



Botswana
Institute for
Development
Policy
Analysis

**Annual Report
2003**



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BIDPA

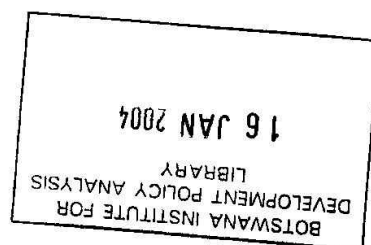
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Botswana Institute for Development Policy
Botswana Institute for Development Policy
Book Annual Report Box

Table of Contents

Vision, Mission, Values and Objectives.....	2
1 View from the Executive Director	3
2 Introduction.....	5
3 Organisational Structure	7
4 Core Research Areas for 2002/2003	9
5 Special Projects.....	16
6 Library Activities — 2002/2003	22
7 Capacity Building	24
8 Staff Matters.....	26
Annual Financial Statements for the Year Ended 31 March 2003.....	29
Report of the Trustees for the Year Ended 31 March 2003.....	30
Board Approval of the Annual Financial Statements.....	31
Report of the Independent Auditors.....	32
Income Statement for the Year Ended 31 March 2003	33
Statement of Changes in Funds for the Year Ended 31 March 2003	34
Balance Sheet at 31 March 2003	35
Cash Flow Statement for the Year Ended 31 March 2003.....	36
Significant Accounting Policies for the Year Ended 31 March 2003.....	37
Notes to the Annual Financial Statements for the Year Ended 31 March 2003.....	39
Income and Expenditure Statement for the Year Ended 31 March 2003.....	42



Vision, Mission, Values and Objectives

The Botswana Institute for Development Policy Analysis (BIDPA) is an independent trust set up by a Presidential Decree. It started operations in 1995 as a non-government policy research institution. BIDPA focuses mainly on Policy Analysis and Capacity Building.

BIDPA's Mission:

BIDPA's core purpose is to inform policy and build capacity in policy analysis

BIDPA's Vision:

BIDPA seeks to become the leading policy research institute in Southern Africa.

BIDPA's Values:

Respect, Trust and Appreciative culture

BIDPA's Objectives

The BIDPA deed of trust sets out the objectives and functions of the Institute, which include:

- To promote and conduct research, analysis and publication on development policy issues of relevance to Botswana and the Southern African region.
- To monitor the performance of the Botswana economy and the management of public policy implementation, especially with regard to the implications for economic and social development.
- To offer advice and consultancy services to agencies of Government and other clients under suitable contractual and other arrangements.
- To provide technical and financial assistance, directly or indirectly, to individuals and organizations in Botswana as deemed desirable for purposes of facilitating policy analysis.
- To assist professional training and public education of Botswana citizens in matters relating to policy analysis, and encourage collaboration between expatriates and local professionals in these matters in ways that build or augment national capacities for performance and understanding of policy analysis.
- To employ staff members who will themselves, or jointly with other organizations or qualified people, carry out research, consultancy, training and education projects, including arrangement and management of contractual relationships designed to facilitate such activities by persons affiliated with the Institute.
- To present or publish, as the case may be, the outcome of its policy analysis, orally or in writing, to individuals, organizations or the general public at large.
- To mobilize and administer funds to be used for achievement of the objectives and performance of the functions of the Institute.

View from the Executive Director

Steering the Botswana Institute for Development Policy Analysis (BIDPA) during 2002 was both a challenging and rewarding exercise. Some measure of achievement was made in both the capacity building and policy analysis mandates of the Institute. However, more challenges lie ahead. There is need to redefine the BIDPA research and consultancy mandate, while maintaining the Institute's visibility, effectiveness and efficiency of its operations.

A number of major consultancy projects, which were started during the year, have been successfully completed to the satisfaction of clients. Some of the recommendations were used to develop new national strategies and policy directions. In this regard, the Institute continued to have an influence on HIV/AIDS policy direction. Rural poverty research was another area where BIDPA's research findings assisted Government to redefine strategies to address poverty issues. The Institute played an important role in assisting with the preparation and the drafting of the 9th National Development Plan. These and many other projects highlighted BIDPA's capacity and capability to produce well-researched work. The BIDPA Briefing was also quoted widely by both the media and policy makers, as a well balanced review of government policy on issues that impact on the economy.

An attempt will continue to be made to improve the coverage of issues that would inform policy reforms by both public and private sectors. In the coming year, we will undoubtedly see more focus on reviewing policies that impact on many sectors of the economy – policies that attempt to reduce the incidence of poverty throughout the nation, improve the trade-offs between the microeconomic policy environment and the macroeconomic policy environment, improve on policies that direct and guide public policy reforms, and improve on trade policy reforms, not only in Botswana, but in the entire SADC

region. Better corporate governance shall remain at the top of the Institute's priorities.

Notwithstanding the foregoing, the major challenge for the Institute was lack of funding for supply driven research. The Institute had difficulty particularly in accessing donor funds, as most donors shifted donor funding to regional activities, based on the perception that Botswana no longer needed support from donor agencies, an unfortunate cost of Botswana's good management of its resources. The issue of funding for supply driven research will also need to be addressed in the coming year, particularly with regard to seed money required to kick-start the economic diversification project.

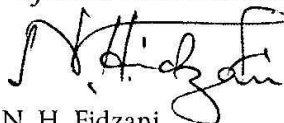
I would, nonetheless, like to express my gratitude to members of the Board, the management and the BIDPA staff for the support they gave me, which made steering the Institute a manageable task. The Board members committed a great deal of time and effort in giving policy direction to the Institute. Their sustained involvement and valuable advice to Management have been of enormous value. However, funding-raising remains the major constraint for the Institute to deal with challenges that lie ahead.

My sincere gratitude also goes to both management and staff for steering the ship through uncharted waters, in search of excellence and to inform policies that will improve the quality of life of citizens of Botswana as the country moves towards 2016. Their initiative to redefine the BIDPA mandate, in the face of challenging financial constraints, has been most encouraging.

Last, but certainly not least, the continued financial support from both Botswana Government and the African Capacity Building Foundation (ACBF) has been encouraging. Equally encouraging was the show of faith in the Institute's capabilities by clients other than Government, notably Department for International Development (DFID), United

States Agency for International Development (USAID), Friedrich Ebert Foundation (FEF), Southern African Development Community (SADC), United Nations Development Programme (UNDP) and the World Bank. Such continued support will ensure that the Institute remains at the forefront of policy reforms and capacity building for policy analysis. The Board and Management of BIDPA look forward to

this continued support, so that BIDPA could continue to inform policy and contribute to the achievement of the Vision 2016 objective of an *"informed and educated nation"*.



N. H. Fidzani
Executive Director

2

Introduction

At the end of the last financial year, the Institute set its sights to achieving some measure of recognition. The Institute has, in many ways, achieved that recognition, thanks mainly to the staff who have always dedicated themselves to enhancing the recognition and reputation of the Institute, both nationally and regionally.

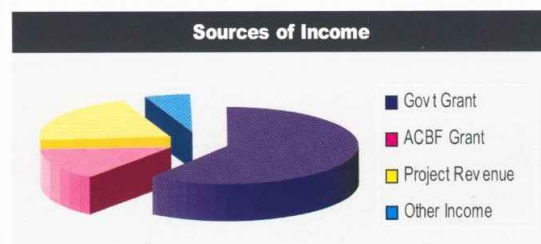
BIDPA posted a number of accomplishments during the year despite the funding constraints. The recruitment drive proceeded according to plan. The number of research staff in post increased to 20 after three employees returned from their study leave in December 2002. The number of senior researchers increased from three to four. This has improved the Institute's capacity to research on issues and to advise stakeholders on policy reforms.

The need to facilitate the process of transforming the Botswana economy was a major challenge that BIDPA sought to address, and will remain so for the next foreseeable future. To this extent, a project proposal which aimed to focus research in a certain direction continued to receive interest from donors.

With regard to projects activities, significant progress was made in many areas, noticeably in trade and welfare and poverty related areas. The SATRN project played a significant role, not only in revenue earnings, but significantly in the capacity building mandate, both nationally and in the SADC region.

With regard to the financial situation, the Institute was affected by the economic down turn that affected all Government supported projects. For this reason, grant income declined from P8.2 million in 2001/02 to P7.9 million in 2002/03. Additionally, the increase in BIDPA visibility did not translate into increase in project revenues. This was on account of the fact that most of the activities had more to do with capacity building, a mandate which requires the Institute to give policy advice without charging for such services. It was for this reason that project revenue

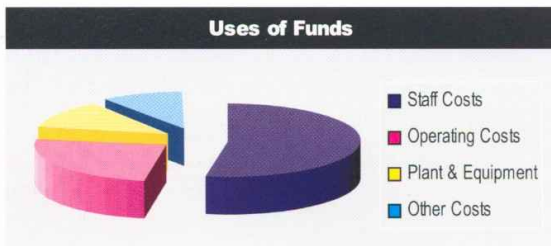
declined from P2.6 million at the end of 2001/02 financial year to P2.1 million in 2002/03. As can be seen, Government continued to provide the greater portion of funding. While attempts are continuing to be made to source funding from other sources, this situation will continue for the foreseeable future.



