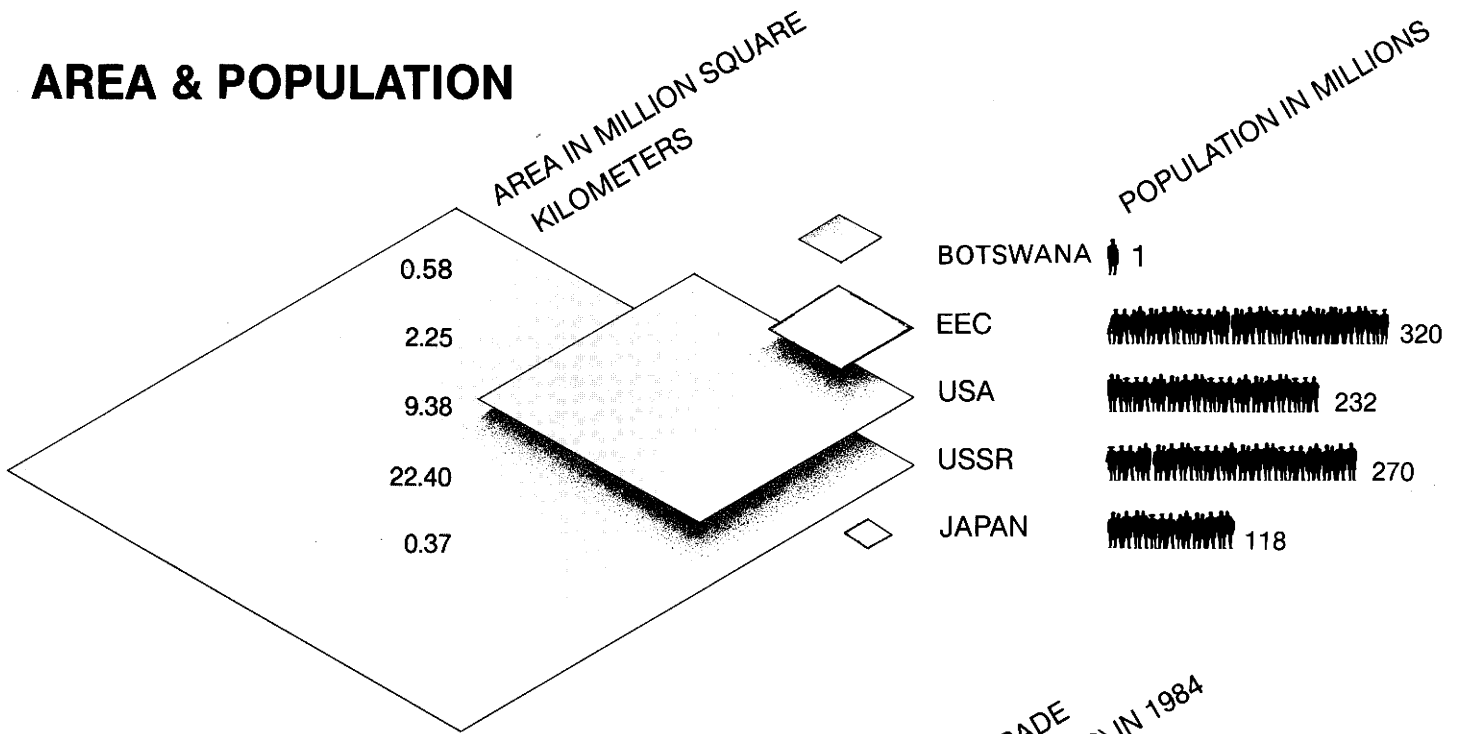
The extent of these activities is reflected in the network of overseas offices which the Commission maintains—there are 47 Delegations in the ACP countries alone—and in the two-monthly magazine "The Courier", which includes features on ACP and EEC countries, articles on development topics, news of the institutions' activities, and summaries of the latest EEC-financed operations in ACP countries. 500 copies are distributed every two months in Botswana.



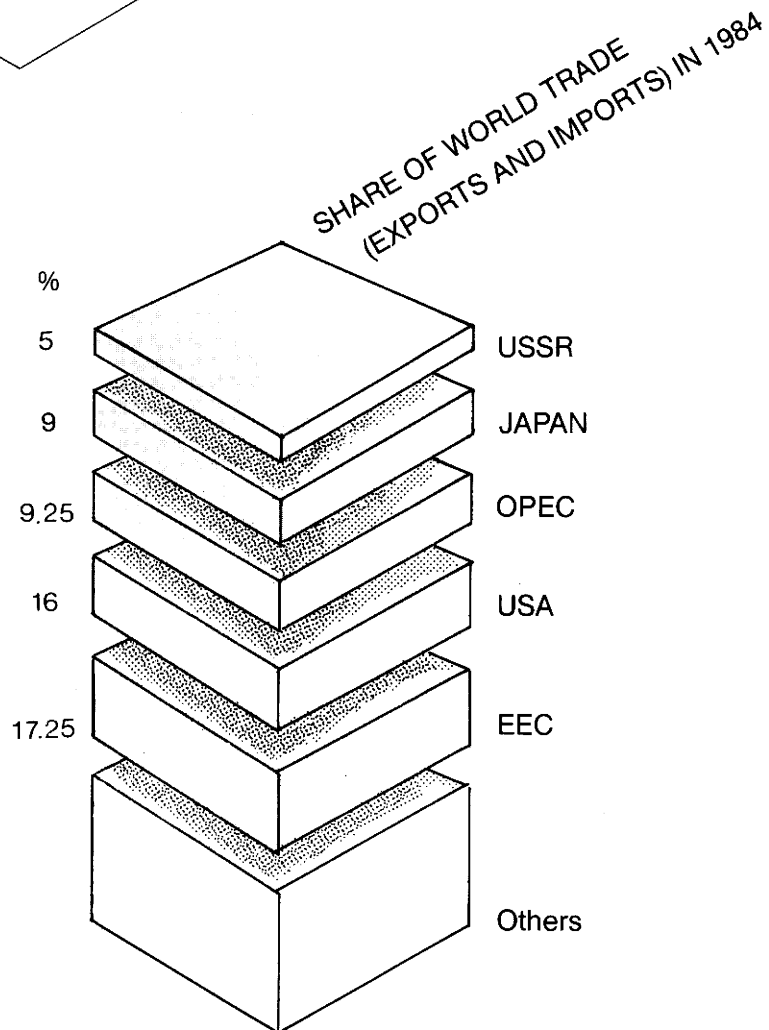
The Courier.

