



# ANNUAL REPORT 2001/2002



**BOTSWANA  
INSTITUTE FOR DEVELOPMENT  
POLICY ANALYSIS**

## 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.

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BOTSWANA INSTITUTE FOR  
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**LIBRARY**

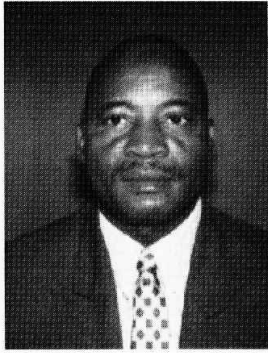
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**BIDPA**

Botswana Institute for Development Policy  
BIDPA  
Book

Annual Report Box

## 1 FOREWORD



BIDPA's impact on policy formulation and implementation continues to be felt in the Botswana economy. I believe it is notable that the BIDPA Briefing publication has gained immense popularity over time, particularly within the business sector. It is gratifying to learn that even the diplomatic community uses this briefing to write their economic reports to their respective countries. The media in Botswana has also tended to quote the briefing heavily.

On the consultancy side, a number of projects were completed and others are at different stages of implementation. One of the main projects completed was the Rural Development Policy Review. The results of this consultancy are proving to be useful, as Parliament passed the Rural Development Policy White Paper towards end of the financial year. The Rural Development Policy White Paper was based on the Institute's Consultancy report on this project.

The study on the HIV/AIDS Vaccine was completed and is now being used as a reference document by many institutions. The Macroeconomic STET Model for Botswana is being used to prepare forecasts for the 9<sup>th</sup> National Development Plan. The National Manpower Development Planning for Botswana project recommendations are being considered for implementation by the National Employment, Manpower and Incomes Council (NEMIC). The results of the Economic Mapping project are being used by the Ministry of Trade, Industry, Wildlife and Tourism (MTIWT) to develop a competition policy of Botswana. These and many other studies have profiled BIDPA's capacity to influence policy formulation.

These achievements could not have been realized without the dedication of the BIDPA staff to make a difference in the policy formulation process and the support and policy guidance from the Board of Trustees. I would, therefore, like to thank the BIDPA staff for the work well done and the Board of Trustees for its unwavering support and policy direction.

I would also like to thank Government, particularly the Ministry of Finance and Development Planning (MFDP), and the African Capacity Building Foundation (ACBF) for the continued financial support they accorded the Institute over the year. It is hoped that other Ministries and private sector organizations will take leaf from this and facilitate BIDPA's capacity to carry out its mandate of capacity building, research and development policy analysis.

Clearly, more challenges still lie ahead. I look forward to the challenges.

A handwritten signature in black ink, appearing to read 'N. H. Fidzani'. The signature is fluid and cursive.

Dr. N. H. Fidzani  
EXECUTIVE DIRECTOR



## 2 INTRODUCTION

While BIDPA continues to make progress in policy advice to both Government and private sectors, there are challenges that lie ahead in transforming the Botswana economy, particularly as Government strives to diversify the economy. One of the challenges is to make sure that BIDPA's mandate is known to most of its stakeholders. In this regard, BIDPA will have to start knocking on many doors to make its presence felt and its mandate known to most of its stakeholders.

The other challenge is to facilitate policy changes to diversify the economy. It is a cause for concern for BIDPA that despite its commendable economic achievements, Botswana continues to face high unemployment rates currently estimated at 19%. Poverty levels still remain at high levels. The economy still remains heavily dependent on the mineral sector. Overall competitiveness of the economy is not sufficient to compete in the open global marketplace as globalisation unfolds. It is also worth noting that, while Botswana might have made headway in GNP growth, its record on poverty reduction is far from satisfactory. Botswana needs to build capacity to analyse and draw strategies that can take it out of the heavy veil of poverty that it is currently under.

All these problems point to the need for a strong policy formulation and implementation process that is well-grounded on thorough research. The challenge for BIDPA is to give the policy direction required for Botswana to reposition itself in the emerging new landscape of trade and finance, both internationally and in the region.

It is for the foregoing reasons that BIDPA has identified Economic Diversification as the major area for its core research for the next 18 months. The main objective will be to identify obstacles to and opportunities for economic diversification, and to identify areas where the economy's competitive advantage lies. From this research output, the Institute will draw policy implications and strategies for facing the globalisation competition tide. Additionally, the success of this mammoth task will also enhance BIDPA's visibility on the proactive part of policy initiation, a mandate that has not been fully explored in the past.

These and many other challenges can only be addressed adequately with the support of all stakeholders. BIDPA is currently facing capacity constraints to address all policy research issues. This is as a result of funding constraints, which remains one of the major capacity constraints facing the Institute. Government's pre-occupation, rightly so, with the HIV/AIDS and high levels of unemployment have also made it difficult for the Institute to source more funds from it. The Institute will face these constraints head-on in the coming year.

### 3 ORGANISATIONAL STRUCTURE

The Botswana Institute for Development Policy Analysis (BIDPA) is an autonomous, non-governmental policy research institute established by a trust deed. The Institute was set up by a Presidential Decree and began operations in 1995. BIDPA's main areas of interest are Development Policy Analysis and Capacity Building. The authority and responsibility for all activities lies with the BIDPA Board of Trustees. The Chairman of the Board is Professor Thomas Tlou, professor with the University of Botswana. The following organizations are entitled to appoint members to the Board: Office of the President, Ministry of Finance and Development Planning, University of Botswana, Bank of Botswana and the Botswana Confederation of Commerce Industry and Manpower (BOCCIM). BIDPA was funded by grants from the Government of Botswana, the African Capacity Building Foundation (ACBF), and operational revenues from consultancy, research and training.

#### 3.1 MISSION

BIDPA's mission is to conduct and promote research, monitor the performance of Botswana's economy, provide consultancy services to Government, parastatal and private organisations, present and publish results of research and consultancy work and assist and conduct professional training and public education in matters relating to policy analysis.

#### 3.2 MAIN FUNCTIONS OF BIDPA

BIDPA's projects and activities focus on five main areas: 1) Incomes, Welfare and Poverty; 2) Macroeconomic Forecasting, Projections and Planning; 3) Structural Change in Botswana; 4) Trade; and 5) Public Sector Reform.

BIDPA provided both technical and logistical support to the Technical Assistant Project (TAP) for Government, SATRN for SADC and the Vision Council, which was formed to implement the recommendations of the Vision 2016 document.

Sponsored by Botswana Insurance Fund Management (BIFM), the BIDPA Briefing was produced to encourage a greater public understanding and awareness of Botswana business and economic issues. The Briefing aimed at providing independent analysis and economic forecasts to business and policy makers throughout Botswana.

#### 3.4 CAPACITY BUILDING

BIDPA has an active programme for capacity building within its areas of specialization. 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.

### 3.5 LIBRARY AND INFORMATION SERVICES

BIDPA houses a research library with an emphasis in the areas of economics, statistics, public administration and social welfare. BIDPA produces three major types of publications: the BIDPA Briefing, the BIDPA working paper series and the BIDPA publication series.