The Institute, however, continued to receive recognition as a leading research centre of excellence in many respects. The number of completed projects and invitations to participate in non-income generating activities (e.g. councils, forums, reference groups, etc.) are a testimony to this recognition.

The funding issue for the Institute received more prominent attention than in previous years. This was important in order to drive the research mandate. To raise funds for supply driven research, the Institute courted UNDP, USAID, DFID, and the World Bank to sponsor research that would translate Botswana's macroeconomic policy achievements to meaningful policy reforms on the microeconomic front. A strong research staff base and a strong institutional set-up, and continued funding from both the ACBF and Government were important for achieving the objectives for which the Institute was established.

The bulk of the funds were used to cover staff related costs. This was on account of the increase in the staffing levels and filling of previously vacant positions.



While the funding situation was a cause for concern given the increased activities, the Institute was encouraged that the donor agencies and embassies resident in Botswana were prepared to listen to our proposals. The Institute shared with them the BIDPA mandate, as well as attempted to sell to them the Economic Diversification Project. Organizations visited were UNDP, USAID, EU, Fredrick Ebert Foundation, the British High Commission, the Swedish Embassy, the Chinese Embassy, and the Indian High Commission. What came out of the consultations was that, while most of these organizations were aware of BIDPA's existence as the "leading research institute in Botswana", they were not familiar with the Institute's mandate. As such, they did not know where to place it in their own mandates.

It was also clear that most donor agencies have programmes housed within the Botswana Government, which BIDPA was not aware of

and could access by making suitable submissions to both Government and these organizations. Additionally, all agencies visited strongly endorsed the Economic Diversification Project as the most important project for the economy. It emerged from the discussions that most of the organizations felt that labour issues in Botswana had been overlooked; and this could be a starting point for addressing economic diversification issues. The Institute was, therefore, encouraged by the clear commitment by the organizations to work with the Institute on the Economic Diversification Project.

There was a clear, and certainly strong, interest in funding research activities that strengthen the Parliamentarians' knowledge on economic and policy analysis. The Institute will explore ways of drawing on this goodwill to facilitate policy reforms in the Botswana economy.

Discussions were also held with the umbrella NGOs, to discuss the Focal Point Project. BIDPA proposed that, instead of focussing on capacity building in general, the project should be scaled down to concentrating on capacity building in poverty alleviation related projects. Consultations were held with BOCONGO, Thusano Lefatsheng, Veldt Products Botswana, and the Botswana Council for the Disabled. It was encouraging that all the approached NGOs endorsed the strategy. The Botswana Council for the Disabled expressed a need for drawing up an inventory list for all the disabled people in the country. The Council undertook to assist BIDPA to raise funds so that the Institute could undertake this project. While some of these concerns and aspirations had been addressed in some research work, it is the intention to continue where we left off the last year.

These and many other equally important issues will form the basis for the BIDPA work activities in the coming years.

3

Organisational Structure

3.1 Board Members

- Prof. T. Tlou — Chairperson
- Mrs. L. K. Mohohlo — Deputy Chairperson
- Mr. E. M. Dewah — Member
- Mr. M. D. Modise — Member
- Mr. F. Modise — Member
- Dr. A. Molokomme — Member
- Prof. B. Otlhogile — Member
- Dr. N. H. Fidzani — Secretary

3.2 Management Staff

- Dr. Novice H. Fidzani — Executive Director
- Mr. Kedikilwe P. Maroba — Programme Co-ordinator
- Mrs. Chedza Molefe — Chief Librarian
- Ms. Bangwe Nakie Siwawa — Financial Administrator
- Mr. Leonard Isaacs — IT Manager
- Prof. Jay S. Salkin — Senior Research Fellow (Economic Forecasting and Planning)
- Dr. Robert Greener — Senior Research Fellow (Incomes, Welfare and Poverty)

3.3 Human Resources

Research Staff

The research function, headed by senior researchers, consisted of 20 research staff including 4 Senior Research Fellows, 6 Research Fellows, 6 Associate Researchers and 2 Research Assistants. The research staff is specialized in the broad areas of macroeconomics, microeconomics, international trade, econometrics and statistics, and public administration.

It is the policy of the Institute that junior research staff should be included in all of BIDPA's major research and consultancy work, in order to build research capacity within the Institute and the country.

Support Staff

There are a total of fifteen (15) support staff working in finance, administration and the library, including the Executive Director who is responsible for the day to day management of activities of the Institute, assisted by the Programme Coordinator in matters relating to general management, human resources and administration of the Institute and servicing of the Board of Trustees.

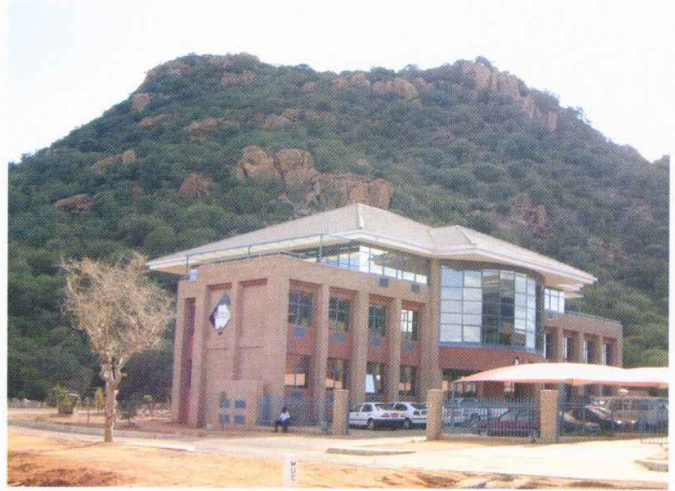
Special Projects Staff

BIDPA is the Secretariat Headquarters of the Botswana National Vision 2016 Council. There are five employees working on the project. These include the Vision 2016 Coordinator, the Vision 2016 Council Secretary, the Vision 2016 Forum Secretary, the Publicity Manager and the Executive Secretary.

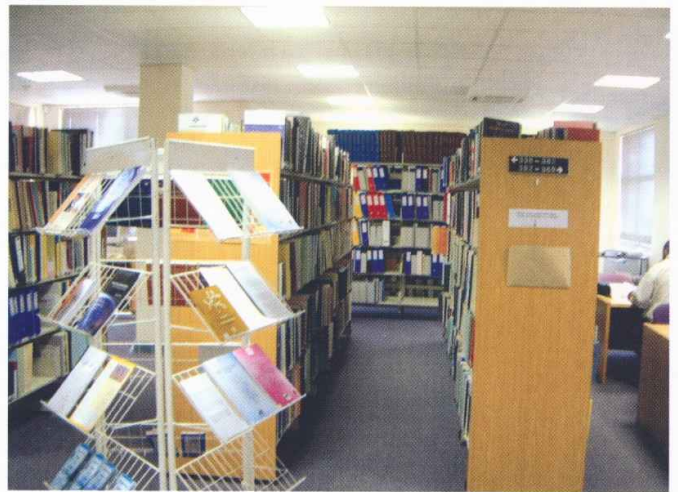
3.4 Infrastructure and Technology

BIDPA has a sound infrastructure, housed in the BIDPA House at Kgale View, Plot 134, Millennium Office Park. The modern and fully computerized environment includes two seminar rooms and a research library equipped with up-to-date computer technology, audiovisual equipment, Internet access and automated databases.

Through its library and information technology resources, BIDPA has been able to extend its information services to a wider audience. The library collection emphasizes economics, statistics, public administration and social welfare. The BIDPA Web Site on <http://www.bidpa.bw> has become an important reference site for both students and researchers locally and abroad.



BIDPA House



BIDPA Library

Core Research Areas for 2002/2003

Much research work, as was the case in the previous years, focused on consultancies covering the six research areas of Incomes, Welfare and Poverty, Macroeconomic Forecasting and Planning, Structural Change, International Trade and Public Sector Reforms.

4.1 Incomes, Welfare and Poverty

Despite the relatively impressive growth and progress, Botswana had to, and continues to overcome a number of serious obstacles to get the economy over to a path of viable self-sustaining diversification and economic growth. The poverty problem was still serious. The slow growth of modern sector employment in a desert like country such as Botswana could not be compensated by agricultural employment. Like many other African countries, Botswana faced the challenge of managing the scourge of HIV/AIDS and its effect on people and the economy. Projects dealing with HIV/AIDS issues took much of the Institute's time during the year under review.

Completed Projects

COST RECOVERY ANALYSIS IN SANITATION: This MT and Associates funded study was completed and final report submitted to the client.

STUDY TO DETERMINE THE WILLINGNESS TO PAY FOR AN HIV VACCINE: BIDPA was contracted to help national and international policy makers understand better the alternative strategies for public sector distribution of an HIV vaccine, and the best delivery mechanisms for different populations in southern Africa. BIDPA participated in this World Bank funded study with Health Economics and HIV/AIDS Research

Division (HEARD) of the University of Natal. The project was completed with the presentation of the final report following a discussion workshop scheduled in June 2002.

DEVELOP INFORMATION REQUIREMENTS FOR MONITORING THE AYA PROJECT (AFRICAN YOUTH ALLIANCE): The Institute was contracted to develop population and targeting baseline information in 10 health districts, where UNFPA is establishing AYA projects. The project was completed and a report presented to client.