BASIC FACTS : a few comparisons

AREA & POPULATION

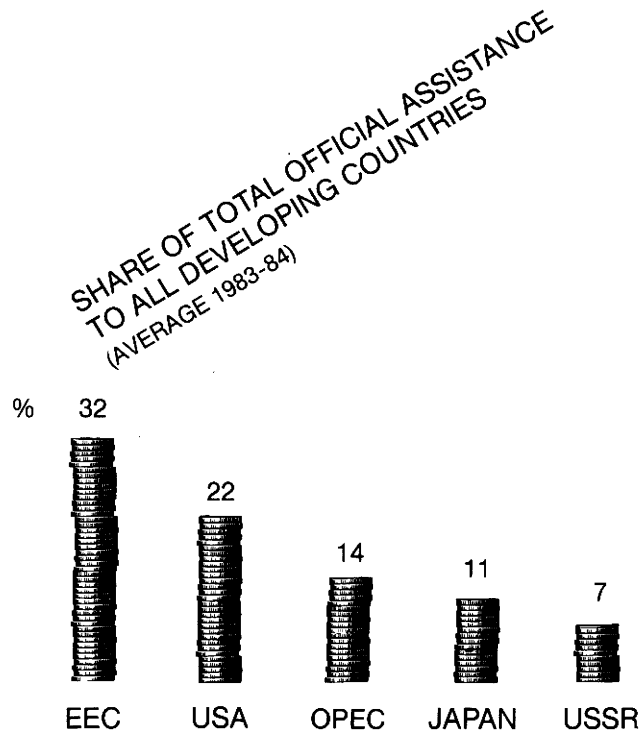


TRADE



Source : United Nations

AID



PRODUCTION

	MOTOR VEHICLES in millions (Passenger & commercial vehicles)	CEMENT in million tons	CRUDE STEEL in million tons	CEREALS in million tons (Average 1980-82)
EEC	11	135	111	127
USA	7	57	68	311
USSR	2	124	147	170
JAPAN	11	80	100	14

1982

Source: Eurostat

THE LOMÉ CONVENTION

A MINI NORTH-SOUTH DIALOGUE

The Lomé Convention remains the Community's most fully developed cooperation policy. Lomé has four basic features which make it the only example of North-South dialogue in practice:

- i) non-aligned cooperation between two regional groups, based on respect for the political and economic options of each partner;
- ii) secure and lasting cooperation, based on legally binding arrangements set down in a freely-negotiated contract;
- iii) overall cooperation, combining the full range of aid and trade development instruments;
- iv) permanent dialogue, through 3 joint institutions:
ACP-EEC Council of Ministers
ACP-EEC Committee of Ambassadors
ACP-EEC Joint Assembly.

AID AND TRADE

Aid

The European Development Fund (EDF) provides grants and soft loans and the European Investment Bank (EIB) provides loans for national and regional development projects.

In addition, there are three specific funds:

- Stabex — for cash transfers to offset serious losses on agricultural exports
- Sysmin — soft loans for mining industries in difficulty
- Emergency aid — grants for natural disasters and serious refugee situations.

Trade

The main arrangements are:

- duty and quota-free access to the EEC market for almost all ACP exports
- guaranteed purchase by the EEC of up to 1.3 million tonnes of ACP sugar at EEC prices
- funds for trade promotion.

FINANCIAL RESOURCES

	million £S	million ECU
LOMÉ I (1975-80)	7,348	3,450
LOMÉ II (1980-85)	12,141	5,700
LOMÉ III (1985-90)	18,105	8,500

Breakdown of LOMÉ III resources

	million £S	million ECU
Grants and loans for national and regional programmes (1)	12,290	5,770
Stabex	1,970	925
Sysmin	884	415
Emergency/refugee aid	618	290
EDF total	15,762	7,400
EIB loans	2,343	1,100
Grand total	18,105	8,500

(1) The amount earmarked for regional cooperation is 1,000 million ECU (2,130 million £S).



Signing of the third ACP-EEC Convention, Lomé, 8 December 1984.



The Minister of External Affairs signs for Botswana.

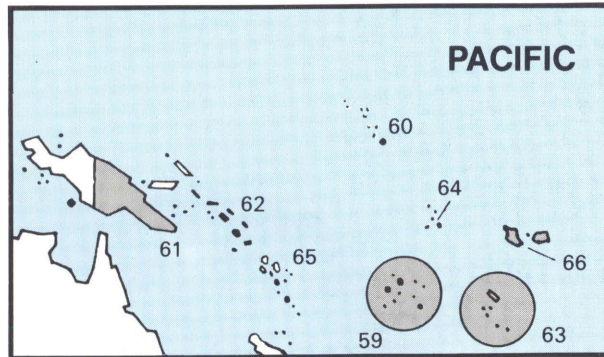
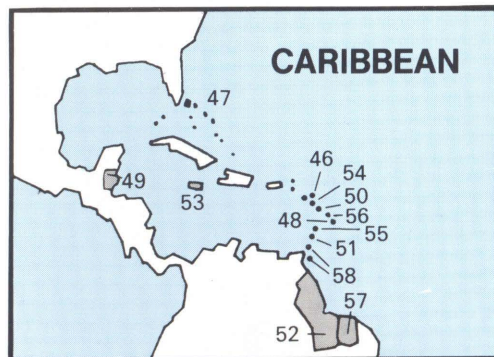
ACP COUNTRIES



ACP COUNTRIES

- AFRICA**
- 1 Angola
 - 2 Benin
 - 3 Botswana
 - 4 Burkina Faso
 - 5 Burundi
 - 6 Cameroon
 - 7 Cape Verde
 - 8 Central African Republic
 - 9 Chad
 - 10 Comoros
 - 11 Congo
 - 12 Equatorial Guinea
 - 13 Ethiopia
 - 14 Gabon
 - 15 Gambia
 - 16 Ghana
 - 17 Guinea
 - 18 Guinea Bissau
 - 19 Ivory Coast
 - 20 Jibuti
 - 21 Kenya
 - 22 Lesotho
 - 23 Liberia
 - 24 Madagascar
 - 25 Malawi
 - 26 Mali
 - 27 Mauritius
 - 28 Mauritania
 - 29 Mozambique
 - 30 Niger
 - 31 Nigeria
 - 32 Rwanda
 - 33 Sao Tome Principe
 - 34 Senegal
 - 35 Seychelles
 - 36 Sierra Leone
 - 37 Somalia
 - 38 Sudan
 - 39 Swaziland
 - 40 Tanzania
 - 41 Togo
 - 42 Uganda
 - 43 Zaire
 - 44 Zambia
 - 45 Zimbabwe

- CARIBBEAN**
- 46 Antigua and Barbuda
 - 47 Bahamas
 - 48 Barbados
 - 49 Belize
 - 50 Dominica
 - 51 Grenada
 - 52 Guyana
 - 53 Jamaica
 - 54 Saint Christopher & Nevis
 - 55 Saint Vincent
 - 56 Saint Lucia
 - 57 Suriname
 - 58 Trinidad & Tobago



- PACIFIC**
- 59 Fiji
 - 60 Kiribati
 - 61 Papua New Guinea
 - 62 Solomon Islands
 - 63 Tonga
 - 64 Tuvalu
 - 65 Vanuatu
 - 66 Western Samoa

BOTSWANA AND THE EUROPEAN COMMUNITY

Origin and instruments of Botswana-EEC co-operation

When the United Kingdom joined the European Community, the independent Commonwealth countries of Africa, the Caribbean and the Pacific were invited to negotiate association agreements or trade agreements with the enlarged Community. In July 1973 negotiations opened in Brussels which culminated in the signing of the first Lomé Convention on 28 February 1975 in the Togolese capital. Botswana was one of the forty-six ACP countries to sign the Convention. She has subsequently signed both successor Conventions, Lomé II in 1979 and Lomé III in 1984.

