

**Republic of Botswana - European Community**

**Country Strategy Paper**

**and**

**National Indicative Programme**

**for the period 2008 – 2013**

The Government of the Republic of Botswana and the European Commission hereby agree as follows:

- (1) The Government of the Republic of Botswana, represented by the Honourable Mr Baledzi Gaolathe, Minister of Finance and Development Planning, and the European Commission, represented by Mr Paul Malin, Head of Delegation of the European Commission in Botswana, hereinafter referred to as the Parties, held discussions in Gaborone from February 2006 to August 2007 with a view to determining the general approach to cooperation for the period 2008-2013.

During these discussions, the Country Strategy Paper and an Indicative Programme of Community Aid in favour of the Republic of Botswana were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. These discussions complete the programming process in Botswana.

The Country Strategy Paper and the Indicative Programme are annexed to this document.
- (2) As regards the indicative programmable financial resources which the Community plans to make available to the Republic of Botswana for the period 2008–2013, **€73 million** is scheduled for the allocation referred to in Article 3.2 (a) of Annex IV to the ACP-EC Partnership Agreement (A-allocation) and **€4.3 million** for the allocation referred to in Article 3.2 (b) (B-allocation). These allocations are not entitlements and may be revised by the Community, following the completion of mid-term and end-of-term reviews, in accordance with Article 5.7 of Annex IV to the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects in support of the focal or non-focal areas of Community assistance. The Indicative Programme under Part 2 concerns the resources of the A-allocation. It also takes into consideration financing from which the Republic of Botswana benefits or could benefit under other Community resources. It does not preempt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings. The B-allocation shall be triggered according to specific mechanisms and procedures and therefore does not yet constitute a part of the Indicative Programme.
- (5) Resources can be committed within the framework of this Country Strategy Paper and Indicative Programme upon the entry into force of the 10th EDF Multi-annual Financial Framework for the period 2008–2013 of the revised ACP-EC Partnership, but not before 1 January 2008. Financing decisions for projects and programmes can be taken by the Commission at the request of the Government of the Republic of Botswana within the limits of the A- and B-allocations referred to in this document. Financing decisions can also be taken on the basis of Article 15(4) in conjunction with Article 4(1)(d) of Annex IV to the ACP-EC Partnership Agreement for support to non-State actors or on the basis of Article 72(6) of the ACP-EC Partnership Agreement for humanitarian and emergency assistance funded from the B-allocation. Financing decisions shall be taken and

implemented according to the rules and procedures laid down in the EC Council regulations on the implementation of the 10<sup>th</sup> EDF and on the financial regulation applicable to the 10<sup>th</sup> EDF and in Annex IV to the ACP-EC Partnership Agreement.


- (6) The European Investment Bank may contribute to the implementation of the present Country Strategy Paper by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2(c) and 3 of Annex Ib to the ACP-EC Partnership Agreement regarding the 10th EDF Multi-annual Financial Framework for the period 2008–2013.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Authorising Officer and the Head of Delegation shall undertake an annual operational review of the Indicative Programme and a mid-term and an end-of-term review of the Country Strategy Paper and the Indicative Programme in the light of needs and performance at the time.  
The mid-term review shall be undertaken in 2010 and the end-of-term review in 2012. Following the completion of the mid- and end-of-term reviews, the Community may revise the resource allocation in the light of prevailing needs and performance.  
Without prejudice to Article 5.7 of Annex IV concerning reviews, the allocations may be increased in accordance with Article 3(5) of Annex IV in order to take account of special needs or exceptional performance.
- (8) The agreement of the two Parties on this Country Strategy Paper and the National Indicative Programme, subject to the ratification and entry into force of the revised ACP-EC Partnership Agreement and the 10th EDF Multi-annual Financial Framework for the period 2008–2013, will be regarded as definitive within eight weeks of the date of signature, unless either party communicates the contrary before the end of this period.

Done at Lisbon on 9 December 2007

For the Government of the Republic of  
Botswana

  
**Lt. Gen. Mompoti S. MERAFAHE**,  
MP, Minister of Foreign Affairs and  
International Cooperation

For the European Commission

  
**Louis MICHEL**  
Member of the Commission in charge of  
Development and Humanitarian Aid

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## SUMMARY

Botswana is a model for the use of natural resources for development. It has evolved from one of the ten least-developed countries at independence in 1966 to a middle-income country, characterised by sustained economic growth, anchored in good governance, peace, political stability and sound macroeconomic management. Fundamental human rights and freedoms are entrenched in the Constitution, respected in practice and enforced by the Courts. GDP stood at some 50 billion Pula in 2004/5 (€8.4 billion). Whilst minerals, principally diamonds, remain the dominant source of revenue, there has been growth in such sectors as financial services, tourism and manufacturing. The trade balance is structurally in large surplus. Remarkable achievements resulting from sustained public investments have been recorded in the delivery and outcomes of social services such as health care, access to safe water and education. Over the last 35 years, the education system has expanded tremendously to accommodate the population growth and needs of the country, as reflected in outstanding achievements in enrolment at both primary and secondary levels.

The long-term aspirations of Botswana are encapsulated in “Vision 2016”, a strategic vision, whereas the National Development Plan 9 (NDP 9) sets out the Government’s development agenda for 2004-2009. The latter identifies poverty reduction and prosperity for all as fundamental national development goals, to be achieved through economic growth, diversification, job creation and human resources development.

In spite of the country’s economic growth and the positive trends in poverty indicators, income disparities remain a major concern and its achievements are seriously threatened by one of the highest HIV/AIDS prevalence rates in the world. Income poverty affects 23.4% of the population, in particular people in remote and rural areas. Policy needs to address more specifically poverty alleviation, as the persistence of poverty poses a threat to the achievement of the country’s strategic goals. The need to integrate women in the development process is perceived as an issue of social equality and a key element contributing to poverty eradication. There is a need to accelerate significantly the pace of economic reform, in particular to ensure effective implementation of policies promoting foreign direct investment and private sector development, and to improve productivity and competitiveness of human resources. Economic diversification and global competitiveness remain major challenges to sustain development growth. Employment creation is limited by the capital-intensive nature of economic growth in Botswana (mining sector) and a labour market lacking the increasingly skill-intensive workforce that it requires. Education and Training is seen as a critical area for economic development and technological change with a need to strengthen the links between education/training and employment, in particular by infusing business and entrepreneurial skills throughout the education and training system and by promoting a culture focused on productivity, skills and performance.

As a result of the analysis undertaken, and taking into account the GoB strategic vision and development agenda and lessons learned from past cooperation, the response strategy in this Country Strategy Paper (CSP) and the National Indicative Programme (NIP) identifies Human Resources Development as the single focal sector. This sector offers the best opportunity to tackle the twin challenges of economic and social development. This response will contribute to poverty alleviation in Botswana through support for economic diversification and greater global competitiveness.

## PART 1: STRATEGY PAPER

### CHAPTER I: THE FRAMEWORK OF RELATIONS BETWEEN THE DONOR AND THE PARTNER COUNTRY

#### I.1. General objectives of the EC's external policy

In accordance with Article 177 of the Treaty establishing the European Community, the purpose of Community policy in the sphere of development cooperation is to foster:

- the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
- the smooth and gradual integration of the developing countries into the world economy;
- the campaign against poverty in the developing countries.

Europe should project a coherent role **as a global partner**, inspired by its core values in assuming regional responsibilities, promoting sustainable development, and contributing to civilian and strategic security.

The Union has developed a broad spectrum of external relations tools in the shape of the common trade policy, cooperation under bilateral and multilateral agreements, development cooperation, humanitarian aid and financial assistance as well as the external aspects of internal policies (energy, environment, transport, justice and home affairs, etc.).

EU external action, including the Common Foreign and Security Policy, common trade policy and cooperation with third countries provides a framework both for integrating all EU instruments and for gradually developing a set of common actions based on common positions in the broader sphere of political relations.

Enlargement has placed upon the EU even greater responsibilities, as regional leader and as global partner. It should therefore strengthen its capacity to promote human rights, democracy and the rule of law as well as its capacity to focus on the fight against poverty, both in its own neighbourhood and through its multilateral and bilateral policies aimed mainly at sustainable development and political stability. Thus, the EU will achieve genuine coherence between its domestic and its external agendas, thereby contributing to global security and prosperity.

#### I.2. Strategic objectives of cooperation with the partner country

The Treaty objectives are confirmed in Article 1 of the *ACP-EU Partnership Agreement*, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. The overarching objective of the *Cotonou Agreement* is to promote the development of a common strategic approach to poverty reduction, consistent with the objectives of sustainable development and the gradual integration of ACP countries into the world economy. Cooperation between the Community and Botswana should pursue these objectives, taking into account the fundamental principles set out in Article 2, in particular the encouragement of "ownership" of the strategy by the country and populations concerned, and the essential elements and fundamental element as defined in Articles 9 and 11b of the Agreement.

While the Treaty and the Cotonou Agreement provide the legal basis for EC cooperation with ACP countries, the recently adopted *European Consensus on Development* sets the general policy framework at EU level. The primary and overarching objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the

international agenda, and with particular emphasis on the Millennium Development Goals. Human rights and good governance are recognised as other important objectives.

Better aid effectiveness is essential to achieving poverty eradication. Therefore the EU will advance coordination, harmonisation and alignment. It will promote better donor complementarity by working towards joint multi-annual programming based on partner countries' strategies and processes, common implementation mechanisms, joint donor-wide missions, and the use of co-financing arrangements. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and it will capitalise on new Member States' experience to strengthen their role as donors.

Policy coherence for development will advance in a number of areas. The aim is that all EU non-aid policies should make a positive contribution to developing countries' efforts to attain the MDGs.

The principle of concentration will guide the Community's country and regional programming. This means selecting a limited number of priority areas of action, through dialogue with partner countries, rather than spreading efforts in too many sectors. In this context the Community will be primarily active in the following nine areas, taking into account its comparative advantage in a number of them: trade and regional integration; the environment and sustainable management of natural resources; infrastructure, communications and transport; water and energy; rural development, territorial planning, agriculture and food security; governance, democracy, human rights and support for economic and institutional reforms; conflict prevention and fragile states; human development; social cohesion and employment.

The mainstreaming approach will be strengthened for four cross-cutting issues: democracy, good governance, human rights, the rights of children and indigenous peoples; gender equality; environmental sustainability; and the fight against HIV/AIDS.

In December 2005, the European Council agreed on an EU Strategy for Africa. The Strategy provides a long-term, strategic framework for interaction between Europe and Africa at all levels: with pan-African institutions such as the African Union, regional organisations and national authorities. It defines how the EU can best support Africa's own efforts to promote sustainable development and reach the Millennium Development Goals. The Strategy rests on three pillars: (i) promoting peace, security and good governance as central prerequisites for sustainable development; (ii) supporting regional integration, trade and interconnectivity to promote economic development; and (iii) improving access to basic social services (health, education) and protecting the environment to reach MDGs 1-6 faster.

### **I.3. Main bilateral agreements**

Botswana is a signatory to the Cotonou Partnership Agreement, and is Observer of the TDCA<sup>1</sup> EU-RSA.

## **CHAPTER II: COUNTRY DIAGNOSIS**

### **II.1. Analysis of the political, economic, social and environmental situation in Botswana**

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<sup>1</sup> Trade Development Co-operation Agreement.



Botswana is one of Africa's success stories of sustained economic growth, anchored in good governance, peace, political stability and sound macroeconomic management, although the gains are seriously threatened by the AIDS pandemic. The country is a model for the use of natural resources for development.

### ***II.1.1. Political and institutional situation***

Botswana has a multiparty constitutional democracy and free and fair elections are regularly contested, with universal adult (18 years old) suffrage. The Botswana Constitution, adopted at independence in 1966, is based on separation of the legislative, executive and judiciary powers. The Legislature consists of a unicameral National Assembly counting 61 members, 57 of whom are directly elected by constituencies every five years, with an additional four specially elected MPs. At the last elections in 2004, the Botswana Democratic Party (BDP), which has held a majority of seats in Parliament since independence, won 44 of the 57 constituencies. The Botswana National Front (BNF) won 12 seats, whilst the Botswana Congress Party (BCP) won one seat. These elections were considered free and fair. Areas for improvement are access to media and financing of electoral campaigns. Draft National Assembly bills of tribal concern must be referred for advisory opinion to the House of Chiefs, composed of traditional leaders. The President is elected by Parliament for a period of five years. The President is the head of the Government and nominates his cabinet from elected MPs.

Below the central administration, there are four local government structures: the district administration, the district councils, the land boards and the tribal administration. The administration is further decentralised down to village level, through the Village Development Committees and the Village Extension. The legal system is dual, comprising the common and the customary law. The latter, the law of any particular tribe or tribal community in so far as it is not incompatible with the provisions of any written law, is administered by the *Kgosi* (traditional leader). The judicial system consists of the Court of Appeal (the highest Court), the High Court (presided over by the Chief Justice) and the Magistrates' Courts. Judges are appointed by the President, acting on the advice of the Judicial Service Commission. All individuals share equal treatment before the law and have the right to request that their case be considered under the common law. The legal system functions well but lacks capacity, in particular due to the shortage of judges to deal with the number of cases, and prisons are overcrowded. Despite provision for legal aid, costs of legal representation are a constraint in the context of poverty.

The roots of Botswana's democracy lie in Setswana traditions, exemplified by the *Kgotla*, or Village Council, in which the powers of traditional leaders are defined and limited by custom and law. Civil and political rights are enshrined in the Constitution. The latter has a code of fundamental human rights and freedom, respected in practice and enforced by the Courts. Every person has the right to take part in the conduct of public affairs, directly or indirectly through freely chosen representatives. Every citizen has the right to vote or stand for elections, regardless of racial, national, ethnic or other origin. There is freedom of association, of worship and of expression.

Concern has been expressed over the dominant economic position of the Government in relation to the media. Independent press is small in size but active and free. The radio remains the most important means of communication. There is a favourable environment for dialogue and partnership between the Government and civil society, which is free to interact with GoB and voice criticisms openly. Its potential role, however, is seriously constrained by the lack of capacities and financial resources. The country is party or signatory to core treaties on human rights, with the exception of the UN Convention on Economic, Social and Cultural Rights. It

has not signed the ILO Convention 169 on Indigenous and Tribal Peoples. The Government's reluctance to sign such treaties is explained by its belief in equality of all citizens and non-discrimination along racial or ethnic lines (“No Motswana is more indigenous than another”). Current concerns have been dealt with in the report to the Committee on Elimination of Racial Discrimination<sup>2</sup> and essentially relate to ethnic minorities. Civil society argues that formal equality of all ethnic groups does not guarantee substantive equality and that eliminating the disadvantages experienced by specific groups would require specific measures, and as a starting point, disaggregated indicators along ethnic and linguistic lines would be needed. It is recognised that dialogue needs to be intensified between the Government and communities such as the San (or Basarwa or Bushmen) on their aspirations for their own development, and on ways to enhance programmes that will empower them socio-economically and preserve their cultural identity. Basarwa groups have challenged the Government in Court over the constitutional basis of their resettlement from the Central Kalahari Game Reserve (CKGR). On 13 December 2006, the High Court unanimously found their occupation of the CKGR to be legal.

The translation of ratified Conventions into national law and practice has been slow in some instances. The Government set up an Inter-Ministerial Committee on Treaties, Conventions and Protocols in 2003 to strengthen compliance with reporting on their implementation. Botswana has ratified the Rome Statute establishing the International Criminal Court. A bilateral agreement (“Article 98 Agreement”) was signed by Botswana in 2003 with the USA preventing the extradition of US citizens present on the national territory to the International Criminal Court (3).

The Office of the Ombudsman demonstrates independence and effectiveness. Standards of conduct in political, civil and commercial life are high in Botswana. Allegations of corruption or misuse of position are not common and appear to be systematically pursued. Some concerns are expressed about the independence of the Directorate for Corruption and Economic Crime (DCEC) and procedures for appointing its Director.

Concerns are also expressed about the *death penalty*, which is applied notably in cases of murder without extenuating circumstances (42 executions since independence<sup>4</sup>, last one in March 2006) and appears to have popular support. Those charged with capital crimes are entitled to state-funded lawyers, who are often underfunded and lacking in resources.

Botswana is party to major international *gender equality* instruments<sup>5</sup>. Its Vision 2016 and national plans recognise the need to integrate women into the development process as an issue of social equality and a key element in progressing towards poverty eradication. Various policies and programmes have been adopted<sup>6</sup> and a “National Gender Machinery” set up to translate these principles into practice. The impact of these efforts remains constrained by weak implementation capacity at most levels as outlined by a SADC review in 2005. The latter also recommended strengthening this machinery. Botswana’s achievements in terms of gender equality are impressive. In general, disaggregated indicators such as life expectancy at birth, adult literacy, enrolment in education, etc., show good achievements for gender equity.

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<sup>2</sup> Under the International Convention on Elimination of All Forms of Racial Discrimination.

<sup>3</sup> The Agreement (ICC Protocol) is subject to yearly renewal in July but is automatically renewed, on indefinite terms, if none of the parties wishes to revisit it.

<sup>4</sup> 39 men and 3 women.

<sup>5</sup> Botswana ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1996 and signed the SADC Declaration on Gender and Development in 1997 and the Addendum of the Prevention and Eradication of Violence against Women and Children in 1998.

<sup>6</sup> National Policy on Women in Development (1996) and National Gender Programme Framework (1999).

The disparity in income nonetheless remains significant<sup>7</sup>. Though the country did not meet the SADC objective of 30% female participation in decision-making by 2005, women are well represented in the administration, including at senior level, but less so at political level (7% of elected MPs and 11% of all MPs). Constraints commonly faced by women include cultural obstacles, lack of skills and information, unequal access to jobs - hence vulnerability to poverty, sexual violence (with serious implications in terms of HIV/AIDS) and domestic violence, including in recent years murders often followed by suicide of the murderer. Various social (fast-changing role of women in a still patriarchal environment, strength of traditions in rural areas) and economic (dependence of women on men, growing number of orphans or of children of other fathers living in extended families, etc.) factors contribute to this violence. The violence is also increasingly being reported, testifying to greater public awareness and improved legal protection, but this places service delivery by the Government and NGOs under stress. Traditional law has restricted women's property rights and economic opportunities, and permits polygamy (though rarely practised). The "Abolition of the Marital Power Act" Bill adopted in December 2004 has removed inequities between men and women in respect of marriages under the common law, notably as regards control of joint estates and custody of children. The legal and policy environment can be further improved, in particular as regards compatibility of customary law with common law, domestic violence (the law does not address the issue of marital rape) and employment, and by further mainstreaming gender balance into strategies, policies and plans. There is also the need to improve the system of monitoring gender-related developments.

Similarly, the rights of *children* are addressed domestically (Constitution, Children's Act) and through adherence to international agreements. The Government allocates very significant budgets to sectors and programmes benefiting children, such as education (primary schooling is free), health - including Prevention of Mother to Child Transmission (PMTCT) of HIV, social welfare (orphans and destitute). Dedicated legal and social service delivery systems are set up for children, in particular orphans. Birth registration is compulsory by law since 1998, albeit with implementation constraints particularly in remote areas, which places unregistered children at increased risk of trafficking. The number of orphans, in particular due to HIV/AIDS, registered by GoB for welfare assistance (food baskets and school uniforms) was 50,557 in December 2005 and is expected to reach 200,000 by 2015. In spite of legal and social protection offered to children, in particular orphans, the high number of orphans increases children's vulnerability to trafficking, sexual abuse and labour (children leaving school to care for the sick, domestic labour and cattle tending). Though acknowledged, the extent of the problem may not be fully understood and measures to tackle it appear insufficient and slow.

Under the Penal Code of Botswana the abduction and kidnapping, slave trafficking, compulsory labour and procuring of women and children for the purpose of prostitution are criminal offences. The extent of trafficking in persons from or through Botswana is not well known, although it appears that because of the country's geographical position, Botswana is used as a transit point between countries in the region where the problem is more accentuated. Women and children are particularly vulnerable. There appears to be trafficking, related to legal migration, of young women and girls to and within South Africa. They are forced into the sex industry or sold as second wives to migrant workers<sup>8</sup>. A plan of action was set up in 2004 and border controls intensified in collaboration with South African Police.

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<sup>7</sup> Estimated earned income (PPP USD) of 5,353 for women and 10,550 for men – HDR 2004 – UNDP.

<sup>8</sup> Trafficking in Human Beings, Especially Women and Children, in Africa; Innocenti Insight, UNICEF Innocenti Research Centre

Botswana has a “Recognition and Control of Refugees Act” and has ratified the UN Convention on Status of Refugees with reservations on a number of articles. The country hosts about 3,200 refugees, mostly from Angola, Namibia and Sudan. Human Rights organisations raise concerns regarding the detention conditions under which asylum seekers are kept at the Centre for Illegal Immigrants until a decision is made on their application, which can take three to four years, in contravention of the Refugees Act’s stipulation (28 days).

The migration pattern shows limited inward and outward flows (3% of the population) and mostly to or from neighbouring and other SADC countries, for work and study purposes. Deterioration of the political and economic situation resulting in an ever-increasing number of illegal immigrants from Zimbabwe, without legal status or income, raises concerns over control and repatriation costs, as well as potential consequences for crime and health threats from uncontrolled movements of animals and their products across the border (latest FMD outbreak occurred in April 2006), and feeds xenophobic reactions in the Botswana population.

Other human rights concerns are corporal punishment as pronounced by traditional Courts and as applied in schools, and illegality of homosexuality.

### ***II.1.2. Economic and commercial situation***

#### *Economic situation, structure and performance*

GDP stood at some 52.7 billion Pula in 2005 (€8 billion), with four sectors accounting for over 70% of GDP: mining, government services, trade/hospitality and financial/business services, a structure quite stable over the past 10 years. Economic growth in 2004/5 was 8.3% on average, with highest growth in the mining sector (18.2%), which enjoyed favourable production and world prices, but contraction in trade/hospitality (-6.9%) and manufacturing (-2.6%). Botswana remains heavily dependent on diamond production, which accounts for about three-quarters of exports, one-third of GDP, half of government revenue and 3% of total formal sector employment, while agriculture (driven by the livestock subsector and beef exports) accounts for only 2% of GDP but contributes a substantial proportion of rural income and some 20% of total employment. Agriculture remains constrained by a number of factors, ranging from the semi-arid climate to socio-economic and technical factors. Tourism contributes significantly to the country’s GDP (5%) as a result of visitors' expenditure<sup>9</sup> and direct expenditure filtering through different economic sectors. It is the second-largest export sector after diamonds and is estimated to provide employment for about 10 000 people in Botswana. Tourism arrivals have increased regularly (7.7% in 1999-2003), as have tourism facilities<sup>10</sup>. Tourism expenditure was estimated at 1.8bn Pula in 2003 with an average growth rate of 15.3% in the period 1999-2003. Foreign exchange reserves fluctuate between 22 and 27 months of imports of goods and services. Relatively high inflation rates (range 6.6% - 9.2% in past five years and 14.2% in the first half of 2006), compared to Botswana’s main trading partners, affect the country's competitiveness.