SOCIO-ECONOMIC CHARACTERISTICS OF OLD NALEDI (HAAS CONSULT): BIDPA was contracted to review the feasibility report section on "the Socio-economic Characteristics of Old Naledi" with a view to rendering an opinion on the report's discussion of minimum wages, the incidence of poverty, households ability to pay for services and the poverty datum line. The Project was completed in June 2002.

Ongoing Projects

BHRIMS NEEDS ASSESSMENT: BIDPA was contracted by the Ministry of Local Government to develop a capacity and needs assessment for the establishment of the Botswana HIV/AIDS Information Management System (BHRIMS). An inception report was presented to the client in November 2002 and a preliminary report on work completed was submitted in January 2003. The report on consultations in Molepolole, Selebi-Phikwe and Gaborone was being prepared for presentation in July 2003.

TEACHER CAPACITY BUILDING PROJECT FOR HIV/AIDS PREVENTION: The project was sponsored by UNDP. The objectives of the study were: to provide information on the level of

knowledge, attitudes and practices of teachers and students in relation to HIV/AIDS; to explore views and perceptions of school youth in relation to HIV/AIDS myths, beliefs, stigma, denial and secrecy; and to provide a baseline, which is to form a basis for project monitoring and evaluation and to identify the needs and priorities of the target group.

FUNDING THE FIGHT AGAINST HIV/AIDS IN SOUTHERN AFRICA: BIDPA was contracted by IDASA to determine the extent to which the Botswana government was funding the fight against HIV/AIDS and building capacity for analysis of HIV/AIDS.

THE REMOTE AREA DEVELOPMENT PROGRAMME: The Remote Area Development Programme was reviewed. Data collection and consultations with stakeholders have been completed. The final report was being prepared.

REFERENCE GROUP FOR THE HOUSEHOLD INCOME AND EXPENDITURE SURVEY (HIES): BIDPA was invited to nominate a researcher to become a member of the HIES Reference Group. Mr. Batsetswe was nominated and has been involved in the pilot exercise to test the proposed questionnaire.

BOTSWANA TRADE AND POVERTY PROGRAMME: BIDPA has negotiated with the Department for International Development (DFID) for the Institute to become the local project manager of the Botswana Trade and Poverty Programme. In this project, funding would cover a three-year period. The project was intended to enhance capacity in appropriate Botswana institutions to formulate, negotiate and implement trade reform strategies that are inclusive and pro-poor. BIDPA's role would be to administer the project, carry out research and produce quarterly reports.

The project would build capacity in key Government Ministries, and help in profiling Botswana trade and poverty policy issues. The Institute was delighted to lead in this important issue, which should, if properly directed, address the poverty dimensions of trade development.

4.2 Macroeconomic Forecasting and Planning

The programme on Macroeconomic Forecasting and Planning covered the emerging planning and budgeting questions, as well as growth and diversification problems. BIDPA was involved with developing tools such as macro economic planning models and building the required capacity, both at BIDPA and in relevant Ministries, to utilize and update these models in the future.

Completed Projects

TECHNICAL ASSISTANCE FOR THE PREPARATION OF NATIONAL DEVELOPMENT PLAN 9: BIDPA was contracted by the MFDPA to assist with aspects of the preparation of the Plan, and with the development of the Ministry's capabilities for carrying out the macroeconomic forecasts needed for the Plan. Under this project, BIDPA assisted the Macroeconomic Planning and Policy Section of the MFDPA to update the Macroeconomic Model of Botswana (MEMBOT) database with the latest statistics and sectoral forecasts. BIDPA also assisted the Ministry with the drafting of the relevant sections of the Macroeconomic Chapters of the Plan that dealt with the macroeconomic forecasts. Work started following the approval of the Macroeconomic Outline for National Development Plan 9 by Parliament. Under this project, BIDPA assisted Ministry of Finance and Development Planning staff with the economic review and economic projections for National Development Plan 9 for Chapter 3 of the Plan, as well as with the more detailed review of the public sector's manpower and financial performance for Chapter 5 of the Plan. In addition, BIDPA trained staff of the Employment and Manpower Policy Section, and developed a manpower-planning database for them.

PUBLIC EXPENDITURE AND PRIMARY EDUCATION OUTCOMES IN BOTSWANA: BIDPA was contracted by the Institute of Development Studies

(IDS) of the University of Sussex, Brighton in the UK, to conduct a study on Public Expenditure and Primary Education Outcomes in Botswana. The main objectives of the study were:

- to detail education policy reform in Botswana and explore the country-specific context in which reform and particular aspects of reform were introduced,
- to review how Universal Primary Education (UPE) has been achieved from a financing perspective and what implications the achievement of universal access has had on primary education outcomes, and
- to assess the effectiveness of the budgetary system in allocating resources efficiently.

The project was completed and final report presented to the client.

GOVERNMENT COMPUTER BUREAU NDP 9 CHAPTER: BIDPA was contracted by the Government Computer Bureau to review the Government Computer Bureau (GCB) preparations for the NDP 9 process and write a GCB draft chapter for inclusion in the NDP 9. The project was completed per schedule and submitted to the client.

Ongoing Projects

BUILDING CAPACITY FOR MICRO-SIMULATION: BIDPA has signed an agreement with the World Institute for Development Economic Research (WIDER) for Building Capacity for Micro-Simulation of Policy Initiatives. Initially BIDPA will contribute US\$10,000 towards the project covering a two-year period. During the period, two researchers will be trained on micro-simulation modelling and database construction to create capacity in micro-simulation in the country.

4.3 Structural Change

This was a research programme whose intention was to identify ways in which Botswana could cope economically and socially with the prospect of lower growth rates and to identify ways in which future growth rates can be boosted. The Structural Change programme focused on growth, diversification and international trade and finance, as well as private sector efficiency and competitiveness.

Completed Projects

ADB-OECD AFRICA ECONOMIC OUTLOOK (OECD DEVELOPMENT CENTRE): BIDPA was contracted to assist an OECD Team with logistics, data and feedback for preparation of their annual report on the likely short term evolution of the Botswana economy. The Project was completed in July 2002.

CONSULTANCY TO ESTABLISH THE BOTA RESOURCE CENTRE: The Institute was contracted by BOTA to undertake a needs assessment for the establishment of a BOTA information resource centre and put in place the relevant infrastructure and create a modern service oriented information resource centre to support stakeholders within BOTA's areas of interest.

REVIEW OF THE COURSE ON "ANALYSIS AND PLANNING OF INVESTMENT PROJECTS" AT THE INSTITUTE OF DEVELOPMENT MANAGEMENT (IDM): The project was funded by the Norwegian Agency for Development Co-operation (NORAD).

FINANCIAL SERVICES ANALYSIS: BIDPA was commissioned to conduct a survey of the "Financial Services Sector" on behalf of the Southern African Trade Research Network (SATRN), in January 2002. The objective of the survey was to collect data that will provide the means of assessing policy and performance in the financial sector, which was frequently frustrated by the scarcity of data. The availability of such data should make it possible to examine the relationship between policies and performance, and identify priorities for reform. The first draft of the report has been submitted.

A SURVEY OF THE AIR AND ROAD TRANSPORT SECTORS: BIDPA conducted a survey of the "Air and Road Transport Sectors" on behalf of SATRN. The objectives of the survey were:

- To conduct an assessment of policy and performance in the air transport sector.
- To identify reforms needed in the air transport sector. Data collection is almost complete.

Ongoing Projects

ECONOMIC DIVERSIFICATION PROJECT: This BIDPA initiated project remains the major research work to be conducted by the Institute, focusing on economic diversification. The objectives of this study are to identify potential activities for broadening Botswana's production and export bases in the agriculture, manufacturing and services sectors; and to identify the main barriers to expansion of production and export in these sectors, and discuss policies to help remove the barriers. The project started with Phase 1, which deals with a report that articulates the main issues and problems that affect the three sectors of agriculture, manufacturing and services.

The World Bank provided seed money to kick start the research work to enable the Institute carry out an in-depth assessment of potential areas for sustainable diversification of productive sectors.

4.4 International Trade

Botswana depended on regional and international trade and finance. It was vitally important that Botswana positioned itself in the emerging new landscape of trade and finance systems both internationally and in the region. The International Trade programme focused on Botswana's trade agreements and relationships with its trading partners, building capacity to handle WTO, SADC and SACU issues and trade research.

SADC NATIONAL WORKSHOP ON ACP/EU TRADE NEGOTIATIONS: BIDPA was contracted by SADC to make preparations for the SADC/EU Economic Partnership contracts negotiations in the context of the Cotonou Agreement. BIDPA prepared an overview of the nature of economic partnership agreements and suggested the different scenarios for EPA negotiations. BIDPA also identified national experts who acted as resource persons at national workshops, and a regional resource person for a regional workshop, as well as organised six national workshops and one regional workshop.

RESEARCH AND TRAINING SUPPORT TO SOUTHERN AFRICA FOR TRADE NEGOTIATIONS WITH THE EU: Under this project, BIDPA was contracted to research on SADC-EU trade negotiations and give advice to SADC countries. This project was divided into two phases. Phase 1 started in July and ended in December 2002. Phase 2 of the project commenced in early 2003. The project was funded by DFID.