The Convention offers assistance in a variety of forms to Botswana and the other countries in the ACP group. Its trade provisions allow almost all ACP exports to enter the EEC duty-free and in unlimited quantities; and funds are provided to promote sales of ACP products to the Community and to other markets outside the EEC (development of trade and services).

In the case of Botswana, as well as Madagascar, Zimbabwe, Swaziland and Kenya, the EEC has made a special arrangement for meat, known as the "Beef Protocol". Over the last three years this has meant an extra income to Botswana of more than 165 million Pula on top of her normal beef export earnings.

The bulk of the European Development Fund (EDF) is available as grants and the rest as very soft loans, for development projects and programmes identified by the ACP countries in priority sectors fixed by common agreement. In addition to a fixed amount placed at the disposal of each country for national projects, considerable funds are set aside to finance regional projects throughout the ACP area, including Southern Africa.

For Botswana, programmable resources for national projects amounted to 19 million ECU under Lomé I (1976-80) and 23 million ECU under Lomé II (1985-85), while 32 million ECU have been set aside for the Lomé III period (1986-90).

For the Southern African region, a specific programme agreement signed recently with SADCC provides for 110 million ECU⁽¹⁾ to be granted to the region over the next five years.

A small proportion of the European Development Fund is reserved for emergency aid operations in the wake of natural or man-made disasters. Botswana has had to call on the emergency aid fund several times to date, for a total of 2.88 million ECU in exceptional assistance from the EEC.

Projects can also be financed with loans from the European Investment Bank, which in general carry interest rates of between 5% and 8%. Since 1976, a total of 35.5 million ECU have been lent to Botswana, and a further 3.2 million ECU of risk capital have been loaned from EDF resources, to enable for example the Government of Botswana to increase its equity share in the Botswana Vaccine Institute.

Other forms of assistance can be financed from the Community's annual budget, particularly food aid of which Botswana has received several shipments over the last few years of

drought. More recently, in response to a special appeal by President Masire, the EEC granted Botswana 3 million ECU towards the country's Drought Relief Programme 1986/87.

If all forms of European Community co-operation with Botswana since 1976 are given a monetary value, the total comes to almost 147 million ECU or over 240 million Pula.

The following pages give the details.

(1) 1 ECU = approximately 1.65 Pula in June 1986.



The President of the Republic of Botswana, Dr. Quett Masire, with Mr. Dieter Frisch, Director-General for Development, on the President's official visit to the Commission in June 1986.

TRADE

Botswana-EEC trade

The European Community is one of Botswana's biggest trading partners, buying on average 80% of all Botswana's exports and directly supplying one tenth of all her imports in recent years.

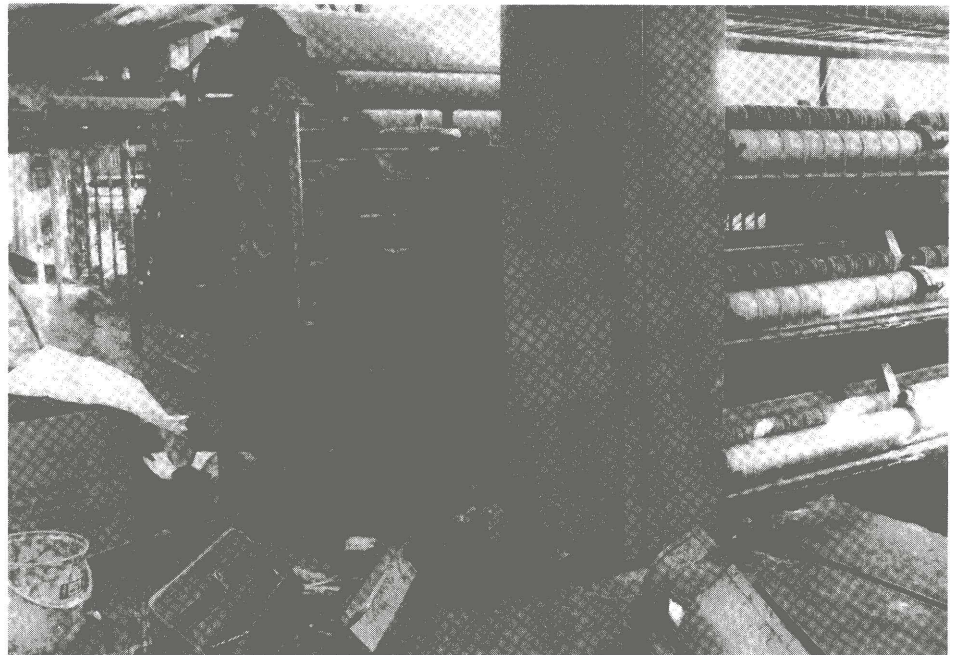
Although by no means traditional, minerals have provided Botswana with her most valuable exports over the last ten years. In 1985 diamonds alone earned the country over a thousand million Pula, i.e. three quarters of all export earnings that year.

Botswana runs a substantial trade surplus with the EEC, sending about 80% of her exports to the Community (mainly diamonds, copper/nickel matte and beef) while directly purchasing less than 10% of her imports from the EEC (see table below). This appears to be an almost perfect mirror image of the trade with the Southern African Customs Union (SACU), from which Botswana buys over 78% of her imports, but to which she sells less than 9% of her exports. A recent trend is however noticeable in the increase of direct EEC exports to Botswana, which have almost doubled over the last few years. To these must be added the many imports in Botswana of items originating in the EEC, but reconditioned in the Republic of South Africa. These are conservatively estimated to be one third of the total value of imports, effectively making the EEC a 30 to 40% supplier of Botswana.

exports benefits from a 90% import levy rebate when entering the EEC Common Market, allowing virtually the entire difference between "internal market" and "world prices" to accrue as extra income for the exporting country. Over the last three years the levy thus rebated to Botswana has totalled over 165 million Pula:

	1983	1984	1985
Quota (in 1,000 tonnes)	18.9	18.9	18.9
Exports to EEC (in 1,000 tonnes)	16.1	16.3	13.0
Levy rebate (in million Pula)	34.2	40.8	90.7

Source: BMC Lobatse



Kalahari karakul wool from the Sheep and Goats project is processed in Lobatse, before being sold through some of the world's major Trade Fairs.