**4 BIDPA BOARD**

Professor Thomas Tlou (Chairperson)	University of Botswana
Mrs. Linah Mohohlo (Vice Chairperson)	Bank of Botswana
Mr. Elias Dewah	BOCCIM
Mr. Freddy Modise	MFDP
Mr. Modise Modise	Office of the President
Dr. Athaliah Molokomme	SADC
Professor Sharon Siverts	University of Botswana

**BIDPA STAFF**

Dr. N. H. Fidzani	Executive Director
Dr. R. Greener	Senior Research Fellow
Dr. K. Mbekeani	Senior Research Fellow
Dr. J. Salkin	Senior Research Fellow
Mr. K. P. Maroba	Programme Co-ordinator
Ms. F. Tjitjindua	Financial Administrator
Mrs. C. Molefe	Chief Librarian
Mr. L. Isaacs	IT Manager
Mrs. C. Kerapeletswe	Research Fellow (On study leave)
Mrs. T. Masetlhe	Research Fellow (On study leave)
Mr. P. Moepeng	Research Fellow
Mr. M. Phirinyane	Research Fellow
Mr. S. Rathapo	Assistant Librarian
Mr. M. Ditlhong	Associate Researcher
Mrs. M. Gabaraane	Associate Researcher
Mr. G. Kaboyakgosi	Associate Researcher
Mr. T. Kayawe	Associate Researcher
Mrs. G. Kgakge	Associate Researcher
Mr. L. Lisenda	Associate Researcher
Mr. M. Monnane	Associate Researcher
Mrs. P. Peloentle	Associate Researcher
Mrs. M. Sengwaketse	Associate Researcher
Mr. L. Batsetswe	Research Assistant
Mr. J. Maiketso	Research Assistant (On study leave)
Mr. K. Molebatsi	Research Assistant
Mr. S. Kole	Finance Assistant
Ms. E. Moeng	Programme Assistant
Ms. T. Kongela	Office Assistant
Mr. B. Moyo	Office Assistant
Mr. M. Tladi	Office Assistant
Mrs. R. Sanoto	Executive Secretary
Ms. O. K. Tsetsengwe	Receptionist



## 5 CORE RESEARCH ACTIVITIES: CONCLUDED PROJECTS

### 5.1 INCOMES, WELFARE AND POVERTY

#### **Rural Development Policy Review**

During the year, BIDPA reviewed the 1973 Rural Development Policy of Botswana. Consultations with Central and District level Government officials, Members of Parliament, Government Ministers and Councillors were held. A quantitative survey was carried out and completed in the first quarter of the year.

The final report of the Rural Development Policy Review Project was successfully presented to and accepted by the Reference Group in August 2001. A prize-giving ceremony to secondary school students who participated in the essay competition as part of the consultative process for the completed project took place at Grand Palm Hotel in November 2001.

The following activities were carried out as part of this study:

- \* Address of Kweneng District Council in April 2001 as part of the consultation process.
- \* Completion and submission of the Preliminary Draft Report of the Rural Development Policy Review Project to the Ministry of Finance and Development Planning in April 2001.
- \* Attendance and participation in the Rural Development Policy Review Reference Group meeting of June 2001.
- \* Organisation and completion of three regional feedback exercises of the Rural Development Policy Review in Maun, Francistown and Gaborone between 3<sup>rd</sup> week of June and 1<sup>st</sup> week of July 2001.

#### **Study on the Situation of Women and children**

BIDPA concluded an assessment of the institutional capacity to implement the joint Government of Botswana/UNICEF Programme of Cooperation, which focused on the impact of HIV/AIDS. The major objective of the study was to undertake a brief review of institutional capacities required to address the needs of women and children in Botswana. The review provided a conceptual framework that defines what is meant by institutional development, and presented a methodology for measuring six identified components of institutional capacity within seven areas of organisational functioning. The review assessed capacity in each of these areas for the main components of the programme. The study was completed in October 2001.

#### **Study on Cost Recovery Analysis in Sanitation**

The Sanitation System Cost Recovery Study was carried out for MT and Associates who were appointed by the Department of Water Affairs to undertake a feasibility study and the preliminary designs for the Serowe and Ghanzi sanitation projects. The study was to calculate the cost recovery prices per m<sup>3</sup> of sewage generated for total costs, capital costs, and recurrent costs over the life of the project using the Dynamic Prime Cost Methodology that was previously used in the

1999 Mahalapye, Palapye and Tonota-Shashe cost recovery sanitation projects conducted by BIDPA. The project was completed and the final report submitted to the client, MT and Associates. The revised reports were accepted by the client and submitted to the Department of Water Affairs.

### **Macroeconomic Planning Model for Botswana (MEMBOT)**

BIDPA worked closely with the Ministry of Finance and Development Planning in the revision of the Macro-economic Planning Model for Botswana (MEMBOT) and produced "A note concerning the revision or rebuilding of the MEMBOT model" in 1996. MEMBOT is used to prepare forecasts for the National Development Plans. In this project, BIDPA was contracted to prepare an updated version of the model to make use of more recent data and computer software, in time to prepare forecasts for NDP 9. Final documentation for MEMBOT was prepared, and the model is ready to be used to check the consistency of the NDP 9 projections. A technical guide was completed in January 2002, while a User Guide and an Economist's Guide were completed in March 2002.

### **Study to Determine the Willingness to Pay for an HIV Vaccine**

BIDPA participated in this World Bank funded study. Work commenced in January 2002 to collect information about the relative sizes of HIV risk groups in Botswana and other Southern African countries. The objective was to combine the results with estimates of the economic impact, and assumptions about the effectiveness of a potential vaccine. A report of the findings was concluded and submitted in March 2002.

## **5.2 MACROECONOMIC FORECASTING AND PLANNING**

### **National Manpower Development Planning for Botswana**

The Ministry of Finance and Development Planning contracted BIDPA to undertake a short-term consultancy to produce a medium term manpower plan for Botswana. The assignment included preparing forecasts that take into account the expected future economic structure of Botswana, including the Vision 2016 scenario.

As part of the project, BIDPA was also to train staff of the Employment and Manpower Policy Section on the techniques of manpower planning. In addition, working with information technology specialists, a national manpower development planning database was designed.

The final report for the study was submitted to Government in December 2001, after having been presented to and reviewed by the National Employment, Manpower and Incomes Council. As part of the consultancy, BIDPA prepared a number of medium term manpower plans for Botswana, based on alternative macroeconomic projections. Empirically-based manpower planning models were used to project the future demand for and supply of various categories of labour in Botswana over the next ten years. The study also identified remedial

measures that should be introduced to improve the efficiency and performance of the labour market. The report made a number of recommendations aimed at improving the overall manpower planning process in Botswana.

In carrying out the study, BIDPA was guided by a Reference Group, chaired by the Secretary for Economic Affairs. The Reference Group reviewed the project's Inception Report, Interim Report and draft Final Report. The final report was also reviewed by the National Employment, Manpower and Incomes Council, which is considering the recommendations of the study, and implementation of the key proposals.

### 5.3 STRUCTURAL CHANGE

#### **Desk assessment of the Malawi economy**

BIDPA completed a study for Imani Development (Zimbabwe) on the Malawi economy over the 2001-2021 period. The assessment was broken into two periods, the first 2001-2006 (by year) and the second 2006-2021.

#### **Enhancing PG Timbers' Competitive Market Position for Building Materials**

BIDPA was commissioned by PG Timbers to review the company's current market operations for building materials, with a view to identifying short-term measures that could be introduced to enable the company to better serve the growing construction industry. The review was intended to identify initiatives PG Timbers could take to strengthen its competitiveness and profitability. The review provided advice to PG Timbers on human resources development and staff training measures, estimating the overall size of the market for products of PG Timbers, analysing the demand patterns of PG Timbers' main customers, and undertaking a SWOT analysis for PG Timbers. A final report was submitted and BIDPA gave a presentation of their findings to the company's management and staff at a retreat organised by PG Timbers.

#### **Botswana Industry Review for Target Marketing**

Stanbic Bank Botswana contracted BIDPA to investigate opportunities for enhancing the bank's marketing of its financial products and services in Botswana, targeting client groups, as part of its strategies to expand its asset base. The review was completed early in 2001 and submitted to the client.

#### **Economic Mapping Project**

UNCTAD contracted BIDPA to map out the economic structure of Botswana in order to identify the key constraints on competition in all sectors of the economy. UNCTAD wanted to understand the potential impact of competition policy on trade and intellectual property rights. The report would assist the Ministry of Trade, Industry, Wildlife and Tourism in preparing appropriate competition legislation for Botswana. The study provided a profile of the Botswana market structure and constraints to competition between firms operating in a given industry. The Economic Mapping for Botswana project was prepared and submitted to MTIWT, UNCTAD and UNDP.

### **Study for the Strengthening of HATAB's Organisational and Operational Structure**

BIDPA was contracted by the Department of Tourism to conduct a study with a view to strengthening the organisational and operational structure of HATAB as the leading body of the tourism sector in Botswana. The project was funded through the European Development Fund and administered locally by the Ministry of Trade, Industry, Wildlife and Tourism through the Department of Tourism. A meeting of the Reference Group was held at the end of September 2001. The Final Report was submitted to the client in March 2002.

