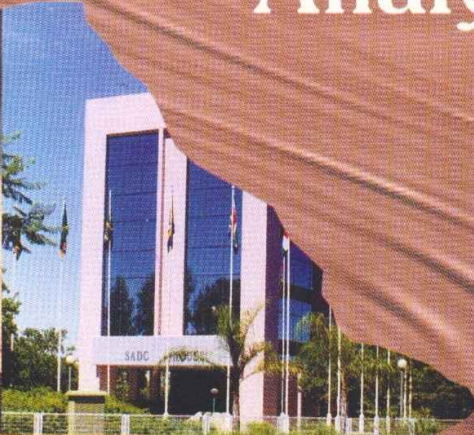
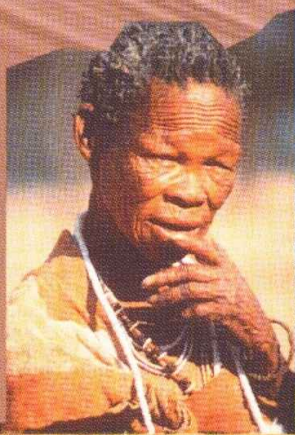




Botswana Institute for Development Policy Analysis

ANNUAL
REPORT



Annual Report Box BID

1999/2000

OUR VISION

TO BECOME THE LEADING POLICY RESEARCH INSTITUTE IN SOUTHERN AFRICA

MISSION STATEMENT

BIDPA's trust deed sets out the objectives to be pursued and the functions to be performed by the Institute. Our mission is as follows:

1. Promote and conduct research, analysis and publication on development policy issues which are of relevance to Botswana and the Southern African region.
2. 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.
3. Offer advice and consultancy services to agencies of Government and other clients under suitable contractual and other arrangements.
4. Provide technical and financial assistance, directly or indirectly, to individuals and organisations in Botswana as deemed desirable for purposes of facilitating policy analysis.
5. 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 which build or augment national capacities for performance and understanding of policy analysis.
6. Employ staff members who will themselves, or jointly with other organisations 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.
7. Present or publish, as the case may be, the outcome of its policy analysis, orally or in writing, to individuals, organisations or the general public at large.
8. Mobilise and administer funds to be used for achievement of the objectives and performance of the functions of the Institute.

BIDPA

30942



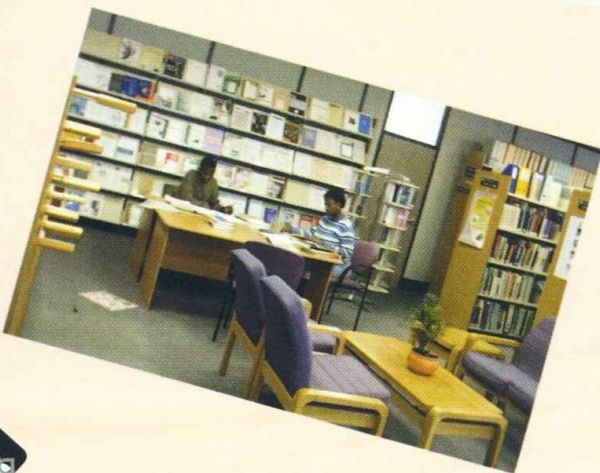
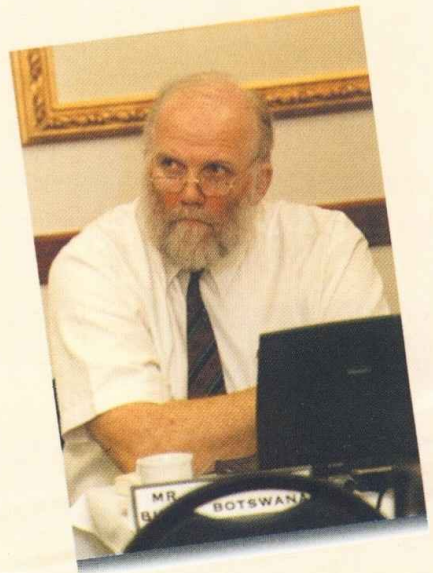
Botswana Institute for Development Policy
BIDPA; Botswana Institute for
Book

Annual Report Box



TABLE OF CONTENTS

INTRODUCTION.....	3
POLICY RESEARCH, CONSULTANCY AND RELATED ACTIVITIES.....	5
CAPACITY BUILDING ACTIVITIES	11
CO-OPERATION WITH OTHER INSTITUTIONS	12
SEMINARS AND CONFERENCES	13
LIBRARY AND INFORMATION SERVICES	16
BIDPA STAFF 1999/2000	17
OVERVIEW OF PUBLICATIONS 1999/2000	18
ABRIDGED FINANCIAL REPORT	23
BOARD OF TRUSTEES	27
NOTES	28



INTRODUCTION

HIGHLIGHTS

The end of the financial year 1999/2000 marks the end of BIDPA's fifth year of operation. There has been an increase in the demand for BIDPA's services regionally, which is an indication that the Institute's reputation and visibility is gaining increased recognition in the southern African region.

Significant projects undertaken during the year include the "4th Evaluation of the Financial Assistance Policy (FAP)" and the "Botswana Human Development Report 99/00 (BHDR)". A number of new projects were started during the year, including a regional project on capacity building for WTO negotiations, a study on "Performance management in the local authorities of Botswana" and the preparation of economic projections for a Government project on Oil Storage in Botswana.

Important projects completed during the period included "Making Government Smaller", a project on economic diversification in Selebi-Phikwe, a study on the "Macro-economic impact of HIV/AIDS in Botswana" and an evaluation of HIV/AIDS data in Botswana.

Publications for the year include the BIDPA Briefing series, which serves to inform the public about the economy in general, and special issues on topical subjects such as the annual Government Budget and the new Government policy on Small, Medium and Micro Enterprises (SMMEs). BIDPA has also completed the report on the National Conference on Citizen Economic Empowerment which was organised by BIDPA in July 1999.

BOTSWANA ECONOMIC CONTEXT

Despite Botswana's impressive record of growth and progress, a number of serious obstacles will have to be overcome to get the economy over to a path of viable self-sustaining diversification and economic growth.

Firstly, the poverty problem is still serious; the slow growth of modern sector employment in a desert like country such as Botswana cannot be compensated by agricultural employment.