Trade co-operation

Under the Lomé Convention, the European Community seeks to encourage Botswana's trade—like that of other ACP countries—by a variety of means including preferential customs arrangements and trade promotion measures. In addition, there is a fund to help stabilise export earnings (Stabex), but for which beef meat does not qualify.

Customs arrangements

As mentioned earlier, customs duties are not charged on Botswana's exports entering the EEC. The reverse, however, is not true, since the Botswana customs authorities can tax European products imported into their country—the application in practice of the principle of non-reciprocal trade advantages written into the Convention.

A specific Annex to the Lomé Convention provides for appropriate measures to take account of Botswana's present membership of the Southern African Customs Union (SACU).

Development of trade

Freedom of access to the Community market is of course not enough in itself to ensure expansion of sales, and so the Community also finances additional activities specifically designed to promote ACP trade.

In Botswana, 1.6 million ECU of EDF money has thus far been devoted by the Government to the promotion of trade and services. Active support and finance for the recently created Trade and Investment Promotion Agency TIPA, but also assistance with Botswana's participation in major trade fairs in Bulawayo, N'dola, Berlin or London, help to sell the country's products in the region and in Europe, including tourism. Advertisement in the international press, financing of major

(in million Pula)

Botswana-EEC Trade	1983	1984	1985
Imports from:			
SACU area	669	702	813
EEC	46	78	137
Rest of the world	91	119	30
TOTALS	806	899	980
Exports to:			
SACU area	40	58	55
EEC	516	662	1,130
Rest of the world	115	107	186
TOTALS	671	827	1,371

Source: elaborated from Customs and Excise Department, Botswana

Beef Protocol

More significantly, during 1985 over 70% of Botswana's beef exports measured in tonnes went to the EEC where they earned the country 85% of its revenue from this product. This results from the special conditions applicable to Botswana's beef exports to the EEC since 1976. In all three Lomé Conventions, a specific "Beef Protocol", in favour of Botswana, Madagascar, Zimbabwe, Swaziland and Kenya, has meant that a yearly quota of boned beef

campaigns such as "Buy Botswana", building a mobile exhibition trailer "Kolo Ya Botswana", co-sponsoring high-level promotion visits such as that led by Vice-President Mmusi to North America in 1985 or by the Honourable Minister Nwako to the Peoples' Republic of China earlier, training seminars for local entrepreneurs, etc... are other components of the Trade and Tourism Promotion Programme.

Funds have also been provided to the National Development Bank and the Botswana Development Corporation, for loans to small and medium sized enterprises. Identification of potential business partners and location of the necessary technologies is facilitated through the ACP/EEC Centre for Industrial Development

The development of Tourism to Botswana and its SADCC partners, the development of exports towards the rest of the world, but also of intra-ACP trade, and the improvement of procurement (cost) efficiency will be — with product development — the most important objectives of this area of co-operation for the coming years.

DEVELOPMENT AID

As well as being one of her main trading partners, the Community is one of Botswana's leading sources of development finance. In recent years, the EEC and its Member States together have provided about a quarter of all official development assistance received by Botswana. If one includes aid from the Voluntary Agencies and Non-Governmental Organisations from Europe the total rises to almost 40% (168 million US \$ out of 433 over the period 1982-1984) of all the aid received (excluding the Beef Protocol), a sizeable amount being channelled directly through the Community proper, mostly under the Lomé Conventions.

Direct EEC assistance to Botswana since 1976 totals about 147 million ECU or 242 million Pula, in addition to the Member States' own programmes. The largest part (31%) of the Lomé I and II programmes went to Livestock and Rural Development, but a significant amount (20%) was also devoted to Economic and Social Infrastructures in the Rural Areas. About 15% was allocated for Small and Medium-sized Enterprises, combining with Development of Trade and Services (10%) to create jobs and increase production. Smaller shares have been devoted to Training (11%), Energy and Minerals (8%) and Roads and Communications.

Official Development Assistance to Botswana 1982-84			
Donors	million \$	%	
European Community (EEC + Member States)	168	39	
<i>of which EEC direct</i>	49.75	11.5	
<i>FR Germany</i>	44.73	10.3	
<i>United Kingdom</i>	25.18	6	
USA	36.39	8	
UN System (incl. IBRD/IDA and IFAD)	89.90	21	
Others (incl. all Voluntary Agencies and NGO's)	138.71	32	
Total	433	100	

Source: elaborated from UNDP data

The Lomé III National Indicative Programme (1985-1990) agreed between the Government of Botswana and the EEC, will concentrate on the Development and Conservation of Natural Resources. The European Development Fund will provide 32 million ECU or about 53 million Pula for this purpose. In addition, the European Investment Bank will be responsible for funding loans for productive projects in such fields as agro-industry, mining, energy, water supply and tourism infrastructure.

Other financial resources such as the Rehabilitation and Revival Plan for Drought-Stricken African Countries, regular or exceptional food aid programmes, and emergency aid for man-

made or natural catastrophies, will also be available if required.

For regional operations in Southern Africa, the EEC has signed a special agreement with SADCC, to which it will provide 110 million ECU (about 180 million Pula) from the European Development Fund, over the Lomé III period. The SADCC Member States and the EEC have agreed to concentrate these resources mainly on Transport and Communications (40%) and Food Security and Agriculture (30%). A significant allocation will also be made to Manpower Development, particularly in support of the two priority areas, and 15% of the funds are earmarked for the continuation of on-going activities.



The Sheep and Goats project has received substantial support from the Community.

LIVESTOCK AND RURAL DEVELOPMENT

The largest single part (31%) of Lomé I and Lomé II financial assistance programmes has gone to support for the rural population, through development of their livestock and provision of the necessary socio-economic equipment in rural areas. In addition to the EDF national programmes for Botswana, Emergency and Regional Aid were provided to control outbreaks of livestock epidemics. Similarly, more modest contributions from the central EEC budget have been made to Non-Governmental Organisations such as the Botswana Red Cross and the World Lutheran Federation for grass roots projects like regional Red Cross centres, the Kagisong arrival centre for refugees or the SOS Children's Village in Tlokweng.

Livestock

More than 23.4 million Pula (14.2 million ECU) have been spent on the improvement and development of animal production, mainly livestock, but also poultry. Another 1.7 million Pula were used for the Countrywide Wildlife and Range Assessment Project in 1980.

In order to provide practical training facilities for ranch managers and associated executives involved in implementing the Tribal Grazing Land Policy, the necessary funds for constructing and equipping a Ranch Management Centre in Ramatlabama were donated by the EEC. Focussing on low-income farmers and assisting both the Department of Animal Health and the Botswana Co-operatives Union, the Services to Livestock Owners in Communal Areas Project—SLOCA—has received EDF grants ever since 1979. Infrastructure for supply of inputs and for marketing, demonstration and extension programmes, technical assistance and training, matching grants and a line of credit to the Botswana Co-operative Bank have been financed with these funds.

