



BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS

NEWSLETTER | DECEMBER 2014

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BOCCIM Executive Director, and also BIDPA Board Chairperson, Ms Maria Machailo-Ellis, African Development Bank representative Mr George Honde, Dr Nyamadzabo Secretary for Economic Policy Ministry of Finance and Development Planning, and Dr Tebogo Seleka, BIDPA Executive Director at the launch of the post-diamond study findings in Gaborone.

Editorial

In 2014 the Botswana Institute for Development Policy Analysis continued contribute to the country's socio-economic development space. Over the years BIDPA has consolidated its position as a recognised think tank, and this was yet another year of success as the Institute remains focused in producing quality research, policy advice and promoting debate around developmental issues. This is in line with the institute's mandate which encompasses policy research and analysis; institutional capacity building; professional training; networking and public education; and dissemination and publication. In this respect the Institute continues to work with a broad spectrum of development partners and stakeholders, and these include

Botswana government ministries, and other development partners such as the World Bank, Southern African Customs Union, African Capacity Building Foundation and the African Development Bank. To this extent BIDPA acknowledges the generous support extended to it by the Government and other stakeholders. Obviously, it is this support that sustains the Institute and its operations. To this we are grateful!

This year has been hectic for BIDPA researchers. Our researchers participated extensively in an academic conference organized by the Friedrich Ebert Stiftung in cooperation with BIDPA and the University of Botswana. The theme of the conference was "Are diamonds there forever? Prospects of a sustainable model for Botswana". BIDPA also participated in the organization of the Botswana

Confederation of Commerce, Industry and Manpower (BOCCIM) 2014 conference. A number of BIDPA researchers presented papers in these conferences. All these undertakings added some impetus to the economic diversification drive, one of Botswana's current economic imperatives.

Another highlight of the year has been the progression of the institute to the fifth spot in Sub-Saharan Africa in the 2014 Global Think Tank Index. This means that BIDPA is recognised as one of the premier policy research institutes on the continent.

Many other activities showing the Institute's activities are covered in the pages of this newsletter, and we hope that you will enjoy reading through this issue of the Newsletter. We thank God that 2014 was a good year, and believe that 2015 will be even better!

EDITORIAL TEAM

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BIDPA among Top Think Tanks

The Botswana Institute for Development Policy Analysis (BIDPA) is once again featured among the top African think tanks in the 2014 Global Go To Think

Tank Index. BIDPA ranks 5th in Sub-Saharan Africa in 2014 from 10th in 2013. In 2012 BIDPA ranked 12th from 29th in 2011. This is an unprecedented milestone, and shows

consistent progress and growth of the institute. According to the BIDPA Executive Director this was a result of 'the deliberate strategy we all embraced to change our focus, set

Top Think Tanks in Sub-Saharan Africa 2014

1.	Kenya Institute for Public Policy Research and Analysis (KIPPRA) (Kenya)
2.	IMANI Center for Policy and Education (Ghana)
3.	South African Institute of International Affairs (SAIIA) (South Africa)
4.	Council for the Development of Social Science Research in Africa (CODESRIA) (Senegal)
5.	Botswana Institute for Development Policy Analysis (BIDPA) (Botswana)
6.	African Center for the Constructive Resolution of Disputes (ACCORD) (South Africa)
7.	Institute for Security Studies (ISS) (South Africa)
8.	Africa Institute of South Africa (AISA) (South Africa)
9.	Centre for Conflict Resolution (CCR) (South Africa)
10.	Centre for Policy Analysis (CEPA) (Ghana)

BIDPA Co-hosts Conference on Diamonds and Sustainable Development

The Friedrich-Ebert-Stiftung (FES) in cooperation with the Botswana Institute of Development Policy Analysis (BIDPA) and the University of Botswana (UB) hosted a conference with the theme: "Are Diamonds there forever? – Prospects of a sustainable Development Model for Botswana", which took place on 27 and 28 August 2014 at Lansmore Hotel in Gaborone, Botswana.