Secondly, there is likely to be little if any future growth in the mineral sector, which so far has been a strong factor behind the success. Diversification towards other sectors is necessary.

Thirdly, the overall competitiveness of the economy may not be sufficient to compete in the open global marketplace as globalisation unfolds. This means that there is a need for a strong drive towards greater efficiency in both private and public sectors.

Fourthly, Botswana, as a small country, is dependent on international trade and finance. It is vitally important that Botswana positions itself in the emerging new landscape of trade and finance systems both internationally and in the region.

Fifthly, the scourge of AIDS/HIV has hit Botswana particularly hard, influencing all sectors of the economy and society. The ways in which Botswana handles this will strongly influence the nation's development several decades ahead.

Finally, a prudent public finance and planning system has been the backbone of Botswana's success. To maintain that system and adapt it to the new challenges will have to be a key issue in public sector management.

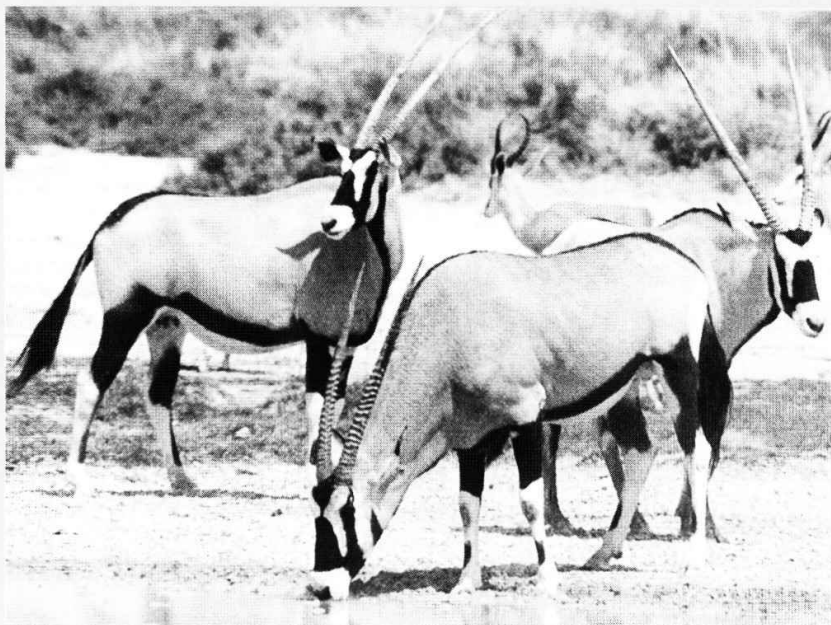
Challenges to be addressed by BIDPA

BIDPA has over the last five years gained a position as a source of dependable analysis and policy advice in a number of fields. The future policy challenges of Botswana must also be the policy analysis challenges for the BIDPA.

Change will be a key issue for the future. There is a need for change agents. The country needs independent analysis to complement and sometimes broaden Government's own analysis.

The broad fields in which BIDPA has been working since its start, will also be the fields for continued effort.

1. The programme on **Incomes, Welfare and Poverty** will produce more studies on poverty and poverty alleviation, as well as micro/household effects of HIV/AIDS;
2. The programme on **Macroeconomic Forecasting and Planning** will cover the emerging planning and budgeting questions, as well as the growth and diversification problems;
3. The **Structural Change** programme will focus on growth, diversification and international trade and finance, as well as private sector efficiency and competitiveness;
4. An enhanced **Public Administration** programme will deal with public sector efficiency, privatisation etc;
5. In all these areas, the **building of individual and institutional capacity** will receive high priority.



i. Incomes, Welfare and Poverty

Despite the relatively impressive growth and progress, Botswana will have 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 is still serious; the slow growth of modern sector employment in a desert like country such as Botswana cannot be compensated by agricultural employment and like many other African countries, Botswana faces the challenge of managing the scourge of HIV/AIDS and its effect on people and the economy.

The 4th Evaluation of the Financial Assistance Policy (FAP)

The main objectives of the FAP study were to analyse and evaluate the successes and failures of the Financial Assistance Policy and to make recommendations on modifications that should be undertaken by Government. The results of the study will be used by Government to determine the future of the scheme.

Botswana Human Development Report 99/00 (BHDR).

The BHDR was undertaken by BIDPA on behalf of UNDP. The report will be an important source of information for the public of Botswana and will be used by policy makers as a tool in setting up more effective policies relating to development in Botswana. The report gives a wide coverage of the impact of HIV/AIDS and will be useful as a tool in developing appropriate plans and actions regarding prevention and reduction of HIV/AIDS incidence in Botswana.

The Macro-Economic Impacts of the HIV/AIDS Epidemic in Botswana

This project dealt with the impact of HIV/AIDS on macro-economic variables in Botswana. The review involved an assessment of the impact of HIV/AIDS on key economic sectors in Botswana, on the Government budget, on household savings and behavior and productivity in the labour market. The recommendations of the study will be used to formulate policies to mitigate the impacts of HIV/AIDS in Botswana.

Review of HIV/AIDS Related Data for an Expanded National Response to the HIV/AIDS Epidemic in Botswana

The project was commissioned by the Ministry of Finance and Development Planning to carry out a review and evaluation of HIV/AIDS related data for an expanded national response to HIV/AIDS epidemic in Botswana. Project work involved a review of user needs, current statistics and alternative sources, improving the use of existing data, information collection and use in the health sector and the establishment of an HIV/AIDS database.

Major Village Sanitation Project

BIDPA was contracted to carry out a cost recovery analysis as part of a project on major village sanitation in the villages of Mahalapye, Palapye and Tonota-Shashe. The work carried out by BIDPA involved advising on cost calculations at household level, affordability analysis, charging mechanisms and methods to investigate the effect of different levels of charges.

ii. Macro-Economic Forecasting and Planning

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

Vision for Water, Life and Environment in Southern Africa

BIDPA was contracted by the Global Water Partnership based in Harare, Zimbabwe to assist with a project on water, life and environment in Southern Africa. This project falls under a larger project by the World Commission on Water in the 21st Century, which will guide the creation of a World Vision for Water for the year 2025. BIDPA's specialist contribution to the Vision statement was in the area of macroeconomics and development in Southern Africa.