Botswana’s main trade partners are the SACU<sup>11</sup> countries (77% of imports) and the EU (89% of exports). The composition of imports reflects the country’s low agricultural output and high investments in development while that of exports testifies to the high and increasing dependence on diamonds. The trade balance has been in structural surplus over the past 10 years.

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<sup>9</sup> It is worth noting, though, that about 70% of this is lost to the country through payment to external agents.

<sup>10</sup> Out of 543 facilities in 2003, 231 were owned by Botswana citizens

<sup>11</sup> Southern Africa Customs Union between South Africa, Botswana, Lesotho, Namibia and Swaziland

About 50% of workers are employed in the formal sector, which grew in 2005 by 2.8% (8 000 jobs) and where the Government remains the largest single employer. More jobs are created in the informal sector, where earnings are, however, often below the minimum wage level.

Diversification away from mining remains critical, both to lessen economic vulnerability and to promote employment, but Botswana faces several challenges such as inadequate levels of investment, small domestic market, mismatch between labour skills and the needs of the market, low productivity, uncompetitive production costs (landlocked situation, high utility costs), and remoteness from export markets. Exploitation of gas is being explored while the relocation of aggregation of diamonds from London to Botswana has been agreed with De Beers, and in-country added-value through diamond cutting and polishing is pursued through the licensing of 15 factories as of May 2006. The Government has also identified several sectors as having potential for economic diversification, in particular tourism and international financial services.

Whilst in the past the country has invested heavily in infrastructure, the MTR of NDP 9 highlights the urgent need to focus on maintenance, to preserve those investments, rather than developing new ones. Botswana has a good road network with over 8,900 km of primary and secondary roads (i.e. about 1.5 km / 100 km<sup>2</sup>), of which more than 6,100 km (68%) are tarred. The private sector implements all development projects and 55% of the maintenance. Toll roads will be progressively introduced from 2006/7 onwards to boost financial resources for maintenance. The planned Kazungula Bridge over the Zambezi would greatly improve road transport between Zambia and Botswana. Air transport is very limited at the moment, dominated by traffic between Johannesburg and Gaborone. The Government is committed to accelerating expansion of air transport networks through market liberalisation, in line with the SADC Protocol on Transport, Communication and Meteorology. This is even more relevant given the aspiration of the country to become the centre for the trading of diamonds (following the creation of the Botswana Diamond Trade Company in 2006). Attention is focused also on achieving economic efficiency in the energy sector and developing renewable energy sources<sup>12</sup>. Botswana intends to increase its power generation capacity for both the domestic and regional markets as it imports over 70% of its electricity from the Southern African Power Pool, which no longer has surplus capacity. The telecommunication system is well developed with land line and cell phone users numbering some 9.3% and 16.6% of the total population in 2001, although benefits have not been equally shared between poor and rich, rural and urban areas. Further penetration of ICTs, especially in rural areas, to bridge the digital divide has become essential to ensure development and integrate the country into the global economy. A number of infrastructure projects, such as submarine optic fibre cables linking the west and east coasts of Africa, are ongoing to improve reliability, capacity and speed of the national network, and thereby ensure better interconnectivity with neighbouring countries.

#### *Structure and management of public finances*

Botswana's public finance management (PFM)<sup>13</sup> is based on the separation between legislative, executive and judicial powers and is characterised by a high level of predictability and transparency, with limited incidence of corruption. The country is 1<sup>st</sup> in Africa and 32<sup>nd</sup>

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<sup>12</sup> Botswana is a member of the Johannesburg Renewable Energy Coalition launched by the EU at the WSSD in 2002.

<sup>13</sup> It is foreseen to undertake a Public Expenditure and Financial Accountability (PEFA) exercise 2007/08 with European Commission support.

worldwide for the 2005 Corruption Perception Index (CPI). The Finance and Audit Act (1970, amended in 1997) specifies budget execution and control mechanisms, the distinction between various operations, as well as internal and external control. Areas for improvement include reduction of the time lag in producing statistics, the development of a unified accounting period for all statistics, allowing the preparation of an integrated set of financial and economic data, improving the capacity of the various ministries for accurate accounting, financial monitoring and timely management (recoveries, etc.). Botswana is a member of the East and Southern Africa Anti-Money Laundering Group (ESAAMLG) and signatory to the corresponding Memorandum of Understanding which also addresses issues pertaining to the financing of terrorism. A specific and independent Financial Intelligence Unit is planned, to deal with money laundering matters.

Prudent macroeconomic policies have allowed budget surpluses in all but four years since 1982/83, and there is a strong commitment to keep budgets in balance or limited deficit. The 2006/07 budget projects a surplus of 0.9 billion Pula. Revenue and grants (€3.7 billion) are derived mostly from the mining sector (47%), Customs and Excise (22%<sup>14</sup>), as well as Non-Mineral Income Tax (12%) and VAT (9%). Recurrent expenditure remains at its previous level. Development expenditure (over €970 million) has increased by close to 20% over the previous budget, as a result of one of the NDP9 MTR recommendations for speeding up the implementation of development projects and boosting growth through increased development expenditure. Another recommendation resulted in the adoption of the fiscal rule, setting the ceiling of total budget expenditure at 40% of GDP for sustainability, with spending less volatile than when linked to expected revenue.

The budget system could be further improved in terms of both recurrent expenditure (which follows an incremental system) and development expenditure (need to justify project economically and socially). With a view to achieving the twin objectives of fiscal sustainability and stabilisation, the Government is committed to tightening the “fiscal rule” or discipline and to maintaining its revenue and grant at 40% of GDP (through efficient tax collection). To this end important steps have been undertaken with the introduction of the VAT (2002) and the creation of the Botswana Unified Revenue System (2004). Further fiscal reforms are planned as well as a cost sharing scheme. School fees have been reintroduced at secondary level. There are concerns that they could erode the gains made in increasing access to education for the poor. The main challenges are to maintain the pace of social development and poverty reduction and roll out the HIV/AIDS anti-retroviral (ARV) therapy to those in need. Expenditure in social sectors consistently represents a very significant proportion of the successive budgets (42.0-47.8%), in particular education (22.6-25.2%), confirming the country’s commitment to social development. The evolution of external assistance to Botswana followed a downward trend over the last decade and represents only some 0.6% of GDP since 2000.

Botswana is a member of the IMF since 30/6/1968 and has regular Article IV consultations. At the conclusion of 2005 Article IV consultation on June 22, 2005, Directors noted that Botswana’s sound macroeconomic policies and good governance had contributed to sustained growth and low inflation, but emphasized the need to diversify the economy and allocate adequate budgetary resources to combat HIV/AIDS while preserving macroeconomic stability.

#### *Assessment of the reform process*

While the policy environment is good in Botswana, which is rated as Africa’s “most economically globalised nation” and 30<sup>th</sup> worldwide, there is a need to accelerate significantly

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<sup>14</sup> Increasing from 17% in the previous year due to the one-off payment under the old SACU agreement.

the pace of economic reforms, and in particular to ensure the effective implementation of policies promoting foreign direct investment and private sector development as an engine for economic growth and diversification. The Government still dominates the economy with expenditure in GDP ranging between 35% and 39%, and providing 38% of formal employment. A privatisation master plan was adopted in 2005, as well as a Public-Private Partnership (PPP) policy. The Public Enterprises Evaluation and Privatisation Agency (PEEPA) was created in 2001 to guide the implementation of the privatisation policy. Privatisation of some public companies, in particular Air Botswana and the Botswana Telecommunications Corporation, is ongoing although at a slow pace. Financial schemes/mechanisms, like the Financial Assistance Policy and the Citizen Entrepreneurial Development Agency (CEDA), have been introduced to encourage investment through highly subsidised loans, training and mentoring. However, in spite of the Government's efforts, privatisation progresses very slowly in comparison to other countries in the region. The non-mining private sector registered growth of 0.2% in 2004-2005. Reasons for the difficulty in attracting FDI are: small market; high utility costs; heavy/slow bureaucratic procedures, in particular for setting up businesses<sup>15</sup> and for obtaining work and residents permits; high transport costs due to the country being landlocked; relatively high interest rates and unstable exchange rate. There is a need to significantly improve productivity and competitiveness of human resources both in the private and public sector. Various systems (performance management and reward, etc.) aiming at improving the efficiency of public services delivery need to be implemented more vigorously and trickle down to all levels of the administration.

*Trade policy and external environment, in particular regional cooperation agreements and EPAs*

Botswana, given its small population and landlocked situation, and its status as a net importer of food, has opted for regional integration and open market policies, in particular with South Africa, its key trade partner, in order to benefit from foreign investment, free trade and economies of scale. It is, however, acknowledged that quality products are a prerequisite for penetrating well-established markets.

The new SACU Agreement (July 2004) results in more favourable terms for Botswana in the determination of customs tariffs and the formula for the share of customs revenue among SACU members. In spite of globalisation and specific agreements of other SACU partners (e.g. TDCA between the EU and South Africa), the SACU market remains important, even more so in the context of the future SACU-USA Free Trade Area. Negotiations for the latter, launched mid-2003, are still ongoing. Botswana is active in implementing SADC activities aimed at attaining a free trade area (FTA) by 2008, customs union by 2010, common market by 2015, and a monetary union by 2016. The country will benefit, through a special dispensation, from the status of "Lesser Developed Beneficiary Country" under the USA Africa Growth and Opportunity Act (AGOA III<sup>16</sup>) until the end of 2007, and exports to the USA under AGOA amounted to P 93 million in 2005 (+31% over 2004). The implementation by Botswana of the Kimberley Process Certification Scheme (KPCS) for diamonds, of particular importance to the national economy, has been praised. The country chaired the Process in 2006.

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<sup>15</sup> According to the Botswana Institute for Development Policy Analysis, procedures to start up a business have increased in Botswana from 10 to 11 and time necessary from 97 to 108 days over the period 2003-05.

<sup>16</sup> AGOA III extends the Act's expiry from 2008 to 2015 and reconfirms the waiver from the rules of origin for yarn and fabric for the "Lesser Developed Beneficiary Countries" (LDBC) until December 2007.

The region remains characterised by a multiplicity of regional integration initiatives and institutions (such as SADC<sup>17</sup>, COMESA, EAC, ECCAS, IOC and SACU) with significant overlap in their membership. As most of these groupings either have entered into a Customs Union or intend to do so in the near future, this could lead to potential problems of having to conform to requirements of different trade regimes. Negotiations for Economic Partnership Agreements (EPAs) under the Cotonou Agreement were launched on 8 July 2004 in Windhoek. Countries negotiating an EPA as part of the “SADC configuration” are Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania with the SADC position including also South Africa. Most of the other SADC members<sup>18</sup> negotiate the EPA with other countries as the “Eastern and Southern Africa” group – ESA. In view of the overlapping memberships, coordination between the SADC and the ESA EPAs in particular needs to be strengthened, as requested by the 2005 SADC Council of Ministers to the SADC EPA Ministers. Various rounds of senior-level and technical talks took place in 2005, in particular on TBT and SPS. However, technical negotiations were suspended in late 2005, on SADC MSs’ initiative, to focus on the preparation of a SADC position on the overall negotiation. The SADC Framework Paper was presented in March 2006 and discussions with the EU on the principles outlined in the document are ongoing.

Botswana plays a very active and constructive role in the EPA negotiations through the appointment of its Minister of Trade and Industry (MTI) as Chief Coordinator of the group, its Ambassador in Brussels as coordinator at Brussels level, the secondment of the Director for International Trade, MTI, as Chief Technical Advisor to the EPA unit created in 2004 within the SADC Secretariat, and prompt financial contribution to the functioning of this unit.

The technical capacity in the Ministry of Trade and Industry (MTI) is nevertheless limited in terms of numbers and technical skills. Capacity is further stretched by Botswana’s dual membership of SACU and SADC and important trade negotiations (implementation of the SADC Trade Protocol, SACU-US FTA negotiations, recently concluded Mercosur Preferential Trade Agreement (PTA), WTO Doha Development Agenda (DDA) and EPA negotiations, to which SACU negotiations on trade agreements with India and China will soon be added). The Government is advised on policy formulation and positions for bilateral and multilateral trade negotiations by a National Committee on Trade and Policy Negotiation including representatives from the public sector, trade unions, the private sector and other NSA.

### ***II.1.3 Social situation, including decent work and employment***

The population (1.84 million in 2004) is growing at 2.4% p.a. and is highly urbanised (54% of the population in 2001). Botswana has developed from one of the ten least-developed countries worldwide at independence in 1966 into a middle-income country. It currently belongs to the “Medium Human Development” group of countries, as reflected in the evolution between 1993 and 2004 of the ten selected Millennium Development Goals (MDGs) indicators (Annex 1). In particular: delivery and outcomes of social services such as health care (over 90% of births attended by skilled health personnel), access to safe water (over 90% of the population), education (net enrolment in primary education [7-13 years] of over 95%), and impressive progress towards gender parity in most areas of formal education.

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<sup>17</sup> Southern Africa Development Community. SADC has currently 14 members: Angola, Botswana, the Democratic Republic of the Congo, Lesotho, Malawi, Madagascar (which joined in 2005), Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The Seychelles withdrew with effect from mid 2004, but has sought re-admission.

<sup>18</sup> Madagascar, Malawi, Mauritius, Zambia and Zimbabwe negotiate as part of ESA and DRC with CEMAC. The SADC EPA group proposes to incorporate South Africa in their group.



The Human Development Index (HDI) steadily increased between 1975 (0.49) and 1990 (0.65), declining thereafter to the 1980 level in 2000 (0.57) primarily as a result of the dramatic shortening of life expectancy<sup>19</sup> (because of HIV/AIDS, as other variables composing the HDI, education and income, remained stable or improved). Indices for 2001 showed an apparent recovery in life expectancy with a HDI value of 0.61, but figures reported by UNDP and CSO differ.

Botswana has one of the highest *HIV/AIDS* prevalence rates in the world with, in 2004, an average rate of 25.3% in the population aged 15-49 (Second Botswana AIDS Impact Survey). While caution must be exercised on the data, some encouraging results were noted in 2005 in sentinel surveys among pregnant women aged [15-49], and HIV prevalence in the group [15-19] decreased from 22.8% in 2003 to 17.8% in 2005. HIV/AIDS contributes to aggravating poverty, unemployment and inequality, and is also one of their consequences. It draws resources away from other priority areas, reverses Botswana's achievements in the economic and social spheres, and places the health system and the social fabric under considerable stress. There is great concern over the possible loss to HIV/AIDS of much of the country's skilled and experienced labour over the next two decades, and a significant reduction in labour supply, productivity, foreign direct investment and economic growth, unless and until current trends are reversed through the successful implementation of HIV/AIDS programmes under the Botswana National HIV/AIDS Strategic Framework. The roll-out of the free Anti-Retroviral (ARV) drug programme, launched in 2002, now shows a good uptake with 54,000 patients enrolled in 2005 (a 67% increase over 2004), as well as the PMTCT, which covers 73% of pregnant sero-positive women, and Voluntary Counselling and Testing (VCT), which concerned 142,500 people in 2005, while the use of condoms has dramatically increased over recent years. The treatment programmes should prolong lives, but will lead to an increase in the number of people living with HIV/AIDS. The stagnation of PMTCT enrolment remains an area of concern. Gender imbalances and in particular gender roles and relations negatively impact on HIV/AIDS incidence rates, increasing the level of risk and vulnerability. The weaker social and economic status of women compared to men significantly reduces their leverage in negotiating safer relations with the partner and greatly affects their ability to cope with the impact of the pandemic, generating a vicious circle (HIV/AIDS negatively impacts on the social/economic status of women, who largely take on the burden of care). Cultural and social norms also increase men's vulnerability to HIV/AIDS since they encourage multiple relations and create barriers to prevention and care. Approaches, to address HIV/AIDS, need therefore to take into consideration the promotion of gender balances and women's empowerment. The fight against HIV/AIDS is the main focus of ODA in Botswana and receives substantial funding from the private sector, notably the USA. The Government has budgeted, in 2006/07, 650 million Pula, equivalent to 1.2% of GDP, for HIV/AIDS programmes.

Remarkable achievements resulting from sustained public investments, exemplified by a number of Millennium Development Goal (MDG) indicators, have been recorded in the delivery and outcomes of social services such as health care (over 90% of births attended by skilled health personnel) and access to safe water (over 90% of the population). Priorities for improving the delivery of health services highlighted in NDP9 are efficiency, cost effectiveness, equity in access, quality, retention of skilled personnel, focus on primary level, health promotion and disease prevention, infrastructure and technology development. Access remains a challenge in rural areas<sup>20</sup>. Public expenditure on health has dramatically increased

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<sup>19</sup> 44.4 years in 1995-2000, from 53.2 years in 1970-75 (HDR 2002, UNDP)

<sup>20</sup> Where 81% of the population was, in 1995, within eight kilometres of a health facility as compared to 94% of the urban population, and where availability and cost of transport are constraints.

from 5-5.5% of total expenditure until 2001 to 12.2% in 2005/6, as a result of the scaling up of the fight against HIV/AIDS. User fees represent a very marginal proportion (0.1% in 1993 vs. 7% in the 1970s) of the financing of public health services, though cost recovery has been implemented in full for foreigners since 2002 and will be extended to Batswana.

#### *Education and Training (E&T)*

E&T is seen as a critical area for economic development and technological change. Over the last 35 years, the education system has expanded tremendously to accommodate the population growth and needs of the country, as reflected in outstanding achievements in enrolment at both primary and secondary levels. In 2003, the Net Enrolment Ratio at primary level (6-12) was 90% and the transition from primary to junior secondary level was 96% in 2004. Gender parity is achieved at all levels of formal education. Financing for education accounts for about 25% of total expenditure. NDP9 foresees an expansion of education development expenditure, which is expected to rise sharply in the second half of the plan, from some 1 billion Pula in 2006/7 to over 4 billion Pula in the final year (2008/9), over half of which will be allocated to secondary education and one third to tertiary education<sup>21</sup>. Capacity constraints may hamper full financial execution of the plan. The principal sector challenges set out in NDP9 seem to stem from the proposed expansion of senior secondary (five new schools) with an end-of-plan target of ensuring 83% transition from junior to senior secondary, from the current 51%, and backlog of 28 Community Junior Secondary Schools to sustain the policy of 100% transition from primary with optimum class sizes of 40 students. At the moment, places at senior secondary level are limited and 15% of junior secondary school leavers enter vocational institutions while the remainder (35%) enter the labour market, with many facing unemployment, which compounds poverty. Vocational Education and Training (VET) is delivered at a total of 50 institutions, with total enrolment of 13,815 students in 2003 (40% female). The Botswana Technical Education Programme (BTEP) is a modular programme in selected areas of VET with international standard curricula delivered at the seven Vocational Training Colleges. BTEP is replacing the old apprenticeship schemes, which have been hampered by the limited capacity of the industry to provide on-the-job training. The focus of attention on senior secondary and tertiary education should not detract from concerns over the quality of primary education, and resultant learning achievements of pupils<sup>22</sup>.

Other areas for improvement include: increase in implementation capacity (new infrastructures, maintenance, procurement, etc.); review of expenditure to identify inefficiencies and help prioritise and optimise expenditure; better anticipation of skills required by the economy and pro-active supply to meet future demand; equity in access to education at all levels; improve the integration of HIV/AIDS awareness in education and minimise and cope with its impact on the sector; timely availability of statistics (currently, time lag of 18-24 months) for efficient and responsive monitoring of the sector as well as poverty-focus of statistics.

The school feeding programme and provision of support to poor children under the destitute programme have further improved access of the poor to the education system. However, the lack in policy design of an explicit link to poverty alleviation is a major weakness which poses a threat to the achievement of the goals of Vision 2016. Beyond the current mechanisms (popular participation through the Kgotla and decentralisation to local authorities), there is a need for further decentralisation to communities and enhancement,

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<sup>21</sup> Expansion of University of Botswana (to increase enrolment to 15,000, from current 12,230) and establishment of the Botswana International University of Science and Technology (BIUST) at Palapye.

<sup>22</sup> The Botswana SACMEQ Report 2005 found that 56% of Standard 6 pupils had minimal mastery of both reading and mathematics, whilst the desirable level of mastery was restricted to only 16% in each case.

through education, training and capacity-building, of the ability of the poor to participate in the political debate and decision-making process. This is particularly relevant for women, given the key role that they play in the achievement of economic and social progress and the close link between gender equality, sustainable development and poverty reduction.

#### *Employment and poverty*

Though declining, *poverty* as measured by income remains a structural problem, with a national average of 23.4% of people living below USD 1/day and a Gini coefficient of 0.573 in 2003 showing little reduction over the past two decades. Poverty largely results from this high un- and under-employment and limited capacity for sustainable employment creation. These are the consequences of a narrow and capital-intensive (mining) economic base. HIV/AIDS contributes to aggravating poverty and inequality, and is also one of their consequences. Foreign Direct Investment fails to show any consistent increasing trend. Poverty affects more particularly people in remote and rural areas (where income disparities have increased over the past decade), but also women, the elderly, young people, orphans, the sick, and those without access to physical assets, financial resources or markets. Employment on farms or as a domestic worker is a main source of income for the poor and very poor, while income (in cash or kind) from arable agriculture is of lesser importance.

In spite of the country being prone to drought and the high prevalence of poverty, Botswana have been mostly protected from hunger and food insecurity through the implementation of a wide range of anti-poverty instruments financed by the government budget, including programmes to develop business (such as the Citizen Entrepreneurial Development Agency, the Financial Assistance Programme and the ALDEP programme) and programmes to create job opportunities, such as the Remote Area Dwellers Programme, which, following the review in 2003, will focus on economic empowerment and the provision of capacity-building to the RADs (80% of which are ethnic minorities)<sup>23</sup>. The Government provides a comprehensive set of social protection and safety-net schemes (SSN) such as the Labour Based Public Works Programmes, the Destitute Policy, the pension scheme, the Community Home Based Care programme, and the Supplementary Feeding Programmes (for primary schools and vulnerable groups). The recent review of the SSN<sup>24</sup> has shown that feeding programmes cover almost one third of the entire population and that 95% of the households receiving government transfers through SSN are female-headed. However, in spite of the Government's commitment and the impressive amount of financial resources injected, destitution rates remain high, especially in western districts, and the provision of this assistance has created a dependency syndrome. There is a need for the Government to devise exit strategies, enhance the rehabilitation component of the anti-poverty programmes and target them better. There is a critical need for more disaggregated poverty data based on various parameters including location, ethnic group, nature and extent of poverty, etc.