Since January 1978 over 4.6 million Pula have been contributed to the Sheep and Goats Development Project, for infrastructure, training, extension and technical assistance, and breed and husbandry improvements; and for a special programme for the Kgalagadi region, based in Lobu. As in the SLOCA projects, a strong marketing component is included.



The Services to Livestock Owners in Communal Areas (SLOCA) project aims at smallholders and co-operatives.

Rural Facilities

Nine serviced industrial estates and eleven factory shells have been built in major villages with EDF funds in order to provide appropriate infrastructure for small and medium sized enterprises in Botswana. Ten more are under construction. Further support for the Government's efforts to promote small industries, mainly in the rural areas, has been provided with two lines of credit to the National Development Bank NDB. A major Rural Administration Centre was recently inaugurated in Molepolole by President Masire and, another twenty "minor" rural administration centres are being built all over the country, under the same project, to assist the Government with its policy of bringing the administration closer to the people.

A rural Training Centre is being built and equipped in Francistown; and as a result of the study which it financed of the overall Water Supply for Mahalapye, Serowe, Tonota and Palapye, the EEC will be developing a new wellfield for the fourth of these major villages.



The Molepolole Rural Administration Centre is part of the effort to bring government services to the people.

THE BOTSWANA VACCINE INSTITUTE

On a 12,000 sq metres plot in Broadhurst Industrial Area of Gaborone stands an unimposing building that is now often referred to as an example of a successful project in almost every conference on development in Southern Africa: the Botswana Vaccine Institute (BVI).

Established with an EEC Exceptional Aid grant (in a prefabricated building) following the 1978 outbreak of foot and mouth disease in Botswana, the Institute was given the task of producing vaccine to fight the disease. Scientific and technical back-up was provided by the Institut Mérieux of France.

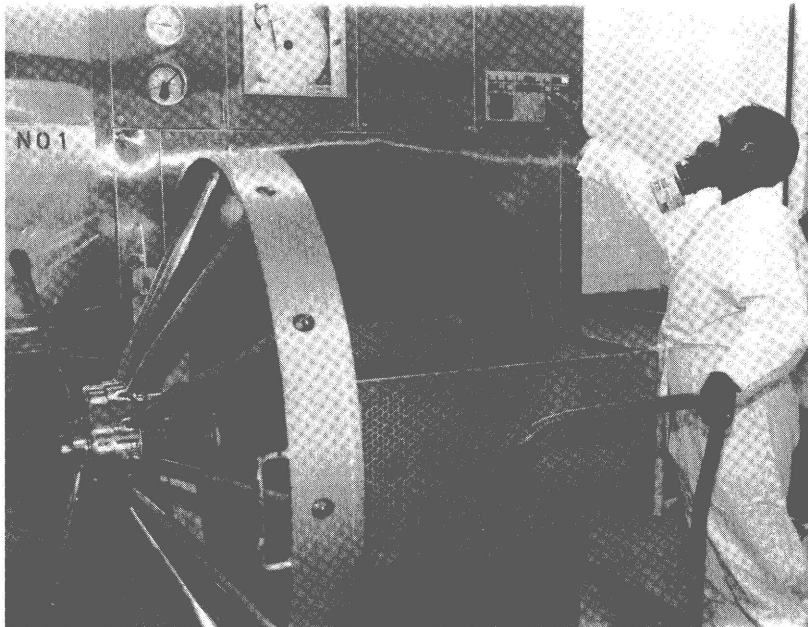
A strain of foot and mouth disease exists which is peculiar to cattle in Southern Africa, and which requires a special type of vaccine to be prevented. Previously the vaccine, called SAT (Southern African Territories), was imported. However, within a few weeks of its establishment the Institute had produced a first batch of experimental doses (15,000), which proved effective. Large-scale production began with output averaging 100,000 monovalent doses per week. By 1980, thanks to the dedication of the Department of Veterinary Services, Botswana had brought the disease under control.

The production capacity of BVI rose, between 1979 and 1980, from 100,000 to 250,000 doses per week. As demand increased in neighbouring countries, output was raised to 8 million doses per year.

Meanwhile, a more permanent building for BVI had been erected and officially opened by President Masire. The overall cost of the Institute was about 9 million Pula, with the EEC footing most of the bill.

The Institute now plays an increasingly regional role within the framework of SADCC. It has been very effective in fighting foot and mouth disease throughout Southern Africa. It is believed that without it, Botswana's cattle herds and those of many neighbouring countries could have been decimated or even wiped out.

The Institute has now completed its second development phase, again with EEC assistance, this time in the form of an EIB soft loan and an EDF interest subsidy. Production has been cut from more than 500,000 doses per week to 350,000, due to reduced demand, but the Institute can play a major role in combatting animal diseases in Africa, especially rinderpest in East Africa. Its maximum production capacity is now about 21 million doses of foot and mouth disease vaccine per annum. Very recently, BVI was designated as EEC-funded "Vaccine Bank", in the wider contexts of an interregional project in Africa.

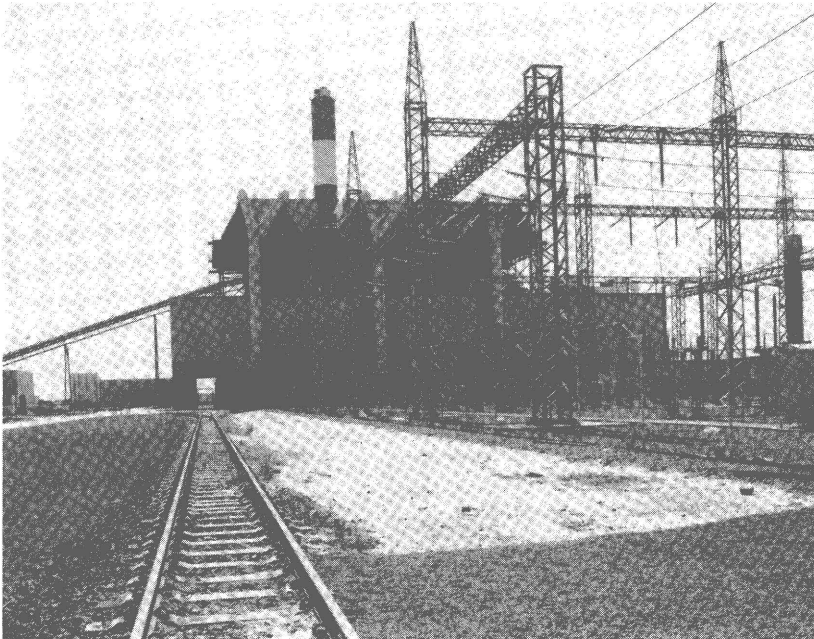


Advanced technology and very high standards have earned BVI the status of regional vaccine bank.

With its capacity of about 21 million doses of vaccine per annum, the BVI plays a major role in combatting foot and mouth disease in Africa.