## **5.4 TRADE**

### **The SADC Formative Research Project**

Together with the Christien Michelsen Institute (CMI), BIDPA put together a research proposal that sought to monitor SADC's Restructuring Programme, as well as undertake research on economic integration, economic convergence and regional peace and security matters. This proposal was submitted to NORAD for funding. To the extent that this would be a regional project, ESRF and NEPRU have been invited to participate in it.

### **Common Currency Area for COMESA**

BIDPA, together with the Centre for the Study of African Economies, University of Oxford and CREFSA at the London School of Economics, completed a study for COMESA, "The pre-requisites for progress towards a single currency in COMESA: medium to long-term perspective study".

### **SO-Level and IR1 indicators Project**

BIDPA was contracted by Aurora Associates to compile and analyse data and information on economic trends in the Southern African region for USAID.

### **Investigating the African Growth and Opportunity Act (AGOA)**

BIDPA worked on a paper, exploring AGOA, identifying products in the Act that have had substantial tariff reductions. The paper analysed Botswana's traditional exports with the aim of identifying products that have already penetrated the USA market and also qualify under the act. The paper had been completed and published. The result was presented at a seminar in early 2002.

## **5.5 MANAGEMENT PROJECTS AND PROGRAMMES**

### **Vision 2016:**

BIDPA has continued to host and serve as the Secretariat for the Vision 2016 Council. Beyond its secretariat role, the Institute has continued to give guidance and advice to the Vision Council and has undertaken some background research.



### **Technical Assistance Project (TAP)**

BIDPA manages a special fund for Government that is meant to provide specialised expertise to Government Ministries. Through this project, BIDPA has recruited policy advisors for Government and the Institute has managed these advisors' contracts. Government extended this contract in June 2001.

### **Human Science Resource Council (HSRC) visits BIDPA**

Following a workshop of the Southern Africa Regional Poverty Network in Pretoria on the 26<sup>th</sup> April 2001, a team of two members of HSRC led by Mr. Richard Humphries, Acting Director of Research of the HSRC based in Pretoria, South Africa, visited BIDPA in May 2001. The objective of the visit was to introduce the HSRC as a Parastatal National Social Science Research Council in South Africa. The other purpose of the visit was to seek ways in which BIDPA and HSRC could cooperate and complement each other's efforts in research.

The HSRC visit also sought to establish BIDPA's position on the establishment of a regional poverty network and how the network could be used to address the poverty concerns in the region. BIDPA agreed that there was a need for the development of a poverty alleviation network and expressed interest to be a founding member.

### **Project Supervision Mission from African Capacity Building Foundation (ACBF)**

An official from ACBF visited BIDPA on a project supervision mission. The objective of the visit was to discuss a new funding agreement by which BIDPA will receive US\$1.5 million per year until 2006. The mission was satisfied with BIDPA's performance. The funding contract for ACBF support to BIDPA should be negotiated shortly.

### **DFID Delegation Visit**

A six-person delegation from UK Department for International Development (DFID), led by the head of the DFID regional office in Pretoria, South Africa, visited BIDPA in March 2001. They discussed, with BIDPA's Executive Director and staff, the Institute's activities on regional issues. DFID is considering a stronger regional profile to their work in Southern Africa. Various possible areas for co-operation were mentioned.

### **Minister of Commerce and Industry visits BIDPA**

The Minister of Commerce and Industry (subsequently renamed Trade, Industry, Wildlife and Tourism), Hon. Tebelelo Seretse, visited BIDPA. The Minister gave a short introduction to MCI's work to all staff. Later, she discussed potential projects and forms of co-operation with the Executive Director and specialist staff. BIDPA is very pleased about the honour that was shown to the Institute by a key policy maker. We hope the visit will serve to further the co-operation between the MTIW&T and BIDPA.

## 6 CORE RESEARCH ACTIVITIES: ONGOING PROJECTS

### 6.1 INCOMES, WELFARE AND POVERTY

#### **Cost Recovery Analysis in Sanitation**

Following presentation to the reference group, some important new data had to be incorporated into the study. The draft final reports of the studies have been submitted to the client, MT and Associates for review.

#### **Willingness to Pay for HIV Vaccine**

The Health Economics and AIDS Research Division (HEARD) in the University of Natal, Durban, invited BIDPA to participate in a Southern African study to determine the willingness to pay for an HIV vaccine. The study was funded by the World Bank, which is interested in determining the size of the potential world-wide market for an HIV vaccine.

A representative from HEARD visited BIDPA in March 2002, to assist with the putting together of an outline of the paper. The final report was submitted to the World Bank in March. The final draft would be discussed in mid-May 2002, with a discussion workshop expected in June 2002.

### 6.2 MACROECONOMIC FORECASTING AND PLANNING

#### **National Development Plan 9 Technical Assistance**

BIDPA was requested by the Ministry of Finance and Development Planning 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. In addition, BIDPA is assisting the Macroeconomic Planning and Policy Section of the Ministry of Finance and Development Planning with updating the Macroeconomic Model of Botswana (MEMBOT) database with the latest statistics and sectoral forecasts. These will be used in preparing the Base Case macroeconomic forecast for NDP 9, along with various alternative more optimistic and pessimistic economic scenarios. BIDPA will also assist the Ministry staff in drafting the relevant sections of the Macroeconomic Chapters of the Plan that deal with the macroeconomic forecasts. The Plan, which comes into effect in April 2003, is to be submitted to Parliament in October 2002.

### 6.3 STRUCTURAL CHANGE

#### **Public Expenditure and Primary Education Outcomes in Botswana**

BIDPA has been contracted by the Institute for 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 study will be carried out over a period of six months.

### **Governance Assessment and Monitoring in Botswana**

The Governance Assessment in Botswana Project was launched in November 2001 and work is in progress. The data collection process has been completed and the draft report is being drawn.

This is a United Nations Economic Commission for Africa (UNECA) initiative. One of the strategies of UNECA in promoting the evolution of good governance, in the past two decades, has been to sponsor a series of conferences. The current project is a continuation of the same objective. The first phase of the project involves 14 African countries, including those in the west, east and south (which include Botswana). The project also aims at establishing a mechanism for monitoring performance in various dimensions of the capable state in Africa through a systematic collection and analysis of qualitative and quantitative data, using pre-selected key indicators for the capable state. The project will be concluded at the end of April 2002.

### **Norwegian aid in Botswana**

The University of Bergen, Norway, contracted BIDPA to conduct interviews on its behalf for their study on Norwegian Aid History. Interviews were conducted with the President, two Cabinet Ministers, some former Permanent Secretaries, and other top civil servants (retired and serving) and a report has been submitted to the University of Bergen.

The University of Bergen, Norway, supported by the Ministry of Foreign Affairs in Norway, is engaged in writing a history of Norwegian Development Assistance. In this context, the history of Norwegian Aid to Botswana, which used to be one of Norway's main cooperating partners, is particularly important. Botswana is one of the countries in which the traditional aid cooperation is being ended, thus permitting historians to look at a closed chapter.

## **6.4 TRADE**

### **Southern Africa Trade Research Network**

BIDPA was contracted by IDRC (Canada) to prepare a proposal to fund the setting up of a Southern Africa Trade Research Network (SATRN). IDRC has

approved the proposal and BIDPA will be the coordinating institute. The general objective of SATRN is 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 is 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.

At the Doha meeting, SATRN sponsored research experts in most SADC countries to accompany Ministers and negotiators at this very important meeting. In addition, BIDPA signed short-term contracts with UNDP (New York) and the World Bank to fund specific components of the project.

### **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.

## **6.5 MANAGEMENT PROJECTS AND PROGRAMMES.**

### **New Building Project**

The ground breaking ceremony for the BIDPA Headquarters at the Millennium Office Park at Kgale Hill was performed in October 2001. The representative of MFDP noted with pride the success BIDPA has achieved in coming of age as a centre of excellence in Botswana. The custom-built office accommodation for the Institute is expected to be completed by September 2002. The 1400 m<sup>2</sup> building is expected to accommodate the Institute's long-term staff complement of 25 researchers and 15 administrative staff, along with conference facilities and space for expanded library and information technology support. It will provide an ideal environment for BIDPA staff and other researchers to carry out their policy analysis. Construction of the building has started in earnest.