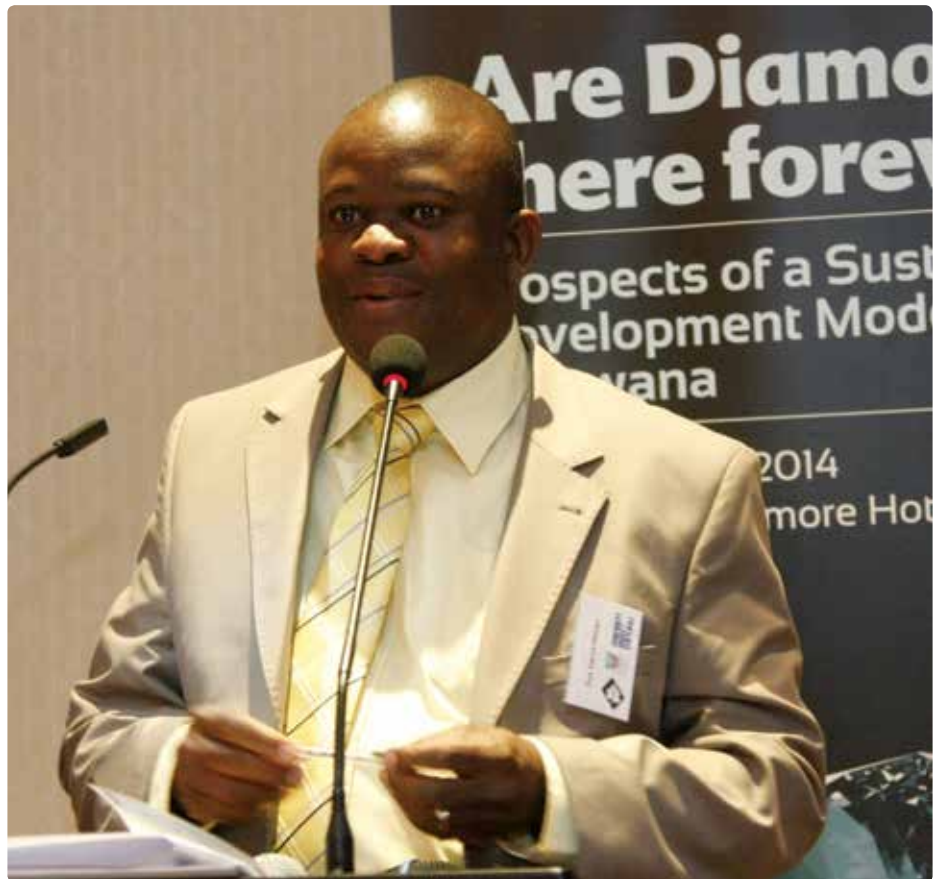
Botswana is often regarded as an African success story – not only in political but also in economic terms. As one of the world's poorest countries at independence, Botswana transformed itself into a middle income country whose wealth per capita is among the highest in Africa. Botswana is also one of the few countries whose enormous mineral riches have generally been used for the welfare improvement of the population and enhanced political stability. It is often seen as having escaped the resource curse.

Despite political stability, low rates of corruption and much effort to diversify its economic base, Botswana still suffers from an overwhelming dependency on a

single commodity. The diamond industry accounts for 70% to 80% of export earnings, a third of GDP

uncertain future.

The conference addressed issues of economic diversification and a



Professor Patrick Malope speaking at the conference

and up to 45% of government revenue. Once its mines are depleted, Botswana faces a very

sustainable development model from an economic and political point of view.

BIDPA among Top Think Tanks

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targets and work towards them. We therefore need to continue focusing on our strategy of maintaining a healthy balance between supply and demand-driven work and to ensure that we engage stakeholders to

disseminate our research outputs'. The table above shows the Top Ten Think Tanks in Sub-Saharan Africa according to this Index.

The Global Go To Think Tank Index ranks the world's leading think tanks in a variety of categories, and has been issued annually since 2006 as

an initiative of the Think Tanks and Civil Societies Programme (TTSCP) of the University of Pennsylvania. TTSCP's goal is to increase the profile and performance of think tanks and raise the public awareness of the important role think tanks play in governments and civil societies around the globe.

Mining and Diversification Study Presented to Stakeholders

The Botswana Institute for Development Policy Analysis in conjunction with the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) held a stakeholder seminar last month in order to disseminate findings of a study on the consequences of, and responses to the depletion of the Botswana diamond reserves. The recent global economic downturn underscored Botswana's economic vulnerabilities and further highlighted the need to diversify the economy and reduce over-dependence on diamond mining. This scenario prompted BOCCIM to engage BIDPA to review the existing mining and energy projects and provide estimates over the coming decade. The study also analyzed possible mining and energy projects in the future, modeled the impact of existing and new mining and energy projects on macroeconomic aggregates, and analyzed Botswana's diversification experience in general.