Employment creation is limited by the capital-intensive nature of economic growth (mining sector), and a labour market which so far is not equipped with the increasingly skill-intensive workforce that it requires. Notwithstanding the lack/loss of qualified local personnel, there is an increasing trend towards the exclusion of expatriates from the employment market.

Women are more affected (26.3%) than men (21.4%), and urban villages (29.6%) more than cities/towns (18.5%). Young people are particularly affected (over twice the national average), as are people in remote areas. One of the priorities of the Government remains, as in the past, heavy investment in Education and Training to address the problem of lack of

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<sup>23</sup> The proposed EDF 9 programme "Strengthening the capacity for community development in the MLG" will among other things assist the MLG in redirecting the focus of the RADs Programme.

<sup>24</sup> Report on the Review of Social Safety Nets, BIDPA, March 2006.

skills. Concern is expressed at Botswana becoming increasingly selective in the choice of work, preferring to rely on family or Government social safety nets, hence the need to better focus the anti-poverty schemes. The law provides for workers' associations and for unions (which have the right to strike). Collective bargaining is restricted to unions which have enrolled 25% of the workforce. Unions are concentrated in the mining sector and public service. The law also provides for a maximum of work hours per week, compensation for overtime and a minimum hourly wage in the trade and industry sector (but not for farm and domestic workers), although this is insufficient to ensure a decent life. Abuses in terms of payments and/or working conditions are reported in the informal sector and for farm workers (particularly for Remote Area Dwellers, RADs). The Botswana Federation of Trade Unions draws attention to poor wages and employment policies in the public sector, affecting service delivery.

One of the most important violations of the Decent Work principle is child labour: Botswana signed ILO Convention 138 on minimum age of child labour and ILO Convention 182 on the worst forms of child labour. Despite this fact the ILO projected in 2000 that 14.4% of 10 to 14 year olds (15,000 boys and 14,000 girls) are economically active.

#### ***II.1.4 Environmental situation (see Annex 3)***

The arid climate has strongly influenced vegetation types and settlements and is a major environmental limitation. About two-thirds of the country is not suitable for arable agriculture. Large areas are of regional and global ecological importance, including the Okavango Delta. The presence of a wide diversity of fauna and flora and of threatened animal species is notable, although wildlife numbers have declined over the years, due to poaching, drought, human/livestock conflicts, and cordon fences. Knowledge of ecosystem functioning is fairly limited and more research, data collection and inventories are needed. There is little biotechnology activity. The major threats to biodiversity include rangeland degradation, inappropriate harvesting methods, habitat destruction, climate change, the potential introduction of genetically modified organisms, increased elephant population, increased incidence of fire, arable agriculture, fuel wood collection, pollution, inadequate management of waste in rural areas and lack of adequate information about hazardous waste in general. Access to land is defined by the land tenure system, a combination of indigenous and colonial systems. It comprises communal land (71%) (traditional/indigenous), state land (23%) and freehold (6%). The high priority given to the conservation of natural resources is reflected in the proportion of land allocated to protected areas (17% for National Parks and Game Reserves, 22% for Wildlife Management Areas). The country is a net sink of greenhouse gases. Energy-related CO<sub>2</sub> emissions are relatively small, owing to the high reliance on biomass energy and the low degree of industrialisation.

Climate change is already having significant and serious impacts on developing countries as highlighted in the recent reports of the Intergovernmental Panel on Climate Change (IPCC). These impacts are expected to increase over years and decades to come and could result in the case of Botswana in further drought, loss of arable land and an increase in extreme weather events which constitute a threat to development and could diminish the chances of achieving the MDGs.

Natural resources, and in particular minerals (especially diamonds), have been largely responsible for the transformation of the Botswana economy and for improvements in living standards. Despite environmental laws regulating all mineral activities, some have a negative impact, e.g. excessive sulphur dioxide emissions at the Selebi Pikwe smelter.

The development of a comprehensive set of policies, strategies, regulations and guidelines on environmental management reflects the high profile given to environmental conservation and contributes to the goals of Vision 2016. The Environment Impact Assessment Act, adopted in May 2005, will be used to assess the potential impact of planned development projects and provide mitigation measures. The Environmental Management Act, which is likely to be approved in 2007, will harmonise existing legislation, thereby ensuring a global and coherent framework and strengthening implementation/monitoring of environmental laws. The “State of the Environment” report of 2002 is being updated and should be published in 2007. The economic value of natural resources is poorly known and understood and there is little use of Environmental Economic Instruments (tariff study, user charges, taxes, etc.) to complement environmental legislation in seeking efficient and sustainable use of resources. Lack of up-to-date data in some sectors and the weak utilisation of information to guide decision-making are other constraints. The livestock study of December 2005 should inform policymakers on the viability and long-term development strategy for the livestock sub-sector, including its impact on the environment. Significant achievements have been made in integrating environmental issues into other sectors, policies and plans, and in mainstreaming environmental concerns at district level. Environmental education and public awareness have yielded important results and need to be pursued further.

Efforts have focused on rationalisation of environmental institutions with the aim of reducing overlaps, clarifying roles and improving effectiveness. Environmental management is largely the function of the Ministry of Wildlife Environment and Tourism (created in 2002). The upgrading in April 2006 of the former National Coordination Strategy Agency into the Department of Environmental Affairs will strengthen the coordination of environmental policies and strategies. Poverty is identified as a major cause and consequence of environmental degradation and natural resources depletion. Civil society is closely involved in environmental conservation and research activities, including community-based biodiversity activities, although such involvement is significantly constrained by lack of financial and human resources. The Community-Based Natural Resources Management, still in a draft form, is one of the strategies adopted to improve natural resources management, aimed at the same time at addressing poverty reduction and economic empowerment (in particular of women and other vulnerable groups) through sustainable use of natural resources. However, despite government commitment and consistent donor funding, only modest progress has been achieved so far in CBNRM. One of the reasons is the past – wrong – assumption that channelling sizeable funds into CBNRM would boost community capacities to manage natural resources.

Botswana has ratified several environmental agreements that have been developed under the auspices of the United Nations as well as through the Southern African Development Community, and which aim at achieving coordinated responses to environmental issues in order to obtain greater impact. The country has undertaken activities to build capacity in areas such as the implementation of the UN Framework Convention on Climate Change and the Convention on Biological Diversity, and environmental impact assessment. Despite these efforts, individual, institutional and systemic capacity constraints relating to the lack of some specialised technical skills, specific competence, prioritisation of work, coordination, staff numbers and leadership are still seen.

Development partners are supporting a number of projects in the areas of wildlife conservation and management, capacity assessment, energy, climate change, rangeland and biodiversity management, environmental law and water resource management. The sustainability of these projects, however, may be affected by the difficulty of transferring skills from short-term project staff and the difficulty of fully integrating projects into

institutional programmes. In addition, although these interventions are related and are often complementary, they have not been developed as part of a single coherent programme, which has resulted in some overlaps and absence of synergies. A more systematic approach to environmental management and more coordinated efforts among and within government institutions and donors is therefore necessary to improve environmental management. There is also the need to develop a single environment programme with related and complementary components, which can be supported by the various government institutions with the assistance of donors.

### ***II.1.5 The country in the international context***

Botswana is an active member of various regional, continental and world organisations and institutions such as the SADC, SACU, the African Union, Africa Development Bank, United Nations, Commonwealth, and signatory to partnership agreements such as the ACP-EU Cotonou Partnership Agreement and New Partnership for Africa's Development (NEPAD). It is also a member of the Peace and Security Council. It has not, however, acceded to the NEPAD African Peer Review Mechanism (APRM). Following the restructuring of SADC, Botswana is host to many meetings of the organisation and assumed the Chairmanship of SADC in the period 2005/6.

### **II.2. The recipient country's development strategy**

The long-term aspirations of Botswana are encapsulated in "Vision 2016", representing where the country wishes to be fifty years after independence, being a nation which is educated and informed, prosperous, productive and innovative, compassionate, just and caring, safe and secure, open, democratic and accountable, moral and tolerant, united and proud. The Vision projects the eradication of absolute poverty by 2016 and halving the proportion of people living in poverty to 23% by 2007. HIV/AIDS is a major threat to development in Botswana, justifying the mobilisation of large-scale resources. The Ninth National Development Plan (NDP9, 2003/4 - 2008/9) identifies four sectors for economic diversification and job creation (agriculture, tourism, manufacturing, financial services). The private sector should be the engine of economic growth and diversification while the Government acts as facilitator by ensuring a stable and sound macroeconomic framework, an environment conducive to the private sector and FDI, the provision of necessary infrastructure, etc. The Government will in the medium term maintain its anti-poverty programmes while improving their efficiency. Conservation of the environment and sustainable use of natural resources are key to sustainable development. This requires mainstreaming the environment and the acquisition of regulatory and monitoring tools. The rural development approach to rural livelihoods needs to be more diverse (exploiting the potential of non-agricultural resources), and to promote and create the necessary conditions for transforming agriculture into an attractive economic activity (in particular for young people). Existing land-related policies need to be reviewed to ensure security of tenure, adequate access to land and its productive use by the poor. Rural development can also play a role in achieving social justice by improving development opportunities for rural dwellers. Human Resources Development (HRD) is key to economic diversification, increased competitiveness and productivity, and will equip Botswana with the right knowledge, skills, attitude and mindset. Disaster prevention and management are also identified in NDP9. Given its small population and domestic market, Botswana can only achieve economies of scale through regional integration, hence the importance of the integration process within SACU, SADC and the African market. The country must therefore face the challenges involved in regional integration in order to seize opportunities.

### **II.3. Analysis of the viability of current policies and the medium-term challenges**

The MTR of NDP9, completed in December 2005, re-confirms the relevance of its theme “*Towards realisation of Vision 2016, sustainable and diversified development through competitiveness in the global markets*” but points to the need for speedier public sector reforms, privatisation<sup>25</sup> and private sector development, attracting FDI and enhancing productivity<sup>26</sup>. While policies and plans are sound, their implementation lags behind, due to capacity and skills constraints in the public administration and a low level of performance, resulting in delayed achievement of strategic objectives. The need to increase productivity and efficiency and institutional reforms concerns the public sector as well as the private sector.

Recommendations from the Business and Economic Advisory Council (BEAC), an ad hoc governmental commission set up by the President in 2005, have been articulated along three main lines: public sector reform (privatisation, merger of some parastatals, deregulation, outsourcing, rationalisation of service delivery); liberalisation of the economy (monopolies, foreign workers, etc.); a set of clear guidelines for economic diversification projects (export strategy, including large-scale export of perishables, branding Botswana, tourism<sup>27</sup>, utilisation of indigenous vegetal resources). BEAC has advocated improved macroeconomic management, legal and security framework and government operations, more competition in various markets, an outward-looking and open economy, and more business-friendly infrastructure. Besides a need for increasing coordination between sectoral policies, a major weakness in policy development is the lack of an explicit link to poverty reduction. Poverty must be mainstreamed into policies and strategies (BIDPA, 1998). This is the main thrust of the National Strategy for Poverty Reduction (NSPR, 2003), which identified critical areas for improvement in sectoral policies and ministries’ programmes whereby the latter’s objectives and targets could be met. The NSPR identifies the lack of up-to-date and relevant data on poverty as a constraint on the development of anti-poverty strategies, their targeting, implementation and monitoring. The MFDP has undertaken with UNDP a screening of sectoral policies for their link to poverty and put the NSPR into operation through an Action Plan. The statistical basis for poverty reduction monitoring needs strengthening, including more disaggregation of data along various lines (gender, geography, ethnic group, etc.). More emphasis is needed on poverty reduction through empowerment and self-reliance rather than poverty alleviation, which creates a dependency syndrome. To this end, there is also the need to further develop microfinance services as a tool for poverty reduction. The fight against HIV/AIDS will remain a major challenge in the medium and longer term, which will continue mobilising large-scale human and financial resources. Implementation capacity in both the public and the private sector needs to be boosted as it has proved to be a constraint when funds are available.

## **CHAPTER III: OVERVIEW OF PAST AND PRESENT EC COOPERATION, COMPLEMENTARITY AND CONSISTENCY**

Grants from EDF 7-8 National Indicative Programmes (NIP) totalled €70 m. The 8<sup>th</sup> EDF country strategy supported private sector development and training, and natural resources utilisation and conservation. EDF9 focuses on Human Resources Development (HRD) with 82% of Envelope A (which totalled €58.5 m at the end of 2005), while much of the remaining programmable resources are allocated to support to NSA and the Ministry of Local

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<sup>25</sup> By removing among other things the administrative/bureaucratic burdens which constrain the private sector’s growth.

<sup>26</sup> As also underlined by the IMF in February 2006 (2005 IMF Article IV Consultation).

<sup>27</sup> Through improving service delivery in the small volume – high cost segment and diversifying into lower cost and higher volume segments.

Government. Envelope B is now fully utilised, except the provision for humanitarian assistance. Botswana currently benefits from loans from the European Investment Bank (EIB), interventions financed under the EC Budget, the Global Fund to fight AIDS, Tuberculosis and Malaria, and EDF regional funding for Southern Africa, channelled mostly via SADC.

Among the key lessons learned from the past and applied to the 10<sup>th</sup> EDF Strategy are:

- Support for educational infrastructure is very visible but does not promote a broader policy dialogue;
- Concentration of aid in one single priority sector is considered the most effective option. There is a need to focus dialogue on aspects of policy likely to impact on the poor and disadvantaged groups;
- Community and environment-based (wildlife, forestry) interventions are complex processes, which cannot be addressed adequately by standard EDF projects of three to four years' duration;
- In middle-income countries like Botswana, where ODA has fallen below 1% of total expenditure, more emphasis has to be laid on the quality of aid, where the catalytic effect of relatively small and specific inputs can be significant.
- Technical assistance is necessary to overcome management and organisational weaknesses; however, inputs have to be carefully planned in order not to jeopardise institutional viability.
- Lessons are still being learnt from the sector budget support programme which started in 2006, most importantly ensuring that the choice of indicators reflects key policy issues particularly in relation to equity and poverty reduction.
- Budget support should be complemented by grass-roots activities

### ***III.1.1 Focal sectors (and macroeconomic support)***

Sectoral budget support under the EDF9 “Education and Training Sector Policy Support Programme” (E&T SPSP, €42.3 m) fosters a more holistic approach to the development of Human Resources in Botswana, identified as essential to economic diversification and growth, increased employment and thereby reduction of poverty and inequity. It focuses on adequate financing and effective management of the E&T sector, and expanding equitable access to quality education and training, with special – though not exclusive – emphasis on primary and secondary levels. Areas of support encompass targeting of national priorities and effective allocation of financial resources; efficient management of resources; HRD Strategy reflecting equal opportunities; effectiveness of the Education Management Information System (EMIS) in producing relevant, good quality and timely information; planning, regulation and implementation of E&T provision; at both primary and secondary levels, action plan to provide adequate physical and human resources for education, prioritised to address inequities; measures to gauge and improve quality of education; HIV/AIDS awareness integration in curricula.

Successive Vocational Training Programmes under EDF6/7 and 8 addressed the severe shortage of sufficient numbers of skilled technical and vocational teachers required for the Vocational Education and Training Expansion Programme, and of college places in subjects relevant to the economy, with particular emphasis on equity of access. The first programme was implemented between 1997 and 2002, at a final total cost of some €25 m (€15 m from EDF6/7) including infrastructure and equipment of the Gaborone Technical College – GTC – and Automotives Trades Training Centre - ATTC. The second one, receiving €15 m from EDF8, aims at constructing and operationalising in Francistown a Vocational Training Centre and a College of Technical and Vocational Education for teachers. The augmentation of the



GTC/ATTC facilities (€3.88 m from EDF8 out of total budget €11.8 m) is designed to increase training places from 900 to 1500, allowing for larger quotas of disadvantaged groups and of students with learning difficulties and/or disabilities.

The Government's commitment in terms of policy, financing and implementation indicates good prospects for sustainability. Stakeholder – including private sector – involvement and participation in the development, quality and expansion of education is satisfactory. There is a need to evaluate the impact on these programmes from the angles of employment and poverty reduction. The lack of disaggregated data based on poverty, ethnicity, etc. is a fundamental constraint. Education statistics are available, but it takes too long to produce them, which hampers appropriate monitoring and responsive implementation.

### ***III.1.2 Projects and programmes outside the focal sector***

In the non-focal sectors, EDF assistance has supported a number of areas over the past 10 years. Community-based initiatives have been promoted under three *Micro-Projects Programmes* - MPPs for a cumulative amount of €4 m, the purpose being to improve communities' livelihoods, particularly in rural areas and increasingly through income-generating activities. The programme was in high demand from communities and NGOs but sustainability needed to be strengthened and monitored. A project "*Strengthening the Capacity for Community Development in the Ministry of Local Government and Councils*" (€3 m from EDF 9) will build the Government's capacity to better design and implement its own community development strategies and community-based programmes. Communities will continue to benefit directly from EDF resources in terms of capacity-building and financial support, through the project "*Capacity Building for the Non-State Actors*" (€6 m from EDF9), aimed at providing NSA with the necessary capacity, skills and/or financial resources to become meaningful partners in the development process. *Natural resource utilisation and conservation* (in particular wildlife conservation and management, tourism development, forestry) benefited from support under EDF 6, 7 and/or 8 (total €27 m). These programmes have, however, yielded limited results and low sustainability. In particular, community mobilisation and development has been missing. Other projects consisted of *capacity-building* for the Ministry of Finance (support to the NAO's Office in EDF preparation and implementation, support for tax reform, VAT introduction and administration, restructuring of tax services), and a technical cooperation facility (TCF). A second TCF is planned for decision in 2007. *The fight against HIV/AIDS* has been continued through support for education, and specific elements on HIV/AIDS education are included among the indicators for disbursement under the E&T SPSP.

### ***III.1.3 Utilisation of Envelope B***

Envelope B (€41 m after MTR) finances the peace facility (€1.4 m), a third SYSMIN support (€30 m), a transfer under FLEX (€8.06 m) included as part of the E&T SPSP, and is now exhausted except for ECHO's drawing rights (€1.54 m).

### ***III.1.4 Other instruments***

Botswana thrice accessed the *SYSMIN* facility, following depressions of world base metal prices, posing a serious threat to the viability of the copper/nickel mine of BCL Ltd. in Selebi-Phikwe, and its ability to continue production in the longer term. SYSMIN funds were aimed at supporting production at BCL together with efforts for economic diversification of the region through the reinvestment of funds from loan reimbursement to Government into a "Re-Employment Account", REA. The second SYSMIN programme, completed during 2001, resulted in an extension of the ore reserve from 40 to 170 million tonnes at Tati Nickel Mine near Francistown, through drilling campaigns, providing a basis for a successful mine

expansion, and economic spin-off effects. It is planned to speed up the utilisation of REA funds through the co-financing with Government of a College of Applied Arts and Technology (CAAT) in Selebi-Phikwe while exploring other avenues for the use of the REA. The third – and last – SYSMIN programme has been underway since 2004, aiming at continuing the operation of the BCL (and hence Tati) long enough to permit further diversification of the economy of Selebi-Phikwe, proving further ore reserves by Tati up to 300 million tonnes, and eventually phasing out the BCL mine operation in an environmentally acceptable manner. Taking into account the present high world prices of copper and nickel, the maximum exploitation of the two mines' reserves over the next 10 – 15 years represents an important economic opportunity for the country and thus justifies the investment of SYSMIN funds (subsidies). BCL is a private undertaking (the oldest Nickel – Copper mine in Botswana) with GoB owning about 30% of direct and indirect shares. BCL directly employs 3 800 persons and ensures a livelihood to about 50 000 inhabitants of Selebi Phikwe, the third biggest town in Botswana.

The available balance of Envelope B of Botswana was mobilised through the *FLEX* mechanism for both the loss of export earnings and worsening of the programmed deficit in 2003 and disbursed as general budget support.

#### *REGIONAL COOPERATION*

The review in 2005 of the EDF9 SADC Regional Strategy Paper and Indicative Programme (RSP/IP) confirmed the orientation of the RSP, reducing the allocation to €161.6 million, and keeping the focus on *Regional Integration and Trade* (support for economic liberalisation policies at a regional level, within the framework of WTO, to help producers to improve market access and to attract investment into the productive sectors), and *Transport and Communications*, aimed at rationalising utilisation of existing infrastructure and services, thereby reducing costs of transport and communications. HIV/AIDS, gender, capacity-building and environmental management form important cross-cutting issues. Assistance is also given to agriculture research and livestock disease control and production. Experience points to the need to strengthen synergy and complementarity between RIP and NIP EDF support, so as to improve the implementation of regional initiatives at national level where applicable (e.g. strengthen the capacity of SADC National Committees (SNC) using NIP funds to address linkages between regional and national policies, and monitor the implementation of the regional plans at a national level). In view of the overlapping memberships of regional integration initiatives, coordination between the SADC and the ESA *Economic Partnership Agreement* (EPA) groups in particular needs to be strengthened. By mid-2007, negotiations should have covered all relevant issues, and an outline EPA should be agreed upon. Besides the 9th EDF “EPA support facility”, country-specific issues related to trade negotiations, including needs assessment, can be supported from NIP funds. Furthermore Botswana benefits from the EC COOPENER programme, which is an initiative aiming at promoting renewable energy sources and energy efficiency in developing countries, as well as sustainable energy services for poverty alleviation<sup>28</sup>

#### *WATER AND ENERGY FACILITIES*

Botswana failed to seize opportunities under the first and second calls for proposals of the EU Water Facility, but will benefit from the two regional SADC projects approved (total of €2 m), both very relevant for the region, aiming respectively at data acquisition and management for enhanced regional monitoring and sustainable groundwater management, and at improving economic accounting of water use for sustainable regional development strategies.

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<sup>28</sup> Botswana is benefiting from 3 projects which started in 2004: Insaba; TIE-ENERGIA&DEA. (They are all regional, with Europeans working in a consortia with African partners).

Botswana is also not benefitting from the current Energy Facility. Lack of capacity resulted in poor or late proposals.

#### *THE GLOBAL FUND (“GF”) TO FIGHT HIV/AIDS, TUBERCULOSIS AND MALARIA*

The GF, where the Commission is a major contributor, finances only a relatively small share of the AIDS response in Botswana. It approved \$18.58 m and \$5.51 m towards Botswana’s HIV/AIDS and Tuberculosis proposals respectively. This compares with average annual expenditure of € 200 m, 80% financed by GoB’s own resources..