### **BIDPA Book**

BIDPA decided to embark upon a book project to address critical policy issues that will be key to Botswana's future success as a developing economy. The project entails producing a collection of papers mainly by BIDPA staff on the



Future of the Botswana Economy. These papers will take a look at where the economy of Botswana has come from, what policies and programmes have been pursued, what changes have occurred and where the nation wants to go, with a view to charting the paths and strategies to be followed in order for the country to be successful in achieving its national development planning and Vision 2016 goals and objectives.

# ONGOING PROJECT (contd..)



## **7 CONFERENCES AND SEMINARS**

### **Seminar on Performance Management of Local Authorities**

The seminar was organised to present the draft final report of a study on Performance Management in Local Authorities. The study was funded by the Australian Agency for International Development (AusAID). The overall objective of the study was to investigate the performance management system in the Local Authorities of Botswana with a view to developing a plan for improved implementation. The Report has been accepted by the stakeholders. The Government will now consider the Report and respond accordingly.

### **Poverty Concepts and their implications for Policies and Action for Poverty Reduction: A DFID-South Africa Poverty Workshop and Seminar, March 12<sup>th</sup>-16<sup>th</sup> 2001, Pretoria**

A representative of BIDPA made a presentation on the BIDPA Study of Poverty and Poverty Alleviation in Botswana of 1997. The presentation described how BIDPA did the study, outlining the information base and conceptual framework that was used to assess the poverty status.

### **Workshop on Governance organised by the Commonwealth Secretariat**

BIDPA was invited by the Commonwealth Secretariat to participate in this workshop held in Johannesburg. The purpose of the workshop was to review the need, scope and current practices of corporate governance in state-owned-enterprises (SOEs) in Africa, to consider draft principles and guidelines for corporate governance which would be appropriate for SOEs. In addition, the workshop served to outline recommendations for policy and action plans, which can be taken to the forthcoming Commonwealth-OECD-World Bank Africa Round Table on Corporate Governance in July 2001.

### **African Economic and Social Research Forum meeting in Addis Ababa**

BIDPA was invited as a representative of SEAPRN (Southern and Eastern Africa Policy Research Network) to attend this meeting which was organised by the General Secretariat of the OAU / ECA for inaugurating the African Economic and Social Research Forum to promote the coordination of research activities in Africa.

### **The First Pan-African Capacity Building Forum**

The Executive Director of BIDPA attended this forum in Bamako, Mali in October, 2001. The forum represented a major Pan-African gathering devoted specifically to issues relating to capacity building and utilization in Africa. At the end of the forum, the Bamako Declaration was produced.

### **4<sup>th</sup> World Trade Organization (WTO) Ministerial Meeting**

BIDPA participated at the 4<sup>th</sup> WTO Ministerial Meeting that was held in Doha, Qatar in November 2001. The meeting discussed a number of international trade issues and developed a work programme, which outlined a work programme for

the next two years (2002-2003). The conference, which attracted representatives from 142 WTO member countries, concluded with the launch of a 'Development Agenda', starting negotiations on Agriculture, Services, Trade and Environment, WTO Rules, Implementation of WTO Agreements and Industrial Tariffs. Member countries also agreed to study issues of Trade and Investment, Transparency in Government Procurement, Trade Facilitation and Competition Policy further, with a view to starting negotiations on these areas in 2003.

### **Conference on Research and Training Needs in International Trade in African Countries**

Mrs Magdeline Gabaraane, Associate Researcher, and Dr. Kennedy Mbekeani, Senior Research Fellow, attended the conference in Mauritius from 3<sup>rd</sup> to 5<sup>th</sup> October 2001, which was jointly organised by UNCTAD and UNDP, with the cooperation of the African Economic Research Consortium (AERC) and the Government of Mauritius.

The objectives of the conference were to identify the research and training needs of the region's trade policy-makers and negotiators, which should guide research and training institutions in the region to enhance their support in the formulation of trade policies and negotiating strategies of African countries.

### **Governance Assessment and Monitoring in Botswana- Project Launch**

This is a United Nations Economic Commission for Africa (UNECA) initiative, which follows the organisation's strategies of sponsoring a series of conferences as a means of promoting the evolution of good governance. BIDPA launched the project on the 28<sup>th</sup> November 2001, at the Grand Palm Hotel, in Gaborone. In her Keynote Speech, Justice Unity Dow noted that for a true picture of governance in Botswana to be unearthed, certain questions will have to be answered, and these include, the participation of women, the youth and ethnic minorities, to name a few. The project will be concluded at the end of April 2002.

### **Seminar on Global Warming and Climate Change**

Mr Molapisi Ditlhong, Associate Researcher, attended a two-day seminar organised and sponsored by the Botswana Government and UNDP. The seminar was held from 25<sup>th</sup> to 26<sup>th</sup> October, 2001 in Gaborone. The main objective of the seminar was to present and discuss Botswana's Initial National Communication to the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC). The National Communication is a consolidated report of a number of studies relating to how Botswana will be affected by global warming and climate change. The report specifically addresses greenhouse gas emissions, the socio-economic impacts which will result from changing climate, and possible sustainable development paths.

### **Workshop on Research Methodology for Study on Public Expenditure and Primary Education Outcomes**

Mr. Lisenda Lisenda, Associate Researcher, attended a week long workshop at the Institute for Development Studies, in Brighton, UK, in November 2001, to

initiate and standardize the research methodology of a commissioned study on the Public Expenditure and Primary Education Outcomes in Botswana.

**Southern and Eastern Africa Policy Research Network (SEAPREN) Meeting**

Dr. Abdalla Gergis, Senior Research Fellow, attended a meeting held in Dakar 26-28 November, 2001, at the invitation of the Secretariat for Institutional Support for Economic Research in Africa (SISERA). SISERA first held an afternoon meeting for Francophone partner institutions on Tuesday 26 November. In addition to SISERA meetings, SEAPREN held several meetings independent of SISERA during the period 26-28 November, 2001. On the 27<sup>th</sup> of November, 2001, a meeting was held for the SISERA family, including partner institutions and collaborating institutions. Presentations and following discussions focused on the collaboration between SISERA and Cornell University within the Strategies and Analysis for Growth and Access (SAGA) research programme. The main issues discussed were the SAGA Research Programme, Competitive Research, and Technical Assistance.

**GATS Seminar**

Dr. Kennedy Mbekeani, Senior Research Fellow, presented a paper on "Opportunities and Challenges for the Development of Telecommunications Services, and the Impact of the GATS Negotiations", at a GATS seminar held in Mauritius from 22-23 November, 2001. The objective of the seminar, which was organized by the European Commission, was to provide a forum for discussing Trade in Services in the framework of the GATS negotiations with trade officials and experts from African countries, the European Commission, WTO, World Bank and UNCTAD.

The seminar was attended by delegates from African countries, Geneva, senior government officials and trade experts from different African countries, UNCTAD, WTO, the World Bank and the European Commission.

**The Executive Director addresses the BOCCIM Dinner in Francistown**

In his address on "Improving the Investment Climate in the Francistown Area", Dr. Fidzani gave advise on how the private sector could take advantage of the prevailing socio-economic conditions of the area. Among others, he pointed out the advantage of Francistown as a tourist gateway. He warned the private sector against dependency on government. He further pointed out that BOCCIM could use its membership in the High Level Consultative Council to influence policy to broaden the economic base. On disadvantages, he cited crime and AIDS. He said AIDS is necessarily a cost in terms of absentees, loss of expertise, etc. He advised the private sector to view expenditure on AIDS as an investment.