SURVEY ON THE CAPACITIES OF POLITICAL AND SOCIAL ACTORS TO SHAPE AND IMPLEMENT THE PROVISIONS OF THE COTONOU AGREEMENT BETWEEN THE EUROPEAN UNION AND THE ACP GROUP OF STATES: The project was funded by the Friedrich Ebert Stiftung (FEF). The purpose of the study was to enhance the African partners' capacity to make a significant contribution to the implementation of the provisions of the Cotonou Agreement.

STUDY TO ASSESS THE IMPACT OF TRADE LIBERALISATION WITH SPECIFIC REFERENCE TO THE SADC TRADE PROTOCOL FUNDED BY THE SERVICES GROUP: The purpose of the study was to produce a brief report summarizing the key activities carried out during the assignment. Using the nominal and effective rates of protection obtained at the firm level, interpret the results and present them in a usable format. Evaluate the impact of existing trade policies in member States and put forward recommendations for improving the policy environment. Prepare country level reports and prepare the consolidated regional report, and to

arrange for a regional workshop on the study.

REVIEW OF SADC TRADE AND TRADE RELATED PROTOCOLS: Under this project, BIDPA was requested by the Trade and Industrial Policy Secretariat (TIPS) to: review SADC trade and trade related protocols and constraints to their effective implementation, highlighting areas of potential donor assistance; comment on the Trade Policy report; conduct an investigation into government and donor initiatives on trade facilitation and promotion throughout the region, including an assessment of donor comparative advantage, and of gaps currently unfilled or successful initiatives which could be further rolled out.

BIDPA SUPPORT FOR ECONOMIC GROWTH: BIDPA was contracted by The Services Group (TSG) to provide the services to complete 30 firm level field surveys in Botswana using the provided questionnaire. The project was completed in May 2002.

IMPACT ASSESSMENT OF THE ECONOMIC PARTNERSHIP AGREEMENTS (EPAs) AND PRELIMINARY ADJUSTMENT SCENARIOS: BIDPA was approached by the SADC Secretariat to conduct the study of Economic Partnership Agreements (EPAs) as proposed in the Cotonou Agreement signed in June 2000. The study aims at providing a synthesis of the preliminary impacts of future EPAs on SADC member countries, a framework of scenarios for economic and trade policy adjustments, as well as a preliminary recommendation on the content of EPAs that the SADC countries could negotiate. The study is also expected to provide an analysis of the compatibility of national trade policies and trade liberalization programmes in individual SADC countries with trade policy objectives of the current regional economic integration processes. The output is intended to assist in facilitating preliminary consideration of the geographic and other configuration of SADC trade negotiations with the EU, with a view of providing inputs for the final decision of the ACP Group.

REVIEW OF SADC TRADE AND TRADE RELATED PROTOCOLS: To review SADC trade and trade related protocols and constraints to their effective implementation, highlighting areas of potential donor assistance; comment on Trade Policy report; conduct an investigation into government and donor initiatives on trade facilitation and promotion throughout the region, including an assessment of donor comparative advantage, and of gaps currently unfilled or successful initiatives which could be further rolled out.

GLOBAL COMPETITIVENESS REPORT: The World Economic Forum, in conjunction with Harvard University, annually prepares the Global Competitiveness Report, a publication which provides important information on economic competitiveness and economic growth across countries. As part of information gathering for the 2002 issue, the World Economic Forum asked BIDPA to administer questionnaires to businesses in Botswana.

SACU-USA TRADE NEGOTIATIONS: BIDPA has submitted a proposal to administer funds and carry out research with a view to assist SACU countries negotiate a trade agreement with the USA. The funding proposal is being negotiated with the United States Agency for International Development (USAID). BIDPA's role would be to co-ordinate research and capacity building activities and administer the funds under the project.

TRADE RELATED INVESTMENT MEASURES (TRIMS) IN BOTSWANA AND IMPLICATIONS OF A PROPOSED MULTILATERAL AGREEMENT ON INVESTMENT: This SATRN funded policy research project was intended to examine Trade Related Investment Measures in Botswana and analyse the implications of the proposed Multilateral Agreement on Trade (MAT) within the context of Botswana. The project was completed and a report submitted to the client.

PROCESSING OF SADC TRADE DATA: BIDPA was involved informally with the team from RAPID (a USAID funded project) to

process and clean the import and WTO tariff offer data for further analysis. This provided valuable data for use in later work connected to the analysis of the impacts of trade liberalisation on poverty.

4.5 Public Sector Reforms

A prudent and public finance and planning system was the backbone of Botswana's success. To maintain that system and adapt it to the new challenges was a key issue in public sector management. BIDPA aimed at a multidisciplinary programme on Public Sector Reforms, aimed at improving the understanding of the origins and impacts of policies, including improvement of the efficiency of Government implementation of development policies and programmes.

Completed Projects

DECENTRALIZATION INITIATIVES IN BOTSWANA: BIDPA was contracted by UNDP Botswana Office to assess the effects of decentralisation initiatives and implementation on the intended communities. The report submitted to the client recommended priorities, strategies and implementation framework for future decentralisation and also suggested improvements to the decentralisation process in terms of approach, targeting and implementation. These recommendations were premised on national principles and Vision 2016.

PUBLIC POLICY MAKING PROCESS: The Institute was contracted by the Centre for Applied Social Sciences of the University of Zimbabwe to explain how proposed policies progress from the discussion phase to an action phase and what issues policy makers consider before taking up a problem that requires a policy response. BIDPA was also required to explain the role of Parliament, role of civil society in identifying and defining issues and in suggesting policy alternatives, and role of

traditional leadership structures in the policy making process.

GOVERNANCE ASSESSMENT AND MONITORING IN BOTSWANA: In its effort to promote the evolution of good governance, the United Nations Economic Commission for Africa (UNECA) funded this project and contracted BIDPA to carry research with a view to establishing mechanisms for monitoring performance in various dimensions of the capable state in Africa through a systematic collection and analysis of qualitative and quantitative data. The project was launched in November 2001 and completed in early 2003. The report was presented to the client.

NORWEGIAN AID IN BOTSWANA: The University of Bergen, Norway, contracted BIDPA to conduct interviews on its behalf for their study on Norwegian Aid History. The findings by BIDPA from this study assisted the University of Bergen in writing a history of Norwegian Aid to Botswana.

Ongoing Projects

The Botswana Red Cross Society proposed an evaluation of their structure, programmes and overall operations. Possible advertisement may soon be published concerning a project within the general theme: Strengthening of Capacities to Improve the Level and Quality of the Delivery of Public Services in Botswana.

4.6 Other Projects

Under this heading, activities revolved around the support of public debate and the creation of forums for public discussion through reference groups, workshops and conferences. BIDPA provided technical and logistical support to national interest groups through the following activities in the year.

The Development Policy Management Forum (DPMF) and the South African Management Development Institute

(SAMDI) jointly hosted a workshop on Capacity Building sensitisation for senior policy managers from SADC Countries. This workshop was held at Roodevallei Country Lodge, Pretoria, South Africa from 13 - 17 May 2002. Representatives from civil society organisations, government and academia from Botswana, Lesotho, Swaziland, Zimbabwe, Namibia and South Africa attended the workshop.

The main workshop objective was to provide a forum for regional dialogues on critical issues confronting African countries and their Governments. The four major themes of workshop were Conflict Management and Resolution, Democracy and Good Governance, The Future and Strategic Planning and Policy analysis and Decision-making.

The final plenary adopted the resolutions/decisions that there is need for the steps necessary to manage and resolve conflict; Democracy and good governance; the importance of strategic thinking and scenario building for integrated planning; and the functioning of policy processes and strategies to improve these processes

in SADC countries. Further to these, the conference resolved that there will be a need to hold a conference of Management Development Institutes before the end of the year; establish a regional Policy Analysis Training Unit to be housed by BIDPA in Botswana.

Regarding the Training Unit, BIDPA was requested to draw a concept paper to be used by SAMDI to draw a funding proposal to SADC. The concept paper was drafted and submitted to SAMDI-SAPRN Poverty Round Table Discussion.

In preparation for what was called "an ambitious project linking analysts and policymakers involved in poverty reduction across SADC", the South African Research on Poverty Network (SARPN) and the Edge Institute hosted a half day round table discussion led by Prof Ravi Kanbur of Cornell University to which BIDPA was invited. At the end of the discussion, BIDPA was invited to put together a proposal for hosting two round table discussions on poverty during the year.

5

Special Projects

5.1 Southern Africa Trade Research Network (SATRN)

BIDPA was contracted by IDRC (Canada) to co-ordinate the activities of the Southern Africa Trade Research Network (SATRN) project. The general objectives of the SATRN project were to assist Southern African countries by providing necessary analytical and technical inputs to their negotiating objectives, supporting their capacity building process, and providing a forum for exchange of views and information. The ultimate goal was to enable the Southern African countries to participate more effectively in the global trading system, and, in particular, the operation of the World Trade Organization. Since its inception, SATRN assisted at a number of forums. SATRN sponsored research experts in most SADC countries to accompany Ministers and negotiators at Doha meeting.

Additionally, SATRN was set up to “mobilize the capacity for research and policy analysis in SADC countries, and to strengthen the links between Southern Africa researchers and the regional policy community”, mainly with respect to ownership of the World Trade Organisation (WTO) process. The project, administered by BIDPA for the region, successfully achieved its mandate, and will certainly continue to foster both research and capacity building in its second year of operation.