. Out of the \$18.58 m, the country received around \$9 m in June 2004 (round 2) as a grant to help scale up its multi-sectoral response to HIV AIDS and about \$2.79 m out of the \$5.51 m granted for TB in December 2006 (round 5). The remaining funds, however, were held back as Botswana did not submit regular reports. GF encouraged the country to address the problems that hampered implementation of the grant and to reapply for future funding. The European Commission has supported the Government by financing a consultancy to analyse the management of round two funding from GF and make recommendations for round seven. Botswana’s eligibility beyond round seven is subject to review..Weak institutional capacity at all levels and coordination problems result in underperformance. Multi-level coordination, implementation monitoring and reporting have been identified as requiring improvement..

#### *COMMUNITY BUDGET LINES*

The budget line B7– 6200/99 (environment in developing countries) supports the Harry Oppenheimer Okavango Research Centre with €1.5 m. In 2006 Botswana benefited from two<sup>29</sup> new projects: Silence is Violence, which will be implemented in 2007 by the trust “Women against rape” (approx. €0.4 m) financed from the budget for “Promoting Gender Equality in Development Cooperation” and poverty reduction to be implemented by Skillshare International in 2007/08 through building capacity of brigade development trusts for service delivery to the poorest people in West and North Botswana (approx. €1 m) financed from “NGO co-financing”. Some other project proposals have been submitted in response to calls under Community budget lines such as “Poverty-related Diseases”, “Reproductive Health”, and “Human Rights and Democracy” but failed to be accepted. Local NGOs do not seem to be benefitting from such opportunities. The forthcoming programme in support of NSA is expected to assist them in acquiring skills and capacities that would enable them to better access funding.

#### *THE EUROPEAN INVESTMENT BANK*

Under the 3rd and 4th Lomé Conventions and the Cotonou Agreement, the EIB has so far signed loan commitments for investment projects for a total of € 94.9 million. These operations were focused on public sector infrastructure, in particular water supply (four loans comprising 66% of the total amount committed) and energy (two loans representing 14%), as well as support to small and medium-scale private enterprises through three credit lines with the Botswana Development Corporation (12%). In addition, the Bank supported one meat processing project and one operation in the horticultural sector.

At the end of 2006, the EIB had 11 active (not yet repaid) loans in Botswana: five from EIB's own resources signed between 1993 and 2003 and six from EDF funds (signed between 1987 and 2004). The first loan in Botswana under the Investment Facility of the Cotonou Agreement (€ 2 million) was signed in 2004 and fully disbursed in 2005 for a flower growing

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<sup>29</sup> A third has been signed on environment and tropical forests but it covers several countries Botswana, Burkina Faso, Burundi, Kenya, Tunisia, Uganda, Zambia and Zimbabwe and is managed by EC HQs in Brussels (€2.3 m)

project north of Gaborone. In November 2005 the EIB launched its first Pula denominated bond in Botswana (maturity of five years and issue size of BWP 500 million).

Further viable investment projects, in the private sector or public sector infrastructure, can be supported through a wide range of financial instruments provided for under the Cotonou Agreement/Investment Facility. Possible areas for further EIB cooperation are in particular power generation as well as water supply, telecommunications, tourism, mining and SME support through financial intermediaries.

#### *THE CENTRE FOR DEVELOPMENT OF ENTERPRISE (CDE)*

The Centre for Development of Enterprise (CDE) supports the creation, expansion, diversification and rehabilitation of industrial companies through expertise and assistance in financial resources mobilisation, and has a Regional Field Office for Southern Africa Region in Gaborone. It is currently mostly active in sectors such as mining, agro-industry, quality management and certification.

#### *THE BEEF PROTOCOL*

Since 1975, Botswana has benefited from the Beef Protocol (BP) with an annual quota of 18 916 t. Although exports often fall short of the quota, the BP has so far had a positive financial impact for the country (revenue, employment of unskilled labour). Conversely, development of cattle farming has also had a negative impact such as competition with wildlife (grazing and water). Fencing, to separate domestic from wild animals, on the one hand limits the spread of diseases but on the other hand prevents the wild animals from moving around freely, sometimes with disastrous consequences in particular during periods of drought. More detailed studies are necessary to assess the economic impact of the BP for the country's future in an EPA context and consequently to design and implement suitable policies.

### **III.2 Information on the programmes of the Member States and other donors (complementarity)**

Botswana's development achievements and emergence as a middle-income country prompted most donors to phase out their bilateral cooperation programmes and to concentrate on regional cooperation with SADC. The scope for formal donor coordination is therefore limited. The donor matrix (Annex 2) indicates that the vast majority of planned resources are allocated to the fight against HIV/AIDS, while education, health, civil society, agriculture, environment and the rule of law make up the bulk of the balance. The European Commission is the only donor giving budget support. The US, both public and private is the largest donor contributing largely to HIV AIDS. The UN, Sweden, France and Germany are other donors on a smaller scale. China is active in the private sector (construction and trade) and makes relatively small donations to education and the fight against AIDS.

EU support to HRD at sectoral level complements well the specific contributions made by the member states such as support to vocational training by DED (Deutscher Entwicklungsdienst) and to HIV AIDS by Sweden.

### III.3 Other EC policies

In line with the EC Communications on “Policy Coherence for Development”<sup>30</sup> and “Speeding up progress towards the MDGs”<sup>31</sup>, some of the EU non-aid policies are of particular relevance to Botswana’s context and development agenda.

Regional integration and *trade* are central to sustainable economic growth and diversification in a small economy and landlocked country such as Botswana, and are therefore key themes of its NDPs. Botswana must address the challenges of increasing efficiency, productivity and competitiveness both in the public and private sectors to be able to seize opportunities. Synergies between its CSP, the SADC RSP, and the EU trade policies and agreements (in particular EPAs) need to be maximised. Assistance can be provided to identify national priorities and needs, training and capacity-building, for trade facilitation (simplification of customs procedures, reduction of transaction costs, reinforcement of supply-side capacity), to undertake domestic reforms, etc.

Given the close interrelation between *environment*, poverty reduction and sustainable economic development, natural resources utilisation for economic diversification is of particular importance to Botswana and the regulatory context is conducive to environmental conservation. The country needs, however, to improve implementation of national and international environmental commitments, and efforts must be made to maximise benefits from various mechanisms offered by the EC and other donors to facilitate implementation of the various Multilateral Environmental Agreements to which Botswana is a signatory. In spite of a marginal and still decreasing contribution to GDP, *agriculture*, in particular at the moment the livestock sub-sector, contributes significantly to income in the rural areas. The revised Rural Development Policy (see II.2) envisages a holistic approach to rural livelihoods (including utilisation of non-agricultural resources) and the modernisation of the sector into an attractive economic activity. Given the often conflictual relation between livestock production in Botswana (in particular sanitary requirements in terms of Foot and Mouth Disease control for exports) and the environment, it is important that trade distortions be avoided in terms of EU support to its agriculture – which hamper developing countries’ agriculture development – but also as regards trade in agricultural produce (e.g current Beef Protocol). Training in Sanitary and Phyto-Sanitary Standards would acquire importance should Botswana pursue the development of exports in perishables.

Research and Technology Development (RTD) and Innovation policies (e.g. the Framework Programme for RTD, capacity-building under UN-Habitat, various technology platforms and partnerships) will support *research and innovation* which are given a high profile in NDP 9, with investments and priority areas detailed in the Botswana National Research Science and Technology Plan 2006-11. Botswana emphasises ICTs, and the *information society* at large, as a key tool for achieving its development objectives. Its Ministry of Communications, Science & Technology spearheads programmes of access to ICTs and e-learning in rural areas – highly relevant to EDF support in Botswana – and participates in projects under the RTD framework programme (BEANISH). Such support and partnerships will be further pursued.

Efficient, cost-effective safe and secure *transport* networks are essential to regional trade and integration. Botswana, a landlocked country, will benefit from EU initiatives such as the “Investment Facility” and the “Infrastructure Partnership”, aiming at increased regional and global interconnectivity, security and safety. Stable, affordable and secure access to *energy*,

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<sup>30</sup> COM (2005) 134 final

<sup>31</sup> COM (2005) 132 final

its efficient and sustainable production and use and the promotion of new and renewable energies are key to Botswana's development objectives..

#### **III.4 Description of the political dialogue with the partner country**

The Government of Botswana is very open to political dialogue and unstructured discussions at all levels are frequent and frank. Recently, dialogue has been more regular and structured with meetings between Heads of Mission and the Minister for Foreign Affairs and senior officials. The agenda follows a standard pattern touching upon issues such as multilateral affairs, including issues on the agenda of the UN, AU, EU and SADC as well as bilateral issues of concern including human rights such as minority rights and the death penalty. Regional issues, notably the situation in Zimbabwe, are discussed. The HIV/AIDS pandemic is a particular concern as is the role of women and gender-based violence. These and other issues are followed up with meetings with a range of actors at various levels, both formal and informal. Civil society contributes to the dialogue, highlighting issues of interest and providing material for discussion. The situation of the San is a constant agenda item, although efforts are made to avoid an exclusive focus on those living in or resettled out of the Central Kalahari Game Reserve to the detriment of wider issues of integration of non-Setswana speaking Botswana.

#### **III.5 Description of the state of the partnership with the recipient country and progress towards harmonisation**

Informal meetings and contacts at technical level are frequent and productive. However, there is a need for more formal meetings at higher level between Line Ministries, the NAO's Office and the Delegation for coordination and strategic planning, at a periodicity and along agendas to be reviewed and agreed. The nature of dialogue in the focal sector has changed to strategic and policy issues in the context of the recently approved E&T SPSP. Substantial training has been organised for Government officials over recent years. The constraints experienced by the Delegation during the devolution process in 2004 are less acute, whilst benefits from the process are now perceptible.

Non-State actors are regularly consulted, although the tight deadlines for the development of these documents seriously hamper the effectiveness of this consultation. Efficient and structured dialogue with NSA is constrained by their lack of organisation, appropriate representation and weak information dissemination. It is anticipated that their effectiveness will be strengthened through the project to support NSA. NSA are represented in the National Committee on Trade and Policy Negotiation, which advises the Government on policy formulation and positions regarding all trade negotiations, including EPA.

Given the low volume of external assistance to Botswana, many issues related to harmonisation and coordination are not relevant for the country. The shift from project approach to budget support in the focal sector, however, is a major step in changing the focus of the dialogue and further strengthening national systems.

### **CHAPTER IV: RESPONSE STRATEGY**

*Vision 2016 and NDP 9* objectives are sustainable and equitable development and poverty eradication by 2016, driven by economic growth and diversification. These will be based on FDI, along with private sector development and job creation, while the Government will ensure an environment (macroeconomic, policy and regulatory, public service delivery, provision of infrastructure, regional integration) conducive to private sector development.

GoB places considerable emphasis on human development<sup>32</sup>, in particular improving quality, access and equity of education, skill acquisition, innovation and technology, entrepreneurship development, etc. to address constraints related to low productivity, inadequate skills and weak accountability, and improve Botswana's competitiveness in regional and global markets. The European Consensus on Development highlights the importance of EU support in *middle-income countries* for attaining the MDGs, assisting in reducing poverty and inequalities to sustain their development. While Botswana has made remarkable progress in the delivery of social services and in social development outcomes, a narrow economic base, persistent poverty, income disparities, unemployment and the drain on human resources imposed by the HIV/AIDS pandemic, threaten progress in and sustainability of the country's development and achievements, as well as its social cohesion.

With respect to *MDGs*, Botswana performs well in terms of delivery of health (including an extensive free ARV programme) and water and sanitation services, and provision of basic education (including gender equality in education). Performance on indicators, such as under-five mortality and life expectancy at birth, remains strongly depressed by the HIV/AIDS pandemic. The country is committed to achieving the MDG goals, although monitoring capacity remains weak. Economic diversification, regional integration, improving and expanding education and training, and skill acquisition for meaningful employment remain key to reducing poverty in Botswana.

The *magnitude* of financial resources available to the country from EDF Envelope A for the period 2008-2013 (€73 m over 6 years) is limited compared to the size of the Botswana budget (€3.7 billion in 2006/7). However, EU support can play a very important role through advocacy, keeping poverty central to GoB development, emphasising development of human capital, promotion and facilitation of reform processes. The impact of resources will be maximised by both concentration and making resources available to specific target groups in need (NSA).

The areas where the Community has *comparative advantage* in the context of Botswana, previous EU experience and current donor support are essentially human development through education and training; governance, democracy, human rights and support for economic and institutional reforms; and support at national level for trade and regional integration. Environmental management could be approached from a more global and systematic perspective than previous interventions, for example assistance in developing a framework environment programme with related and complementary components, to be implemented by the relevant government institutions with the assistance of development partners. The support provided for E&T, gender balance and women's empowerment represents an important element of the multi-sectoral response to HIV/AIDS and can significantly contribute to the fight against the pandemic, by reducing the level of vulnerability and risk of both men and women and strengthening prevention and treatment. Since 2005 about 80% of resources are spent on HIV AIDS treatment and care and 20% on prevention<sup>33</sup>. The strategic position of the European Commission as the only provider of budget support to HRD, and therefore engaged in regular policy dialogue with the Government, can thus contribute to an improved AIDS response in close coordination with other donors particularly the World Bank. The latter has re-engaged in Botswana providing

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<sup>32</sup> As exemplified by its use of the "sustainability ratio" (ratio of non-investment recurrent expenditure to non-mineral domestic revenue; based on the principle that revenue derived from non-renewable resources (mineral) should be used only for development purposes. Health and education are considered as investment in human capital and therefore recurrent expenditure in these sectors is not taken into account in the calculation of the ratio).

<sup>33</sup> In 2005 20% of total spending (Pula 1.14 bn) came from international partners.

technical assistance and the prospect of loans. Other areas may be supported through other EU instruments<sup>34</sup>.

An analysis of the *consistency* between aid and non-aid policies does not reveal any major problem. Full support should be given to facilitate trade and regional integration, an opportunity but also a challenge for Botswana. Liberalisation of trade arrangements and the reform of the Common Agricultural Policy will remove market distortions which, according to circumstances, benefit or disadvantage the country's agriculture. Assistance may be given to facilitate compliance with SPS requirements for exports of new produce to the EU.

It is proposed, for the period 2008-2013, to maintain *one single focal area, Human Resources Development*, in line with Botswana's strategic objectives, the principle of concentration and focus on areas of EC added value. Some 85% of Envelope A will be allocated to sectoral budget support towards human resources development, an area which requires sustained long-term investment. Such continued Commission support will be aimed at adding more value through focusing dialogue and bringing EU international experience on key policy issues, particularly in connection with equity, access and quality of education, with particular attention being paid to poor and vulnerable sections of the population, and will sharpen the focus on the relevance of skills to the economy and the employability of young people as they exit the education system. It will put a greater emphasis on responding to the challenge of HIV/AIDS. Indicators for disbursement will have a more direct and explicit link to poverty in Botswana using, where possible, data adequately disaggregated for equity issues (gender, rural/urban, geography, ethnic group, etc.) and the linkage between education/training and employment. Cross-cutting issues such as HIV/AIDS, gender, environment and human rights will be mainstreamed into the focal area through the selection of relevant indicators. Civil society will be involved in strategic discussions concerning the sector (as well as in cross-cutting issues) and setting of performance indicators. It is expected that the Government of Botswana will continue honouring its obligations in the sector as contained in the Memorandum of Understanding (MoU) signed with the Commission in the framework of the ongoing sector budget support programme (such as exercising overall responsibility for policy and sector coordination, planning, administration and implementation of the activities specified). *Non-focal areas*, supported through a project approach, will strengthen the participation of civil society in the development process (including regional integration) with special attention being paid to the poorest and most marginalised sections of the population and grassroots organisations. A Technical Cooperation Facility will support analyses, policymaking, monitoring, support for implementation, training, etc. in areas relevant to Botswana's development including economic diversification, enhancement of competitiveness, efficiency and productivity, trade and regional integration.

The *focus on poverty* will also be amplified through assisting GoB in improving its statistical capacity for addressing poverty, mainstreaming poverty into all programmes, in improving the efficiency and effectiveness of specific anti-poverty programmes (including by better matching them to specific needs of sub-groups), and through increasing coordination of donor and GoB interventions, with the Inter-ministerial Committee on Poverty Reduction as a lead in this area. The focus on education and training, and support for governance and participation of civil society in the non-focal areas, allow the mainstreaming of all cross-cutting issues, democracy, good governance, human rights and equity (including gender, children and minorities), HIV and environment. The selection of relevant performance indicators will also help to focus attention on these cross-cutting issues. In particular, human rights and equity, gender balance and women's empowerment will continue to be promoted through a number

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<sup>34</sup> Partnerships in RTD, EIB financing, Community budget, EU Water, Energy, Infrastructure Facilities, etc.



of approaches: political dialogue, mainstreaming and monitoring (strengthening in particular the production of disaggregated data) and/or specific interventions, as required. The promotion of cross-cutting issues will be either direct or indirect, through support to relevant advocacy groups and NGOs.

By supporting human capital development, the CSP will assist Botswana in meeting the challenges and seizing the opportunities of regional and global integration, thereby complementing and contributing to the objectives of the RSP, namely the regional integration process, trade and the support given to EPA negotiations.

Apart from the HIV/AIDS pandemic, which represents a key threat to all development strategies in Botswana, and turbulence in the diamond market – mainstay of the economy – no *major risk* is identified which could jeopardise the success of the Response Strategy, thanks to the stable political climate and macroeconomic framework. Key to the strategy's success will be the effective commitment of Government to reforms and participation of civil society.

Although Botswana receives little in the way of ODA, the matter of *division of labour, joint actions and concerted efforts* between development partners is becoming increasingly relevant. The response strategy will become more efficient through stronger collaboration in particular with UN Agencies in areas such as economic diversification, youth employment, statistics capacity and poverty monitoring, education, environment, etc. Best practices in the region could be explored, particularly the elaboration of common frames of action implemented jointly and in a coordinated fashion by the Government and the development partners, thereby avoiding fragmentation and dispersion of energies.

In achieving the objectives of the CSP, complementarity and synergies will be sought with the new thematic budget lines, in particular the lines “Investing in People” and “Human Rights and Democracy”, as well as relevant EU facilities and research programmes.

## PART 2: INDICATIVE PROGRAMME

### 1 Indicative Programme

#### 1.1 Introduction

On the basis of the cooperation strategy presented in Part One and in accordance with Article 4 of Annex IV to the Cotonou Agreement, the Indicative Programme has been drawn up as a set of tables showing the intervention framework for each sector, the financial programming timetable and a detailed schedule of activities for all listed programmes over a rolling three-year period.

Amounts mentioned in this chapter indicate the overall breakdown of funds between the focal sector and other programmes. The breakdown may be adjusted in the light of the operational, mid-term, final or ad hoc reviews. However, for any adjustment resulting in a substantial change to the structure of the response strategy, a formal decision in the form of an addendum to the strategy document will be required.

#### 1.2 Financial instruments

The implementation of the EC's cooperation strategy with the Republic of Botswana will be financed from several financial instruments. The following is an indication of their mobilisation as currently envisaged.

1.2.1 **10th EDF, A envelope, €73 million:** this envelope will cover long-term programmable development operations under the strategy, and in particular:

Focal sector: "Human Resource Development" for an amount of €62 million (about 85 % of envelope A) through sector budget support.

Other programmes: for an amount of €11 million (about 15% of envelope A) through programme support in respect of:

- "Empowering Civil Society" (€8 million) to become a meaningful partner in the development process;
- "Technical Cooperation Facility" (€3 million).

1.2.2 **10th EDF, B envelope, €4.3 million:** this envelope will cover unforeseen needs such as emergency assistance where such assistance cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings.

In accordance with Article 3(5) of Annex IV to the Cotonou Agreement, this amount may, if necessary, be increased in the light of the operational or ad hoc reviews.

- 1.2.3 **Investment Facility:** in addition to the financial instruments mentioned above, of which the A envelope is the main programmable basis for the NIP, the 10th EDF includes an Investment Facility, which is an instrument managed by the European Investment Bank. The Investment Facility is not part of the NIP.

Some specific activities may be supported by the **Centre for the Development of Enterprise (CDE)** and the **Technical Centre for Agricultural and Rural Cooperation ACP-EU**.

- 1.2.4 10th EDF **SADC regional indicative allocation** will cover long-term programmable development operations under the regional strategy for SADC and SADC/EPA. The allocation is not part of the Indicative Programme but may have repercussions at national level depending on the participation of Botswana in the programmes proposed under the regional framework.

1.2.5. **Other financial instruments:**

Specific activities may be supported by external actions funded by the general budget of the European Community carried out under the financial framework for 2007-2013 subject to special procedure and availability of funds, and out of the EIB's own resources. Actions funded by the general budget include programmes funded under the Development Cooperation Instrument such as the thematic programmes "investing in people", "non-state actors in development", "migration and asylum", "environment and sustainable management of natural resources" and "food security", as well as actions funded from other instruments such as the stability instrument, the instrument for the promotion of human rights and democracy or the instrument for humanitarian and emergency assistance.

1.2.6. **Monitoring and evaluation**

Monitoring of results and evaluations of the impact of individual activities (programmes, projects, sectors) under this CSP will be undertaken in line with the Technical and Administrative Provisions that are attached to each individual Financial Agreement drawn up to implement this CSP.

The results and impact of the Community's cooperation with Botswana implemented through the NIP and through other external actions funded by the general budget of the European Community will be assessed by means of an independent external evaluation. This country-level evaluation may be undertaken jointly with EU Member States and possibly also with other donor agencies.

**1.3 Focal sector**

Human Resources Development (HRD)

The overall objective is poverty reduction through economic growth. The specific objective is economic diversification and greater global competitiveness through maximising the development and utilisation of Botswana's human resources. HRD has been identified by the national strategic documents (in particular NDP 9 and its MTR) as a key driver of economic diversification, job creation and poverty reduction. In order to ensure that the benefits of education lead to development, there is a need to widen the focus to include the links between

education/training and employment. Actions in the focal area will aim at three main results: (i) *Improved relevance of demand-oriented formal and informal education and training*, ensuring that the education and training system equips individuals with relevant and appropriate knowledge, skills and attitudes to meet Botswana's economic needs, its challenges and national development goals, particularly the creation of decent employment, (ii) *Improved equitable access and quality of education and training*, and (iii) *increased effectiveness of the Government's response strategy to fight against the HIV AIDS pandemic*. As an indicative amount, approximately €62 million will be set aside for this field. The implementing instrument is sector budget support. The assessment of this will be done at identification and formulation with respect to the budget support eligibility criteria and the Government's sectoral policy commitments.

Eligibility will be kept under continuous review based on progress in the implementation of the sector strategy and a stability-oriented macroeconomic policy, a diagnosis of the PFM system and follow-up of measures to correct weaknesses identified in the latter.