THE BOTSWANA POWER CORPORATION

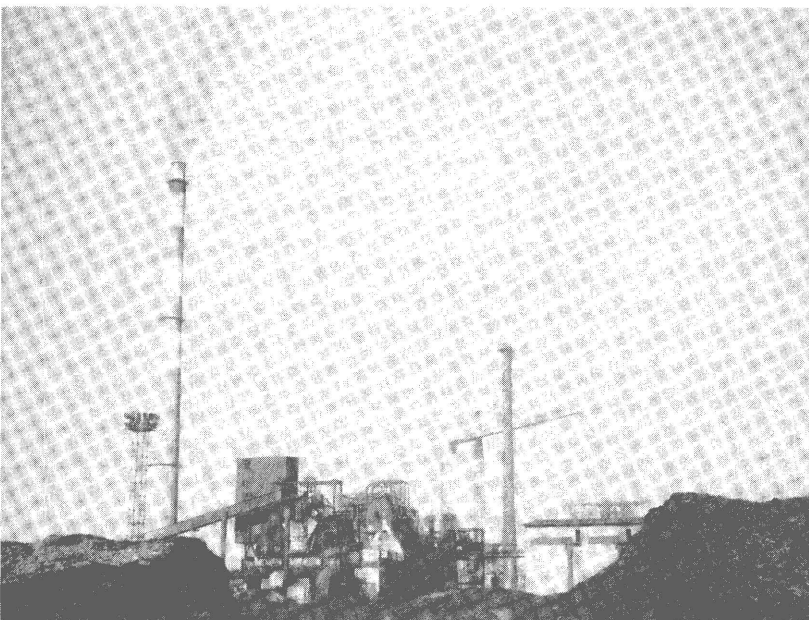


Morupule, the innovative coal-fired power station in the Central District.

In 1973, the Selebi-Phikwe power station was commissioned as part of the infrastructure development required to support the nearby copper/nickel mine operated by BCL. However, by 1979 additional electricity demand had to be met in the Phikwe area and the power system in Botswana needed to go into a new development phase. It was decided that a full technical and financial feasibility study should be commissioned for a proposed new thermal power-generating plant based on the utilisation of local coal resources. Meanwhile, to respond to the immediate demand and take advantage of the existing infrastructure, the Selebi-Phikwe plant capacity was extended by adding a fourth stoker-fired boiler to burn 100 tons of coal per hour, and connect it to a fourth 20 megawatt (MW) turbo-generator.

In a typical combination of its co-operation instruments, the EEC financed the study on its "risk capital" programme (EDF resources), under which a soft loan (3% per year, 4 years grace then 6 years repayment) is treated as a grant if the beneficiary decides to abandon the project as non-viable. A contribution to the plant extension was financed with an EIB concessionary loan, with the interest rate reduced by a 3% subsidy from the EDF. Similarly, to implement the recommendations of the feasibility study, which was approved by the Government, i.e. to construct a new coal-fired power station at Morupule, BPC obtained from the EIB two successive concessionary loans, which again were softened by an EDF interest rate subsidy of three per cent. Altogether some 29.25 million ECU or about 48 million Pula were obtained to contribute to a 348 million Pula programme. Additionally, a grant of 6.6 million ECU or 11 million Pula was made towards interest payments.

The Selebi Phikwe copper-nickel matte plant is a big electricity consumer.



The technical concept used for the Morupule Power Station is specifically adapted to Botswana's particularly dry and hot climate. The pithead power plant, which is to have a total production capacity of over 130 megawatts (MW) through four steam boilers and turbines, relies on two ecologically "soft" techniques. The cooling is done through a closed water circuit, ("dry condensation process") where the same coolant is used time and again, thus making the best possible use of a scarce resource. Thanks to special electrostatic filters to trap flying ashes from the low-sulphur Botswana coal, pollution is kept to a minimum. The station is situated about 1 km from the coal mine, and its first phase (99 MW) will be in production by September 1986. The fourth unit is expected to be in production by the end of 1989.

TRANSPORT AND COMMUNICATIONS

Roads

In the transport sector, Community support has been concentrated on the north/south road axis, a major Government of Botswana programme with significant regional implications. The 45 km hard-surfaced Lobatse-Ramatlabama road was inaugurated by the President of Botswana in October 1981. In January 1984, a special ceremony took place in Kazungula between President Kaunda of Zambia and Dr. Masire, to inaugurate the 300 km hard-surfaced road to Nata, opening a direct and permanent link with Zambia. The necessary repairs to the ferry on the Zambezi had also been carried out. The total EEC financial contribution to the programme was in excess of 21.5 million ECU.

Telecommunications

Telecommunications in Botswana have undergone enormous developments over the last ten years. In keeping with this, appropriate training facilities have had to be created to provide for the necessary staff. A training centre for postal services and another for telecommunications were established in Gaborone. Simultaneously, a regional telecommunications training centre at a more advanced level, was established in Blantyre (Malawi). Community support for these projects (2.18 million ECU including Technical Assistance), has recently been extended for another four years.

Railways

To assist the Government of Botswana in taking over the railway line, but also to help Swaziland and Zimbabwe in this strategic sector, the Community has made two grants of 2 million ECU to train national railways staff, and to buy training equipment for them, on the basis of the Manpower Development Study carried out as the initial stage of the project. The current programme of assistance should run until 1989.

Presidents Kaunda of Zambia and Masire of Botswana inaugurate the 300 km tarred road from Nata to Kazungula (January 1984).



Department of Information and Broadcasting - Botswana

OTHER FORMS OF ASSISTANCE

Minerals

In the mineral sector, a Mining Study was completed in mid-1983, which investigated the potential for the use of Botswana's coal and derivatives in as well as out of the country. One of the results was the decision to embark upon background data collection and testing for Low Temperature Carbonisation of local coal. This project will now be considered in the framework of SADCC.

To complete the aeromagnetic picture of the country, so as to have available the geological information usually

required by private sector prospecting companies, an Airborne Geophysical Survey is under progress over Eastern Botswana. This includes an aeromagnetic survey of 72,000 km² (now completed), an analysis of the findings, and an airborne electro-magnetic survey of 5,000 km² of selected target areas. To assist prospectation for oil and natural gas, work is to be done soon in Western Botswana, over the Nosop and Ncojane basins, but through gravity surveys (supplemented by magneto-telluric soundings), a more recent and

more sophisticated but cost-effective technique.

Training and technical assistance

Training and Manpower Development benefitted from significant EEC support, for local courses at the IDM and the Pre-Entry Science Course (PESC) but also through individual scholarships for studies elsewhere in Africa

and overseas. Levels, subjects and applications are decided by the Government, the only body allowed to submit requests. This ensures that training schemes are tailored to the needs of the country and to its development priorities.

At the University of Botswana, the construction and equipping of several buildings has been financed by the EEC over the years, such as two hostels, the students' union building, the faculty of social sciences, the Vice-Chancellor's offices, the administration block and, more recently, the premises for the Pre-Entry Science Course.