Oil Storage Development Programme, Botswana

BIDPA was subcontracted by NORCONSULT to carryout a Needs Assessment on Strategic Petroleum Storage in Botswana. BIDPA's contribution involved a review of the socio-economic and political aspects, the petroleum supply contingency plans and projections of demand for petroleum products.

iii. Structural Change

Botswana in the years ahead will go through a period of transition from the high economic growth rates of the past to more "normal" ones. The future sources of growth and policies for growth will become critical issues and clearly need attention. The programme on structural change is intended to identify ways in which Botswana can 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 focuses on growth, diversification and international trade and finance, as well as private sector efficiency and competitiveness.

Selebi-Phikwe Diversification study

BIDPA carried out a study, funded by the European Union, of how the Pula counterpart funds of the SYSMIN support to BCL can be used to boost diversification in the Selebi-Phikwe area. The project went further to identify specific business opportunities which could be investigated in detail with the use of the counterpart funds. Expected results include diversification away from mining, employment creation and income generation.

iv. Trade

As a small country, Botswana is dependent on regional and international trade and finance. It is vitally important that Botswana positions itself in the emerging new landscape of trade and finance systems both internationally and in the region. The **International Trade** programme will focus on Botswana's trade agreements and relationships with its trading partners, building capacity to handle WTO issues and trade research.

Botswana Position Paper on the SACU Secretariat

BIDPA was approached by the MFDP to prepare a draft position paper on the new SACU Secretariat. The paper defined the principle objectives and administrative and organisational issues for the proposed secretariat. BIDPA continue to provide ongoing support to MFDP at each of the negotiation stages.

EU/ACP Trade Negotiations & LOME IV

BIDPA will be involved in providing technical support in coming up with a joint SADC position after the expiration of LOME IV. This follows BIDPA's preparation of a draft paper on the new SACU Secretariat. The paper defined the principle objectives, as well as the administrative and organisational issues for the proposed secretariat. BIDPA continues to provide ongoing support to the Ministry of Commerce and Industry on issues relating to trade.

Southern African Trade Research Network (SATRN)

The objective of the project is to assist Southern African countries by building capacity for the necessary analytical and technical inputs to participate more effectively in the World Trade Organisation (WTO) activities. Other objectives include improved policy analysis on WTO issues, greater analytical capacity in the region and training of the relevant officials. The network will be co-ordinated by BIDPA and will consist of nine collaborating research and academic institutions in eight southern African countries.

Collection of USAID/RCSA SO2 Trade and Prices Data

Work on the project involved data collection and analysis for regional trade indicators, wholesale prices, imports and foreign direct investment in the region. The purpose of the analysis was to interpret the data and derive policy implications for a more integrated regional market.

v. Public Sector

A prudent public finance and planning system has been the backbone of Botswana's success. To maintain that system and adapt it to the new challenges will have to be a key issue in public sector management. BIDPA will aim at a multidisciplinary programme on Public Administration, 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.

Making the Government Smaller and More Efficient

This project was a joint study by BIDPA and the Chr. Michelsen Institute (Norway) and was financed by the Norwegian Ministry of Foreign Affairs. The main objective is to evaluate public sector reform strategies in Botswana and draw lessons for the donor community in their efforts to assist with public sector reform in developing countries. In an attempt to address the issue of the optimum size of government, the study covers the role and scope of Government compared to its capacity, the Government as a provider of services and the Government as an employer.

Analysis of Performance Management in Local Authorities

The project is sponsored by the Australian Agency for International Development (AUSAID) under the Africa Governance Fund. The project investigates the peculiarity of the local government institutions and the need for them to have their performance management evaluated separately from that of central government. The aim of the project is to enable the development of a performance management system that is based on the needs of the local authority personnel and the environment in which they operate.

Effective Implementation of Productivity Improvement Strategies

This internal project explores the case of the use of Work Improvement Teams (WITS) to implement more effective productivity strategies.



vi. Economic Advice and Monitoring

Briefings/Presentations to the Private Sector

BIDPA continues to be approached by large companies in the private sector to make presentations on economic issues to members of company Boards and senior management. Clients include the commercial banks, a major insurance company and major trading groups.

Africa Competitiveness Report

The Africa Competitiveness Report is a unique publication which gauges the economic climate in African countries, as recorded by surveys of business managers in each participating country. The report is published by the World Economic Forum, based on research carried out by the Harvard Institute for International Development (HIID). BIDPA's role was to assist in the identification of firms to survey and the distribution and collection of survey forms.

Phetogo 2000

BIDPA was invited by the Botswana National Productivity Centre (BNPC) to participate in the Phetogo 2000 project which was designed to create conditions for raising the level of productivity awareness in targeted economic sectors in Botswana. BIDPA's role involved participation in strategic forums established to create networks between key individuals and institutions for the purpose of dialogue, information sharing and consensus making on national productivity issues.



vii. Other Activities

The Institute, through its activities, has played a role in forums for public debate, supported discussion on policy-related issues and provided technical and logistical support to organisations of national interest through the following activities:

- BIDPA continues to play the role of **Secretariat to the Vision 2016 Council**. During the period the report of the Interim council was submitted to His Excellency the President and a new permanent council of 25 members was appointed.
- Throughout the period, BIDPA Senior Fellows have been called on as guest speakers or panelists on various topics. The most common issues have been **Privatisation, HIV/AIDS in the Botswana economy and Trade**.
- BIDPA's Executive Director continues to be a member of the **High Level Consultative Council (HLCC)** in Botswana, which is a forum for high level debate, discussion and resolution between the Government and the Private sector.
- The Executive Director of BIDPA was also a member of the **National Development Plan** steering committee.
- BIDPA was requested by the Government to provide input and commentary for the national **Budget 2000**.
- During the period, BIDPA produced a paper on the concept of Botho and a possible structure for the **Botswana Society Symposium on Botho**. The paper was then used to develop the programme. "Botho" is a traditional Botswana concept and has been launched by the Vision 2016 as a national principle in addition to the principles of Democracy, Development, Self-Reliance and Unity. The "Botho" principle encompasses "the concept of a well-rounded character" and the "process of earning respect by first giving it".
- BIDPA functioned as the co-ordinator for activities to establish the **Southern and Eastern African Policy Research Network (SEAPREN)**, which consists of six member countries.
- One of our Senior Research Fellows was called on to sit on a Botswana Technology Centre reference group for a "*Needs Assessment Survey for Photovoltaic Products*".
- BIDPA was invited to provide technical support through its involvement in the reference group on the *Re-organisation of the Ministry of Commerce and Industry*