The main actions proposed are:

- *Improving the relevance of demand-oriented formal and informal education and training.*

Special attention will be paid to:

- infusing business and entrepreneurial skills and thinking throughout the education and training system in order to promote a culture focused on higher productivity and greater performance;
- systematic involvement of economic sectors (private sector) in decisions relating to training programmes and skills needs; - promoting hands-on, innovative training and learning experiences within a culture of lifelong learning;
- supporting the development of labour market understanding and policy formulation promoting improved employment opportunities for young people with a particular focus in areas that contribute to economic diversification.

- *Improving equitable access and quality of education and training.*

Special attention will be paid to:

- improving GoB capacities to operationalise appropriate policies and strategies through frameworks of action;
- improving the quality of the education and training courses and programmes at all levels, in particular to ensure that a higher percentage of the population acquire basic skills and greater numbers specialise in science and technology at higher levels;
- sharpening the focus on equitable access to education and training opportunities for ethnic minorities and other disadvantaged and vulnerable groups as well as for remote areas through the use of relevant disaggregated data and indicators.

- *Support for an effective response strategy by the Government to combat the HIV AIDS pandemic*

Special attention will be paid to:

- reinforcing institutional capacity, sharpening the focus on the fight against HIV and AIDS in particular by promoting gender balance, women's empowerment and behavioural change;
- an appropriate balance between prevention and treatment

The target groups are children<sup>35</sup>, youth, persons affected by HIV/AIDS and relevant government institutions, parastatal and non-governmental organisations. The final beneficiary is society in general. Special consideration will be given, through the selection of relevant indicators, to vulnerable groups, women's empowerment and gender balance, as a key driver of economic and social progress. Main partners will be the relevant line ministries (MoE, MoH, MLG, MLHA, etc.) at central and local level, social partners, non-governmental institutions (UB, JAB, etc.) and civil society. Non-State Actors, will be involved in strategic discussions concerning HRD (as well as in cross-cutting issues), target setting and selection of performance indicators.

The anti-poverty element of the focal area will be addressed through a sharper emphasis on issues relating to access and equity, with particular attention paid to poor and vulnerable sections of the population. Indicators for disbursement will have a more direct and explicit link to poverty using, where possible, data adequately disaggregated (by gender, rural/urban, location, ethnic group, etc.). The focus on poverty will also be amplified through assisting GoB in improving its statistical capacity for addressing poverty, mainstreaming poverty into all programmes, strategies and action plans, and through increasing coordination of donors and GoB interventions, with the Inter-ministerial Committee on Poverty Reduction as a lead in this area (as per NSPR).

The focal area will also place emphasis on responding to the challenge of HIV/AIDS. The support given to E&T, gender balance and women's empowerment reflects important elements of the multi-sectoral response to HIV/AIDS and can significantly contribute to the fight against the pandemic, by reducing the level of vulnerability and risk of both men and women through more effective prevention and treatment.

Other cross-cutting issues, in particular the promotion of human rights (including ethnic minorities), good governance and environmental sustainability will be mainstreamed through the selection of relevant indicators. With regard in particular to the environment, the response strategy will build on the recommendations and indicators outlined in the Country Environmental Profile, commissioned by the Commission in July 2006, the executive summary of which is annexed to the CSP (see Annex 3). When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out.

Budget support will be delivered in the form of a multi-annual programme. Funds will be disbursed on an annual basis subject to confirmation of continued eligibility and performance against agreed indicators.

The focal area aims to support the Government and the other development partners (civil society and the private sector) in achieving the strategic development objectives, according to the priorities identified by the recent MTR of NDP 9. To be able to achieve the national strategic objectives, GoB undertakes to focus as a priority on:

- adopting a cost-efficient, comprehensive, coherent and integrated HRD strategy, in cooperation with the economic sectors, reflecting equal opportunities. The strategy will be aimed at enhancing competitiveness and improving capacities, in particular in those strategic areas where the country has a comparative advantage, to enable Botswana to benefit from regional and international integration;

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<sup>35</sup> Priority will be given to identifying opportunities to maximise the positive impact on children, in particular vulnerable children.

- providing adequate and sustainable financial resources to sustain the quantitative and qualitative achievements in the education sector;
- developing and implementing the National Qualification Framework (NQF) to facilitate lifelong and continuous learning;
- improving the effectiveness of the Education Management Information System (EMIS) in order to produce relevant, quality and timely information, allowing closer monitoring of progress and informing policymakers;
- implementing the National Strategic Framework on HIV/AIDS.

While policies and plans are generally sound, their implementation lags behind, due to capacity and skills constraints in the public administration and a low level of performance. The MTR points to the need for an acceleration of public sector reforms, privatisation and private sector development, attracting FDI and enhancing productivity (in both public and private sectors). In order to achieve the national strategic objectives, GoB undertakes to focus as a priority on:

- fostering private sector development in particular through the provision of a favourable macroeconomic environment, the creation of public-private partnerships, the implementation of the privatisation policy and of policies promoting foreign direct investment. GoB will need to accelerate the implementation of the Privatisation Policy, the Competition Policy and micro lending regulations, to operationalise the Public-Private Partnership initiative, to further promote citizen economic empowerment. The Government will need to improve its capacity as a facilitator, to streamline procurement procedures, to remove the administrative, bureaucratic burdens which constrain business growth and to promote a mindset favourable to foreign investment and expertise;
- accelerating the pace of public reform to foster economic growth and diversification. GoB will need to significantly improve productivity and competitiveness of human resources at all levels. Various systems (performance management and reward, etc.) aimed at improving the efficiency of public services delivery need to be implemented more vigorously. GoB is committed to pursuing macroeconomic stability (maintenance of a competitive exchange rate and price stability) and correction of market distortions together with rationalisation and simplification of administrative procedures;
- mainstreaming poverty into policies and strategies;
- improving the statistical basis and disaggregated data to better inform policymakers and monitor progress.

## 1.4 Other programmes

Non-focal sector: the overall objective is growth promotion and poverty reduction. The specific objective is economic diversification and job creation through the facilitation of reforms in economic governance and the promotion of private sector development. The interventions under the non-focal sector will complement and support the activities of the focal sector. While the latter is aimed at improving the “supply side” of the labour market by providing students with relevant knowledge, skills and attitudes, actions under the non-focal sector will aim at fostering a more favourable business environment. To complete this process, the non-focal sector will provide support to civil society to enhance its role as development partner and enable it to contribute to achievement of the national development objectives.

An indicative amount of €11 million is set aside for this field. Major interventions, through project support, are:

- “Empowering Civil Society” (€8 million) with a view to enabling it to become a meaningful partner in the development process. The programme will build capacities in the broadest sense (including training on cross-cutting issues) and provide financial assistance to CS-led projects. Special attention will be paid to:
  - grassroots organisations working with the most disadvantaged sections of the population (in particular poor, ethnic minorities, women, etc.);
  - organisations active in the fields of gender, HIV, environmental protection, human rights, children’s rights, good governance;
  - professional, trade and consumer organisations.

Support for Non-State Actors covers Non-State Actors eligible for funding as defined in Article 6 of the Cotonou Agreement and Article 4(1)(d) of Annexe IV to the revised Agreement. Depending on their mandate, support to Non-State Actors may cover activities including capacity-building, advocacy, research, awareness-raising, monitoring and delivery of services to the population. In supporting Non-State Actors, the EC may make use of Article 15(4), which allows it to be the Contracting Authority. An amount of €5 million shall be made available for this purpose.

- “Technical Cooperation Facility” (€3 million) which will support analyses, policymaking, monitoring, implementation, institutional strengthening including training and technical assistance, etc. in areas relevant to Botswana's development. This may include trade, support to the EPA and regional integration as well as private sector development.

The target groups and main implementing partners are relevant government institutions at central and local level, the private sector and civil society. The final beneficiary is society in general.

The anti-poverty element of the non-focal sector will be addressed by supporting NGOs/grassroots organisations which work with the poorest sections of the population.

Cross-cutting issues, in particular HIV/AIDS, gender balance and women's empowerment, promotion of human rights (including ethnic minorities), good governance and environmental sustainability will be mainstreamed under the non-focal sector directly by assisting relevant government institutions and NGOs and indirectly by providing training on cross-cutting

issues. With regard in particular to the environment, the non-focal sector will build on the recommendations outlined in the Country Environmental Profile, mentioned above. When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out.



## 1.5 *Intervention Framework & Performance Indicators of the response strategy*

### 1.5.1 Focal Sector (Human Resource Development) + Non-Focal sector

	<b>Intervention Logic</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<b>Overall Objectives</b>	Poverty reduction through economic growth.			
<b>Programme Purpose</b>	Economic diversification and greater global competitiveness through maximising the development and utilisation of Botswana's human resources	Input of non-mining sectors to GDP. % of unemployment	Economic reports	
<b>Result 1</b>	Improved relevance, quality and equity of a demand-oriented formal and informal education and training system	Number of young people finding employment after school/college Transition rate from Junior to Senior Secondary School Increased numbers of secondary school leavers with qualifications in key subjects Reduction in geographical and social disparities.	Employment survey  Education and CSO statistics  Household survey	Continued investment in the sector. Understanding of labour market needs and trends
<b>Result 2</b>	Better link between employment and training/education	Share of private sector in total employment.	Economic reports Labour Market Observatory data	GoB commitment to improve its role as a facilitator of change. Private sector responsiveness
<b>Result 3</b>	More effective response to HIV/AIDS by the Government of Botswana	Further fall in prevalence among young people, especially women	Official statistics and surveys	Sustained and effective commitment by Government
<b>Result 4</b>	Increased Civil Society influence on the development process	GoB policies, strategies and programmes are more responsive to CS positions.	NGOs mission statements, objectives and mandates. Analysis of policy texts, resolutions, etc. Proceedings of decision-making fora	Sustained CS financial capacity. GoB willingness to partner. CS independence and integrity.

**1.6 Indicative timetable for commitments and disbursements**

**1.6.1 Indicative timetable of global commitments**

	Indicative allocation	Year 1		Year 2		Year 3		Year 4	
		1	2	1	2	1	2	1	2
<b>FOCAL SECTOR – Human Resource Development</b>	<b>M €</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>
- Sector budget support	M €	0	0	0	0	62	0	0	0
<b>NON-FOCAL SECTORS</b>	<b>M €</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>
- Empowering Civil Society	M €	0	0	0	0	8	0	0	0
- Technical cooperation facility	M €	0	0	0	0	3	0	0	0
<b>Total Commitments:</b>	<b>M €</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Cumulative Commitments :</b>	<b>M €</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>0</b>

**1.6.2 Indicative timetable of disbursements**

	Indicative allocation	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6	
		1	2	1	2	1	2	1	2	1	2	1	2
<b>FOCAL SECTOR – Human Resource Development</b>	<b>M€ 62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>16</b>
- Sector budget support	M€ 62	0	0	0	0	0	14	0	15	0	17	0	16
<b>NON-FOCAL SECTORS</b>	<b>M€ 11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0.5</b>
- Empowering Civil Society	M€ 8	0	0	0	0	0	0.5	1	1.5	1.5	1.5	1.5	0.5
- Technical cooperation facility	M€ 3	0	0	0	0	0	0.5	0.5	0.5	0.5	0.5	0.5	0
<b>Total Commitments :</b>	<b>M€</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>1.5</b>	<b>17</b>	<b>2</b>	<b>19</b>	<b>2</b>	<b>16.5</b>
<b>Total Cumulative Commitments :</b>	<b>M€ 73</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>16.5</b>	<b>33.5</b>	<b>35.5</b>	<b>54.5</b>	<b>56.5</b>	<b>73</b>

### 1.7 Schedule of activities

FOCAL AREA (65 M €)	Indicative allocation	2008				2009				2010→			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Sector budget support	M € 62	FS	FS	FS	IF1			AAP	FD		PI	PI	PI
NON-FOCAL AREAS (11 M €)		2008				2009				2010→			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Empowering civil society	M € 8	FS	FS	FS	IF2			AAP	FD		PI	PI	PI
- Technical cooperation facility	M € 3	FS	FS	FS	IF3			AAP	FD		PI	PI	PI

FS: Feasibility Study  
 AAP: Annual Action Plan  
 IF: Identification Fiches  
 FD: Financing decision  
 PI: Project implementation

## ANNEXES

1. “Botswana at a glance” table
2. Donor matrix
3. Executive summary of Botswana Environmental Profile
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9. Acronyms

## Annex 1

### “Botswana at a glance” table

#### Table of macroeconomic indicators

	Year <sup>1</sup>	2000	2001	2002	2003	2004	2005	2006	2007
<b>Basic data</b>									
1	Population (in 1000)	1,651	1,680	1,667	1,691	1,711	1,727	1,756	
	- annual change in %		1.75	-0.78	1.43	1.18	0.93	1.67	
2a	Nominal GDP (in millions €)	679	777	813	1,014	975			
2b	Nominal GDP per capita (€)	4,848	3,823	3,642	4,231	4,528			
2c	- annual change in % <sup>1</sup>	23.2	2.6	10.6	7.9	14.2			
3	Real GDP (annual change in %) <sup>1</sup>	9.1	1.6	9.5	3.4	8.3			
4	Gross fixed capital formation (in % of GDP)	19.8	21.7	22.1	21.2	20.4			
<b>International transactions</b>									
5	Exports of goods and services (in % of GDP) <sup>2</sup>	51.2	45.9	49.6	42.0	49.8			
	- of which the most important: diamonds (in % of GDP)	43.0	39.1	38.8	32.2	38.5			
6	Trade balance (in % of GDP)	20.2	12.2	10.8	7.6	14.7			
7	Current account balance (in % of GDP)	8.0	9.8	3.2	5.4	2.8			
8	Net inflows of foreign direct investment (in % of GDP)	1.09			1.15				
9	External debt (in % of GDP)	25.1	22.9	20	13.8	12.6			
10	Service of external debt (in % of exports of goods and non-factor services)	-12.9	-10.4	-10.8	-12.3	-6.8			
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	32.6	33	29.1	24	18.5 <sup>2</sup>			
<b>Government</b>									
12	Revenues (in % of GDP)	40.6	35.6	36.3	38.0	36.9			
	- of which: grants (in % of GDP)	0.19	0.17	0.21	0.14	0.71			
13	Expenditure (in % of GDP)	33.2	38.3	39.8	38.2	35.7			
	- of which: capital expenditure (in % of GDP)	9.0	10.4	10.6	10.0	8.0			
14a	Surplus (+) / Deficit (-), in % of GDP, incl. grants	7.4	-2.7	-3.5	-0.2	1.2			
14b	Surplus (+) / Deficit (-), in % of GDP, excl. grants	7.2	-2.9	-3.7	-0.3	0.5			
15	Debt (in % of GDP)	7.4	-2.7	-3.5	-0.2	1.2			
	- of which: external (in % of total public debt)	6.87	19	17.98	143	24.91	57.5		
<b>Other</b>									
16	Consumer price index (annual average change in %)	8.4	6.2	9.3	8.1	7.2	8.6		
17	Interest rate (nominal, annual rate in %)	15.75	15.75	16	16.57	15.75	15.73		
18	Exchange rate (annual average of Pula per 1 €)	4.661	5.099	5.980	5.529	5.822	6.37		
19	Unemployment (in % of labour force, ILO definition)	15.8	19.6		23.8	24.6	23.8		
20	Employment in agriculture (in % of total employment)	2.23	2.35	2.28	2.29	1.92	1.86		

<sup>1</sup> Financial year runs from April to March (hence Year 2000 stands for 01.04.00 to 31.03.01); <sup>2</sup> National Accounts is from July to June  
<sup>2</sup> Estimation

Data from 2006 Annual Economic Report supplementing Budget Speech 2006/7

Data from Bank of Botswana (Annual Report 2005)

Data from MFDP

IMF 2005 Article IV Consultation/World Bank

Data not available

**Table of indicators for the MDGs**

	<b>Indicator</b>	<b>1994</b>	<b>1996</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Impact	1. Proportion of population living on less than USD 1 per day <sup>36</sup>	20.2	n/a	n/a	n/a	n/a	23.4	n/a	n/a
	2. Prevalence of underweight children (under-five years of age)	12.5	12.8	18.0	13.0	7.7	7.1	5.9	n/a
	3. Under-five mortality rate, ‰	56	45	67	75	n/a	n/a	n/a	n/a
Outputs	4. Net enrolment ratio in primary education - [7-13 years] - [6-12 years]	95.9	97.9 88.5	98.7 89.6	100.1 90.1	100.2 89.0	97.8 86.9	98.5 89.5	n/a n/a
	5. Primary Completion Rate	75	78	81	94.3	94	92	92.0	n/a
	6. Ratio of girls to boys in: - primary education - secondary education - tertiary education	102 111 71	100 114 91	98 112 91	98.7 108.4 96.2	98 109 100	97.6 108 84	97.1 107.9 87	n/a n/a n/a
	7. Proportion of births attended by skilled medical personnel	92.7	96.6	94.6	97.3	96.5	96.1	n/a	n/a
	8. Proportion of one-year-old children immunised against measles	n/a	74	n/a	83	79	90	86	n/a
	9. HIV prevalence among 15-20 year old pregnant women 20-24 year old pregnant women	20.7 31.5	27.2 40.9	28.6 42.8	22.9 39.1	21 37.4	22.8 38.6	n/a n/a	17.8 30.6
	10. Proportion of population with sustainable access to an improved water source	n/a	n/a	n/a	96.5	n/a	n/a	95.8	n/a

n/a = not available

Source: Central Statistics Office (CSO)

<sup>36</sup> Indicator 1 may be replaced by an equivalent indicator based on national poverty thresholds, in which case a comment will be needed to permit consistent interpretation of data over time.

## Annex 2 - Donor matrix

### Tentative disbursements 2006-2013 in EURO

Country/Organisation	Germany	Sweden 2006-08	UNFPA	UNDP (**)	UNICEF (***) 2006-7	U.S	Total
<b>Sector</b>							
Education	2,058,331.00	-	-	1,392,135.00	1,657,454.00	-	5,107,920.00
Health	-	-	2,526,848.00	-	-	3,094,638.34	5,621,486.34
HIV and AIDS	647,000.00	6,448,900.00	1,263,424.00	2,782,691.00	2,608,181.00	172,958,798.17	186,708,994.17
Government: general capacity building (planning/statistics/ poverty)	-	-	-	3,330,701.00	83,307.00		3,414,008.00
Civil Society/ NGO/ CBO/ Small grants' scheme/ Sustainable livelihood	100,000.00	-	-	3,587,650.00	266,109.00	165,824.38	4,119,583.38
Transport / storage	450,000.00	-	-	-	-		450,000.00
Communication	-	-	-	-	-		-
Banking / financial services/ Business/ Private Sector	-	-	-	999,210.00	-		999,210.00
Agriculture/ Forestry/ Fishing	-	-	-	1,986,536.00	-	5,527,479.00	7,514,015.00
Trade and tourism	232,000.00	-	-	333,070.00	-	394,819.96	959,889.96
Environment/ Energy	932,664.00	-	-	3,973,073.00	-	78,963.99	4,984,700.99
Rule of Law/ Democracy and Human Rights/ Governance	-	-	-	6,550,063.00	83,307.00	153,979.79	6,787,349.79
Gender	-	-	631,712.00	1,392,135.00	-		2,023,847.00
Emergency/ Humanitarian assistance	-	-	-	397,188.00	-	1,816,171.83	2,213,359.83
Others (*)	32,000.00	848,000.00	-	-	196,620.00	1,993,840.81	3,070,460.81
<b>Total</b>	<b>4,451,995.00</b>	<b>7,296,900.00</b>	<b>4,421,984.00</b>	<b>26,724,452.00</b>	<b>4,894,978.00</b>	<b>186,184,516.74</b>	<b>420,159,341.54</b>

Others (\*)

Germany: Art and culture

Sweden: Development of independent public service broadcasting + capacity development of the Meteorological services Phase 1 (of 2)

Unicef: cross sectoral programme

(\*\*) the amount for HIV includes health as well

(\*\*\*) The amount for GoB capacity building concerns children and women's rights

NB/ The UN system has a transitional programme for 2007-08 allowing alignment with the government planning cycle in 2009

## Annex 3

### Executive summary of Botswana Environmental Profile<sup>37</sup>

#### State of the Environment

Botswana's key environmental issues are influenced by, or relate to, (1) climate, (2) water resources, (3) the management of land, (4) forests, vegetation and ecosystems, (5) conditions in human settlements, (6) mineral resources and geology and (6) archaeological and cultural resources.

##### *Climate.*

Botswana is largely arid or semi-arid because of geographic location. Rainfall, which is unreliable and unevenly distributed, varies widely from about 250 mm in the south-west to about 650 mm in the north-east of the country. Variations in temperatures are similarly high. Average daily maximum temperature ranges from 22 °C in July to 33 °C in January, with an average daily minimum of 5 °C in July and 19 °C in January. Extreme temperatures can reach 43 °C in January, resulting in very high evaporation rates.

The country is susceptible to seasonal variations in climate which are influenced by the La Niña and El Niño events. The latter contributes to drought conditions which, in turn, reduce water supply as well as agricultural production. Drought, therefore, affects the livelihoods of the large population which is dependent on agriculture and the rural communities that depend on individual water sources that cannot withstand prolonged drought. The severity and extent of drought is difficult to predict due to the absence of a fully established monitoring system and scarcity of long-term data sets.

Botswana is highly vulnerable to climate change, even though the country is estimated to be a net sink of greenhouse gases. Although a wet scenario is possible, most climate change models for the region indicate generally drier conditions in future, which would reduce agricultural production, and result in more severe drought and desertification.

##### *Water*

Water demand in all the sectors is expected to increase from 120 million cubic metres in 1990 to 335 Million cubic metres in 2020 due to population growth, improvements in living conditions, and economic development. The major water users are human settlements, livestock, mining and energy and irrigation.

The provision of reliable water supply is costly because Botswana has few surface water sources. This is due to low rainfall, high seepage because of generally sandy soils, and high evaporation rates. All rivers, apart from the Okavango and Chobe, are ephemeral. Consequently, dams have been constructed to improve water supply mainly for urban areas. The uneven spatial distribution of surface water has required costly transfers of the resource, within the country and from outside.

Ground water is important, especially for rural communities, because of the limited supply of surface water. The high reliance on ground water (64 % in 1990 and expected to be 44 percent in 2020) poses several challenges. These include the protection of aquifers from pollution, the high cost of provision due to the depth at which it is available, high levels of

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<sup>37</sup> For more comprehensive information please see full report (CEP, July 2006, funded under the TCF- 9 BT 3)



salinity in some places and the absence of precise knowledge on the rate at which it is being recharged, which makes the determination of future availability difficult.

The augmentation of domestic water supply for Gaborone area through the reuse of effluent is being investigated. There is currently little reuse but substantial quantities could be made available through a programme of treatment and re-use of domestic effluent.