Technical assistance has been provided for manpower planning and development, for inter-university co-operation with the Free University of Amsterdam (the Netherlands), for the Botswana National Development Bank (an internal auditor); and for a Tourism Development Plan (February 1979). This was followed up by a line of credit from the EIB to the Botswana Development Corporation (with an interest rate subsidy from the EDF) to help finance the construction of Thapama Lodge in Francistown, a hotel fully owned by the Marakanelo group of Botswana.



The Pre-Entry Science Course (PESC) has proved to be an essential step to advanced training in scientific subjects — here a lab class conducted by lecturers seconded from the University of Amsterdam.

Emergency aid

Emergency and exceptional aid has been needed in several instances over the last ten years, mainly for assistance to refugees seeking asylum in Botswana, but also in the form of food aid supplies, assistance to contain the outbreak of foot and mouth disease in

the cattle herd and, more recently, to respond to the Government's appeal for the drought relief programme. This latter grant, of 3 million ECU from the "Rehabilitation and Revival Plan for African countries most affected by drought" will be mainly devoted to groundwater supply.

Wildlife and the Environment

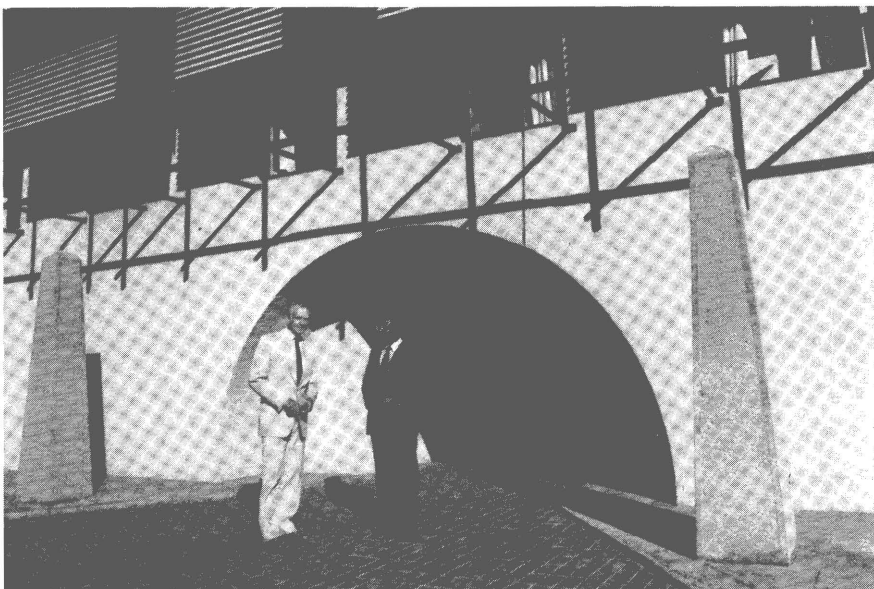
Finally, Wildlife and Conservation deserve a special mention as the "Countrywide Animal and Range Assessment Project" was approved by the EEC as early as 1977. The Maun Wildlife Training Centre, initially built with the European Community's support, is presently being expanded with more EEC funds. A technical assistance team to help consolidate and develop the Department of Wildlife and National Parks, has just arrived and funds have also been granted for the establishment of a permanent wildlife and range monitoring programme.

Support has been made available to cover local costs for the preparation of the National Conservation Strategy. Conservation Education will be developed as an important responsibility of the Department of Wildlife, but also as an objective of the "Wildlife Clubs", which are to be strengthened. A Senior Tourism Development Adviser is to be assigned to the Ministry of Commerce and Industry, and the first Lomé III project in Botswana ("Initial Measures for the Preservation of the Kalahari Eco-system") should be approved in July 1986.



Main lobby of Thapama Lodge.

The Vice Chancellor of the University with the EC Delegate outside the administrative offices of the University of Botswana.



REGIONAL CO-OPERATION

Itself a regional body, the EEC has consistently sought to support regional co-operation amongst its ACP partners in Southern Africa as elsewhere. Over and above the amounts provided to each ACP country for national projects, the Community set aside 30 million ECU for regional projects under Lomé I and another 70 million ECU under Lomé II.

Of the 70 million ECU committed to the region for Lomé II (1980-1985) the biggest share (33%) went to Rural Development, with Transport and Communications receiving 28%, a proportion which will be significantly increased by further projects to be funded from the remaining balance of 8.4 million ECU. The Northern Malawi — Tanzania road link, the «Corridor» to the Port of Beira, rehabilitation works on the TAZARA railway to Dar-es-Salaam and the rehabilitation of the railway to the Atlantic Port of Lobito are among the main projects to have received Community support. Training and educational infrastructure were allocated one fifth of the total: the recently inaugurated Regional Faculty of Veterinary Medicine in Harare is a good illustration of efforts in this sphere.

The main regional projects directly involving Botswana are the Tse Tse Fly programmes and the Foot and Mouth Control project, the Botswana-Zambia road link, the Railways Training projects and the Post and Telecommunications Schemes, as well as the two Regional Customs Training Programmes.

Since the launching of the Southern African Development Coordination Conference and the adoption of the Lusaka Declaration in April 1980, EEC regional support has increasingly focussed on SADCC programmes and projects. Between 1979 and 1983, official development assistance to SADCC from all sources totalled 10,760 million ECU, of which well over 40% came from the EEC and its Member States. The amount of direct EEC aid to SADCC Member States over the last five years (1980-1985) comes to 1,200 million ECU, counting all forms of Community assistance. This includes technical and financial assistance to the SADCC Secretariat in Gaborone.

For Lomé III, for the first time, the EEC and SADCC have taken their co-oper-

ation a step further by signing a special inter-regional agreement covering the next five years, for a total amount of 110 million ECU. Funds will be concentrated on Transport and Communications (40%) and Food Security and Agriculture (30%), with a significant allocation to Manpower Development, especially in support of the priority areas. SADCC will act on behalf of its Member States to co-ordinate the programme, which will absorb all the EEC's regional assistance to Southern Africa under Lomé III.

The substantial support which the Community has given SADCC reflects not only its belief in the benefits of regional co-operation, but also its determination, shared by its SADCC partners, to uphold the dignity and fundamental rights of all men and women, whatever their creed or colour. This is the spirit underlying the third Lomé Convention, which ensures that the Community will continue to give Southern Africa its fullest support over the years ahead.



By courtesy of MEDU, Botswana.