The workshop was officially launched by Ms Maria Machailo-Ellis, BOCCIM Chief Executive Director and also Chairperson of BIDPA Board of Trustees. Ms Machailo-Ellis expressed appreciation that the report would place BOCCIM in a better position to advise government. The African Development Bank was also acknowledged for providing funding for the project. Other dignitaries at this occasion included Secretary of Economic and Financial Policy in the Ministry of Finance and Development Planning Dr Taufila Nyamadzabo, BIDPA Executive Director Dr Tebogo Seleka, and the African Development Bank representative. Dr Nyamadzabo informed the gathering that the recommendations of the report will influence government policies and



Professor Roman Grynberg presenting his report at the seminar



Part of the audience during the launch of findings of the study

future National Development Plans. The report on the findings of the study was presented in three categories reflecting the dimensions which were addressed by the study, and these are: Minerals and energy exports and revenue (MEER) projections; Life after diamonds - the economy wide consequences of declining diamond production in Botswana; and Export

diversification - policies for export success in Botswana. It is expected that BIDPA will publish the full report in due course. The dissemination seminar was attended by government officials, representatives from key organizations like the Diamond Hub, Innovation Hub, University of Botswana, Chamber of Mines, Statistics Botswana and others.

US-Africa Relations Validation Workshop

Dr Grace Tabengwa and Mr Boikanyo Sekwati attended the US-Africa Relations Validation Workshop held in Addis Ababa, Ethiopia, 18-19th July, 2014. Dr Tabengwa presented the key findings of the Southern Africa Position Paper. BIDPA was appointed by the ACBF to develop the Southern Africa Position Paper and present the key recommendations at an Africa Regional Validation workshop at the Africa Union Commission in Addis Ababa. The Position Paper which should be given prominence by the African leadership given the upcoming US-Africa Summit of August 2014 highlights the requisite priorities for mutually beneficial partnerships that should lead to sustainable growth and development of the region.

The ACBF has commissioned regional research to inform the African Strategy towards meaningful partnerships through the development of position papers for US-Africa Relations focusing on the following geographical areas: Francophone West Africa; Anglophone West Africa; East Africa and the Horn; Southern Africa; North Africa; and Central Africa. The Botswana Institute for Development Policy Analysis (BIDPA) has thus been tasked with the development of the Southern Africa Region Position Paper. A key aspect to the position development has been the validation of the key findings across the regions to consolidate into a common Africa Position that will be shared with Heads of States by the African Union Commission in collaboration with the African Capacity Building Foundation as the Africa Agenda



Dr Grace Tabengwa at the US-Africa relations workshop

to the 5-6 August 2014 US-Africa Summit.

The primary objective of the Position Papers is to provide a nuanced analysis of the state, evolution, challenges, opportunities and possibilities of U.S.-Africa relations in Southern Africa. The goal is to answer the central question: What should Africa seek in its partnership with the US and how can it get it? More specifically, each of the studies interrogates the following key aspects of US-Africa relations: Peace and security; Economic (trade, investment, aid, remittances, in addition to sectors – agriculture, infrastructure, etc.); Socio-cultural (education); and Governance (democracy, leadership, etc).

The insights and findings of the different studies are intended to inform policy and decision

makers and therefore offer clear and evidence-based conclusions and recommendations in terms of policy directions enabling African countries to strategically and beneficially partner with the United States, and the capacity development imperatives.

The Validation Workshop aimed to offer stakeholders an opportunity to critique the position papers, but also serve as a platform that will help stakeholders and Africa's leaders to better understand what works, what did not and why, and what is the way forward for a mutually beneficial relationship between Africa and the US. The two-day workshop brought together stallholders from the six geographical areas (Francophone West Africa; Anglophone West Africa; East Africa and the Horn; Southern Africa; North Africa; and Central Africa) to dialogue on US-Africa relations. The feedback received from the participants is to assist in improving the final version of the Position Papers. The workshop provided a good opportunity for a solution-oriented dialogue among researchers, policy and decision makers, technocrats and renowned experts as well as concrete recommendations on the capacities to strengthen, how to build or strengthen them in order to efficiently and beneficially cooperate with the US for a sustainable development of the continent.

The following key stakeholders from across each of the six geographical regions attended the validation workshop: Government representatives; Regional Economic Communities; Civil Society Organizations; Private sector organizations; Academia, and Think tanks. Regional and continental bodies such as USAID, UNECA, AfDB, African Union Commission, UNDP and NEPAD were represented at the workshop.