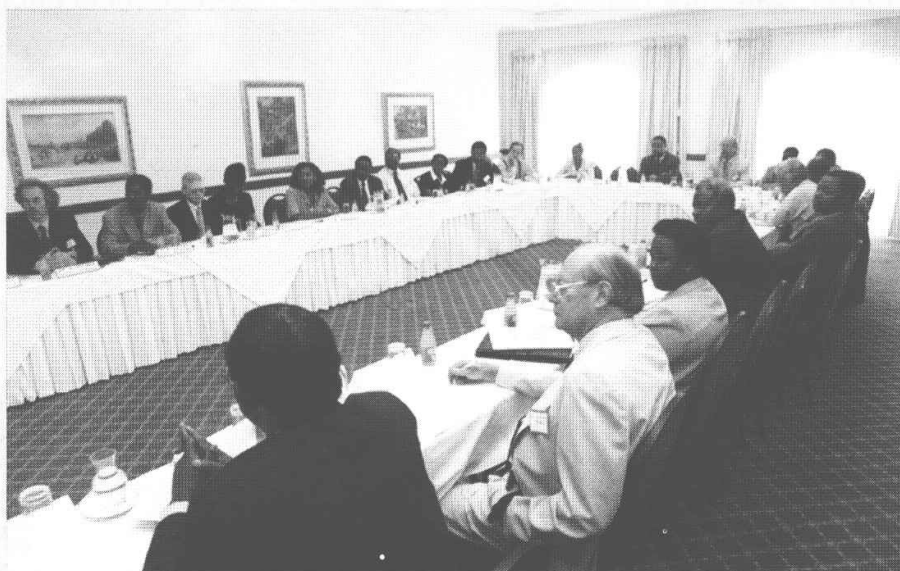
CAPACITY BUILDING ACTIVITIES

BIDPA has an active programme for capacity building within its areas of specialisation. This consists of a combination of formal training for Masters and Doctoral degrees, and courses, seminars and workshops. On the job training is 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, it is the policy of BIDPA to include junior staff in all of BIDPA's major research work. Through its project work and public education programme, BIDPA aims to build both individual and organisational capacity in other organisations in Botswana.

This year, two BIDPA Assistant Research Fellows, Ndaba Gaolathe and Molapisi Ditlhong, returned from Masters degree studies in the USA and United Kingdom respectively. A further two Assistant Research Fellows, Montle Phuthego and Monanne Monnane, were sent for Masters degree studies in the United Kingdom during the year.

BIDPA has continued to build the capacity of Assistant Research Fellows (ARFs) and Research Fellows (RFs) through work on projects that are supervised by Senior Research Fellows (SRFs). The SRFs are mentors for the junior staff and the relationship involves general supervision, guidance, commentary on written work, performance review and overall professional growth and development.

BIDPA encourages all staff to embark on programmes of self-study relevant to the Institute's activities and the employee's personal development. During the year, Assistant Research Fellows attended the Trade and Industrial Policy Secretariat (TIPS) summer school in Johannesburg, South Africa and the Competition Policy and Law: Inaugural Southern Africa Course in Pretoria, South Africa. Another two staff members were sent to Galillee College in Tivon, Israel: an Assistant Research Fellow went on a course on Participatory Rural Development, and the Programme Co-ordinator attended a course on Management and Development of Non Governmental Organisations. An in-house course conducted by T-Coor management consultants on Project Management was arranged for fourteen BIDPA staff members from all departments. Other courses attended by BIDPA staff include a secretarial and administration diploma course attended by the Executive Secretary, the Receptionist completed a certificate in secretarial studies and an office support member commenced studies leading to the Association of Accounting Technicians qualification.



CO-OPERATION WITH OTHER INSTITUTIONS

BIDPA has collaborated with various local and international organisations to share experiences and assist with efforts that relate to the Institute's areas of specialisation. These organisations include the Ministry of Finance and Development Planning (MFDPA), the Ministry of Commerce and Industry (MCI), University of Botswana, Central Statistics Office (CSO), the Bank of Botswana, the Botswana Society, Botswana National Productivity Centre (BNPC), Botswana Technology Centre (BOTEC), the Chr Michelsen Institute (CMI) in Norway, Institute for Development Studies (IDS), Sussex, UK, Development Policy Research Unit (DPRU) University of Cape Town, the International Centre for Economic Growth (ICEG), the Malaysian Institute of Economic Research and the Trade and Industrial Policy Secretariat (TIPS), South Africa. Areas of co-operation included joint project work and conferences, technical advice, library linkages, institutional development and information exchange.

During the year, BIDPA increased its efforts to formalise networks for co-operation with other policy research institutes in order to benefit from collective efforts, ideas, shared experiences and challenges. A major milestone was the formation of the Southern and Eastern African Policy Research Network (SEAPREN), which was inaugurated in February 2000. BIDPA was appointed by the member institutions as the co-ordinator for the inaugural activities and will play an active role in driving the programmes of the Network.

SEAPREN MISSION

"The advancement of sound economic policy among Eastern and Southern African countries through informed collaboration by regional research establishments by way of adopting best practice in research, development and administration."

SEAPREN MEMBERSHIP

Botswana Institute for Development Policy Analysis (BIDPA) – Botswana

Development Policy Research Unit (DPRU) – South Africa

Economic Policy Research Centre (EPRC) – Uganda

Economic and Social Research Foundation (ESRF) – Tanzania

The Institute of Economic and Social Research (INESOR) – Zambia

The Namibian Economic Policy Research Unit (NEPRU) – Namibia

i. Organised by BIDPA

***Workshop on the EU-SA Agreement on Trade Development and Cooperation.
22-23 July 1999.***

The workshop was organised by BIDPA to create an awareness of the contents of the EU-SA Free trade agreement and its effects on the BLNS countries and the SADC region. The workshop sponsors were the Friedrich Ebert Foundation, the European Commission and BIDPA. The aim of the workshop was to provide an in-depth analysis of the different components of the Agreement and its implications, whilst identifying possible restructuring programmes based on the sectors most likely to be affected. The workshop was attended by senior representatives from the private sector and Ministries of Trade, Finance, Commerce and Agriculture in Botswana and the region. The keynote address was presented by Bahle Sibisi, the South African Chief Negotiator during the negotiations.