In 2002, funds were allocated to specifically cover both capacity building and research activities. A total of US\$314,977.00 was allocated for SATRN activities during 2002. USAID, World Bank and UN agencies contributed to this fund to

cover the cost of project administration and research, preparations for the Doha WTO Ministerial Conference, research on services liberalization, research and country workshops following the Doha conference, a trade bargaining workshop and the annual trade symposium.

In its first year, SATRN focused on capacity building for policy makers. In this regard, its activities were directed towards developing networks and the training of both researchers and policy makers. In terms of mobilizing the capacity for research and policy analysis, the Network had 12 collaborating research and academic institutions in 10 SADC states, including Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Tanzania, Zambia and Zimbabwe. Collaborating institutions were being identified in Angola and Swaziland. On the other hand, research work was commissioned in 5 areas – Services, Industrial tariffs, Agriculture, Government procurement and implementation of WTO agreements. Of particular importance was the demand driven policy analysis research on services and policy briefs leading to the preparations for the 5th WTO Ministerial Conference in Doha.

Research Activities

Under the research component of its areas of interest, the Project commissioned five thematic studies covering Services, Agriculture, Industrial Tariffs, Implementation of the WTO Agreements and Special and Differential Treatment.

TRADE IN SERVICES: Researchers were identified in 12 SADC countries to collect data and prepare reports on trade in financial services, transport and telecommunications. To this extent,

10 country reports and 2 sector specific reports were completed and the results presented to policy makers at the SADC Services Workshop held in April 2002. While these studies helped policy makers better understand the status of trade in services in their respective countries, it remained a cause for concern for the Project that the level of understanding of the policy makers was rather limited. The SATRN Project will continue to address these limitations over time. Future focus will, therefore, be directed to building capacity in policy analysis within Ministries of Trade and research institutions in all SADC countries.

INDUSTRIAL TARIFFS: Following the decision by the Doha WTO Ministerial Conference to start negotiations for the liberalization of trade in non-agricultural products, and recognizing SADC countries' reluctance to engage in further liberalization of trade in industrial products, SATRN commissioned a region wide research project on industrial tariffs. The research programme was led by an expert from the University of Zimbabwe, who worked closely with other researchers from respective SADC states, thereby building capacity in tariff policy issues in the region. This phase focused on identifying major exports of industrial products for the region and obstacles faced by these exports, as well as modalities for reducing the obstacles and what needed to be done to improve on market access. The results of the first phase were presented at the Kasane Annual Trade Symposium.

AGRICULTURE: SATRN commissioned a region wide study to examine the current status of the negotiations and proposal to be established to reflect the interest of the SADC countries. The key issues addressed by the studies were key agricultural exports for the region, barriers to expand agricultural exports, forms of protection applicable in the region for these products and the extent of the restriction, effective WTO liberalization to bring about effective liberalization in the SADC region, procedures required to bring about the reductions in protection. The result

of the study was presented at the Kasane Symposium in November 2002.

GOVERNMENT PROCUREMENT: A region wide study was commissioned to provide an overview of domestic legislation and institutions in the SADC countries on Government Procurement. The study also compared the findings with the requirements of Government Procurement Agreement of the WTO. The study defined an agenda for research in Government Procurement in the SADC region. The intention was to assist SADC countries in designing modalities for negotiating government procurement provisions within the context of the WTO. The final report was submitted in February 2003, and will be presented to the SADC countries in the course of 2003.

IMPLEMENTATION OF WTO AGREEMENTS: This research activity was done under the SATRN Project. SATRN commissioned studies to estimate the cost of implementing WTO Agreements, covering customs reforms, standardization, intellectual property and regulatory reforms. Because of the limited resources, the first phase covered only two countries – Botswana and Mauritius. The results of these studies were presented at the Annual Trade Symposium held at Kasane, Botswana in November 2002. The second phase is planned to cover the remaining SADC countries.

Training and Workshops Activities

Three workshops and one symposium were organized and sponsored through the SATRN work programme. Emphasis was on capacity building in the SADC countries, particularly in the area of trade in services and WTO trade negotiations in services.

ECONOMIC COMMISSION FOR AFRICA (ECA), AFRICAN ECONOMIC RESEARCH CONSORTIUM (AERC), AND SATRN SERVICES WORKSHOP: A workshop under the banner of the Economic Commission for Africa (ECA) – African Economic

Research Consortium (AERC) – SATRN Services was held in Johannesburg, South Africa from 18 to 21 April 2002. This workshop attempted to initiate a process for addressing the challenges faced by African countries with regard to the GATS and economic partnership agreements, such as ACP-EU trade provisions. The objective of the workshop was to initiate a process of creating a pool of African analysts with knowledge of services trade negotiations issues at national, regional and multilateral levels. To the extent that the workshop was attended by researchers from sub-Saharan countries, with a strong presence of SATRN researchers, as well as international experts from Economic Community for Africa, the World Bank, WTO, EU and UNCTAD, is indicative of a good and encouraging initiative. Fifty-five (55) participants and resource persons participated in this important workshop. To this extent, the project, and in no small way BIDPA, successfully played a prominent role in creating capacity in the SADC region.

SADC SERVICES TRAINING WORKSHOP: SATRN hosted a services training workshop for SADC countries in Johannesburg from 10 to 14 June 2002. This workshop was collaboration between BIDPA through SATRN, the World Bank and UNCTAD. The aim of the workshop was to assist SADC countries develop their offers and requests on services to the WTO. The workshop also provided an avenue for the SADC negotiators, researchers and Geneva based SADC representatives to share information on the ongoing services negotiations. 12 SADC countries were represented at this workshop and 46 participants attended, representing telecommunications, transport and financial sectors, as well as the respective Ministries of Trade and SATRN researchers. The workshop was a first step to building awareness of the issues, and creating links between researchers, policy analysts and SADC delegates at the WTO.

TRADE BARGAINING WORKSHOP: A Trade Bargaining Workshop was held from 1st to 10th July 2002 at the University of Cape Town in South Africa, organized by SATRN to expose participants to applied trade bargaining mechanisms. The simulation exercises, covering preparation, agenda setting, negotiations and trade strategy review, were used to prepare countries for the new round of trade negotiations, particularly with the familiarization of WTO processes and issues that would be negotiated. The workshop served to increase awareness in both research and policy making on WTO issues; provided immediate assistance to policy makers in their negotiating positions; provided necessary analytical and technical inputs to the negotiators; assisted policy makers in identifying key WTO issues relevant to each country; and developed better negotiating techniques and strategies on how to prepare for negotiations. Forty-six (46) participants from 11 SADC countries, SADC Secretariat and UNCTAD experts attended. Nine of these were from Botswana, including BIDPA researchers.

ANNUAL TRADE SYMPOSIUM: BIDPA, through SATRN, hosted its first Annual Trade Symposium in Kasane, Botswana from 17th to 20th November 2002, whose theme was "Integrating the SADC Countries into the Global Trading System". The purpose was to address the concern that SADC countries were not participating effectively in the working of the global trading system. The workshop identified ways in which SADC countries could integrate into the global trading system and key issues SADC countries may encounter during the Doha round of negotiations. The Symposium brought together researchers from SADC, Geneva-based SADC negotiators, regional trade experts and trade policy experts from the American Enterprise Institute, the World Bank, UNCTAD, WTO and FAO. 79 participants attended the symposium, including representatives from 11 SADC countries.

The SATRN project could not have been this successful without funding support from UNCTAD, the World Bank, USAID and certainly the support of SADC countries and the Botswana Institute for Policy Analysis (BIDPA), which proved to have the capacity and expertise to administer a programme of this magnitude.

5.2 Technical Assistance Project (TAP)

Under this project, the Institute continued to administer Government funds used for the recruitment of Consultants for Government. There are three consultants hired under the Project at the Ministry of Minerals, Energy and Water Resources, Ministry of Finance and Development Planning, and Ministry of Trade and Industry.



Pictures of the Vision Breakfast workshop at BIDPA House

stating the goals and objectives of the individual forums. Each forum developed its terms of reference. Commitment by forum members to attend meetings would go a long way to giving direction to all Vision 2016 pillars.

THE MONITORING AND EVALUATION SYSTEM: The development of the Monitoring and Evaluation system was completed, and the system was in the process of being officially handed over to the Central Statistics Office. The system was designed to monitor and assess the performance, progress and achievements of all the stakeholders towards the actualisation of Vision 2016. The system was meant to monitor the extent to which the implementation of programmes, projects and policies of the NDP contributed towards the attainment of the objectives of the Vision. It is also a tool which would facilitate the implementation of activities necessary for the attainment of

5.3 Vision 2016 Secretariat

FORUM ACTIVITIES: Following the appointment of the Vision 2016 Co-ordinator in March 2002, activities of the Vision 2016 were profiled and publicised. For example, by January 2003, the eight forums began holding regular meetings. Two forum meetings were scheduled per week. Draft terms of reference were compiled from past reports and minutes of the forums

the objectives of Vision 2016. The system will be operated and managed by the Central Statistics Office. It will provide information which would be essential for planning purposes. The system was also designed to interface with the SADC/World Bank 2nd Generation Live Database Program, and a Common Country Assessment (CCA) database.