Despite the above challenges, Botswana has achieved high levels of potable water provision, although there are occasional problems of lack of reliability of supply in some villages. All residents of urban areas either have reticulated potable water in their houses or can obtain it from a nearby stand pipe. Overall, 97 percent of the population has access to potable water within a distance of 2.5 kilometres. A cross-subsidy mechanism reduces the cost of water to low-income households.

Botswana shares four transboundary river basins and this has made cooperation with other riparian countries with regard to their management imperative. In that regard, several river basin agreements have been concluded with the purpose of achieving coordinated and judicious use. The scarcity of water has resulted in an integrated approach to management, both in Botswana and in other SADC countries.

### *Land*

Botswana's three categories of land tenure are state (24.9%), freehold (4.2%) and tribal land (70.0%). State land is allocated primarily to national parks, but is used also for forest reserves and urban settlements. Tribal land is used mainly for grazing, crop production, settlement, game reserves and as wildlife management areas. Freehold land is used mainly for livestock farming, but also on a small scale for housing in urban areas. High priority has been given to the conservation of natural resources in the allocation of land and this is reflected in the high proportion allocated to protected areas.

Land that is suitable for arable farming is small due to generally poor soils which, together with climate and other factors relating to management, result in low productivity of crops. Consequently, the country imports most of its food.

Pastoral farming (mainly cattle) dominates the agriculture sector. Apart from its benefits in terms of employment and incomes, there has also been negative environmental impacts of the sector. Rangelands, especially in eastern Botswana, are being degraded due to a high livestock population, the tendency of farmers to keep cattle in excess of sustainable stocking levels, a low offtake rate, as well as incidents of bush fire which reduce available forage.

Land is becoming increasingly scarce and unaffordable in some areas. In peri-urban areas around Gaborone, self-allocation of land, which is a manifestation of the scarcity and unaffordability of land in Gaborone, has occurred. Land use conflicts have also occurred in Boteti subdistrict where grazing of cattle in national parks has been reported and livestock has been killed by wildlife. There is also increasing conversion of arable and grazing land to residential use around Gaborone.

### *Forests, vegetation, ecosystems*

Botswana's ecosystems fall into two broad biogeographical zones: the Zambebian zone and the Kalahari-Highveld. The Zambebian zone contains a greater species diversity than the Kalahari-Hardveld. Within these broad zones exists areas of relatively undisturbed land of national and global ecological importance that support the tourism industry. These include wetland ecosystems such as the Makgadikgadi pans, the Okavango-Kwando, and the Linyanti-Chobe systems, as well as the surrounding terrestrial ecosystems. The Okavango

Delta has already been declared a Ramsar site which enhances its conservation profile and tourism value.

Botswana possesses a wide diversity of wild fauna and flora including populations of globally endangered and rare species. Despite this diversity, wildlife numbers have been declining over several decades due to illegal hunting, drought, and habitat destruction. Some species, such as the Black (*Diceros bicornis*) and White (*Ceratotherium simum*) Rhino appear to have been poached to extinction. However, a small population of White Rhino has been re-established in a secure sanctuary. A notable exception to the general decline in wildlife populations has been with regard to elephants.

Biodiversity still contributes to livelihoods although the extent of direct dependence is declining. There is concern regarding its further depletion due to some harvesting practices.

A recent potential threat to biodiversity is biotechnology. Botswana imports agricultural produce, including from countries that apply modern biotechnology, but there is no requirement for disclosure on whether such products have been genetically modified or not.

### *Human Settlements*

Botswana's human population was estimated to be 1,680,863 in 2001. The rate of population increase between 1991 and 2001 was 2.4 percent, representing a decline from the 3.4 percent recorded in the previous decade. The population is predominantly youthful, and has a higher proportion of males than females.

The rate of urbanisation has been high. In 2002, 52 percent of the population lived in urban areas compared with 18 Percent in 1981. The development and management of human settlements has largely been orderly due to physical planning. Over crowding is not a widespread phenomenon but high plot occupancy rates have been reported in some Self Help Housing Areas in Gaborone. The recent emergence of the informal sector has, however, created additional pressure on urban planning as many entrepreneurs conduct their business from unsuitable places such as pedestrian walkways, road reserves or locate next to busy roads.

The country has achieved high levels of access to sanitation despite a high rate of urbanisation. It is estimated that 77 percent of households in the country had access to adequate sanitation in 2001.

The management of waste varies between urban and rural areas. In the former, it is regularly and frequently collected while in the latter this is often not the case. Further, even where waste is collected, disposal does not always occur in properly managed sites. Littering is widespread in settlements despite efforts to manage it through education campaigns.

Chemicals containing persistent organic pollutants have previously been used for pest and disease control as well as in electricity transmission. The use of chemicals containing these substances is reported to have stopped but there is no national inventory of unused stocks (if any) or the impacts that may have occurred as a result of previous use.

### *Energy*

The energy sector comprises both conventional and non-conventional energy sources. The former is dominated by electricity, petroleum products and coal, while the latter comprises biomass, primarily in the form of fuelwood. The very high reliance of fuel wood for cooking in rural areas (77% of rural population) and a significant level of use in urban areas (23% of urban population) has resulted in cutting of trees on a large scale around towns and large villages.

Access to electricity is improving. In 2004, 34 percent of the population was connected to the electricity grid compared to 12 percent in 1998. Access to electricity, however, varied between rural and urban areas with 25 percent and 61 percent respectively connected to the grid in 2004. Most of the electricity is imported.

There is little use of renewable energy technologies although initiatives have been made to introduce them. In particular, solar technologies have not been widely adopted despite the existence of a good solar regime.

#### *Minerals and geology*

Mineral resources have been largely responsible for the transformation of the Botswana economy and for improvements in living standards over the last four decades. Despite the existence of environmental management programmes, some operations have had negative impacts. The impacts of mining have included high levels of sulphur oxide emissions; high levels of pH, total dissolved solids, sulphates and nickel in discharged effluent at Selebi Phikwe Mine, as well as several abandoned mines around Francistown which pose safety risks. A programme to rehabilitate abandoned mines has been started.

Botswana experiences low seismic activity because part of the country is located on the southwesterly extension of the East African Rift Valley. Most of the cases have been reported in the Okavango Delta area, but small tremors have been felt or recorded in other parts of the country.

#### *Archaeological and Cultural Heritage*

Botswana has a wealth of archaeological and cultural resources, including some of global importance such as the Tsodilo World Heritage Site. There are also sites of national importance such as rock engravings and monuments. Despite its potential, this sector has not contributed significantly to tourism. This requires redress as part of efforts to diversify the economy and develop a better understanding of history and culture.

#### *Environmental Disasters*

Botswana has experienced few environmental disasters. Occasional floods are experienced despite generally arid conditions; the invasion of crop pests also occurs and; minimal damage to property due to rare incidents of significant seismic activity.

### **Environmental Policy, Legislative and Institutional Framework**

#### *Environmental Policies, Strategies and Legislation*

Several policies and strategies guide Government intervention in environmental management. These policies and strategies address agriculture, energy, tourism, wildlife, waste management, housing, settlement, water as well as the integrated management of all aspects of the environment. The themes that are common to most of them, and which represent various aspects of sustainable development, include improvement of the quality of life, conservation of the environment, diversification of the economy, value addition to natural resources, and job creation. The policies and strategies contribute to the attainment of the Vision 2016 goal of creating a prosperous, productive and innovative nation. One of the challenges to the attainment of the country's sustainable development objectives is poverty. The linkages between living standards and environment are complex with both poverty and affluence associated with environmental degradation.

Several statutes, most of which are directed at specific sectors such as water, wildlife conservation, the management of waste, tourism, forestry, pollution and the management of land, regulate environmental management. Three statutes deal with the assessment of environmental impacts. These are the Environmental Impact Assessment Act, 2005, Mines and Minerals Act, (No. 17 of 1999) under which the impacts of mining are considered, and Monuments and Relics Act, (No. 12 of 2001) which deals with impacts on archaeological sites, relics and monuments. There is no specific legislation to regulate persistent organic pollutants and genetically modified organisms. An Environmental management Act is being prepared to coordinate and harmonize all the pieces of legislation relating to the environment.

#### *Regulations, Guidelines and Standards*

Regulations, guidelines and standards have been developed, or are in the process of being developed, for environmental assessment, drinking water quality, waste water, water reticulation and urban development. Guidelines for preparing EIAs for mining projects, an outline of the environmental impact report for mining projects, guidelines for pre-development archaeological impact assessment, draft waste water standards as well as draft regulations for the Monuments and Relics Act, have been developed. Regulations and guidelines for environmental impact assessment under the Environmental Impact Assessment Act, 2005 are currently being developed.

Non-legislative instruments for environmental management are not widely applied in Botswana. An exception is the water sector where urban water tariffs are structured in a way to penalise high consumers in an efforts to reduce overall consumption.

#### *Multi-lateral Environment Agreements*

Botswana has ratified several environmental agreements that have been developed under the auspices of the United Nations as well as through the Southern African Development Community. These are aimed at ensuring coordinated responses to environmental issues in order to realise greater impact. The principles contained in MEAs are reflected in policies and legislation.

Action plans aimed at building human and institutional capacity and National Reports that document progress towards achieving certain goals have been prepared with the support of development partners. These include the Drought and Desertification Action Plan, the Biological Diversity Strategy and Action Plan, and reports to the Conference of Parties of the UNFCCC and CBD, as well as progress in implementing millennium development goals. The progress achieved with regard to the environmental goals is reflected in the integration of principles of sustainable development into policies and legislation; protection of biodiversity; management of GHGs; access to energy, water and sanitation; as well as in living conditions in settlements.

#### *Institutional Framework*

Environmental management is largely the function of the Ministry of Wildlife Environment and Tourism. Within the ministry, the following core departments have been established: Environmental Affairs, Waste Management and Pollution Control, Forestry and Range Resources, Meteorological Services, Tourism and Wildlife and National Parks. Other Government departments, international development partners, NGOs and the private sector provide support, including through research, advocacy as well as the funding of activities. The impact of NGOs and CBOs has in particular been limited because of inadequate management

skills and financial resources which has, in turn, resulted in the lack of sustainability of many of their initiatives.

The elevation of the former NCSA into a full Department of Environmental Affairs as well as the consolidation of some of the functions of the Agricultural Resources Board should improve environmental coordination.

#### *Integration of Environmental Concerns in the Main Sectors*

Environmental issues are integrated into the main sectors through the National Development Plan as well as other cross cutting policies and initiatives such as the Poverty Reduction Strategy, the National Research, Science and Technology Plan, the education curriculum, the district planning process, as well as through the adoption of strategic approaches to environmental assessment, particularly in the water sector. The documents and processes identify issues relating to environmental management and suggest how they should be addressed.

#### *Capacity*

Capacity in the public service, the private sector and among NGOs influences the effectiveness of environmental management. Botswana has undertaken activities to build capacity in areas such as the implementation of the UNFCCC and the CBD and environmental impact assessment. Despite these efforts, individual, institutional and systemic capacity constraints relating to the lack of some specialised technical skills (e.g. climate change modelling; monitoring GMO content of imported food), specific competencies (e.g. environmental law; reviewing EIA reports), prioritisation of work, coordination, staff numbers and leadership are still perceived. The overall capacity situation is complicated further by the erosion of skills due to HIV and AIDS. However, some institutions with responsibility for the management of water resources, such as the Department of Water Affairs and the Water Utilities Corporation, have developed organisational policy to respond to the pandemic.

#### **EU and other Donor Cooperation from and Environmental Perspective**

Projects aimed at improving the management of natural resources have been implemented with the support of development partners. Ongoing projects which are supported by the European Union, UNDP and USAID, are in the areas of wildlife conservation and management, capacity assessment, energy, climate change, rangeland and biodiversity management, environmental law and water resource management. Although these interventions are related and are often complimentary, they have not been developed as part of a single coherent programme. This sometimes creates overlaps and the absence of synergy between them.

In implementing these projects, technical assistance is procured to complement capacity available in the implementing institutions. The sustainability of these projects may also be affected by the difficulty of transferring skills from short term project staff and the difficulty of fully integrating projects in institutional programmes.

#### **Conclusions and Recommendations**

Botswana faces several challenges in effectively managing the environment. The key issues that relate to climate are frequent drought which is a consequence of seasonal variations, and possible future global warming. These have adverse consequences for water supply, agricultural production and maintenance of biodiversity.

With regard to water, despite increasing demand, scarcity, cost and the technical difficulty with which it is obtained, important progress has been made in improving supply. The major challenges regarding continued provision of a reliable water supply service include protecting aquifers from pollution, developing a better understanding of ground water recharge, making domestic effluent available and accepted for reuse, and applying a comprehensive demand management programme to improve the efficiency of use.

High priority has been given to the conservation of natural resources and this is reflected in the proportion of land allocated to protected areas. The key issues on land are rangeland degradation due to a high livestock population; the tendency of farmers to keep cattle in excess of sustainable stocking levels; a low offtake rate; incidents of bush fire which reduce available forage; self allocation of land in peri-urban areas; competition for land between livestock and wildlife; and reduction in grazing and arable land due to conversion to residential use.

The priority given to the conservation of natural resources is also reflected in the existence of several ecosystems of regional and global importance, including the Okavango Delta as well as the existence of global threatened animal species. These successes are, however, dampened by the decline in the numbers of most animal species. Other threats to biodiversity include rangeland degradation, inappropriate harvesting methods, habitat destruction, climate change and the potential introduction of genetically modified organisms.

Settlements have been developed in a largely orderly manner. There are, however, new challenges for their management. These include pressure on urban services and infrastructure due to a high rate of urbanisation; littering; inadequate management of waste in rural areas; as well as lack of adequate information about hazardous waste in general.

The energy sector is characterised by the high use of wood for cooking and increasing coverage of electricity, both of which vary between urban and rural areas. There are three main environmental issues relating to energy: land degradation around towns and major settlements due to the high use of fuel wood; high level of dependence on imported electricity; and the low use of renewable energy.

Mineral resources have been largely responsible for the transformation of the Botswana economy and for improvements in living standards. Some mining operations have, however, had negative impacts which include high levels of emissions, high concentrations of various metals in discharged effluent, and mines which have not been rehabilitated.

Botswana has a wealth of cultural and archaeological resources but their contribution to tourism is currently small. This requires redress as part of efforts to diversify the economy and to develop a better appreciation of culture and history.

Apart from earth tremors which have caused minimal damage, the few environmental disasters that have been experienced include floods, and crop pests.

A comprehensive set of policies and strategies on environmental management generally reflect concerns with issues of sustainable development and contribute to the goals of Vision 2016. However, there is no specific legislation to regulate genetically modified organisms or the use of persistent organic pollutants. There is also a possible overlap between the three laws that govern aspects of environmental impact assessment.

Regulations, guidelines and standards that provide specific environmental requirements and processes have been developed, or are in the process of being developed. These cover environmental assessment, drinking water quality, waste water, water reticulation and urban development.

Botswana has ratified several environmental agreements that have been developed under the auspices of the United Nations as well as through the Southern African Development Community, and which aim at achieving coordinated responses to environmental issues in order to obtain greater impact.

Action plans have been developed to build human and institutional capacity especially with regard to the implementation of the conventions, but also in other areas such as environmental impact assessment. National reports have been prepared to show progress towards achieving agreed targets.

The Government, NGOs, parastatal institutions and private sector organisations support environmental management. There has been a concerted effort to rationalise environmental institutions. This should reduce overlaps, clarify roles and improve their effectiveness.

Significant achievements have been made in integrating environmental issues into other sectors through policies, plans, the education curriculum, as well as through a strategic approach to environmental assessment.

Despite past and ongoing efforts to improve capacity, individual, institutional and systemic capacity constraints are still perceived. Some specialised skills and competencies are lacking, as is the ability to prioritise, manage and direct environmental work so that it can have a clearly profound impact. The capacity constraints are made more acute by the impact of HIV and AIDS.

Projects aimed at improving the management of natural resources have been implemented with the support of development partners. This approach is not sustainable and should be addressed by resolving the capacity issues mentioned above.

### ***Recommendations***

It is envisaged that Human Resources Development, mostly through formal and informal education and training, will be the focal area for EDF 10 with funds channelled through budget support. By mainstreaming environmental concerns, human Resources Development can support environmental protection in the following ways:

- i. Enabling managers and policy makers to appreciate the economic value of natural resources and the impact of current patterns of use through formal academic training, short courses and targeted workshops. The target for this support would be staff in central government departments and district offices responsible for economic matters and the management of natural resources. The understanding gained will allow the issues to be incorporated in development and sectors plans.
- ii. Developing capacity to improve data management and environmental monitoring and reporting in the districts. This will help to integrate environmental issues into the district planning process and also provide reliable information for the State of the Environment reporting.

- iii. Improving the understanding of environmental legislation and the capacity to enforce such laws, through workshops. The target would be the district and central government officials, including those involved in the administration of justice.
- iv. Supporting opportunities to strengthen the school curriculum in order to infuse new concepts of environmental management.

The proposed responses to the issues identified relate to institutional development and capacity building, studies to provide additional information, as well as review of legislation.

#### Institutional Development and Capacity Building

- i. In order to improve the impact of projects, and reduce *ad hoc* and uncoordinated interventions, the Department of Environmental Affairs must coordinate the development of a comprehensive environmental programme which the Government and donors can support.
- ii. Assistance is required to develop specific competencies and skills including climate change modeling, monitoring the GMO content of imported food, environmental law, review of EIA reports. A more comprehensive and prioritised list should be developed by the Department of Environmental Affairs.
- iii. There is a need to improve capacity to implement the actions plans on biodiversity, drought and diversification.
- iv. Assistance in the form of staff experienced in EIA is required to improve the capacity of the Department of Environmental affairs to effectively manage the environmental impact assessment process.
- v. There is a need to support communities and NGOs on capacity building and organizational development in order to improve basic capacities and skills that can help them to access and manage funding and to sustain activities beyond project completion.

#### Studies

- vi. The possible overlap of processes which results from the existence of three statutes which require EIA - Environmental Impact assessment Act, 2005, Monuments and Relics Act (No. 17 of 1999) and the Mines and Minerals Act (No. 12 of 2001) should be clarified with a view to having one common approach for undertaking environmental impact assessment.
- vii. Investigations on water recharge should be undertaken in order to assure its sustainable supply.
- viii. Develop a way of communicating the impact of environmental interventions in order to demonstrate the relevance of the sector and improve its profile.
- ix. Support ongoing initiatives on the development and adoption of renewable energy in order to reduce over-reliance on foreign sources and improve sustainability.

#### Legislation

- x. Legislation to regulate the use of persistent organic pollutants should be developed to manage them in a comprehensive manner.
- xi. Legislation to regulate genetically modified organisms should be developed to deal with the potential hazards that they pose.



### *Use of the EC Horizontal Budget Lines and EU Facilities*

The activities recommended above could be supported under the following themes and facilities:

- Non-State Actors and Local Authorities development, specifically interventions and activities in partners countries through grants to NSAs and Local authorities.
- Environment and Natural Resources, specifically Working upstream on MDG7; and promoting implementation of EU initiatives and internationally agreed commitments.
- Water Facility to support investigations on ground water recharge.
- Energy Facility to support ongoing initiatives on the wider adoption of renewable energy.

## Annex 4

### Botswana migration profile

#### Immigration

<u>Total number of residents</u>	1.75 million
Of which	
Own nationals	92.2%
Immigrants	7.8%

#### Status of immigrants

Refugees: 3,855 refugees at the end of 2004 (17 different nationalities, of which 1,114 from Angola and 1,402 from Namibia, 781 from Somalia, and 558 from the Horn of Africa and the Great Lakes)<sup>38</sup>

Labour migrants /permanent	N/A
Labour migrants/seasonal	N/A
Internally displaced persons	N/A

The number of non-citizens has increased by nearly 100% over the past decade, to some 60,700 in 2001 (*Source: 2001 Census*), a trend already observed during the previous decade (increase from 15,703 in 1981 to 29,557 in 1991). Zimbabwean and Namibian citizens make up most of this growth.

Unauthorised migration is not documented in censuses, for obvious reasons. Estimates of Zimbabwean citizens residing illegally in Botswana vary widely according to sources. An estimated 36,000 were repatriated in 2004. Food and transport costs were estimated at some BWP 150,000 / month<sup>39</sup>.

Botswana has signed the Geneva Convention and adhered to the principle “First Country of Asylum”. She follows main international norms concerning refugees and asylum-seekers. The legal 28-day period for trying the case of asylum-seekers is however rarely respected and they may be maintained in prison-like conditions (sometimes *in* prisons, due to lack of space) for periods of up to two years in some instances (for further information on the condition of asylum seekers in Botswana please see the Governance Profile).

#### Education

Skilled labour N/A. A survey in 1998 suggests that the vast majority of occupations belong to “skilled” professions, in particular medical and educational.

#### Main countries of origin of immigrants

In 1991, 63% of immigrants were of African origin (about 3/4<sup>th</sup> of the latter coming from South Africa, Zimbabwe and Zambia), 19 % from Europe (2/3<sup>rd</sup> of the latter from the UK) and 14% from Asia (1/2 of the latter from India).

#### Finance

Amount of outgoing migrant remittances	N/A
Remittances as % of GDP	N/A

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<sup>38</sup> UNHCR Botswana – verbal communication

<sup>39</sup> IRIN, 12.11.2004

## 11.2 Emigration

### *Emigrants*

Total number of emigrants 2.9% of population (1991).

### Status emigrants

Refugees: N/A

Labour migrants /permanent N/A

Labour migrants/seasonal N/A

### Legal situation emigrants

Documented N/A

Undocumented N/A

### Trend

Number of leaving migrants in 90/95 N/A

Number of leaving migrants in 95/2000 N/A

### Education:

Skilled labour N/A. The inclination of skilled Batswana to leave their country appeared very low in a survey in 1998. Although migration (especially of resources in the health sector) is not yet a problem, it makes more acute the problem of lack of experienced personnel (already strained by the losses of due to the HIV/AIDS pandemic), hence weakening further the resources available to fight the disease.

### Main countries of destination

In 1991, South Africa (80% of all departures), Namibia and Zimbabwe

In 1991, the majority of the Batswana abroad were male migrants working legally in South African mines. However, recent developments are likely to have affected this pattern: end of the apartheid regime and easier travel of Batswana to South Africa (reflected in the increase in cross-border traffic between the two countries, from around 130,000 leaving/entering in 1993 to 1.1-1.2 million in 1998), increase in numbers of Batswana studying in South Africa, but reduction of workers in South African mines (close to 19,000 in 1983 to 12,000 in 1997). Europe (in particular the UK) and the USA are the main destinations of students.

As concerns undocumented emigration, evidence suggests that the majority of Batswana enter South Africa though legal border posts. However, it seems that overstaying with expired permits is not uncommon and on the increase (estimate of some 40 to 50,000). It does not imply that these persons intend to stay in South Africa.