***National Conference on Citizen Economic Empowerment
5-7 July, 1999***

The conference discussed the definition of the concept of "Citizen Economic Empowerment" and contributed to the debate over practical policy options to achieve sustainable citizen empowerment. Recommendations of future measures that need to be taken by the Government, private sector and civil society to prepare the foundations for a Citizen Economic Empowerment Policy were deliberated. BIDPA was responsible for recording and compiling the conference proceedings. In addition to this, one of our Senior Research Fellows, Dr Abdalla Gergis, delivered a paper on "Citizen Economic Empowerment in Botswana: Concepts and Principles".

***Inaugural Meeting of the Southern and Eastern African Policy Research Network (SEAPREN)
Gaborone, November 1999.***

The seminar was held for managers and researchers of the member institutions to get to know each other and to agree on the name of the network, the broad outlining of its mission, co-ordination structure and membership policy. Possible research ideas were put forth and an activity programme was agreed.

***Perspectives of Southern and Eastern African Economic Policy Think Tanks:
Challenges for the 21st Century. SEAPREN Launching Workshop,
Cape Town, South Africa, February 2000.***

The purpose of the workshop was to introduce the Network to stakeholders and donors, and invite them to guide and support its activities from the start. A number of project ideas for regionally based policy analysis and capacity building were presented. The Network also sought ideas from its stakeholders to complement the existing project portfolio with additional ideas based on their own needs and their views of their common policy problems in the first decade of the century.



ii. Conferences and Seminars Attended by BIDPA Staff

APRIL 1999

- ◆ Economic Society of South Africa, Annual Conference, Johannesburg.

MAY 1999

- ◆ “High Level Urban Poverty and Housing Needs Assessment Workshop” organised by the Gaborone City Council, Gaborone.

AUGUST 1999

- ◆ “Searching for a lasting solution to Africa’s Debt Problems: African Perspectives”, Nairobi, Kenya.
- ◆ Meeting with Botswana Ambassadors on “Selling Botswana Abroad”, Gaborone.

SEPTEMBER 1999

- ◆ “Seminar on Gender and Vision 2016”, organised by University of Botswana, Gaborone.

OCTOBER 1999

- ◆ IDASA Workshop on “Budget Reform and Civil Society Participation”, Harare, Zimbabwe.
- ◆ “Operational Approaches to Institutional Capacity Building”, organised by ACBF/OECD/ECDPM, Harare, Zimbabwe.
- ◆ (EAGER) Equity and Growth through Economic Research.
- ◆ Annual African Investment Conference and Exhibition, University of Stellenbosch, South Africa.

NOVEMBER 1999

- ◆ Inaugural Meeting of the Southern and Eastern African Policy Research Network (SEAPREN), Gaborone.

DECEMBER 1999

- ◆ Inaugural Meeting of the Global Development Network, Bonn, Germany.

FEBRUARY 2000,

- ◆ Poverty Workshop organised by UNDP, Gaborone.
- ◆ National AIDS conference organised by Harvard AIDS Institute and AIDS/STD Unit.
- ◆ “Global Trade Analysis” organised by USAID, Gaborone.
- ◆ African Economic Research Consortium (AERC) seminar on Budget Revenue, Gaborone.
- ◆ SEAPREN Launching Workshop, Cape Town, South Africa.

MARCH 2000

- ◆ Botho Symposium organised by the Botswana Society.

iii. Internal BIDPA Seminars & 2000 Presentations

1. "Green GDP", Tiro Kayawe, Assistant Research Fellow, BIDPA.
2. "Land Allocation Problems in Gaborone", Molefe Phirinyane, Research Fellow, BIDPA.
3. "Work Improvement Teams", Gape Kaboyakgosi, Assistant Research Fellow, BIDPA.
4. "Medium Term Planning and Economic Management in Botswana", Jan Isaksen, Executive Director, BIDPA.
5. "Measuring Core CPI in Botswana", Grace Kgake, Assistant Research Fellow, BIDPA.
6. Presentation on the "Botswana Economy" to visiting group of Norwegian Students, Charles Harvey, Senior Research Fellow, BIDPA.



LIBRARY AND INFORMATION SERVICES

The BIDPA library and Website serve as an invaluable source for the acquisition and dissemination of information. Both information resources rely heavily on current Information and communication technologies (ICT). This has boosted BIDPA's visibility and extended the demand for information services from BIDPA to users across borders.

The Library

The main objective of the library is to support and facilitate work carried out by BIDPA. The library has developed a specialised collection to cater for the needs of the researchers and any support work that is directly relevant to BIDPA's activities. A secondary objective is to supplement research information resources accessible to members of staff in BIDPA's affiliated institutions and also to members of the public conducting private research in fields relevant to BIDPA's core interests. The library collection mainly covers financial economics, international economics, statistics, welfare and poverty, public administration, accounting, commerce and foreign trade. The main emphasis is on Botswana and Southern Africa.

During the year 1999/2000 the library started to receive a significant number of people seeking information in many disciplines. The bulk of external users consist of students. Students from the University of Botswana and some lecturers often visit BIDPA for their information needs. Batswana students abroad have also turned to BIDPA for local data that is not easy to access while they are at their respective universities. The three main ways used by the students abroad are through e-mail to the library, a message to the webmaster or a real time chat through human click on the BIDPA home page. Occasionally questions are also received from other people seeking information on the many aspects of the country.

The library continues to share resources with the Bank of Botswana Library. The main platform for resources sharing is the common catalogue on the ADLIB library system that is shared by the two libraries. Researchers from both centres benefit from the virtual searching that allows them access to both the BIDPA collections and the Bank of Botswana Library Collections. The library staff in both centres try to collaborate in developing the collections to avoid unnecessary duplication.