**Launching of the Southern Africa Trade Research Network (SATRN)**

Senior SADC trade negotiators, researchers and academics met in Gaborone from July 5 to 6, 2001 for the launching of the Southern Africa Trade Research Network (SATRN). This was the first time that senior SADC trade negotiators



and researchers have met to map out strategy to enhance the negotiating capacity of SADC negotiators at the WTO. SATRN is designed to provide the necessary technical input to allow the SADC member countries to participate more effectively in 'the WTO process'. It aims to mobilize the capacity for research and policy analysis across the SADC region, and to strengthen the links between SADC researchers and the region's policy community. Policy makers and researchers from 10 SADC countries (Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Tanzania, Zambia and Zimbabwe), the SADC Secretariat, SADC Trade and Industry Co-ordinating Division (SITCD), the WTO, FAO, UNCTAD and OAU attended the launching workshop.

### **The Executive Director Attends the Southern African Trade and Investment Forum**

The Executive Director of BIDPA, Dr. Fidzani, presented a paper titled "Economic Prosperity and Development in Botswana" at the South African Investment Forum held on the 25<sup>th</sup> to 26<sup>th</sup> September 2001 in Johannesburg.

### **The Chief Librarian Attends 67<sup>th</sup> Annual Conference of the International Federation of Library Associations (IFLA)**

The Chief Librarian attended the 67<sup>th</sup> IFLA annual conference in Boston, Massachusetts from 16<sup>th</sup> to 26<sup>th</sup> August, 2001. IFLA is the highest international body representing the interests of librarians and their professional services. This was the first time that a librarian from BIDPA attended an IFLA conference. DANIDA, through the Advancement of Librarianship Programme (ALP) of IFLA, provided the major portion of the trip expenditure, covering air fares, accommodation and meals, while BIDPA provided time off and out of pocket allowance for the duration of the conference.

During annual IFLA conferences, professional trends are set. Librarians from around the world meet, share experiences, discuss professional issues and formulate standards for the profession. The conference was an eye opener for the Chief Librarian. The many benefits include professional networking which is always a plus in the library profession, exposure and greater understanding of unprecedented changes currently taking place in the profession.

### **The Development of an Information and Communication Technology (ICT) Policy for Botswana**

A decision to form a working group to spearhead the development of the policy was reached following discussions by the Botswana Technology Centre (BOTECH) and the Government Computer Bureau (GCB), at a meeting held on 7 June 2001. The inaugural meeting of the group was held on 5 July 2001 at BOTECH. The meeting was attended by representatives from BOTECH, GCB, the University of Botswana, Citizen Owned Business in Information Technology (COBIT), Botswana Information Technology Society (BITS), Botswana Library Association (BLA), Botswana Telecommunications Authority (BTA) and BIDPA, which was represented by the Chief librarian and the Information Systems Manager. The group of representatives was confirmed as the working group.

From the same group, three subcommittees were formed to work on the terms of reference, budget and a position paper or justification for the need for ICT Policy for the country.

**The Annual Seminar for Librarians in Southern African Development Community (SADC) Institutions**

Mr. Shadrack Rathapo, Assistant Librarian, attended a seminar organised by the SADC Secretariat in Gaborone. The seminar was organised for librarians and documentalists from the SADC's Secretariat, Sector Coordinating Units (SCUs), Commissions and participants from other libraries in Gaborone was held from 19<sup>th</sup> to 21<sup>st</sup> September 2001. The main objective of the seminar was to exchange views and discuss mechanisms to be implemented in the sectors to preserve the existing information resources for the sustainability of the dissemination of SADC information in view of the restructuring of the SADC structures. Participants made recommendations on the possible options for the continued preservation of SADC information resources, and strategies of continued provision of access to these resources.

**Trade and Industrial Policy Secretariat (TIPS) Annual Forum**

Dr. Mbekeani, Senior Research Fellow, and Mrs. Peloentle, Associate Researcher, attended the TIPS forum held on 10<sup>th</sup> to 12<sup>th</sup> September 2001 in Johannesburg. The theme was "New Directions in the South African Economy".

The main aim of the forum was to reflect on the changes that have taken place in the economy since 1994, and what impact policy measures have had on these changes. This aim was chosen on the basis that when South Africa gained independence in 1994, the new Government embarked on a restructuring process that included several economic dimensions. Seven years after the start of the process, it is evident that the economy has undergone drastic changes, and hence the importance of the review of the economic structure. They further observe that the forum was successful in triggering debates among scholars and policy makers, and that it was also useful in identifying key economic policy issues. Papers from the forum are now available in the BIDPA library and can also be accessed from the TIPS website ([www.tips.org.za](http://www.tips.org.za)).

**Integrated Rural Development Programme Workshop**

Mr. Moepeng, Associated Researcher, represented BIDPA at a workshop held in Pretoria from 17<sup>th</sup> to 20<sup>th</sup> July 2001 by the University of Pretoria for the Kellogg Foundation's sponsored Integrated Rural Development Programme for Southern Africa. The workshop attracted scholars and practitioners specialising in rural development from South Africa, Zimbabwe, Swaziland, Lesotho, Mozambique and Botswana. At the end of the conference a significant contribution for a draft strategy for integrated rural development in marginalised areas of the region was made.

## **African Policy Institute Forum**

The Executive Director of BIDPA participated in the African Policy Institute Forum held in Harare on 22 and 23 June 2001. Heads of "Think Tanks" from all over the continent gathered in Harare to discuss common problems and opportunities. Much of the discussion centered on poverty reduction. The BIDPA Executive Director acted as resource person on one of the sessions. It has been agreed that similar meetings will be held on an annual basis to forge better cooperation and networking between African institutes and make better use of the excellent brainpower that the continent has in these institutions.

## **Policy Forum on Public-Private Partnership on Privatization**

BIDPA participated in the Policy Forum on Public-Private Partnership on Privatization organized by Ministry of Finance and Development Planning and the British High Commission in Botswana on 29 June, 2001. Joint ventures between the public and private sectors were discussed as an alternative mechanism to provision of public services.

## **Workshop on "Rationalization of Government Portfolio Responsibilities"**

BIDPA was represented at the Workshop on "Rationalization of Government Portfolio Responsibilities" organized by DPSM. The exercise involved definition of tasks, alignment of Ministerial portfolios to avoid duplication of tasks and to consolidate related public services.

## **Meeting with a Representative of the Confederation of Indian Industry**

A representative of BIDPA had a meeting with a representative of the Confederation of Indian Industry to discuss potential industries in Botswana that can benefit from India's experience.

## **Meeting with consultants from Debswana**

Consultants from Debswana met with members of BIDPA research staff to discuss Debswana's manufacturing promotion strategies for Botswana and the potential for downstream Diamond manufacturing in Botswana.

## **Southern Africa Regional Poverty Network**

BIDPA participated in the workshop in Pretoria on the 26<sup>th</sup> April 2001. Part of the results of this workshop was the enhanced relationship that developed between BIDPA and the Human Sciences Research Council (HSRC) in Pretoria. Another result of the workshop was the visit by a delegation led by the Acting Director of Research at the HSRC, to BIDPA, on the 10<sup>th</sup> May 2001.

## **Trade Policy Review Workshop**

BIDPA participated in this workshop held on the 4<sup>th</sup> and 5<sup>th</sup> of May 2001 in Johannesburg, South Africa. The workshop was organized and hosted by the Trade and Industrial Policy Secretariat (TIPS). It was aimed at making a follow-up of the TIPS summer school that was conducted by Alan Winters

in November 1999 on Trade Policy Tools. The summer school was aimed at exposing researchers to various applied techniques to stimulate research in trade and trade policy with a view of preparing an ongoing trade policy review for South Africa..

Having observed the usefulness of such a seminar, the BIDPA members recommend that BIDPA re-activates policy research seminars and actively initiates and conducts such kind of seminars.

**International Federation of Library Associations and Institutions**

Last year, the Chief Librarian was awarded a travel grant by DANIDA to attend the International Federation of Library Associations and Institutions in Boston, Massachusetts, USA. This demonstrates the fact that BIDPA’s librarians’ presence and impact is felt internationally.

**Introduction to Economy -wide Policy Analysis**

Three BIDPA Associate Researchers attended a workshop on the “Introduction to Economy-wide Policy Analysis” in March 18-22, 2002, Johannesburg.