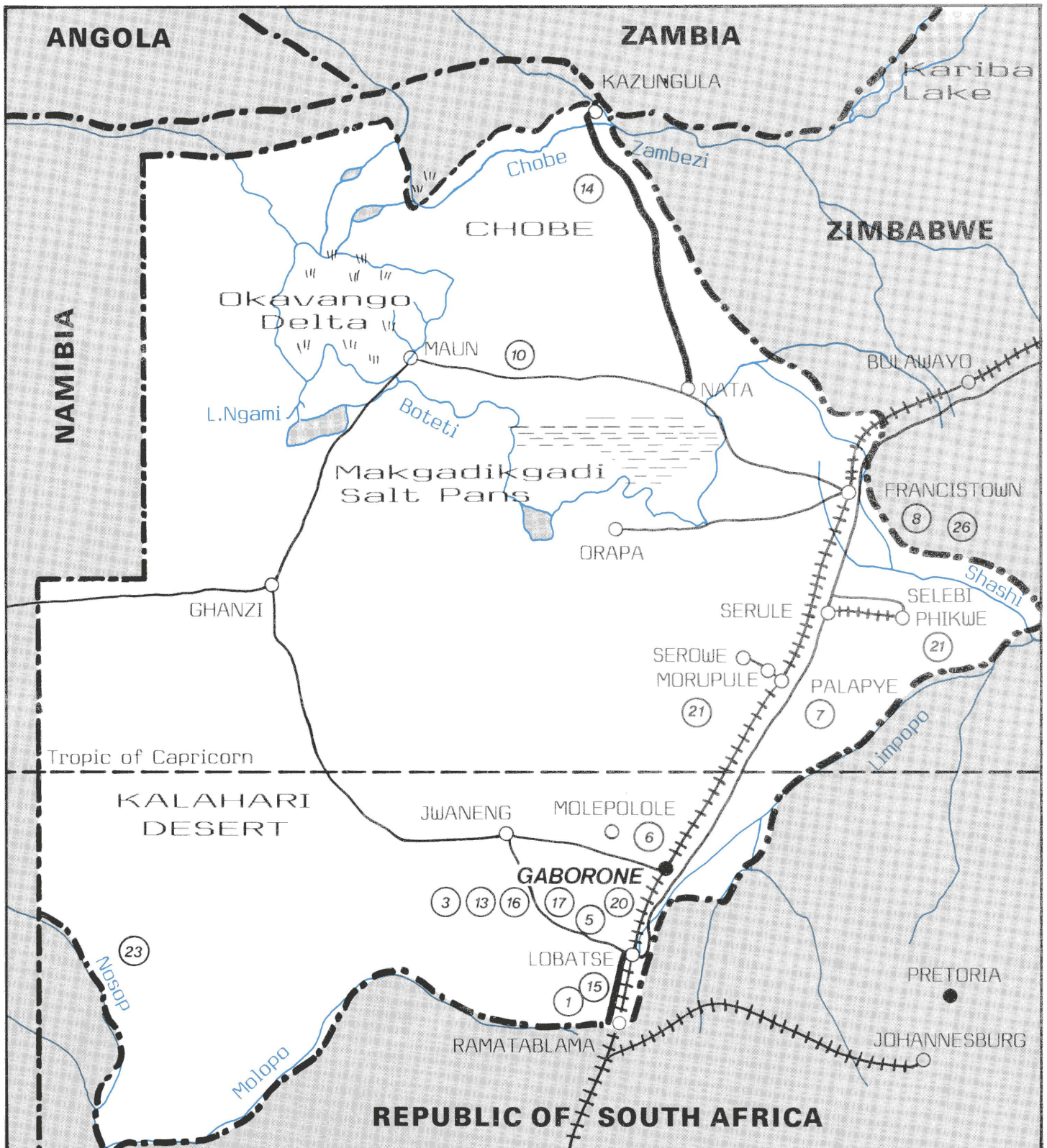
«Regional self-reliance is not inconsistent with our desire and need to seek the cooperation of the peoples and governments of the many countries who are interested in promoting welfare, justice and peace in Southern Africa, and of the international agencies who share this interest.»

*H.E. Sir Seretse Khama,
Lusaka, 1 April 1980.*

Principal abbreviations used in this brochure

ACP:	African, Caribbean and Pacific countries which have signed the Lomé Convention
BDC:	Botswana Development Corporation
BPC:	Botswana Power Corporation
BVI:	Botswana Vaccine Institute
CEC:	Commission of the European Communities
ECU:	European Currency Unit (the EEC's accounting unit, worth 1.65 Pula in June 1986)
EDF:	European Development Fund
EEC:	European Economic Community
EIB:	European Investment Bank
GATT:	General Agreement on Tariffs and Trade
IDM:	Institute for Development Management
NDB:	National Development Bank of Botswana
NGO:	Non-Governmental Organisation (Save the Children Fund, Oxfam, etc.)
PESC:	Pre-Entry Science Course
SACU:	Southern African Customs Union
SADCC:	Southern African Development Co-ordination Conference
STABEX:	Stabilisation of export earnings
UB:	University of Botswana

LOCATION OF COMMUNITY-FINANCED PROJECTS IN BOTSWANA



Country-wide projects (2, 4, 9, 11, 18, 19 and 25) are not shown on the map.

PRINCIPAL COMMUNITY-FINANCED OPERATIONS IN BOTSWANA, 1976-1986

AGRICULTURAL AND RURAL DEVELOPMENT

Million ECU

1. Ranch Management Centre Ramatlabama	1.03
2. Sheep and Goats Development (Phase I and II)	2.91
3. Botswana Vaccine Institute (BVI)	5.86
4. Services to Livestock Owners in Communal Areas (SLOCA)	6.05
5. Poultry Development	0.85
6. Support for decentralised rural development	1.81
7. Major Villages Water Study; Palapye Wellfield Development	2.09
8. Francistown Rural Training Centre	1.02
9. Countrywide Animal Range Assessment Project	0.79
10. Maun Wildlife Training Centre (phase I)	0.20
11. TA to Wildlife and Tourism	0.50
Wildlife, Tourism and Environmental Package	2.10

TRAINING AND TECHNICAL ASSISTANCE

12. Multi-Annual Training Programmes	4.63
13. University of Botswana (construction)	1.75
Technical Assistance	0.70

TRANSPORT AND COMMUNICATIONS

14. Road Nata/Kazungula	16.50
15. Road Lobatse/Ramatlabama	5.00
16. Railways training scheme (Botswana part)	2.20
17. Post and Telecommunications Training Scheme (Botswana part)	1.10

SMALL AND MEDIUM-SIZED ENTERPRISES

18. Assistance to S.M.E.	1.90
19. Lines of Credit to the N.D.B.	1.45
20. Broadhurst stage II water supply	2.00

ENERGY AND MINERALS

21. Botswana Power Corporation (EIB + EDF)	35.89
22. Airborne Geophysical Survey (East Botswana)	1.98
23. Gravity Survey Ncojane and Nosop basins	1.60
24. Energy and Minerals Study	0.05

TRADE AND SERVICES DEVELOPMENT

25. Trade and Tourism Promotion Projects	1.61
26. Line of Credit to BDC (Thapama Lodge)	4.65
Emergency and Exceptional Aid	1.28
Rehabilitation and Relief Programme Botswana	3.00



Further information can be obtained from.

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Sir Seretse Khama Crescent
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Telephone: 4455/6
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Trade Commission and Consulate
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