The Internet

BIDPA's web site (<http://www.bidpa.bw>) is one of the main windows through which the outside world can look into Botswana. The site gives information about BIDPA, it's activities and expertise and staff and it provides the much needed timely information on the economy of the country through the full text BIDPA Briefings (<http://www.bidpa.bw/briefing.htm>). Other economic issues are also timeously presented on the site (<http://www.bidpa.bw/econ.htm#Economic>). The 1999/ 2000 Budget speech was accessible to the Batswana Diaspora and the world the night following its presentation in parliament. Due to the number of requests on Botswana general information, in the year 2000 a page was developed (<http://www.bidpa.bw/botswana.htm#Links>) to provide a one stop for links to information on Botswana. The site classifies Botswana sites into the following broad categories: "Bots"Botswana General, "Economy"Economy, "Info"Information Technology, "News"News and Information, "Politics"Politics, "Trade"Trade and Investment, Notable Organisations and Societies.



The site is interactive, allowing users to communicate with BIDPA staff either in real time through the human click button, through messages to individual staff addresses, to the webmaster@bidpa.bw or through comments in the Guestbook. The Guestbook is a very popular tool and through it BIDPA has received compliments, requests and suggestions from all parts of the world.

BIDPA S TAFF 1999/2000

EXECUTIVE DIRECTOR

Jan Isaksen

SENIOR RESEARCH FELLOWS

Abdalla Gergis

Charles Harvey

Keith Jefferis

Kennedy Mbekeani

Robert Greener

RESEARCH FELLOWS

Charity Kerapeletswe

Ketlogetswe Masetlhe

Molefe Phirinyane

ASSISTANT RESEARCH FELLOWS

Gape Kaboyakgosi

Grace Tabengwa

Johnson Maiketso

Kebabope Laletsang

Lisenda Lisenda

Maggie Sesinyi

Molapisi Ditlhong

Monnane Monnane

Montle Phuthego

Ndaba Gaolathe

Tsolofelo Moremi

FINANCE AND ADMINISTRATION

Colleen Blumton – *Programme Co-ordinator*

Francinah Tjitjindua – *Financial Administrator*

Mao Segage – *Financial Administrator to Jan 2000*

Cornelius Gaetsaloe – *Finance Assistant*

Rita Sanoto – *Executive Secretary*

Motsumi Tladi – *Office Support*

Brain Moyo – *Office Support*

Tsabatho Kongela – *Receptionist*

LIBRARY AND INFORMATION SERVICES

Chedza Molefe – *Chief Librarian*

Oduetse Tautona – *Library Assistant*

Anjali Mistry – *Tirelo Sechaba Participant*

Thato Kewakae – *Information Systems Manager*

OVERVIEW OF PUBLICATIONS 1999/2000

i Working Papers

BIDPA Working Paper No. 21

Charles Harvey, Senior Research Fellow, BIDPA

Macroeconomic Policy Convergence and a SADC Free Trade Area

Regional free trade areas fail because one member country is perceived as getting more than its share of the benefits. Most non-SACU SADC economies would not be able to export to a newly opened South African market, because their uncompetitive manufacturing sectors need new investment. Such investment will not occur in situations of extreme macroeconomic stability, and where there is lack of credibility that macroeconomic stability (if achieved) would be sustained. Unfortunately, the macroeconomic track record of some SADC member countries makes their credibility very low.

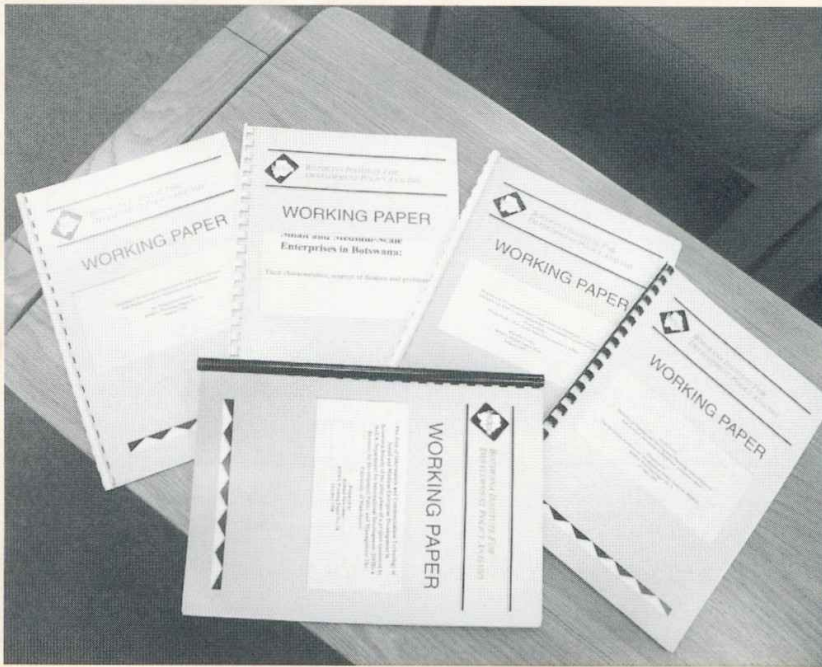
What is needed is an "external agency of restraint", to provide that credibility, quickly. The IMF and the World Bank are not suitable, because their programmes are often abandoned or fail. SADC governments must therefore create a *regional* agency of restraint, by voluntary negotiated agreement, with credible sanctions against breaking its rules. Without this, there will not be the investment in non-SACU members, which is necessary for all members to gain from a SADC free trade area. An attempt to establish a SADC free trade area, without making sure that all the member countries stand to gain in the short term, would condemn SADC to failure.

BIDPA Working Paper No. 22

Abdalla Gergis, Senior Research Fellow, BIDPA

Citizen Economic Empowerment in Botswana Concepts & Principles

This paper attempts to clarify the concepts and principles of citizen economic empowerment. Empowerment has been at the centre of a shift in thinking about economic development as a response to the failure of modernisation and trickle down economics. To be empowered, it is important to be aware of one's own capabilities and creative energies. Empowerment is as much about taking charge of the process of making decisions, as it is about the achievement of empowerment goals. Government, therefore, should not impose empowerment from above, because empowerment has to be an objective the individual must strive to achieve. There is a difference between entitlements (handouts) and empowerment. International experience shows that entitlements create dependency. In discussing who needs to be empowered, the paper argues for the empowerment of those who are disempowered, including the disabled, children, the elderly, women, the poor, and the unemployed. Because education and training are fundamental to citizen economic empowerment, they should be reformed to promote creativity and competitiveness. Finally, the paper provides a definition and an operational strategy for achieving citizen economic empowerment in Botswana.