The testing phase of the M & E system was completed by the 3rd week of

March. During the testing period, it was discovered that in order for reliability level of the running of the system to be increased the system had to run on a windows XP instead of windows '98 as it was earlier envisaged.

The Consultant conducted a technical training program for the CSO and the GCB officers who will be directly responsible for the maintenance and smooth running of the M&E system and an end user training program for the focal persons directly responsible for the compilation of the Vision 2016 progress reports. The training program was attended by officers from CSO, BNPC, MFD, UNDP, DPSM, GBC, Vision 2016 secretariat. The objectives of the end-users training program was to enable them to know how to Maintain a baseline data; Link data elements; Set targets; Record actual time series; Change user passwords; Review performance; Export and import data between various sources and destinations; and View and print reports.

The Institute will utilise this system for its research activities.

PUBLICITY: The Publicity Department was engaged in several activities that were aimed at promoting and sensitising the people about Vision 2016. The Vision 2016 Co-ordinator held discussions with various Councils around the country, and also addressed Kgotla meetings in some major villages.

Additionally, a Press Conference was held on the 6th February 2003 at the Cresta Lodge. The purpose of the conference was to introduce the Vision Secretariat to the media fraternity and through that, to the general public. The terms of reference and structures of the Vision 2016 Council were also explained to the media. The planned Vision 2016 Stakeholders' Conference was also announced during the press conference.

Several media releases have since been issued, covering various issues such as the concerns over the spate of passion killings,

the address by the Vision Coordinator at a seminar for the Primary Education Department, revival of Vision Council Forums and the pledge by Bankers Association of Botswana to assist the Vision 2016 Council in its endeavour to achieve the objectives of Vision 2016.

The media was also invited to attend the Vision 2016 Breakfast Seminar hosted for Members of Parliament on the 25th March 2003. The Publicity Manager attended the launch of the Botswana Press Council following an invitation.

Workshops and Seminars

- The Publicity Manager attended the Botswana Police Services (BPS) Stakeholders Conference held on the 12th February 2003. The Conference was meant to share the BPS draft strategic plan and solicit feedback from stakeholders. What came out outstandingly from the meeting was that the key results areas, goals, strategies, key performance indicators were all linked to the various Vision 2016 strategic pillars.
- The Publicity Manager and the Vision 2016 Co-ordinator addressed delegates at the Primary Education Department Annual Seminar on the 27th February 2003 in Francistown. Following preparations by both the Coordinator and the Publicity Manager, questions, comments and observations were made by the participants, concerning the structure of Vision 2016, how its performance will be monitored and the limited publicity on the Vision generally. Concerns were raised about the legal standing of the Vision Council and public education on Vision 2016.
- The Vision 2016 Secretariat was invited by the Department of Sports and Recreation held a National to present a paper on Vision 2016 as a basis for human, social, economic and political development in Botswana at a workshop on Sports Policy

Implementation. The presentation also covered Vision 2016 perspective on sports and recreation, the role of sports organizations at all levels in the attainment of the Vision 2016 pillar of being a United and Proud Nation as well as the contribution of sport and recreation to other pillars of Vision 2016.

- A Scenario Planning Workshop, co-hosted by BNPC and the Vision 2016 Secretariat, was held on 20th-21st March 2003, at the BNPC. The Publicity Manager attended the Seminar, whose objectives were among others, to create awareness on the power scenario planning as a technique for the future as a country, to generate future scenarios and options for Botswana, to create a more robust Vision 2016 framework, and to generate an action plan with recommendations for an appropriate vehicle to drive the scenario planning process for Botswana.
- The Gender Policy and Programme Committee of the University of Botswana invited the Vision Council to its public lecture series on Envisioning Gender in Vision 2016. The Publicity Manager made a presentation in Maun on 27th March 2003 where the topic for discussion was on the building of a Compassionate, Just and Caring

Nation, and how it affects women and girls.

The feedback received from the above mentioned gatherings indicated that intensive campaigns were needed to take Vision 2016 to the people. At the Maun gathering, for example, there was an observation that the same verve with which the government is treating the HIV/AIDS awareness campaign should be applied to Vision 2016.

From these observations, there was clearly a need to intensify the publicity and educational campaign on Vision 2016.

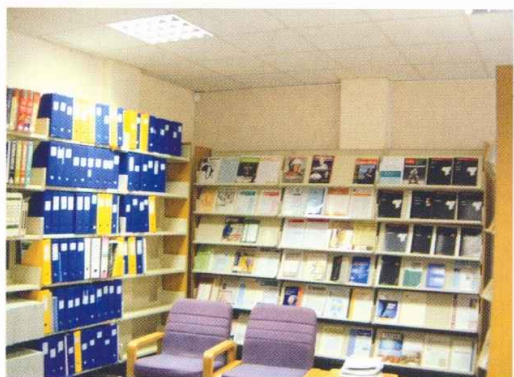
VISION 2016 INFORMATION DISSEMINATION: Various literatures on Vision 2016, including the Vision 2016 document, brochures, pamphlets and stickers and were distributed to various stakeholders such as Districts Councils, schools, the media and others.

5.4 A Memoir of a Life of Political Leadership

Under this project BIDPA was requested to host the grant for the "A Memoir on Contributions of Sir Ketumile Masire to Nation-Building in Africa" on behalf of Carnegie Corporation of New York

6

Library Activities – 2002/2003



BIDPA Library

LIBRARY COOPERATION: The library staff led the Special Libraries group seeking to promote library resource sharing with the chief librarian being the convener and chairperson.

THE INTERNATIONAL WEDGEWORTH FELLOWSHIP: The Chief Librarian, Mrs. Chedza Molefe, was selected to receive the First Wedgeworth International Fellowship in Library Leadership. The Fellowship was competed for, internationally, by professionals from South Africa's neighbouring countries, including Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe.

The Wedgeworth International Fellowship in Library Leadership, created with the world's renowned Mortenson Center at the University of Illinois, aims to provide librarians around the world with opportunities to develop their leadership skills in information management and service delivery. The Fellowship consists of "a six-week stay at the Mortenson.

THE COMMONWEALTH LIBRARY ASSOCIATION (COMLA): Sponsored by the Chattered Institute of Library and Information Professionals (CILIP), the Chief Librarian also attended the Commonwealth Library Association (COMLA)

General Council meeting and Workshop on Connecting Citizens and governance for a civil Society: A role for librarians held in London on 15 and 16 August 2002 respectively. She then, under the same sponsorship, attended the 68 International Federation of Library Associations and Institutions which was held in Glasgow, Scotland.

OPEN SOCIETY INSTITUTE WORKSHOP ON EIFL CONSORTIUM BUILDING FOR BOTSWANA LIBRARIES, NOVEMBER 18-20, 2002: The chief librarian attended the workshop sponsored by Electronic Information for Libraries (eIFL), a project operated by the Open Society Institute of Budapest, Hungary. The theme was "Building Bridges: a Long Term Strategic Plan for Information Sharing among Botswana Libraries"

AN ARTICLE BY CHEDZA MOLEFE: Current Developments in library cooperation among special libraries in Botswana was accepted for publication in the South African Journal of Library and Information Studies. The article will be published in the June 2003 volume.

BIDPA LIBRARY HOSTED THREE STUDENTS ON PRACTICAL ATTACHMENT: Three students from the Department of Library and Information Studies of the University of Botswana spent three weeks on practical attachment at BIDPA library. Two of the students were doing their final year of the Diploma in Library and Information Studies, while the third one was doing her final year of Diploma in Archives and Records Management.

Workshops

AN INTERNATIONAL NETWORK FOR THE AVAILABILITY OF SCIENTIFIC PUBLICATIONS (INASP) WORKSHOP, IN ASSOCIATION WITH THE UNIVERSITY OF BOTSWANA LIBRARY, 2-5 APRIL 2002: The workshop aimed to introduce the range of electronic journals, reference databases and similar electronic information resources that are now available within academic libraries. It also

intended to help participants to examine these resources and their possible uses in the fields of teaching, learning and research in academic librarians.


THE STANDING CONFERENCE OF EASTERN, CENTRAL, AND SOUTHERN AFRICAN LIBRARIANS (SCECSAL) 15TH CONFERENCE 15-19 APRIL 2002 IN JOHANNESBURG, SOUTH AFRICA: The 15th SCECSAL conference from 15th to 19th April 2002 in Johannesburg, South Africa. The theme was "From Africa to the world: the globalization of indigenous knowledge systems". Mr. Rathapo stood in for the chairperson, led the Botswana Library Association delegation and presented the BLA country. During the course of the conference, Mr. Rathapo also represented the association at the Commonwealth Library Association (COMLA) East and Central; Southern Africa Regions joint meeting

AN INTERNATIONAL TRAINING PROGRAMME ON "INFORMATION": SCIENTIFIC AND TECHNOLOGICAL INFORMATION MANAGEMENT IN UNIVERSITIES AND LIBRARIES: AN ACTIVE TRAINING ENVIRONMENT (STIMULATE 2) BRUSSELS, BELGIUM, OCTOBER TO DECEMBER 2002: Mr. Rathapo was among the few candidates from the developing world who was selected for the Belgian Government sponsorship to attend a course in Belgium, hosted by Vrije Universiteit Brussel = Free University of Brussels. The course's primary targets were young persons with university degrees, who work in universities, university libraries, information and documentation centres, and libraries, and who have a few years of practical experience. The programme aimed to offer an opportunity to participants from developing countries to sharpen their skills in collecting, storing, retrieving, presenting and managing information.