**Economy Wide Impact Analysis Course**

In March 18-22, 2002 the School of Economics at the University of Cape Town in conjunction with the Trade and Industrial Policy Strategies (TIPS) organised an economy wide impact analysis course mainly to equip academics, researchers and policy analysts with sufficient theoretical and practical skills to engage in impact analysis of industry/sector level of economic activity, key sector analysis, sectoral impact studies, partial and general equilibrium trade and industry analysis. Through detailed lectures and computer based exercises the participants were introduced to economic modelling using input-output tables and social accounting matrices (SAMs). These tools are frequently used to analyse the impact on production, the environment, prices, employment and income of policy related changes in international trade, taxes, fiscal policy and investment. Three of BIDPA Associate Researchers attended the workshop.

The objectives of the course were to ensure that participants are equipped with sufficient theoretical and practical skills to engage in impact analysis within their public sector policy analysis, research, academic or consulting environments. The course also provides a solid and therefore necessary grounding for those who wish to enter into the field of computable general equilibrium (CGE) modelling. For these participants, a CGE modelling course will be offered during the middle of the year.

**Environmental - Economic Modelling Workshop**

On the 27-28 March 2002, two BIDPA Associate Researchers attended a course on integrated environmental management in economic modelling titled Environmental-Economic Modelling Workshop. The course introduced partial equilibrium and sector economic models for environmental management.

### **Politics and Governance: Challenges and Realities'**

Mr. Phirinyane, Research Fellow, wrote a paper entitled 'Politics and Governance: Challenges and Realities'. The paper looks into aspects of governance in the respective SADC member states and it gives an overview of the developments in the state of governance in the region and analyses the implications thereof.

**CONFERENCES AND SEMINARS (contd..)**

## 8 TRAINING SESSIONS AND SEMINARS HOSTED BY BIDPA

- BIDPA conducted a series of training sessions for staff from the macro department of MFDP, over a period of two weeks, as a part of the MEMBOT project (updating of the macro-economic planning model for Botswana). Four training sessions were conducted over the period. The objective of the training was to familiarise the Ministry staff with the use of the MEMBOT model for producing forecasts intended for the preparation of a National Development Plan, and with the methods to carry out sensitivity analyses and consistency checks. It also covered the steps that are required in order to update the MEMBOT model when new data become available, in the form of a new set of National Accounts, or a new Social Accounting Matrix. 5-6 members of MFDP staff attended the training sessions.
- The Institute has also been involved with capacity building in MFDP regarding the economic analysis for the macroeconomic chapters of NDP 9 and the national employment and manpower policy and planning activities. This entailed training MFDP staff in gathering data needed for policy analysis, doing the policy analysis, writing up reports-sections of the macroeconomic chapters, reviewing and commenting on others' work and revising the macroeconomic chapters accordingly. The objective of the exercise was to develop the Ministry of Finance and Development Planning's capacity to carry out the analysis needed for the National Development Plan; in this case, the key macroeconomic chapters of the Plan, where the economic performance is reviewed, the macroeconomic forecasts are presented, the public expenditure programme and manpower budget allocation are reviewed, and the strategies and resource allocations for NDP 9 are developed, explained and presented. The duration of the training component effectively covers the period of the consultancy project, from June 2001 to March 2003, when the new Plan is finally published. The exercise is expected to have significant impacts upon the Ministry's ability to carry out development policy analyses, macroeconomic planning forecasts and the preparation of good national development plans, which have been key ingredients to Botswana's record of economic success.
- BIDPA has designed a formal capacity building exercise for the Employment and Manpower Policy Section to enhance their abilities to prepare National Manpower Development Plans. There have been some indirect capacity building impacts through the preparation of the National Employment and Manpower Study Report 2001. The objective of the capacity building exercise is to enable the Ministry to resuscitate the manpower planning and human resources development planning activities that are essential ingredients to the national development planning processes. The manpower planning activities will help to identify policy initiatives and reforms, as well as resource allocations, needed to improve labour market performance, reduce unemployment, alleviate critical manpower shortages and accelerate sustainable economic diversification. The capacity building exercise is expected to enable the Ministry of Finance and Development Planning



and Government to formulate, advise on and implement effective human resources development and employment promotion policies and strategies that would help achieve the nation's development goals and long-term vision, effectively and efficiently. A training programme, with syllabus and training activities, has been designed and provided to the Ministry as part of the Short-term Consultancy for Preparing National Manpower Projections.

- As the Southern African Trade Research Network (SATRN) co-ordinating institute, BIDPA organised the SATRN Technical Workshop in February 2002. This workshop took place in Johannesburg, South Africa in February 24 - 25, 2002. The objective of the workshop was to identify proposals for thematic studies, short papers and policy briefs, and to provide guidelines on how to conduct research. It also looked at Data and Methodological Issues. The workshop also drew on the experience of the World Bank's integrated programme and the WTO 2000 Capacity Building Project. The workshop was attended by researchers and policy makers from Botswana, Mauritius, South Africa, Zambia and Zimbabwe. Stephen Yeo (CEPR), Chairperson of SATRN Technical Committee, chaired the sessions. Two members of the Technical Committee, Bernard Hoekman (World Bank) and Merle Holden (University of Natal), acted as facilitators to the discussions.
- The BIDPA library hosted three students from the University for their Internship for two weeks. BIDPA library has developed a tradition of mentoring the same students through their studies and after.
- A group of trainee teachers from Molepolole College of Education visited BIDPA library for one day.

## 9. NETWORKING ACTIVITIES

- The Chief Librarian mobilised the librarians working for special libraries in Gaborone to form co-operation for resource sharing. The group has met several times to consider areas of formal co-operation. Among other areas, the group is now considering the digitisation of local content to ease information access and facilitate information flow and sharing. Representatives from the University Library, the National Library Services and the Botswana College of Agriculture, representing the group that attended the 2002 SCANUL-ECS, met with the group to discuss possibility of sharing costs of subscriptions to online databases.
- The Chief Librarian and the Assistant Librarian are members of the BLA executive committee. The former is the Treasurer, while the latter is the Publicity Secretary. The two have made notable impact in the country's professional association. They sensitized the committee to the need to be involved in the country's national vision. The Assistant Librarian drafted a paper, which was presented to the National Vision Council; and he now represents the BLA in the forum for an informed and educated nation. The Chief Librarian drafted and presented the professional ethics document and compiled the brochure for the same, which is now with the printers.
- SARPAN Poverty Round Table Discussion: In preparation for what they have called "an ambitious project linking analysts and policymakers involved in poverty reduction across SADC", the South African Research on Poverty Network (SARPAN) and the Edge Institute hosted a half day round table discussion. This discussion was led by Prof Ravi Kanbur of Cornell University. The Executive Director attended this discussion. At the end of this discussion, BIDPA was invited to put together a proposal for hosting two round table discussions on poverty to be held some time in 2002. The Institute is in the process of putting together a proposal that will be linked to the Focal Point project.

## 10 VISION 2016 SECRETARIAT ACTIVITIES

BIDPA continued to service the Vision 2016 Council by providing secretariat services. The following activities were undertaken during the last year;

- Three Council meetings and Public meetings by all Forums followed by retreats to develop goals and objectives;
- Briefing of the VP;
- Private Sector promotion of Vision 2016: BDC made a billboard, Botswana Life launched Khumo 2016, and HATAB launched their strategic plan, which is Vision 2016 compliant;
- Vision posters were printed through a short-term publicity campaign;
- Terms of reference were issued for a consultant to bid for a long term (1 year) publicity job;
- District Development Planning Consultation Workshops for the preparation of DDP 6/NDP 9 were held in the Central District (Marapong, Shoshong and Machaneng);
- Sugar Industries Promotion offered a grant of P30,000 prize money for an Education competition. This culminated in the prize giving ceremony in Lobatse where the Vision Council Chairperson participated;
- Stakeholder Forum retreats progressed well and the process will be finalised soon.
- The Vision Council, with assistance from BIDPA, was engaged in recruiting the Vision Coordinator.
- UNDP Monitoring Phase 2 was started and finalised in September. The main purpose was to define what is to be monitored and this will be finalised by the Forums.
- The Secretariat made a presentation on Vision 2016, in Bobonong, organised by Bobirwa Community Junior Secondary School on the 26<sup>th</sup> June 2001.
- Two representatives of the vision 2016 Council attended an ACBF workshop on Building Capacity of African Civil Society, held in Harare on June 27-28., 2001.
- The Vision Council and the Setswana version of the Vision 2016 document were launched by His Excellency the President, at the Mahalapye Kgotla on 29<sup>th</sup> May 2001.