BIDPA IN PICTURES





CAPTIONS

1. *BIDPA Executive Director, Dr Tebogo Seleka, with a delegation from the Swaziland Economic Policy Analysis and Research Centre (SEPARC). The SEPARC delegation visited BIDPA on a learning mission.*
2. *BIDPA Management Team with the SEPARC delegation*
3. *Dr Taufila Nyamadzabo, Secretary of Economic and Financial Policy - MFDP, speaking at the launch of the post-diamond study report*
4. *BOCCIM Chief Executive Officer Ms Maria Machailo-Ellis officiating at the launch of the post-diamond study report*
5. *Dr Tebogo Seleka, BIDPA Executive Director, sharing a light moment with staff members at the BIDPA staff christmas party*
6. *Dr Joel Sentsho from the Ministry of Trade and Industry making a contribution during the launch of findings of the post-diamond study*
7. *BIDPA Staff, Keitumetse and Gorata at the staff christmas party*
8. *Some of BIDPA staff members in a jubilant mood at the staff Christmas party*



BIDPA Projects' Highlights

1

Smallholder Livestock Competitiveness

The overall objective of the study is to identify factors that determine the competitiveness of the smallholder livestock farmers with the view to coming up with policy recommendations to improve competitiveness in livestock production. The project is funded by the International Livestock Research Institute.

2

Value Chain Analysis of the Emerging Sectors (Meat – Piggery, Goats and Poultry; Dairy; and Leather) Under the Framework of the Private Sector Development Programme

The aim of the project is to provide information on key opportunities and constraints that exist in the selected value chains. The study will also determine the kind of interventions which are likely to contribute to the country's economic diversification agenda.

3

Stocktaking and Formulation of Botswana Agriculture Investment Plans

The project entails a comprehensive review of Botswana's agriculture potential by identifying quality interventions for enhanced agricultural productivity and formulation of the national agricultural investment plan. The clients for the project are Ministry of Agriculture, Comprehensive African Agriculture Development Plan and New Partnership for Agricultural Development.

4

Social Up-liftment Study (Botswana)

A project commissioned by the National Strategy Office and aims to identify factors which facilitate or hinder the success of the national social up-liftment programs. The project is also expected to highlight the risk related to implementation and potential conflict between policies/programmes.

5

Mining and Diversification in Botswana (Post Diamond study)

The Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) contracted BIDPA to review existing mining and energy projects and provide estimates on production, net revenue and tax revenue over the coming decade. BIDPA was also required to analyse possible mining and energy projects that may be developed in the next ten years, model the impact of new and existing mining and energy projects on macroeconomic aggregates (tax revenues, employment and GDP), analyse Botswana's diversification experience and recommend policy responses and conduct a comparative analysis of the costs of doing business between Botswana, SADC countries and three comparator countries.



Phirinyane is Appointed IEC Commissioner

BIDPA was honored to have one of its staff members, Dr Molefe Phirinyane, appointed as one of the new members of the Independent Electoral Commission (IEC) by the Judicial Service Commission. This followed the lapse of tenure of the members of the IEC appointed in 2004, ended on August 29 and in terms of the Constitution, the newly appointed commissioners shall hold office for the next two lives of Parliament, that is, until 2024.

Dr Phirinyane is currently a Research Fellow with BIDPA, and has written broadly on issues of governance.



Dr Molefe Phirinyane

Mbayi Attends Mineral Governance Course

Dr Letsema Mbayi, a Research Fellow with BIDPA, was awarded a scholarship to attend a Mining Governance course funded by the United Nation's African Institute for Development Policy during 24-29 November 2014. The course was hosted at the University of Johannesburg and aimed at developing the expertise of participants to explore options available for a more developmental governance system and structure for controlling and maximizing national returns from mineral wealth. The modules covered included Improving governance through Africa mining vision; Building a mineral governance system; Enhancing transparency and accountability in the mineral sector; Addressing human rights, social and

environmental accounting in mineral sector; and Reforming artisanal and small scale mining. The course attracted participants from a number of other African countries such as Lesotho, Malawi, Uganda, Rwanda, Tanzania, Zambia, Zimbabwe and South Africa.