Capacity Building

BIPDA continued to actively implement a programme for capacity building in the areas of economic and social development. This consisted of a combination of formal training for Masters and Doctoral degrees, courses, seminars and workshops. On-the-job training was provided to junior staff through supervision of research work, internal seminars and presentations and work on BIDPA projects. In order to build local research capacity, BIDPA included junior staff in all of BIDPA's major research work. Through its project work and public education programme, BIDPA continued to build both individual and organisational capacity in other organisations in Botswana. The Institute has also been successful in its public education campaign through the use of publications, presentations, workshops and conferences, as well as the publication of the BIDPA Briefing and quarterly News Briefs.

- Three scholars from outside BIDPA were sponsored for Ph.D. training in the United States of America. One employee of the Ministry of Mineral, Energy and Water Resources completed his PhD studies in December 2002. An employee of the Ministry of Finance and Development Planning is due to complete his studies in August 2003 and while a lady scholar is left with another year to complete her studies.
- Mr. Phirinyane, Research Fellow, participated in two meetings hosted by Ditshwanelo. One was on Access to Justice held at the Gaborone Sun Hotel, Gaborone. The other was an Africa Centre's Southern Africa Sub-Regional Seminar Consultative Meeting. The meeting's input led to the choice of a topic 'Regional Security Cooperation in Southern Africa: Threats, Challenges and Opportunities', and the seminar was held on 22-27 September 2002, Maputo, Mozambique. Key senior civil and military leaders as well as policy-makers and civil society leaders from Southern Africa attended this important seminar.
- Mr. Phirinyane also wrote a chapter for the Namibian Policy Research Unit's (NEPRU) Yearbook Volume 2, 2002. The yearbook is on Monitoring Regional Integration in Southern Africa.
- Ms. Victoria Ndzingo was hosted by the Institute for three months on attachment. She was an intern from the University of Cape Town School of Economics. The internship was intended to provide her with the opportunity to improve her practical research skills. Her interests focused on the proposed USA-SACU Trade agreement and SADC and SACU trade arrangements.
- BIDPA housed Mr. Marcel Kruse, an intern from the University of Humboldt in Germany. His stay with BIDPA was for five months. His interest focused on small medium & micro enterprises (SMMEs) and micro finance issues. This experience was intended to assist him in developing his thesis on the area with emphasis on developing country's policy in the area.
- Two conferences were attended: the Introduction to Economy-Wide Impact Analysis Short Course, March 18 - 22, Johannesburg and SATRN Technical Workshop, February 24 - 25, 2002, Johannesburg, South Africa.
- The Vision Council organized two publicity workshops. On the library services side; the staff convened a meeting for special librarians to discuss library cooperation. The Chief Librarian receives First Wedgeworth International Fellowship in Library Leadership. Three University students were hosted on practical attachment
- The Executive Director attended SEAPREN meeting in Windhoek to discuss a grant proposal with IDRC representatives; a Trade and Industrial Policy Secretariat (TIPS) forum in Pretoria; a WTO Trade Negotiation Workshop held in Cape Town, which was also attended by a number of



Associate Researchers; and a WTO and Post Doha Analysis workshop in Geneva as well as the Francistown Private Sector Business Conference where he presented a paper. One Research Fellow participated and assisted with the recording of the proceedings of the conference

- Dr Fidzani was part of His Excellency President Mogae's entourage to the Christian Michelsen Institute (CMI) in Bergen, Norway. President Mogae presented a paper on The Role of Economic and Financial Governance in Development: The Botswana Experience. When the President and his entourage returned to Botswana, the Executive Director remained in Bergen to discuss the renewal of the CMI and BIDPA agreement.
- The Executive Director visited Oslo, Uppsala and Stockholm for fund raising and research collaboration discussions. One of the lessons from the Executive Director's visit was that there still exists a strong belief that Botswana was rich and could therefore support itself.

The Executive Director emphasizes the need to address this misconception through seminars and presentations.

- BIDPA was invited to present a paper at a UNAIDS Economics Reference Group sponsored by the UN Programme for HIV/AIDS. One presentation was made at the Cape Town workshop. The second presentation would be made in the USA during April 2003.
- One Associate Researcher attended the workshop on Privatization, Competition and Regulation in South Africa, which included an international group of practitioners, academics, regulatory officers and other representatives of the public sector. The workshop was held in Johannesburg, South Africa, on 24-25 February 2003. The workshop addressed issues pertinent to the Botswana, particularly with reference to Botswana's adoption of a privatisation strategy, and the regulatory concerns that will emerge from the process.

8

Staff Matters

8.1 Staff Complement

The staff complement continued to grow. There are now 32 staff members (of which 20 are researchers and 15 are support staff) in the BIDPA. Out of the total, 11 are female staff, constituting 34%. On the other hand, the Vision 2016 staff increased from one last year to 3 at the end of the financial year.

Five staff members resigned during the year, three researchers and two support staff. Their positions have since been filled.

8.2 Training and Development

Three staff members returned from their studies in the USA and UK. Mr. J. Maiketso, Associate Researcher, completed his Masters degree in economics and rejoined the Institute in January 2003. Mrs. K. Masetlhe, the Research Fellow, rejoined the Institute in September 2002 after completing her Masters Degree training. Mrs. Masetlhe obtained merit and awarded distinction for her research paper. Ms. Charity K. Kerapeletswe, Research Fellow, completed her PhD in



environmental economics and rejoined the Institute in January 2003.

Two other employees are pursuing their studies. Mr. K. Molebatsi, Research Assistant, is pursuing his Masters degree in public administration in the United Kingdom. Mr. T. Motsomi, Finance Assistant, is pursuing AAT studies locally.

8.3 Promotions

Three citizen employees were promoted. Their promotion took effect from 4th October 2002. Mr. Molefe Phirinyane was promoted to the position of Research Fellow 2. He was formally Research Fellow 1. Mr. Monnane Monnane was promoted from Associate Researcher to Research Fellow 1, and Mrs Magdeline Gabaraane was promoted from Associate Researcher to Research Fellow 2. Mrs. Gabaraane's exceptional promotion was in recognition of her dedication to hard work and timely delivery of high quality work.

8.4 BIDPA Retreat

The retreat was held in February 2003. KPMG was appointed as facilitators. Consultations were held separately during December 2002 and January 2003 with senior staff (including Management), junior researchers and support functions. These consultations culminated with the report that was discussed at Retreat held on 20th to 21st February 2003. Unlike the previous Retreats, the purpose of this one was to discuss issues which would inform the BIDPA Strategic Plan. A report of the retreat was studied by Management. The many issues will be used to develop a BIDPA Strategic Plan for the next five years. The report is being finalised and would be shared with the Board in due course.



Pictures from the Retreat

BIDPA in Pictures



Botswana Institute for Development Policy Analysis
Annual Financial Statements
for the Year Ended 31 March 2003

Contents

	Page
Report of the Trustees for the Year Ended 31 March 2003.....	30
Board Approval of the Annual Financial Statements.....	31
Report of the Independent Auditors to the Sponsors of Botswana Institute for Development Policy Analysis.....	32
Income Statement for the Year Ended 31 March 2003.....	33
Statement of Changes in Funds.....	34
Balance Sheet at 31 March 2003.....	35
Cash Flow Statement for the Year Ended 31 March 2003.....	36
Significant Accounting Policies for the Year Ended 31 March 2003.....	37
Notes to the Annual Financial Statements for the Year Ended 31 March 2003.....	39
Income and Expenditure Statement for the Year Ended 31 March 2003.....	42

Report of the Trustees

for the Year Ended 31 March 2003

Botswana Institute for Development
Policy Analysis:
Registered in Botswana under trust deed
number: MA 16/95

Report of the Trustees for the year ended 31 March 2003

The directors have pleasure in presenting their report, which forms part of the annual financial statements of the Institute for the year ended 31 March 2003.

Business activities

Botswana Institute for Development Policy Analysis is an autonomous, non-governmental research institute established by a trust deed. It is involved in development policy analysis and capacity building in Botswana and Southern Africa.

Board of Trustees

Prof T Tlou — Chairman
Mr. M Modise
Mr. E M Dewah
Mr. S Tumelo — (resigned 12 April 2002)
Mr. F Modise — (appointed 12 April 2002)
Dr. A Molokomme
Prof S Siverts — (resigned 31 January 2003)
Mrs. L K Mohohlo
Executive director
Dr N H Fidzani — Appointed July 2001

Place of business

BIDPA House
Plot 134
Millennium Office Park
Gaborone

Number of employees

The Institute had 32 employees at 31 March 2003 (29: at 31 March 2002).

Auditors

KPMG

Bankers

Barclays Bank of Botswana Limited

Board Approval of the Annual Financial Statements

Botswana Institute for Development Policy
Analysis

Board approval of the annual financial statements

The Trustees are required by law to prepare annual financial statements for each financial year which give a true and fair view of the state of affairs of the Institute as at the end of the financial year and of the surplus/deficit and cash flows of the Institute for that period.