- The Vision Council made a presentation on Vision 2016 at the National Planners' Seminar in Francistown 27<sup>th</sup> - 30<sup>h</sup> May 2001.
- The Vision Secretariat addressed seminars in Gaborone and Kang, organised by the Centre for Continuing Education of the University of Botswana. The aim of the seminars was to familiarise participants with the ideals and strategies of Vision 2016.
- The Vision Council, in collaboration with UNDP, engaged a team of consultants with a view to establishing a monitoring tool for Vision 2016.
- Monitoring and Evaluation Framework: after consultation with Stakeholder Forums, the consultants from UNDP presented the draft Framework on the 5<sup>th</sup> December 2001. The framework has two main components: the monitoring component, and the evaluation component.
- A workshop on Vision 2016 was held on the 24<sup>th</sup> November 2001 in Kanye. Participants included teachers and students from four schools from Kanye, Lobatse, Pitsane and Thamaga. The aim of the workshop was to familiarise participants with Vision 2016 ideals.

## 11 LIBRARY SERVICES

BIDPA Library has become one of the most popular information centres for research in Botswana. Unfortunately, due to its size, it is not feasible to register individuals for full borrower rights. The Library, however, has several local libraries registered as Inter-Library Loans partners. Researchers from mother bodies of such libraries are able to borrow materials through their libraries. Talk to BIDPA library staff to find out what privileges you may have. Call 3971750 or e-mail: [chedza@bidpa.bw](mailto:chedza@bidpa.bw) or [shadrackr@bidpa.bw](mailto:shadrackr@bidpa.bw).

### **BIDPA Publications Displayed at the Botswana National Library Service SADC Day**

The public has always shown great interest whenever BIDPA works are displayed. In the past, BIDPA works have been exhibited at international conferences held in Gaborone and also at the Botswana Industrial, Trade and Commercial Exhibitions (BITEC), as well as at the Botswana International Trade Fair (BITF).

On August 31<sup>st</sup> 2001, BIDPA library staff, in collaboration with Botswana National Library Services, exhibited some of BIDPA's publications during the SADC Day celebrations. The theme for the celebrations was Poverty Alleviation through Information Provision in Botswana.

### **Course on Web Designing, Publishing and Online Global Marketing**

Mrs Molefe, the Chief Librarian, attended a short course at Compufield, in Mumbai, India. The core programme was a Diploma in Web Designing, Publishing and Online Global Marketing. The other minor courses included basic programming in C, C++, Java and database management systems, especially Oracle. Since 1996, she has been the web designer, web developer and publisher for the BIDPA website, one of the tools that has marketed BIDPA beyond borders. We hope that Mrs. Molefe's acquisition of new skills will help to enhance BIDPA's visibility to the outside world.

Demand for library and information services at BIDPA went up in the last quarter, with University of Botswana students and researchers in Economics being the regular visitors. Library staff received requests from external borrowers through the various communication channels, including email, telephone, the web site, with daily physical visits dominating.

## PUBLICATIONS

### **Staff member publishes a research paper on Monetary Policy**

Mr. Lisenda Lisenda, Associate Researcher, has co-authored, with Prof. Michael Bleaney of the School of Economics, University of Nottingham, a research paper titled "Monetary Policy after Financial Liberalisation: a Central Bank reaction function for Botswana". The paper has been published as a research paper by the Centre for Research in Economic Development and International Trade of the School of Economics at the University of Nottingham.

## 12 STAFF MATTERS

### New Appointments

The new Executive Director, Dr. Happy Fidzani, started work at BIDPA on 1<sup>st</sup> July 2001. Dr. Fidzani holds a BA in Economics, Post-Graduate Diploma in Population Studies, an MA in Economics, an MA in Political Economy and a PhD in Economics. He has worked at the University of Botswana as a lecturer and held many positions, the last one being that of Head of Economics Department from 1997 to 2001.

In September 2001, three new staff members joined BIDPA. Ms. Dudu Garekwe, Programme Coordinator, Mr. Letsogile Batsetswe, Assistant Research Fellow, and Ms. Kehumile Tsetsengwe, Receptionist.

Ms. Garekwe holds a BCom, MBA (Finance and Banking), ECCA, ECPA, ABIB. She previously worked for Botswana Development Corporation and later Standard Chartered Bank.

Mr. Batsetswe holds a Bachelor of Arts in Social Sciences (Statistics). He previously worked as a data processor and analyst at Probe Marketing Research.

Ms. Tsetsengwe has training on customer services, telephone skills, industrial team relations. She previously worked as a Receptionist for Game Discount Store.

In February 2002, Mr. Kedikilwe Patana Maroba joined BIDPA as the new Programme Coordinator. Mr. Maroba joined BIDPA from the Botswana Bureau of Standards, where he held the position of Director of Administration and Finance. He previously worked for Botswana Railways and the Ministry of Commerce and Industry. He holds a BA in Economics and Accountancy and an MA in Applied Economics.

In March 2002 D C. Monkge joined the Vision 2016 as its first coordinator. The BIDPA Management welcomes the new members and wishes them a long and productive stay at BIDPA.

### Resignations

Mr. Jan Isaksen, left the Institute in July 2001. Mr. Isaksen served as BIDPA's Executive Director since 1995. Mr. Isaksen went back to his institute, the Christien Michelson Institute (CMI) in Bergen, Norway. The management thanks Mr. Isaksen for all the efforts he made in building and elevating BIDPA to its current position. Management also wishes him all the best in his career and hopes that he will continue to be a catalyst for the cooperation between BIDPA and CMI.

Ms. Colleen Blumton, Programme Coordinator, resigned after serving BIDPA for five years. Management wishes her all the best in her new appointment. Her contributions towards the development of BIDPA will always be valued.



Ms. Dudu Garekwe, who joined BIDPA in September 2001 as Programme Coordinator, has left BIDPA after a short stint. Good wishes to her in her future engagements.

### **Student on internship**

Dintle Tshitswana, a student from Ohio University, United States, was on internship for five weeks at BIDPA, and was attached to the Vision 2016 Secertariat. After spending five weeks at BIDPA, she wrote a report in which she expressed confidence in Vision 2016 as the vehicle through which Botswana can survive the 21<sup>st</sup> century, achieve growing economic strength while also escaping the seemingly deteriorating socio-economic conditions within the society. We thank Dintle and wish her success in her studies.

**STAFF MATTERS (contd..)**

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY  
ANALYSIS Registered in Botswana under trust deed number:  
MA 16/95 GENERAL INFORMATION**

**BOARD OF TRUSTEES**

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Prof S Siverts  
L Mohohlo

**EXECUTIVE DIRECTOR**

Dr. N H Fidzani - Appointed July 2001

**PLACE OF BUSINESS**

Tshomarelo House  
Fourth floor  
Broadhurst Mall  
Gaborone

**NATURE OF ACTIVITIES**

BIDPA is an autonomous, non governmental policy research institute established by a deed of trust involved in development policy analysis and capacity building in Botswana and The Institute in Southern Africa.

**AUDITORS**

Deloitte & Touche

**BANKERS**

Barclays Bank of Botswana Limited

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY  
ANALYSIS ANNUAL FINANCIAL STATEMENTS**

**31 March 2002**

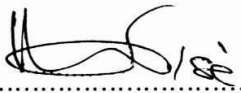
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Supplementary information	
Detailed income and expenditure statement	

**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

The annual financial statements set out on pages 4 to 11 were approved by the Board of Trustees of the Botswana Institute for Development Policy Analysis on and are signed on its behalf by:-

.....  