BIDPA Working Paper No. 23
Abdalla Gergis, Senior Research Fellow, BIDPA
Scope of Government Activities in Botswana

The purpose of this paper is to highlight some of the key features of public sector activity and the scope of activities in which Government ought to be engaged. This is discussed within the framework of the Botswana experience. The aim is to assess the degree of Government involvement in the Botswana economy and whether it would be sustainable in the future. An attempt is made to identify areas that require immediate attention and some suggestions for reform are advanced.



ii. Conferences Papers and Other Presentations

Abdalla Gergis

“Citizen Economic Empowerment” Presented conceptual paper at the National Conference on Citizen Economic Empowerment, Gaborone, July 1999.

Presentation on “Oil Storage Needs Assessment Study” to the Reference Group at MCI. June 1999.

Presentation to SEPROT on Privatisation.

Charles Harvey

“The Impact on Southern Africa of the Financial Crisis in Asia and Russia”. Presented paper to bi-annual conference of the Development Society of Southern Africa at Rand Afrikaans University, South Africa April 1999.

“Macroeconomic policy and trade integration in Southern Africa”. Paper presented at the Development Policy Research Unit (DPRU), University of Cape Town conference, in Pretoria, 30-31 August 1999. Subsequently published as DPRU Working Paper, and as BIDPA Working Paper.

Presentation on the BIDPA project “Impact of the European Union-South Africa Free Trade Agreement on Botswana, Lesotho, Namibia and Swaziland” at a conference hosted by South African Institute for International Affairs, Johannesburg, September 1999.

Presentation on banking crises in Africa at Bank of Namibia Conference, October 1999

Presentation on the macroeconomic prospects of the Botswana economy to First National Bank of Botswana workshop.

Presentation on economic implications of the Budget Speech, First National Bank of Botswana Budget Breakfast, February 2000.

“Botswana: globalisation, liberalisation and sustainable human development: country assessment study” Paper presented to UNCTAD, 2000, Bangkok, 16 February 2000.

Jan Isaksen

“The changing role of the state in economic activity and management”.

Paper prepared for the Macro Economic and Financial Management Institute of Eastern and Southern Africa (MEFMI) Planning Process Seminar, Maseru, Lesotho 14 – 16 June 1999.

“Medium term planning and economic management in Botswana”.

Paper presented at the Macro Economic and Financial Management Institute of Eastern and Southern Africa (MEFMI) Planning Process Seminar, Maseru, Lesotho, 14 – 16 June 1999.

“Study on Oil Storage in Botswana”. Presentation for Reference Group with NORCONSULT, July 1999.

“Water in the Southern African Region”. Participated as resource person. Johannesburg, South Africa. July 1999.

Opening Speech and Presentation on “Implication of the EU/SA Free Trade Agreement on BLNS based on the BIDPA-IDS study”. Presented at the Regional Workshop on the EU/SA Agreement on Trade Development and Cooperation. Gaborone 22-23 July 1999.

“Selling Botswana Abroad”. Participated as resource person at seminar for Botswana Ambassadors. Gaborone, August 1999.

Presentation on BIDPA for the Inaugural Meeting of the Southern and Eastern African Policy Research Network (SEAPREN) at the Grand Palm Gaborone, November 1999.

Presentation of the Network Institutions at the SEAPREN Launching Workshop, Cape Town, South Africa, February 2000.

Conference on "Tax Policies". Chaired session at conference organised by African Economic Research Consortium (AERC), Gaborone.

Keith Jefferis

"Flow of Funds Analysis: The Case of Botswana"
Presented at a Bank of Botswana Conference on Savings and Investment.

"Industry Restructuring". Presented at the BIDPA workshop on the EU-SA Agreement on Trade, Development and Co-operation, July 1999.

"General Election 1999: What are the Economic Issues". Presented to Department of Information and Broadcasting seminar, Gaborone, September 1999.

Kennedy Mbekeani

"Development Assistance in the EU-SA Agreement on Trade Development and Co-operation." Presented at the Regional Workshop on the EU/SA Agreement on Trade Development and Cooperation. Gaborone 22-23 July 1999.

Presentation on the EU-SA Free Trade Agreement at the EU-BLNS workshop in Maseru, Lesotho, 13-14 October 1999.

Presentation on the EU-SA Free Trade Agreement at a Post Lome Workshop organised by the Foundation for Global Dialogue (FGD), Johannesburg, 14-15 October 1999.

Ndaba Gaolathe

"Fiscal Restructuring".

Presented at the BIDPA workshop on the EU-SA Agreement on Trade, Development and Co-operation, July 1999.

Ketlogetswe Masetlhe

Presentation on Vision 2016 at a workshop for the Catholic Church on "The Role of the Church in Development". Francistown, Botswana, 26 November 1999.

Opening Speech at workshop for Worldview International on "Radio Communications and Sustainable Development". Ghanzi, Botswana, 3 March 2000.

Robert Greener

Symposium on the economic impact of AIDS organised by HEARD at the University of Natal, Durban, South Africa. Gave a presentation based on the Botswana impact study June 1999.

Seminar on "Economic impact of AIDS", Presented a paper at the University of Botswana, October 1999.

Joint Presentations

Presentation to University of Botswana Department of Economics on "Macro Economic Impacts of HIV/AIDS Epidemic in Botswana", Robert Greener, Keith Jefferis, Happy Siphambe, August 1999.



iii. BIDPA Briefings 1999/2000

- ◆ BIDPA Briefing 5 - 1st Quarter 1999
- ◆ BIDPA Briefing 6 - 2nd Quarter 1999
- ◆ BIDPA Briefing 7 - Special Briefing October 1999, "*Pension Funds*"
- ◆ BIDPA Briefing 8 - Third Quarter 1999
- ◆ BIDPA Briefing 9 - Fourth Quarter 1999
- ◆ BIDPA Briefing 10 - Special Briefing March 2000 "*Botswana Budget 2000*"

iv. Selected Articles and Publications

"SADC Region and Development of its Physical Infrastructure: Key to Trade and Industrialisation", K Mbekeani, BITEC 1999 Theme Publication.

"Trade in the Globalized Village in the Next Millennium: The Appropriate Strategy for the Future", K Mbekeani, BITF 1999 Theme Publication.