The Trustees consider that, in preparing the annual financial statements for the year ended 31 March 2003 on pages 5 to 12, the Institute has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Trustees also consider that all applicable standards have been followed and confirm that the annual financial statements have been prepared on the going concern basis.

The Trustees are responsible for ensuring that the Institute keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enable them to ensure that the annual financial statements comply with the Trust Deed.

The Trustees are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Institute and to prevent and detect fraud and other irregularities.

The auditors' responsibilities are stated in their report to the sponsors.

The members of the Board are satisfied that management introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the annual financial statements, to safeguard the assets of the Institute and to ensure all transactions are duly authorised.

Against this background, the annual financial statements for the year ended 31 March 2003 set out on pages 5 to 12 have been approved by the board of Trustees on 26th July 2003 and are signed on its behalf by:



Board Chairman



Trustee

Report of the Independent Auditors to the Sponsors of Botswana Institute for Development Policy Analysis

We have audited the accompanying annual financial statements of Botswana Institute for Development Policy Analysis set out on pages 5 to 12 for the year ended 31 March 2003. These annual financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these Annual financial statements based on our audit. The financial statements of the institute as at 31 March 2002 were audited by another auditor whose report dated 18 June 2003 expressed an unqualified opinion on those statements.

Scope

We conducted our audit in accordance with the Trust Deed and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We have examined the books, accounts and vouchers of the trust to the extent we considered necessary and have

obtained all the information and explanations which we required. We have satisfied ourselves as to the existence of the securities. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion:

- the Institute has kept proper books of account with which the annual financial statements are in agreement; and
- the annual financial statements give a true and fair view of the state of the Institute's affairs as of 31 March 2003 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Trust Deed.

KPMG
Certified Public Accountants
July 2003
Gaborone

Income Statement

for the Year Ended 31 March 2003

	Notes	2003 Pula	2002 Pula (Restated)
Revenue			
Grants revenue	1	7 949 840	8 198 300
Project revenue		2 196 654	2 601 150
		10 146 494	10 799 450
 Other operating income		691 199	1 258 226
		10 837 693	12 057 676
 Operating expenditure		(11 574 674)	(11 324 774)
(Deficit)/surplus for the year	2	(736 981)	732 902

Statement of Changes in Funds for the Year Ended 31 March 2003

	Notes	2003 Pula	2002 Pula
Accumulated funds			
Balance at 1 April		7 628 071	7 400 618
Prior Year adjustment	1 & 8	-	(505 449)
Balance at 1 April restated		7 628 071	6 895 169
(Deficit)/Surplus for the year		(736 981)	732 902
Balance at 31 March		6 891 090	7 628 071

Balance Sheet

at 31 March 2003

Botswana Institute for Development Policy Analysis Balance sheet at 31 March 2003

	Notes	2003 Pula	2002 Pula
Assets			
Non current assets			
Property, plant and equipment	3	5 416 288	4 128 883
Current assets			
Work-in-progress		425 142	312 940
Accounts receivable	4	700 806	934 995
Bank of Botswana Certificates	5	2 610 411	2 313 320
Bank and cash balances		2 929 302	4 157 954
		6 665 661	7 719 209
Total assets		12 081 949	11 848 092
 Funds and liabilities			
Funds employed			
Accumulated funds (page 34)		6 891 090	7 628 071
Current liabilities			
Accounts payable	7	1 756 989	1 479 482
Deferred capital grants	6	3 433 870	2 740 539
		5 190 859	4 220 021
Total funds and liabilities		12 081 949	11 848 092

Cash Flow Statement

for the Year Ended 31 March 2003

	2003 Pula	2002 Pula
Operating activities		
(Deficit)/surplus for the year	(736 981)	732 902
Adjustments for:		
Gain on sale of plant and equipment	-	(13 238)
Depreciation	364 933	291 277
Amortisation of deferred capital grants	(274 008)	(192 241)
Interest received	(596 012)	(641 867)
Operating (deficit)/surplus before working capital changes	(1 242 068)	176 833
Decrease in accounts receivable and work in progress	121 987	1 513 412
Increase in accounts payable	277 507	359 390
Net cash flow from operating activities	(842 574)	2 049 635
Investing activities		
Interest received	596 012	641 867
Payments for plant and equipment	(1 652 338)	(3 882 433)
Proceeds on disposal of plant and equipment	-	17 325
Expenditure on short term investments	(297 091)	(274 208)
Capital grants received	967 339	2 427 331
Net cash outflow from investing activities	(386 078)	(1 070 118)
Net increase in cash and cash equivalents	(1 228 652)	979 517
Cash and cash equivalents at the beginning of the year	4 157 954	3 178 437
Cash and cash equivalents at the end of the year	2 929 302	4 157 954
Cash and cash equivalents consist of:		
Bank balances — current accounts	1 053 062	1 703 862
— call accounts	2 091 206	2 705 845
— overdrafts	(215 966)	(252 753)
Cash on hand	1 000	1 000
Cash and cash equivalents at the end of the year	2 929 302	4 157 954

Significant Accounting Policies

for the Year Ended 31 March 2003

Statement of compliance

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee, and the requirements of the Trust Deed.

Basis of preparation

The Annual financial statements are presented in Botswana Pula. They are prepared on the historical cost basis and incorporate the following principal accounting policies which are consistent with those applied in the prior period.

Accumulated fund

This fund is financed by grants and project surpluses. The accumulated fund carries no restrictions on its use other than restrictions imposed by the Board of Trustees.

Plant and equipment

Plant and equipment are stated at cost and depreciated as detailed below.

Depreciation

Depreciation is charged over the estimated useful lives of the assets in equal annual instalments to write off the cost over the following periods:

•	Motor vehicles	4 years
•	Office equipment	5 years
•	Computers	4 years
•	Furniture and fittings	10 years
•	Library books	2 years
•	Household furniture	5 years
•	Building	50 years

Land is not depreciated.

Work in progress

Work in progress is valued on the percentage of completion basis.

Foreign currencies

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences on foreign currency transactions are included in the income statement in the year in which the difference occurs.

Investments

Bank of Botswana Certificates are classified as being available-for-sale and are stated in the balance sheet at fair value, with any resultant gain or loss being recognised in the income statement.

Revenue recognition

Grants

Revenue grants are recognised in the income statement on receipt. Capital grants are recognised in the balance sheet on receipt as deferred income and are released to the income statement on a basis matching them with the depreciation charge on the assets purchased using the grant.

Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

Employee benefits

Employees of the Institute are on contract and are eligible for gratuity at various rates of basic pay at the end of the contract. Provision for gratuity has been made in these annual financial statements.

Accounts receivable

Accounts receivable are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

Taxation

No provision for taxation is required as the Institute is exempt from taxation in terms of the second schedule of the Income Tax Act (Chapter 52:01).

Comparative figures

Where necessary comparative figures have been reclassified to reflect current year's presentation.

Notes to the Annual Financial Statements

for the Year Ended 31 March 2003

	2003 Pula	2002 Pula
1. Grant revenue		
Botswana Government	6 581 709	8 100 000
The African Capacity Building Foundation (ACBF)	1 368 131	2 333 390
Prior year adjustment (note 8)	7 949 840	10 433 390
	-	(2 235 090)
	7 949 840	8 198 300

ACBF have signed the Phase Two agreement to disburse US\$1 500 000 over 4 years effective from January 2002.

2. (Deficit)/surplus for the year

is stated after taking into account the following:

Auditors' remuneration	28 011	18 360
Depreciation	364 933	291 277
Exchange loss/(gain)	574 805	(506 642)
Interest received	(596 012)	(641 867)
Professional costs – hired in	139 317	865 601
Staff costs	8 135 835	7 549 585
Directors' fees	8 265	4 979

3. Property, plant and equipment

	Land & Building	Motor vehicles	Office equipment	Computers	Furniture & fittings	Household furniture	Library books	Total
Cost								
Balance of 1 April 2002	3 500 000	299 748	317 864	770 732	541 253	630	472 924	5 903 151
Additions	1 560 000	-	941	65 308	19 132	-	6 957	1 652 338
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2003	5 060 000	299 748	318 805	836 040	560 385	630	479 881	7 555 489
Accumulated Depreciation								
Balance at 1 April 2002	-	161 404	204 073	641 403	325 740	630	441 018	1 774 268
Charge for the year	95 200	58 236	40 780	79 295	56 038	-	35 384	364 933
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2003	95 200	219 640	244 853	720 698	381 778	630	476 402	2 139 201
Net book value 31 March 2003	4 964 800	80 108	73 952	115 342	178 607	-	3 479	5 416 288
March 2002	3 500 000	138 344	113 791	129 329	215 513	-	31 906	4 128 883

4. Accounts receivable

Project debtors	484 008	685 059
Staff	10 562	12 860
Deposits	35 200	40 700
Sundry	26 524	13 677
Interest receivable	-	13 680
Prepayments	144 512	169 019
	<u>700 806</u>	<u>934 995</u>

5. Short term investments

Bank of Botswana Certificates	<u>2 610 411</u>	<u>2 313 320</u>
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The Bank of Botswana Certificates maturing on 18 June 2003 (P2 317 277) and 16 April 2003 (P293 133) will be reinvested.