A survey in 1998 indicated that Botswana respondents were travelling to neighbouring countries for short durations (less than a month), for reasons of shopping (South Africa mostly), visiting friends / relatives and tourism / holiday (Zimbabwe mostly).

*Source: The Southern African Migration Project, "Botswana: Migration perspectives and prospects", Migration Policy Series No. 19, 2000.*

Rate of return N/A

### Finance

Amount of incoming migrant remittances N/A

Remittances as % of GDP N/A

## Annex 5

### **CSP drafting process: particular attention to involvement of NSA and local authorities**

EDF10 programming in Botswana started in February 2006 on the occasion of the EDF regional seminar held in Gaborone. Soon after, the programming guidelines were circulated to all stakeholders (including the NSAs) and the MFDP/Commission Delegation initiated the preparation of the CSP/NIP.

A first stakeholders workshop was held on the 2<sup>nd</sup> June 2006 to stimulate a debate and collect the views of a wide range of stakeholders (including the private sector, civil society and decentralised actors) on the current country's situation and the strategy that the EU should adopt in the period 2008-2013 to best support poverty reduction in Botswana. To facilitate the discussion an issue paper was circulated prior to the meeting (highlighting the main features of the country analysis, Botswana strategic documents, previous EDF experience) together with background documents (European Consensus for Development, EU Strategy for Africa, EDF10 programming guidelines, draft Joint Annual Report 2005, EDF9 CSP 2002-2007). Slide presentations were made to introduce these documents. Based on the outcomes of the this workshop, the MFDP and Commission Delegation drafted the response strategy.

A second stakeholders workshop was organised on the 27<sup>th</sup> of July 2006 to discuss the draft CSP and the draft Governance Profile (circulated in advance). The invited stakeholders were the same as the first one, but a greater number of private sector representatives was invited. To facilitate the discussion, slide presentations were made on both documents, outlining in particular how the suggestions made by the stakeholders during the first workshop were taken into account in the response strategy.

Both workshops were attended by a large number of line ministries and civil society organizations, representing a variety of interests, including HIV, gender and environment. District local authorities participated as well (they were selected based on the need to have a balanced representation from poor/wealthier and rural/urban districts). Private sector representation, was, unfortunately, limited. Participants were given the opportunity to submit further suggestions/comments in writing after the workshops (3 weeks time for the 1<sup>st</sup> workshop, 1 month for the 2<sup>nd</sup>). Discussions during both workshops were alive, constructive and frank. Inputs/contributions from civil society were extremely useful to draft and finalise the CSP and the GP.

A brainstorming meeting was organised on the 9<sup>th</sup> August 2006, with targeted institutions/organisations (representing youth, education, women) to further refine the response strategy on the key issue of how improving the links between the education sector and the labour market, with a view to increase employment opportunities. Private sector representatives could not attend (they were all attending a 1 week seminar in Francistown).

# Country Gender Profile

## BOTSWANA



This is a background document prepared by the gender help desk. Information included here is collected from public and easily available sources. The paper is not exhaustive and is not an official representation of the situation of gender equality in the country.

June 2005

### Summary tables (more data are included in the text)

<b>POPULATION CHARACTERISTICS</b>	<b>2001</b>
Population Distribution (%)	
5-14	25
15-49	52.0
Percentage of Females aged 15-49 (out of total females)	52.4
Total Fertility Rate(births per woman)	3.27
Infant Mortality Rate	56
Child Mortality Rate	19
Under 5 Mortality	74

**Source: National Census 2001**

Men as % of population	48.4%
Women as % of urban population	52.9%
Women as % of rural population	51.6%
Rural female-headed households	50%
Urban female headed households	44%
Life expectancy for male	45.1 years
Life expectancy for female	47.1 years
Female-headed farming households	35%
Women public servants in senior management positions	33%
Parliament seats occupied by women	18%
Female GDP per capita (PPP US\$)	3.747
Male GDP per capita (PPP US\$)	8.550

**Source: WB profile of the country 2005**

<b>25. Gender empowerment measure</b>	
Gender empowerment measure (GEM) rank (out of 177 countries)	35
Gender empowerment measure (GEM) value	0.562
Ratio of estimated female to male earned income	0.51

<b>27. Gender inequality in economic activity</b>	
Female economic activity rate (% ages 15 and above), 2002	62.6
Female economic activity rate (% of male rate, ages 15 and above), 2002	77
Female employment in agriculture (as % of female labour force), 1995-2002	17
Female employment in agriculture (as % of male) , 1995-2002	78
Female employment in industry (as % of female labour force), 1995-2002	14
Female employment in industry (as % of male) , 1995-2002	54
Female employment in services (as % of female labour force), 1995-2002	67
Female employment in services (as % of male) , 1995-2002	133
Women contributing family workers (% of total), 1995-2002	45
Men contributing family workers (% of total), 1995-2002	55

**Source: UNDP HDR 2004**

Sex	% Literacy Rate			
Male	(1993)	66.9	(2003)	80
Female	(1993)	70.3	(2003)	82

## Part One: Country overview

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### Introduction

Since independence in 1966, Botswana has been a stable multi-party democracy governed continuously by the Botswana Democratic Party (BDP). In the last election, held in October 2004, the BDP won 44 of 57 elected seats in the National Assembly led by President Festus Mogae. Four additional Members of Parliament sit in the National Assembly appointed by the ruling party. A House of Chiefs provides representation to traditional leaders from the nation's major tribes.

There are a number of opposition parties and dissenting voices are heard and visible in the media. Elections in the country are reported to meet international standards of free and fair elections, though there were some complaints made by opposition members about unequal access to state-owned television during the campaigning process in the last election. Concerns have also been raised within the academic community about the method of succession, as new leaders within the BDP are usually brought in between rather than at the time of elections.

There is a vibrant community of civil society organizations, many of whom are grouped under the umbrella Botswana Council of Non-Governmental Organisations. Although civil society is quite active, vocal criticism of the government is relatively rare. In recent years, it has become increasingly difficult for non-governmental organizations to obtain international funding, due to the departure of donors as a result of the country's ranking as a middle income country.

In 1995 the total population of Botswana was estimated at 1,5 million, of which 51,9% were women and 48,1% men. From this perspective, it is clear that the empowerment and advancement of women in all spheres of life must take centre stage in the country's development.

On the political front, Botswana has seen an increase in the percentage of women elected to Parliament (18% in 1999 18% 2005) and to public administration (25% 1999 35% 2005). While important steps have already been taken by both the Botswana government and non-governmental organisations to address gender inequalities, women still face constraints arising from gender stereotyping, attitudes, and perceptions that limit their opportunities at the personal, household and societal levels. The activities of civil society (e.g. Emang Basadi Women's Association) aim to empower women politically both as voters and elected representatives, apparently with difficulties due to the above mentioned preconditions and also rigidity of political environment that does not provide a clear link between the voters' choice and the retaining of power. This makes it harder to maintain pressure for an enhanced representation of women in the political sphere. According to GoB the major challenges in the political participation of women are the limited resources for campaigns and political education, prevailing gender stereotypes and the **absence of a comprehensive affirmative action** plan focusing on promoting gender equality.

### Government Gender Policies

Since 1981 the government has established the **Women's Affairs Unit** at the Ministry of Labour and Home Affairs (MLHA) whose mandate is to mainstreaming gender issues into various sectoral policies. In 1996 that the National Policy on Women in Development was adopted and the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) acceded to.

### **The National Policy on Women in Development (1996)**

The main goal of this policy is *"to achieve effective integration and empowerment of women in order to improve their status, enhance participation in decision making and role in the development process"*. Specifically, the policy aims to eliminate all economic, social and legal practices of discriminating against women, to improve women's health, to promote education and skilled training, and to mainstream gender into development planning.

### **The National Gender Programme Framework (1999)**

The National Gender Programme Framework was launched by His Excellency Festus Mogae in November 1998 with the objective to translate into concrete strategies the principles of the various policy documents. It was developed along with a National Plan of Action which identifies the strategies to be implemented for each critical area.

Preparations for the Fourth World Conference on Women (Beijing 1995) and its follow up resulted in the prioritisation of six out of the twelve critical areas of concern presented in the Beijing Declaration and Platform For Action, as follows:

- Women and **Poverty**, including Women's Economic Empowerment
- Women in **Power** and Decision-Making
- **Education** and Training of Women
- Women and **Health** and
- The **Girl-Child**, as a cross-cutting area
- **Violence** against women

The Government and interested NGO's meet regularly to implement the National Policy on Women.

### **National machinery**

In Botswana, the National Women's Unit was established in 1981. The Unit was upgraded to a Division headed by a Coordinator in 1991. It was promoted to a Women's Affairs Department (**WAD**) in the Ministry of Labour and Home Affairs in 1996. The department has three divisions with a total of 11 professionals and 34 support staff. Gender Focal Persons (**GFPs**) have been established in all line Ministries. A Gender Project Planning Committee (**GPPC**) has also been formed at the University of Botswana. Botswana National Council on Women (**BNCW**) established in 1999, is an advisory body to the Ministry on gender equality issues in the country. The **Women's NGO Coalition** was set up to coordinate a number of women's NGOs that address gender equality and women's empowerment programmes. It worked in close collaboration with the national machinery, until its recent closure due to financial constraints. WAD has only two offices in the regions and do not have offices in all districts. Most of the NGOs are operational in Gaborone, and run some of their programmes in the regions and districts.

**Vision 2016**, a national manifesto establishing a long-term vision for Botswana, envisages the Batswana Nation by the year 2016 as educated and informed, prosperous, productive and innovative, compassionate and caring, safe and secure, open, democratic and accountable, moral and tolerant, united and proud. It therefore foresees all Batswana, men and women, fully embracing and actively managing the process of change in their society, and enjoying the same rights and opportunities irrespective of gender.

### **Legal references**

Human rights and fundamental freedoms are the birth right of all human beings. With this understanding the Government of Botswana has done the following in order to promote the rights of women.



Achievements:

- Signed and ratified the UN Convention on the Elimination of all Forms of Discrimination Against Women (**CEDAW**) (1996)
- Signed **Gender and Development: A Declaration** by Heads of State or Government of Southern African Development Community (SADC) (1997)
- Signed the Prevention and Eradication of Violence Against Women and Children: An **Addendum** to the 1997 Declaration on Gender and Development by SADC Heads of State or Government (1998).
- Commissioned a **Study on All laws** Affecting the Status of Women in Botswana (1998)
- Legal and Administrative **measures** undertaken to Eliminate Discrimination Against Women such as the following:
  - The Citizenship Amendment Act 1995 brought equality of citizenship rights of both women and men
  - The Matrimonial Causes Act allows for equitable distribution of matrimonial property on divorce depending on the marriage regime
  - Application proceedings has lessened the discrimination and increased the maintenance fee
  - The Employment Act Cap:47:01 was amended in 1992 covering the following sections:
    - Section 115:** women no longer prohibited to work underground
    - Section 16:** women can work at night without their expressed consent
    - Section 119:** women's maternity allowance cannot be lost due to failure to give notice and actual date of confinement.
    - Section 18** of the Deeds Registry Act was amended to enable property by married women.
  - The "Abolition of the Marital Power Act" Bill adopted in December 2004 has removed inequities between men and women in respect of marriages under the common law, notably as regards control of joint estates and custody of children.

Consultations are on going on rectifying, acceding and signing the Optional Protocol on the Convention on the Elimination of all Forms of Discrimination against Women. Major challenge calling for action is the contradictions that exist between Customary Law and Common Law, which undermine the action taken thus far for improving the situation of women.

In 1998, a group of Botswana lawyers, concerned at the lack of protection for women with violent partners, has drafted the country's first domestic violence legislation. The purpose of the **Protection from Family Violence Act** is to recognize domestic violence as a criminal offence, to provide protection to victims and to punish the perpetrators. The Act defines domestic violence as "*any act of gender-based violence*" that results in, or is likely to result in, physical, sexual or psychological harm. (More on domestic violence in following chapters).

Botswana is also member to other international conventions relevant to equality between men and women such as ILO C100 Equal Remuneration Convention, ILO C111 Discrimination (Employment and Occupation) Convention, UN Convention on the Rights of the Child.

Polygamy still is legal under traditional law with the consent of the first wife, but it rarely is practiced. Women legally enjoy the same civil rights as men; however, in practice societal discrimination persists. A number of traditional laws enforced by tribal structures and customary courts restrict women's property rights and economic opportunities. A woman married under traditional law or in "**common property**" is held to be a legal minor, requiring her husband's consent to buy or sell property, apply for credit, and enter into legally binding contracts. Under the law, women married under an intermediate

system, referred to as "**in community of property**", are permitted to own immovable property in their own names; however, their husbands still retain considerable control over jointly held assets of the marriage. Moreover, the law also stipulates that neither spouse can dispose of joint property without the written consent of the other party.

Women have, and increasingly are exercising, the right to marriage "**out of common property**", in which case they retain their full legal rights as adults. However, marital power' was abolished in common law marriages in late 2004 by a government bill, meaning, that legally at least, women will have to be part of any decision on joint property and **husbands will no longer be able to dispose of property and use the funds without the wife's knowledge and agreement**. The passing of the Bill grew out of a 1998 report commissioned by the Women's Affairs Department (WAD).

In 1999 the Government amended the Affiliation Proceedings Act to make it possible for a person other than the mother of a child born out of wedlock to institute proceedings for the maintenance of the child, and by amending the Public Service Act in 2000 to recognize sexual harassment as misconduct carrying penalties under the Act.

The legal and policy environment can be further improved, in particular as regards compatibility of customary with common law, domestic violence (the law does not address the issue of marital rape) and employment, and by further mainstreaming gender balance into strategies, policies and plans. There is also the need to improve the system of monitoring gender related developments. The key challenge, however, is to bridge the gap between policy/legal reforms and traditions, in particular by promoting a change in cultural practices and social behaviour. Both civil society and the government have a key role to play in social mobilisation and public education.

### **Some issues on inequality between women and men**

**Domestic violence** against women remains a serious problem. Under customary law and in common rural practice, men have the right to "chastise" their wives. Police rarely are called to intervene in cases of domestic violence. Reports of sexual exploitation, abuse, and criminal sexual assault are increasing, and public awareness of the problem generally is growing. The national police force has begun training officers in handling domestic violence problems to make them more responsive in such cases. Although the Government has become far tougher in dealing with criminal sexual assault, societal attitudes toward other forms of domestic violence remain lenient. Half the murders of women were linked to histories of domestic violence. *Human rights activists estimate that 6 women in 10 are victims of domestic violence at some time in their lives.*

**Says Batawana  
Paramount Chief  
Kgosi Tawana II:**

"When does chastisement turn to abuse? A little slap here, a little slap there to put the wife in line is seen as acceptable, she's your child. There is acceptance that this happens in a marriage."

Battering - domestic or spousal violence - is believed to be the most frequent form of violence suffered by women in Botswana. In the recent Women's Affairs survey 37 percent of interviewees had suffered a severe beating 1-5 times in 1998 at the hands of their male partner. Traditional culture is often cited as the cause and excuse for battering and some men feel they have the right to 'chastise' their wives if the latter break with 'tradition'. This can include questioning the man's movements or his relationship with other women, 'neglecting' housework, or talking back. Domestic killings have recently increased.

**Rape** is another serious problem, and the Government acknowledged in 1999 that, given the high incidence of HIV/AIDS, sexual assault has become an even more serious offence. About 60 percent of Botswana women have been a victim of gender violence in the last five years, a quarter have been multiple sufferers. The judiciary system and its support

services spend at least 30 percent of their time on cases involving violence against women.

By law the minimum sentence for rape is 10 years, with the minimum increasing to 15 years with corporal punishment if the offender is HIV-positive, and to 20 years with corporal punishment if the offender knew of his or her HIV status. *In 1999 a High Court ruled unconstitutional a provision in the law that allowed the detention of rape suspects without bail.* The law does not address the issue of marital rape. Women's groups acknowledged an improvement in the treatment of alleged victims by police officials during rape investigations; however, they noted that police still lack basic investigative knowledge of rape cases. Rape (though not marital rape) has now been fairly well documented, incest and sexual harassment have not, although both are believed to be prevalent. There have been a number of legal triumphs for Botswana women in recent years, not least of which was the 1992 Dow vs. State case that led to the amendment of the Citizenship Act of 1995. This gave women the same rights as men to pass on their Botswana citizenship to their children and thus established that the constitution does guarantee women equality before the law. However, the Botswana Constitution still does not specifically refer to sex in its definition of discrimination.

**Sexual exploitation and harassment** continue to be problems as well, with men in positions of authority, including teachers, supervisors, and older male relatives, pressuring women and girls to provide sexual favours. Greater public awareness and improved legal protection have led more victims of domestic violence and sexual assault to report incidents to the authorities. In 1999 the Women's Affairs Department submitted the *Report on the Study of Socio-Economic Implications of Violence against Women in Botswana* to the Attorney General's office, which is working with other ministries to further study these problems. In May the Department held a national workshop on violence toward women and issued another report on using an integrated approach among all interested parties to gender-based violence.

Well-trained urban women enjoy growing entry level access to the white-collar job market, but the number of opportunities decreases sharply as they rise in seniority. Discrimination against women is most acute in rural areas where women engaged primarily in subsistence agriculture have weak property rights.

Young women do now have access to military or national service training. Botswana Defence Force plans to recruit the first women in March 2007.

### **Focus on abortion**

Although abortion in Botswana is legal - within certain limitations - in the first 16 weeks of pregnancy, bureaucratic delays and far-flung health clinics encourage illegal backstreet abortions, says a report by the Department of Women's Affairs. The Ministry of Health is unable to provide any data on either legal or illegal abortions, but social workers say illegal abortions are common and extremely risky.

Incest is generally condemned as abhorrent in Botswana and referred to as "botlhodi" -- a term suggesting blasphemy or an unnatural event. However, recent research commissioned by the Department of Women's Affairs suggests incest is on the rise and in some cases is becoming more acceptable. Cases of incest are notoriously hard to prosecute. Mothers often side with the perpetrator, especially if he is the breadwinner. The women argue that if the man is jailed, then years of economic hardship may lie ahead -- even though in reality it is usually the woman who earns most of the family income. Rapists take full advantage of a legal loophole. Incest is defined under criminal law as carnal knowledge between a person and his or her grandchild, child, brother, sister or parents. It carries a maximum jail term of just five years, or life if the victim is fewer than 16. The law does not, however, mention stepparents or others in the extended family, and the majority of incest appears to be perpetrated by stepfathers and uncles.

In 1991 Botswana amended its Penal Code to allow abortions in the first 16 weeks of pregnancy, for specific reasons such as

- convincing a doctor that the pregnancy was the result of rape, defilement or incest
- is if the pregnancy involves risk to the woman "or injury to her physical or mental health"
- "Substantial risks that, if the child was born, it would suffer from or later develop such serious physical or mental abnormality or disease as to be seriously handicapped".

Clearly the abortion laws need to be reinterpreted in view of HIV which currently is not the case. Then there is the clause that allows for an abortion (under the three circumstances cited above) if it is requested by the woman's legal guardian "should she lack capacity" which may and is interpreted in a way that limits the ability of women to legally take abortion.

### **Focus on HIV-AIDS**

Botswana has one of the highest rates of HIV infection in the world, second only to Swaziland. The national and UNGASS indicator shows the prevalence of HIV infection according to age groups for a number of districts. 15-19 years 6.6% of age group, 20-24 16.9%, 25-49 34.4%, 15-49 25.3%.

In recognition of the broad-reaching impact of HIV, the government initiated a multi-sectoral approach identifying the effects of the virus in different areas of life and society. The National AIDS Council is headed by the President, indicating strong political will. In cooperation with international donors the country has also put in place a network of free voluntary testing and counselling centres, a prevention of mother to child transmission (PMTCT) program, and a national anti-retroviral (ARV) program to provide HIV positive citizens with access to life prolonging medication. Routine testing was introduced in all health facilities in January 2004. Despite these developments, access to treatment varies significantly throughout the country and those able to afford private practitioners are often able to access care in a timelier manner. Public facilities are frequently overburdened and many people either do not seek or are not able to access care until they are seriously ill. HIV has seriously impacted on family structures and it is not uncommon for children to raise siblings after the death of their parents. The burden of care usually falls on women, even when both partners are ill. The virus has also highlighted problems in the area of inheritance, where vulnerable women or children often face 'property grabbing' after the death of a spouse or parent. Despite the high prevalence rate, there remains a lack of legal protection from discrimination on the basis of actual or perceived HIV status that continues to occur. There have been a number of reports, and several court cases involving job loss as a result of HIV status or the refusal to take an HIV test.

Knowledge of HIV: prevention indicator<sup>40</sup> in 2001 was 33% of males and 40% of females; number of young people reporting use of a condom with non regular partner in 2000 is 88% of males and 75% of females. A realistic measurement of the risk of transmission should take into consideration the prevalent violence against women, as well as other existing phenomena such as hidden homosexuality<sup>41</sup>. The secrecy and perception of submission of women to a man also increase the risk of transmission.

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<sup>40</sup> Measured by % of young people who can correctly identify two methods of preventing sexual transmission of HIV virus and who reject three mis-conceptions about transmission

<sup>41</sup> reports speak of hidden existence of male homosexuality where the men continue married life with women at the same time as having sex with male partners

## Part two: Sector specific information

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### EC Priority areas in COUNTRY

#### Principles and objectives for cooperation

The Cotonou ACP/EU Partnership Agreement and the EC Treaty both affirm the three objectives of EC development co-operation to be:

- Sustainable social and economic development;
- Gradual integration of developing countries into the world economy;
- Reduction and eradication of poverty.

#### Priorities for Cooperation

The current EC co-operation with Botswana, will focus on continuation and expansion of the EC support to Human Resources Development (**HRD**). Likewise one of the keys to developing an effective policy to combat the twin scourges of poverty and **HIV/AIDS** will be a massive and sustained investment in HRD, particularly in **education and training**.

