

CHAPTER 4

PLANNING AND STRATEGY FOR DEVELOPMENT

INTRODUCTION

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

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

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

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

PLANNING, COORDINATION AND IMPLEMENTATION

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

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

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

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

STRATEGY FOR DEVELOPMENT

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

ECONOMIC DIVERSIFICATION, EMPLOYMENT CREATION AND POVERTY ALLEVIATION

Economic Diversification and Employment Creation

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

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

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

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

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

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

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

Poverty Reduction

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

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

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

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

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

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

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

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

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

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

MAINTAINING MACROECONOMIC STABILITY AND FINANCIAL DISCIPLINE

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

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

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

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

Box 4.1: Macroeconomic Policy Trade-offs

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

Fiscal Policy

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

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

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

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

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

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

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

4.25 In order to make tax administration more efficient and

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

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

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

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

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

Monetary Policy

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

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

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

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

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

Exchange Rate Policy

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

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

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

PUBLIC SECTOR REFORMS

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

Performance Management System (PMS)

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

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

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

Privatisation Policy

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

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

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

ENVIRONMENTAL PROTECTION

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

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

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

use natural resources efficiently, fairly and sustainably.

RURAL DEVELOPMENT

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

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

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

utilisation of land as a productive asset in rural areas.

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

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

HUMAN RESOURCE DEVELOPMENT

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

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

SCIENCE AND TECHNOLOGY

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

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

Development and Implementation of NRST Plan

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

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

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

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

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

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

DISASTER MANAGEMENT

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

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

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

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

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