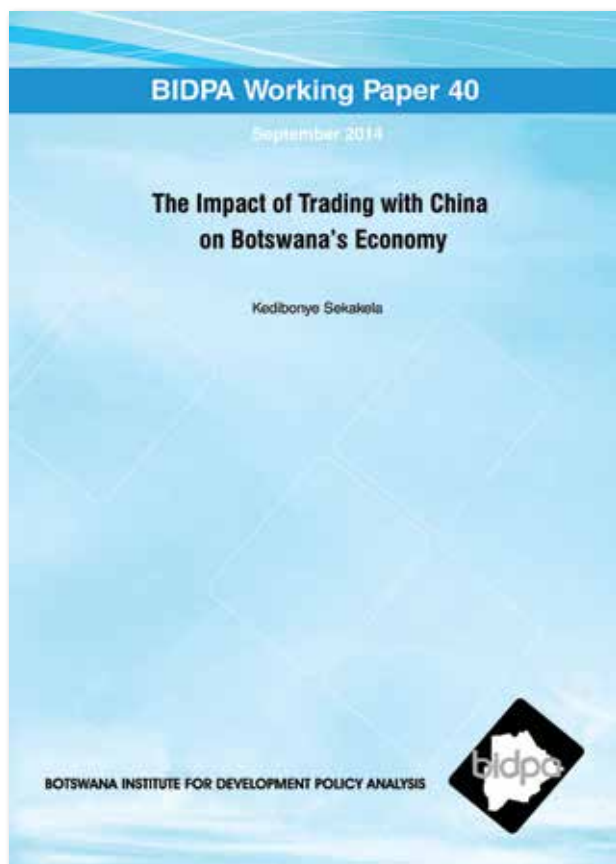
The African Institute for Economic Development and Planning (IDEP) is a Pan-African Institution created in 1962 by the General Assembly of the United Nations. Newly independent African countries felt the urgent need to build up domestic human capital as a necessity for sustaining independence and promoting socioeconomic development. IDEP was then given the mandate to train policy makers and development professionals, to provide advisory

services for African governments and regional organizations, to promote original thinking and research on Africa's policy issues, to become a centre of excellence with full intellectual freedom that will lead the debate on African development issues and uphold the economic independence of African countries.