### Education and training

Progress in Women's Education and Training:

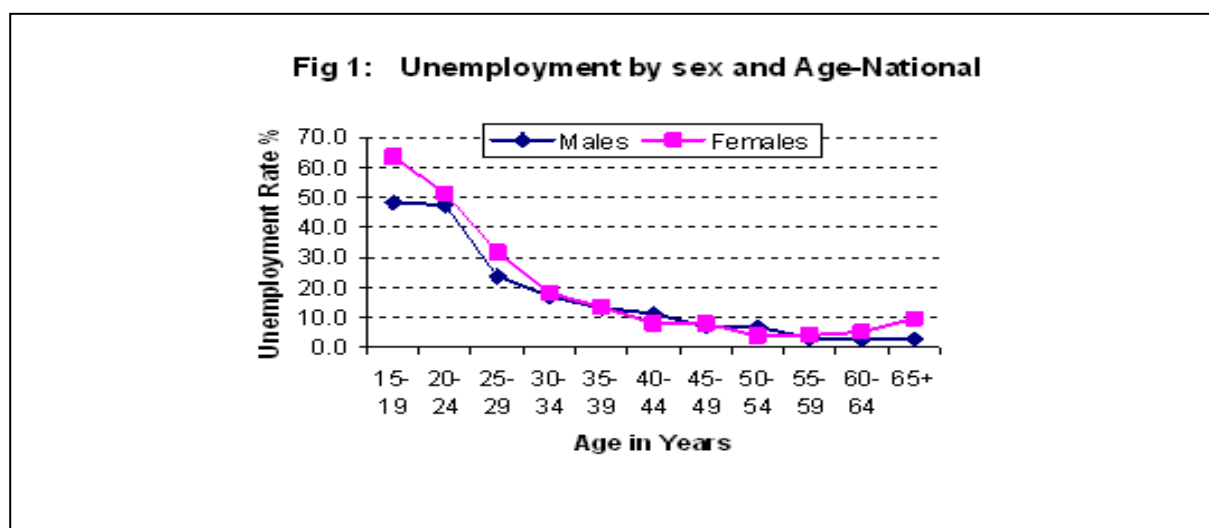
- The Revised National Policy on Education (1994) provides that all Botswana children including girls should be provided with ten years basic education. The policy also makes provision for the introduction of pre-vocational skills such as computing and technical skills.
- A policy on Vocational Education and Training has been formulated which places emphasis on the participation of marginalized groups including women in vocational training and education.
- A gender sensitisation programme, directed towards increasing female participation, has been introduced by the Ministry of Education and the Women's Affairs Department.
- Botswana is unique among many countries in that women have a higher level of literacy (79%) to men 75%.
- Women also constitute the majority of those in non-formal education. Due to Botswana's strong cattle-herding traditions, there are more girls than boys in primary schools and boys form the majority of dropouts at that level.
- Nine percent of school dropouts at secondary school level are due to pregnancy. Sex education in schools has been introduced and is still a controversial issue.
- Women now account for 52.7% of total enrolment at the Local University although there are fewer girls in science and technology related disciplines.

According to the government the main challenges encountered in education include limited day-care facilities, teenage pregnancy and low enrolment of females in science and technical education programmes. Some positive strides in the sphere of public health include revised family planning guidelines, HIV/AIDS prevention efforts and reduction of mother to child transmission of HIV. Increased attention is being paid to adolescent sexual and reproductive health.

**Age Specific Adult Literacy Rate by Sex for Botswana Aged 15 and over: 2003**  
 (For ease of reading the figures below represent only the percentage of female students' enrolment in the indicated levels of schooling)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>First Level - Primary Schools</b>										
% Female	51.1	50.7	50.4	50.1	49.9	49.9	49.6	49.7	49.7	49.6
<b>Second Level - Secondary Schools</b>										
% Female	53.7	53.5	52.7	53.3	53.2	53.0	52.9	52.5	52.0	51.9
<b>Second Level - Teacher Training Colleges</b>										
% Female	85.5	84.5	75.2	73.1	72.5	65.7	58.4	57.6	58.0	57.2
<b>Second Level - Vocational and Technical Training</b>										
% Female	33.4	30.2	30.4	31.3	29.9	36.6	37.4	35.7	37.8	38.4
<b>Third Level - Colleges of Education</b>										
% Female	53.1	45.0	51.9	56.6	54.7	56.5	55.7	56.9	52.8	53.8
<b>Third Level - College of Agriculture</b>										
% Female	29.5	25.1	22.6	18.1	19.3	31.4	31.4	31.4	25.8	26.1
<b>Third Level - University of Botswana</b>										
% Female	48.9	49.9	44.1	52.6	47.8	48.4	47.4	47.8	48.9	48.6
<b>All Levels</b>										
% Female	51.5	51.1	50.6	50.6	50.5	50.5	50.3	50.3	50.4	50.1

**Women and men in labour market**



The figures included in this title provide a picture of the situation on women and men representation in the labour market. For a better understanding it is necessary to read through the figures by combining labour market and education data. It is obvious that there is a pay gap between men and women in most cases, with the government sector representing the better balanced level of income between men and women. Considering that female students have a higher rate of enrolment and that literacy in absolute percentage is higher for women it is not immediately clear the why there would be a

wage gap to the disadvantage of women. There can be different explanations to this phenomenon among which would be the segregation of the labour market where women would be generally found in lower paid ranks of the professions or would be found predominantly in precarious employment. Another factor could be the discrimination based on sex. According to the ILO the wage scale in the public sector in Botswana clearly shows that in higher paid positions (E and F) women's participation is less than half of men's. The fact that sex discrimination is not prohibited in the national legislation and that this lack of legal protection may result in impairment in the application of equal pay principle.

### **Estimated Number of Paid Employees by Industry, and Average Earnings by Industry (Values in Pula) September 03**

	All Employees (Sep-03)					
	Male	Income	Female	Income	Total	Income
Agriculture	4,774	688	1,491	539	6,264	653
Mining & Quarrying	7,112	3,960	856	4,850	7,968	4,056
Manufacturing	13,936	1,648	16,233	831	30,169	1,209
Water & Electricity	2,344	6,072	481	5,266	2,825	6,001
Construction	26,643	1,191	3,107	959	29,750	1,137
Wholesale & Retail	24,160	1,944	17,906	1,300	42,066	1,669
Hotels & Restaurant	4,664	1,227	8,558	1,428	13,222	1,357
Transport & Communication	7,243	3,344	3,034	3,303	10,277	3,331
Financial Intermediaries	2,206	6,931	3,563	3,734	5,770	4,619
Real Estate	9,960	3,530	3,295	3,616	13,255	3,552
Education	3,616	5,496	3,505	3,866	7,121	4,693
Health & Social work	651	4,788	1,902	3,386	2,553	3,347
Other Community Serv.	1,575	2,324	1,669	1,186	3,243	1,738
Private & Parastatal	108,884	2,336	65,599	1,778	174,483	2,106
Private	99,725	2,031	61,136	1,541	160,861	1,845
Parastatal	9,159	5,657	4,463	5,030	13,622	5,452
Central Government	47,683	3,487	40,017	3,108	87,700	3,314
Education	12,345	2,870	17,847	3,062	30,192	2,984
Other	35,338	3,702	22,170	3,145	57,508	3,487
Local Government	13,309	2,446	9,891	2,548	23,200	2,490
All Sectors	169,876	2,668	115,506	2,305	285,382	2,508

### **Women and poverty**

A study completed in 1996 by the Government of Botswana revealed that the poorest urban female headed households command an average per capita disposable income 46% of that earned by the poorest urban male headed households.

Progress has been made by:

- In increasing the recognition of the gender dimension of poverty
- In the recognition that gender equality is one of the factors of specific importance for eradicating poverty
- Pursuing a two-pronged approach of promoting employment and income generating activities for women
  - providing access to basic social services including information, skills and other survival skills

These have been reinforced by social safety nets such as: the destitute policy, supplementary feeding programmes, labour based relief programmes and old age pension scheme. Micro-credit and other financial instruments targeting women have

emerged. This includes the Botswana Government and UNDP National Gender Programme Support Document funding women economic empowerment projects, the Financial Assistance Policy, the small, medium and micro Enterprise Programme and the recently introduced Citizen Entrepreneurial Development Agency (CEDA). Women's NGOs have also introduced micro-lending targeting women entrepreneurs and have provided business training. In addition, research has been undertaken to audit women economic opportunities in Botswana.

Although there have been improvements for women in Botswana, there still is a large percentage of women that fall below the poverty level.

### **Urban agriculture**

While poverty in Botswana is predominantly rural, the rate of urbanisation (at 8.4% per annum) is the highest in Africa. Rural migration has led to increasing concern about social and physical changes in urban areas. One of the safety nets adopted by the poor has been urban agriculture either as a means of survival or to supplement low incomes, while some entrepreneurs have opted for urban agriculture as a means of making money. Poultry (40%), horticulture (20%) and piggeries (10%) dominate the main activities taking place in the city. However, there is very little dairy (8%). **There is a gender imbalance in favour of women within this sector.** A key problem to further development of urban agriculture is the lack of financial support.

The GoB has a long history of assisting the entrepreneurial development of businessmen and women through various schemes and programmes; it also provides credit in the form of outright financial grants, loans, inputs (machinery, seeds and seedlings, etc.), as well as other financial subsidies. In addition, NGOs and donors have mainly invested in the poor sector, while the private sector has provided credit for commercial farms in many areas including periurban areas. Of the various programmes, three have achieved some marked success: the Arable Lands Development Programme (ALDEP), the Citizen Entrepreneurial Development Agency (CEDA), and the Financial Assistance Programme (FAP) (1982-2001)

The FAP was introduced in 1982 as an incentive and subsidy policy aimed at creating employment and encouraging investment in a range of economic activities, including agriculture. The FAP has been a significant catalyst to the increase in urban agriculture. Funding has been given to set up chicken farms, horticultural farms, rearing of animals, etc., and is used to purchase inputs, and to help pay for training and other costs. Women were given priority in the disbursement of grants; hence, **82% of the beneficiaries were women.**

Several actors have played a key role. The central government provided funds, personnel, offices and other support, such as training and extension services. Other actors are local councils, financial institutions like the **Women's Finance House** and the National Development Bank, a commercial bank owned by the government, some donor agencies, the private sector and parastatals and CBOs. Much needs to be done to target with similar actions the differences between men and women employment and income showed by the available data

### **Health: Some facts on the reproductive health in Botswana**

- Life expectancy at birth for women improved from 58.6% in 1971 to 67.1% in 1999. A downward trend is seen recently for both men and women (see table in page one of this profile)
- 95% of all pregnant women in Botswana attend antenatal clinics at least once during their pregnancy. Unfortunately HIV has increased significantly for pregnant women, from 14.9% in 1992 to 40% in 1997. Botswana has accepted the challenge of HIV/AIDS and



has responded by strengthening the home base care programme, introduced prevention mother to child transmission. NGOs and CBOs are taking major responsibilities for advocacy, social mobilisation and community home based care programmes.

- Contraceptive prevalence rate among all women has increased from 32% (1988) to 41.7% (1996).

Health services in Botswana have expanded greatly in terms of infrastructure through the different phases of the National Development Plans. However as it becomes obvious in the case of abortion there is an issue of access to the health services. Apparently there is shortage of doctors which combined with the sheer size of Botswana, and the far flung reaches of some its rural population make problems of access acute.

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## Annex 7

### Table including Botswana's positions in relation to key international conventions

*Table 1. International Conventions*

<b>International Convention</b>	<b>Signed</b>	<b>Ratified</b>	<b>Date of Signature/Ratification</b>
UN International Covenant on Economic, Social and Cultural Rights (CESCR)	No	No	-
International Covenant on Civil and Political Rights (CPPR)	Yes	Yes	08/09/2000 (reservation item 5(a) and 5(b) at page 23)
Optional Protocol to the International Covenant on Civil and Political Rights (CPPR –OP1)	No	No	-
Second Optional Protocol to the International Covenant on Civil and Political Rights, Aiming at the Abolition of the Death Penalty (CPPR –OP2 - DP)	No	No	-
International Convention on the Elimination of all forms of Racial Discrimination (CERD)	Yes	Yes	20/02/1974
Convention on all Forms of Discrimination against Women (CEDAW)	Yes	Yes	13/08/1996
Optional Protocol to the Convention on all Forms of Discrimination against Women (CEDAW - OP)	No	No	-
Convention against Torture and other Cruel, Inhuman or degrading treatment or Punishment (CAT)	Yes	Yes	08/09/2000 (reservation item 6 at page 24)
Optional Protocol to the Convention against Torture (CAT - OP)	No	No	-
Convention on the Rights of the Child (CRC)	Yes	Yes	14/03/1995 (reservation item 4 at page 23)
Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflicts (CRC-OP-AC)	Yes	Yes	24/09/2003
Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography (CRC-OP-SC)	No	Yes	24/09/2003
1951 Convention on the Status of Refugees	Yes	Yes	06/01/1969 (reservation item 8 at page 24)
1967 Protocol Relating to the Status of Refugees	Yes	Yes	06/01/1969 (reservation item 10 at page 24)
Rome Statute of the International Criminal Court	Yes	Yes	08/09/2000
ILO Convention n. 169 concerning Indigenous and Tribal Peoples in Independent Countries	No	No	-
International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families	No	No	-

**Table 2. Regional Conventions**

<b>Regional Convention</b>	<b>Signed</b>	<b>Ratified</b>	<b>Date of Signature/Ratification</b>
AU African Charter on Human and People's Rights	Yes	Yes	17/07/1986
Protocol to the African Charter on Human and People's Rights on the Establishment of an African Court on Human and People's Rights	Yes	No	09/06/1998
Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa	No	No	-
African Charter on Rights and Welfare of the Child	Yes	Yes	10/07/2001 (reservation item 3 at page 23)

## Annex 8

### List of Government's commitments

<b><u>Governance Area</u></b>	<b><u>Prospective commitment</u></b>	<b><u>Indicative Costs</u></b>	<b><u>Indicative Calendar</u></b>
<b><u>1. Political democratic governance</u></b>			
	To lift reservation on Convention on rights of the Child once Cabinet approves the Reviewed Act	na	2 <sup>nd</sup> Sem. 2007
	To establish a High level Committee to oversee the development of National Language Policy. To endorse officially the Language Policy and Implementation Plan, including timeframe, human and financial resources and to start the execution of this Plan	500 000 Euro	2007 - 2009
<b><u>2. Political governance – rule of law</u></b>	To increase the funding for Courts system	250 000 Euro	From 2008 onwards
	To support the High Court case management system and amend rules in order to process cases more quickly	100 000 Euro	2007 - 2008
	To amend legislation and introduce a Small Claims Court (pilot sites: Gaborone and Francistown)	300 000 Euro	2007 - 2008
	To conduct a consultancy to study an Alternative Dispute Resolution Mechanism (Arbitration)	100 000 Euro	2007 - 2008
	To conduct a consultancy on establishing a commercial branch at the High Court.	50 000 Euro	2007 - 2008
	To conduct a Legal Aid Study with the assistance of UNDP	100 000 Euro	2007 - 2008
<b><u>3. Control of corruption</u></b>	To carry out an anti corruption study in close cooperation with UNOCD and the EC	200 000 Euro	2 <sup>nd</sup> Sem. 2007
<b><u>4. Government effectiveness</u></b>	To implement a Public Expenditure and Financial Accountability (PEFA) exercise including a specific review in the education sector	400 000 Euro	2007 - 2008
	To strengthen the Public Procurement & Asset Disposal Board	200 000 Euro	1 <sup>st</sup> Sem. 2007
	To strengthen GOB implementation capacity aiming at implementing NDP 9	na	2007 - 2009
<b><u>5. Economic governance</u></b>	To elaborate a plan facilitating the implementation of the proposals made by the Business Economic	na	2007 - 2010

	Advisory Council (BEAC).		
	To reduce the industrial licenses registration time from 1 month to 1 week following the Industrial Development Bill, which was approved by Parliament (11/200)	na	2007 - 2008
<b><u>6. Internal and external security</u></b>	Na	na	na
<b><u>7. Social governance</u></b>	To enact the Domestic Violence Act	na	2 <sup>nd</sup> Sem. 2007
<b><u>8. International and regional context</u></b>	To lead on urging SADC to review overlapping memberships	na	2007 - 2008
	To continue taking an active role in negotiation the EPA and it's implementation	na	2007 - 2008
	To review participation in APRM	na	2008
	To carry out a MDG needs assessment study and sensitize the national Parliament on these important issues	350 000 Euro	2007
<b><u>9. Quality of Partnership</u></b>	To lead on improving the structure of the dialogue and re-establish the donor forum	na	2007 onwards
	To elaborate a donor data base and improve donor coordination	50 000 Euro	2007 onwards
	To strengthen support to NSA	11 000 000 Euro	2007 - 2013

## Annex 9

### ACRONYMS

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<i>ACP</i>	Group of African, Caribbean and Pacific States
<i>AGOA</i>	USA Africa Growth and Opportunity Act
<i>ALDEP</i>	Arable Lands development programme
<i>APRM</i>	African Peer Review Mechanism
<i>ARV</i>	Anti-retrovirals
<i>ATTC</i>	Automotives Trades Training Centre
<i>BEAC</i>	Business and Economic Advisory Council
<i>BCL</i>	Bamangwato Concessions Limited
<i>BDP</i>	Botswana Democratic Party
<i>BIDPA</i>	Botswana Institute for Development Policy Analysis
<i>BNCW</i>	Botswana National Council on Women
<i>BOD</i>	Biological Oxygen Demand
<i>BTEP</i>	Botswana technical education programme
<i>BWP</i>	Botswana Pula
<i>CAAT</i>	College of Applied Arts and Technology
<i>CBD</i>	Convention on Biological Diversity
<i>CBNRM</i>	Community-Based Natural Resources Management
<i>CBO</i>	Community Based Organisation
<i>CCM</i>	Country Coordination Mechanism
<i>CDE</i>	Centre for Development of Enterprise
<i>CKGR</i>	Central Kalahari Games Reserve
<i>CEDA</i>	Citizen Entrepreneurial Development Agency
<i>CEMAC</i>	Central African Monetary Union
<i>CERD</i>	International Convention on Elimination of All Forms of Racial Discrimination
<i>CITES</i>	Convention on International Trade in Endangered Species

<i>COMESA</i>	Common Market for Eastern and Southern Africa
<i>CPI</i>	Corruption Perception Index
<i>CSO</i>	Central Statistics Office
<i>CS</i>	Civil society
<i>CSP</i>	Country Strategy Paper
<i>DCEC</i>	Directorate for Corruption and Economic Crime
<i>DDA</i>	Doha Development Agenda
<i>DEA</i>	Department of Environmental Affairs
<i>DWNP</i>	Department of Wildlife and National Parks
<i>EAC</i>	East African Community
<i>EC</i>	European Community
<i>ECCAS</i>	Economic Community of Central African States (CEEAC)
<i>ECHO</i>	European Community Humanitarian Office
Econfin	Economic and Financial analysis
<i>EDF</i>	European Development Fund
<i>EIB</i>	European Investment Bank
<i>EU</i>	European Union
<i>EIA</i>	Environmental Impact Assessment
<i>EMIS</i>	Education Management Information System
<i>EPA</i>	Economic Partnership Agreement
ESAAMLG	East and Southern Africa Anti-Money Laundering Group
E&T SPSP	Education and Training Sector Policy Support Programme
FAP	Financial Assistance Programme
FDI	Foreign Direct Investment
FTA	Free trade area
<i>GDP</i>	Gross Domestic Product
<i>GEF</i>	Global Environment Facility
<i>GEM</i>	Gender empowerment measure
<i>GFP</i>	Gender Focal Persons



<i>GMO</i>	Genetically Modified Organism
<i>GoB</i>	Government of Botswana
<i>GP</i>	Governance profile
<i>GPPC</i>	Gender Project Planning Committee
<i>GTC</i>	Gaborone Technical College
<i>HDI</i>	Human Development Index
<i>HDR</i>	UN human development report
<i>HRD</i>	Human resource development
<i>ICTs</i>	Information and Communication technology
<i>ILO</i>	International Labour Office
<i>IOC</i>	Indian Ocean Commission
<i>JAB</i>	Junior Achievement Botswana
<i>KPCS</i>	Kimberley Process Certification Scheme
<i>LPG</i>	Liquefied Petroleum Gas
<i>MDG</i>	Millennium Development Goals
<i>MEA</i>	Multi-lateral Environment Agreements
<i>MEWT</i>	Ministry of Environment, Wildlife and Tourism
<i>MFDP</i>	Ministry of Finance and Development Planning
<i>MLHA</i>	Ministry of Labour and Home Affairs
<i>MPP</i>	Micro-Projects Programmes
<i>MS</i>	Member State
<i>MTR</i>	Mid-term review
<i>NAO</i>	National Authorising Officer
<i>NCSA</i>	National Conservation Strategy Agency
<i>NDP</i>	National Development Plan
<i>NEPAD</i>	New Partnership for Africa's Development
<i>NGO</i>	Non Governmental Organisation
<i>NIP</i>	National Indicative Programme
<i>NQF</i>	National Qualification Framework
<i>NSA</i>	Non-state actor

<i>NSPR</i>	National Strategy for Poverty Reduction
<i>NWMP</i>	National Water Master Plan
<i>ODA</i>	Official development assistance
<i>PCB</i>	Polychlorinated Biphenyls
<i>PCM</i>	Project cycle management
<i>PEEPA</i>	Public Enterprises Evaluation and Privatisation Agency
<i>PFM</i>	Public finance management
<i>PMTCT</i>	Prevention of mother to child transmission
<i>POP</i>	Persistent Organic Pollutants
<i>PPADB</i>	Public Procurement and Asset Disposal Board
<i>PPP</i>	Purchasing Power Parity
<i>PPP</i>	Public-Private Partnership
<i>PTA</i>	Preferential Trade Area
<i>RADP</i>	Remote area dwellers programme
<i>REA</i>	Re-Employment Account
<i>RISDP</i>	Regional Indicative Strategic Development Plan of SADC
<i>RSA</i>	Republic of South Africa
<i>RSP/IP</i>	Regional Strategy Paper and Indicative Programme
<i>RTD</i>	Research and Technology Development
<i>SACIM</i>	Southern African Centre for Ivory Marketing
<i>SACMEQ</i>	Southern and Eastern Africa Consortium for Monitoring of Education Quality
<i>SACU</i>	Southern African Customs Union, South Africa, Swaziland, Lesotho, Botswana and Namibia
<i>SADC</i>	Southern African Development Community
<i>SEA</i>	Strategic Environmental Assessment
<i>SHHA</i>	Self Help Housing Agency
<i>SIPO</i>	Strategic Plan for the Organ
<i>SNC</i>	SADC National Committees
<i>SPS</i>	Sanitary and Phyto-sanitary measures

<i>SSN</i>	social protection and safety-net schemes
<i>TBT</i>	Technical barriers to trade
<i>TCF</i>	Technical Cooperation Facility
<i>TDCA</i>	Trade, Development and Co-operation Agreement, between EU and South Africa
<i>UNDP</i>	United Nations Development Programme
<i>UNFCCC</i>	United Nations Framework Convention on Climate Change
<i>USAID</i>	United States Agency for International Development
<i>VCT</i>	Voluntary counselling and testing (for HIV/AIDS)
<i>VET</i>	Vocational education and training
<i>WAD</i>	Department of Women's Affairs in the Ministry of Labour and Home Affairs
<i>WHO</i>	World Health Organisation
<i>WMA</i>	Wildlife Management Area
<i>WTO</i>	World Trade Organisation