"Botswana: What next after Diamonds", K Jefferis, Published in *Financial Mail*, South Africa, October 1999

"Why Botswana is no longer a Rural Nation", K Jefferis, Published in *Mmegi Newspaper*, Botswana, May 1999

"Microlenders: Friend or Foe", K Jefferis, Published in *Mmegi Newspaper*, Botswana. May 1999

"Intra Trade Between SADC countries and beyond: Key to success for Manufacturing and Export Industries", K. Mbekeani and G.Tabengwa. Article published in the BITEC 2000 theme publication.

"Making Government Smaller and More Efficient: the Botswana case"
Hildegunn Kyvik Nordas (CMI) and Abdalla Gergis(BIDPA). Report on project sponsored by The Royal Norwegian Ministry of Foreign Affairs.

"Participatory survey of Rural Livelihoods in Mmankgodi and Mantshabisi villages, Botswana." Kebabope Laletsang and Rebecca Phillips.

"South Africa Violated International Trading Rules by Introducing Value Added Tax", Kennedy Mbekeani and Gape Kaboyakgosi, Published in *Small Business Focus Magazine*. October 1999.

ABRIDGED FINANCIAL REPORT



Assurance and Advisory Services
Certified Public Accountants
(Botswana)
Deloitte & Touche House
Plot 50664
Fairgrounds Office Park
Gaborone
Botswana

PO Box 778
Gaborone
Botswana

Tel: (267) 551611
Fax: (267) 375137

**Deloitte
& Touche**

REPORT OF THE INDEPENDENT AUDITORS

TO THE SPONSORS OF THE BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS

We have audited the accompanying financial statements of The Botswana Institute for Development Policy Analysis, set out on pages 4 to 12 for the year ended 31 March 2000. These financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Trust Deed and International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

- the trust has kept proper books of account with which the financial statements are in agreement; and
- the financial statements give a true and fair view of the state of the trust's affairs as of 31 March 2000 and of the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards and in the manner required by the Trust Deed.

Deloitte & Touche

31 October 2000

- 3 -

**Deloitte
Touche
Tohmatsu**

Regional Executive Partners: V Naidoo Chief Executive; RMW Durine Chief Operating Officer
JJ Brown; GG Gellor; RBM Law; MI Shaw Chairman of the Board; L Hyne Deputy Chairman of the Board
Resident Partners: JY Stevens Senior Partner; FC Els; M Marinelli; P Naik; GR White

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2000

	<u>Notes</u>	<u>2000</u> <u>P</u>	<u>1999</u> <u>P</u>
INCOME			
Grant Revenue	1	8 129 147	6 129 165
Project Revenue		2 750 985	1 607 392
Other Operating Revenues		65 260	101 891
Interest Received		436 112	174 641
		<u>11 381 504</u>	<u>8 013 089</u>
EXPENDITURE			
Staff Costs		5 090 187	4 169 403
Office Operating Costs		2 687 043	1 969 933
Library & Information Services		157 844	149 941
Publications		55 931	35 505
Conferences & Seminars		-	22 822
Depreciation		256 884	348 464
		<u>8 247 889</u>	<u>6 696 068</u>
SURPLUS/(DEFICIT) FOR THE YEAR		3 133 615	1 317 021
ACCUMULATED FUND at the beginning of the year		2 804 905	1 487 884
ACCUMULATED FUND at the end of the year		<u>5 938 520</u>	<u>2 804 905</u>

BALANCE SHEET

31 March 2000

	<u>Notes</u>	<u>2-000</u> <u>P</u>	<u>1 999</u> <u>P</u>
FUND EMPLOYED			
ACCUMULATED FUND		<u>5 938 520</u>	<u>2 804 905</u>
EMPLOYMENT OF FUNDS			
FIXED ASSETS	2	<u>547 263</u>	<u>564 178</u>
CURRENT ASSETS			
Work in Progress		1 054 549	474 542
Accounts Receivable	3	939 247	909 049
Short Term Investments		1 792 506	500 000
Bank and Cash Balances		3 038 865	1 232 347
		<u>6 825 167</u>	<u>3 115 938</u>
CURRENT LIABILITIES			
Accounts Payable	4	<u>1 433 910</u>	<u>875 211</u>
NET CURRENT ASSETS		<u>5 391 257</u>	<u>2 240 727</u>
		<u>5 938 520</u>	<u>2 804 905</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

	2000 P	1999 P
1. GRANT REVENUE		
Botswana Government	6 000 000	3 700 000
African Capacity Building Foundation (ACBF)	2 129 147	2 429 165
	<u>8 129 147</u>	<u>6 129 165</u>

ACBF have agreed to disburse US\$3,000,000 over a period of 5 years according to the provisions of the agreement with the Botswana Government.

The Botswana Government has pledged financial support to match the ACBF contribution.

2. FIXED ASSETS

	Cost	Accum Depn	NBV	NBV
Motor Vehicles	139 533	84 986	54 547	-
Office Machines	202 054	152 649	49 405	62 592
Computers	675 840	558 336	117 504	124 764
Furniture & Fittings	520 489	219 973	300 516	319 440
Household Furniture	17 314	16 724	590	4 053
Library Books	360 988	336 287	24 701	53 329
	<u>1 916 218</u>	<u>1 368 955</u>	<u>547 263</u>	<u>564 178</u>

The sponsors have agreed to finance these assets as follows :

NORAD	719 098
ACBF	704 493
Botswana Government	418 548
BIDPA	74 079
	<u>1 916 218</u>

3. ACCOUNTS RECEIVABLE

Professional Fees and Disbursements	580 620	690 958
Deposits	56 100	48 100
Sundry	71 969	48 306
Interest Receivable	95 325	-
Prepayments	135 233	121 685
	<u>939 247</u>	<u>909 049</u>

4. ACCOUNTS PAYABLE

Trade Creditors	(2 385)	17 081
Gratuity Provision	1 046 685	765 720
Accruals Expenses	121 044	27 237
Audit Creditors	14 855	11 660
	<u>253 711</u>	<u>53 513</u>
	<u>1 433 910</u>	<u>875 211</u>

**BOARD OF TRUSTEES
1999/2000**

**Chairman
Prof T. Tlou**

Members:

Mr B. Gaolathe (until November 1999)

Mrs L.K. Mohohlo

Mr S.S.G. Tumelo

Dr A. Molokomme

Mr E. Dewah

Mr L. Mothibatšela

Executive Director

Mr. J. Isaksen