Dr Letsema Mbayi

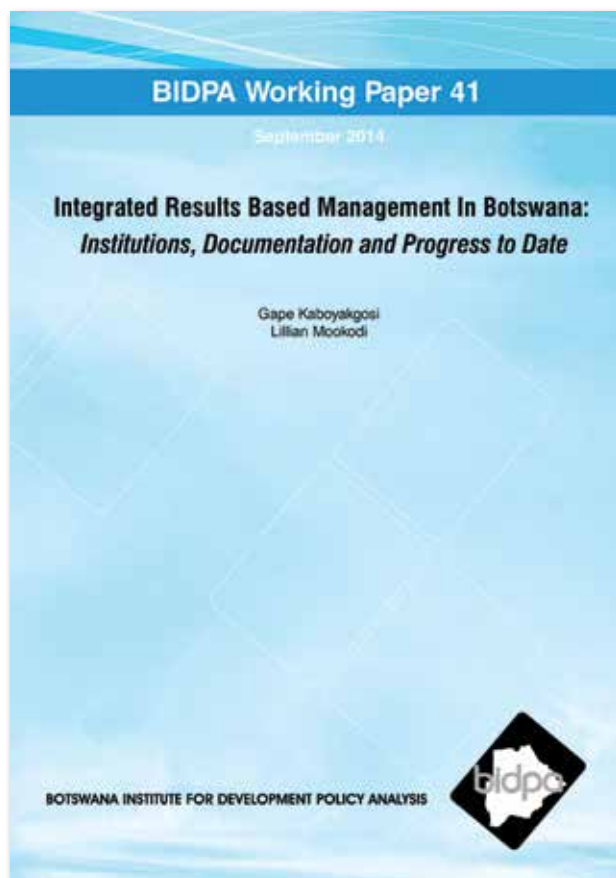
» Latest Publications



The Impact of Trading with China on Botswana's Economy

By Kedibonye Sekakela

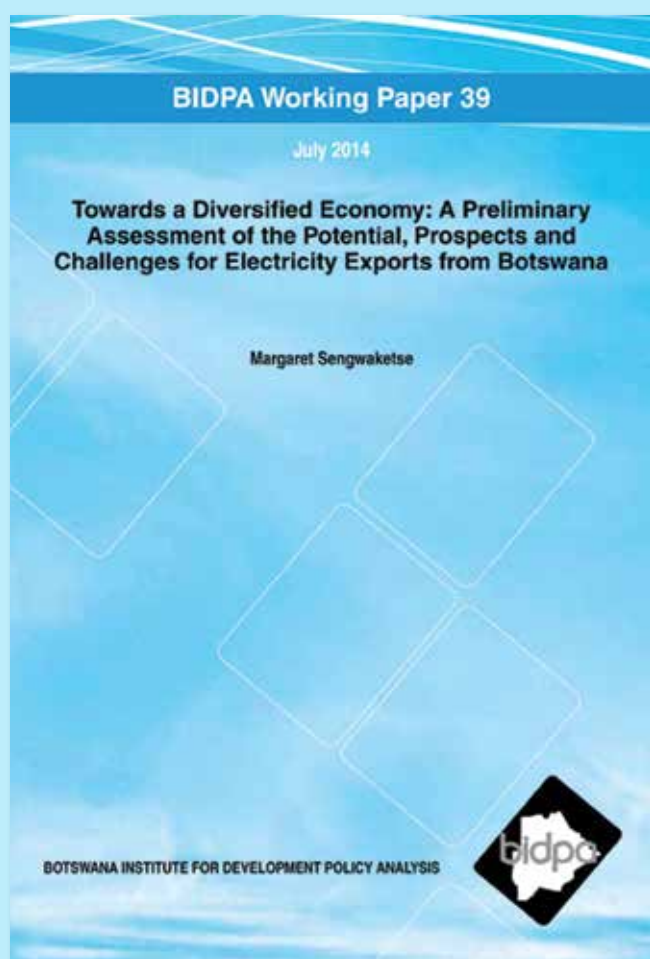
The objective of this paper is to examine the impact of trading with China on Botswana's domestic and third markets. The paper also assesses the structure and magnitude of Botswana-China bilateral trade. Botswana's trade balance with China has been widening over the past decade, with Botswana mainly exporting primary products and importing intermediate and capital goods, which are mainly used as inputs in the development of infrastructure in the country. The increased import penetration from China is associated with Botswana's reduced total manufacturing output. China's Textile, Clothing and Footwear (TCF) exports gained market share from Botswana's TCF exports in the third markets, that is, South Africa. There is a need to consider ways of enhancing Botswana's export competitiveness and there are also lessons to be learnt from China in relation to enhancing productivity in the TCF and other exporting industries.



Integrated Results Based Management in Botswana: Institutions, Documentation and Progress to Date

By Gape Kaboyakgosi and Lillian Mookodi

The aims of this study were to explain the IRBM concept, its uses and international experiences; and to outline Botswana's experiences with IRBM to date. The study had three specific objectives: to describe IRBM and its uses; to detail international experiences of IRBM; and to draw lessons for Botswana on how to successfully implement IRBM. The paper also describes the institutional frameworks of IRBM in Botswana, including organisations and important documentation, and gives recommendations on how Botswana government can better implement IRBM.



Towards a Diversified Economy: A Preliminary Assessment of the Potential, Prospects and Challenges for Electricity Exports from Botswana

By Margaret Sengwaketse

The paper assesses the prospects and challenges of coal-fired power exports in Botswana. Specifically, the study analyses how supply factors, that is, resource availability; environmental concerns; infrastructure and technology as well as demand factors are likely to affect the development of thermal power exports in Botswana. The study concludes that coal resources are sufficient to support exports of thermal power and that technology on coal-fired power plants is available, reliable and mature. However, environmental concerns associated with coal-fired power generation; the high costs of construction and maintenance of power plants; regional demand factors, including the increasing competition from renewable sources of energy are major factors in the feasibility of the development of coal-fired electricity exports in Botswana.



BIDPA is a non-governmental research institute concentrating mainly on development policy analysis and capacity building. The main focus is Botswana. However, BIDPA may engage in regional work. Within its areas of concentration, BIDPA seeks to: conduct and promote research; monitor the performance of Botswana's economy; survey the management of public policy implementation as it relates to economic and social development; provide consultancy service and advice to government agencies and other clients; offer technical and/or financial assistance for the facilitation of policy analysis; disseminate and publish research and consultancy results; and assist in professional training and public education in matters pertaining to policy analysis. While the Executive Director is responsible for the day-to-day management of the Institute, authority and responsibility for all activities of the Institute lies with the Board of Trustees, which currently has the following members: Ms M. Machailo-Ellis (Chairperson) - BOCCIM; Mr O. Motshidisi - Bank of Botswana; Dr P. Makepe - University of Botswana; Mr K. Ndobano – Ministry of Finance and Development Planning; Ms C. Ramalefo - BOFWA; Mr P. Draper - South African Institute of International Affairs.

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