.....  


)  
)  
) TRUSTEES  
)  
)

**FINANCIAL STATEMENT CONTENTS**

Assurance and Advisory Services  
Certified Public Accountants  
(Botswana)  
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Botswana

**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 11 for the year ended 31 March 2002. 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.

In 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 2002 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.

Date: **18 JUN 2002**

*Deloitte + Touche*

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY  
ANALYSIS INCOME STATEMENT**

**for the year ended 31 March 2002**

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		P	P
REVENUE			
- Grants	1	10,433,390	7,418,327
- Project revenue		<u>2,601,150</u>	<u>3,011,463</u>
		13,034,540	10,429,790
<b>Operating expenditure</b>		<u>(11,324,774)</u>	<u>(9,839,188)</u>
<b>Gross income</b>		1,709,766	590,602
Other operating income		<u>1,258,226</u>	<u>871,496</u>
<b>SURPLUS for the year</b>	2	2,967,992	1,462,098
<b>ACCUMULATED FUND at beginning of the year</b>		<u>7,400,618</u>	<u>5,938,520</u>
<b>ACCUMULATED FUND at end of the year</b>		<u><u>10,368,610</u></u>	<u><u>7,400,618</u></u>

**INCOME STATEMENT**

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY  
ANALYSIS INCOME AND EXPENDITURE STATEMENT  
for the year ended 31 March 2002**

	<u>Note</u>	<u>2002</u> P	<u>2001</u> P
<b>INCOME</b>			
Grant revenue	1	10,433,390	7,418,327
Interest receive		641,867	742,213
Exchange gain		506,642	99,691
Sundry revenue		109,717	29,592
Project revenue		<u>2,601,150</u>	<u>3,011,463</u>
		<u>14,292,766</u>	<u>11,301,286</u>
<b>OPERATING EXPENDITURE</b>			
Auditors' remuneration			
- audit fee		18,360	13,200
Advertising		53,899	79,047
Bank charges		19,288	17,645
BIDPA publications		10,430	53,799
Conference costs		10,208	68,396
Consultancy		34,693	70,412
Depreciation		291,277	243,149
Fines		-	200
Hospitality		8,007	8,891
Insurance		24,041	64,462
Legal fees & licences		-	2,555
Library & information services		206,971	218,083
Vehicle costs		14,826	24,964
Office accommodation		457,380	453,600
Printing and stationery		149,003	90,548
Professional costs - hired in		865,601	598,688
Repairs and maintenance		72,913	29,852
Security		1,611	-
Staff costs		7,549,585	6,305,773
Staff welfare		17,060	7,012
Software		65,256	40,239
Teas and cleaning		25,296	26,582
Telephone, fax and postages		205,614	166,553
Training costs		1,017,419	1,105,718
Travel		144,525	87,100
Utilities		61,511	62,720
<b>Total operating expenditure</b>		<u>11,324,774</u>	<u>9,839,188</u>
<b>SURPLUS for the year</b>		<u>2,967,992</u>	<u>1,462,098</u>



**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY  
ANALYSIS BALANCE SHEET**

**31 March 2002**

	<u>Notes</u>	<u>2002</u> P	<u>2001</u> P
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Plant and equipment	3	<u>4,128,883</u>	<u>541,814</u>
<b>CURRENT ASSETS</b>			
Work-in-progress		312,940	863,117
Accounts receivable	4	934,995	1,898,230
Short term investments	5	2,313,320	2,039,112
Bank and cash balances	6	<u>4,157,954</u>	<u>3,178,437</u>
		<u>7,719,209</u>	<u>7,978,896</u>
Total assets		<u>11,848,092</u>	<u>8,520,710</u>
<b>FUND AND LIABILITIES</b>			
<b>FUND</b>			
Accumulated fund		<u>10,368,610</u>	<u>7,400,618</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	7	<u>1,479,482</u>	<u>1,120,092</u>
Total fund and liabilities		<u>11,848,092</u>	<u>8,520,710</u>

**ANALYSIS BALANCE SHEET**

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY  
ANALYSIS CASH FLOW STATEMENT  
for the year ended 31 March 2002**

**CASH STATEMENT**

	<u>2002</u> P	<u>2001</u> P
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net surplus	2,967,992	1,462,098
Adjustments for:		
Gain on sale of plant and equipment	(13,238)	-
Depreciation	<u>291,277</u>	<u>243,149</u>
<b>Operating surplus before working capital changes</b>	<b>3,246,031</b>	<b>1,705,247</b>
Decrease(increase) in accounts receivable and work in progress	1,513,412	(767,551)
Increase(decrease) in accounts payable	<u>359,390</u>	<u>(313,818)</u>
<b>Net cash inflow from operating activities</b>	<b><u>5,118,833</u></b>	<b><u>623,878</u></b>
<b>CASH FLOWS TO INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	(3,882,433)	(237,700)
Proceeds on disposal of plant and equipment	<u>17,325</u>	<u>-</u>
<b>Net cash outflow to investing activities</b>	<b><u>(3,865,108)</u></b>	<b><u>(237,700)</u></b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,253,725</b>	<b>386,178</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b><u>5,217,549</u></b>	<b><u>4,831,371</u></b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>6,471,274</b>	<b>5,217,549</b>
Represented by:-		
Short term investments	2,313,320	2,039,112
Bank and cash balances	<u>4,157,954</u>	<u>3,178,437</u>
	<b><u>6,471,274</u></b>	<b><u>5,217,549</u></b>

# **BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS**

## **ACCOUNTING POLICIES**

**31 March 2002**

### **BASIS OF ACCOUNTING**

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies which have been consistently followed in all material respects and comply with International Accounting Standards.

### **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 or valuation 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

### **WORK IN PROGRESS**

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

### **FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated into Pula at rates of exchange approximating those ruling at the balance sheet date.

All exchange gains and losses arising on translations are dealt with in the income statement.

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS**

**ACCOUNTING POLICIES (continued)**

**31 March 2002**

**GRANTS**

Grants receivable are recognised in the income statement on a systematic basis which matches them with the related costs for which they are to compensate.

Grants receivable relating to the acquisition of plant and equipment are deferred and recognised in the income statement on a basis which matches the income with the depreciation charge on the related assets.

**TAXATION**

The organisation is exempt from Botswana corporate tax and taxes on imports on goods purchased with foreign donor funds.

**RETIREMENT BENEFITS**

Local and expatriate employees are provided with gratuities in terms of their contracts in lieu of any fixed pension arrangements.

**FINANCIAL INSTRUMENTS**

**Financial assets**

The Trust's principal financial assets are bank and cash, accounts receivables and investments with Bank of Botswana (Bank of Botswana Certificates). Investments are stated at cost.

**Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Significant financial liabilities include trade payables and other payables.

Trade and other payables are stated at their nominal value.

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS  
NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2002**

	2002 P	2001 P
<b>1 GRANT REVENUE</b>		
Botswana Government	8,100,000	4,000,000
The African Capacity Building Foundation (ACBF)	<u>2,333,390</u>	<u>3,418,327</u>
	<u>10,433,390</u>	<u>7,418,327</u>

ACBF phase one disbursements was completed during the year.

ACBF is now in the second phase and have agreed to disburse US\$1 500 000 over 4 years effective from January 2002

**2 SURPLUS FOR THE YEAR**

Surplus for the year is stated after taking into account the following:

Auditors' remuneration	18,360	13,200
Depreciation - Motor vehicles	58,236	18,182
- Office equipment	40,728	30,648
- Computers	83,070	92,474
- Furniture and fittings	53,275	52,492
- Household furniture	-	590
- Library books	55,968	48,763
Exchange gain	(506,642)	(99,691)
Interest received	(641,867)	(742,213)
Professional costs -hired in	<u>865,601</u>	<u>598,688</u>

**3 PLANT AND EQUIPMENT**

under	Properties	Office	equipment	&	Furniture	Library	Books	Total
	Motor	Vehicles		Computers	Household	Furniture		
	Construction				Fittings			
	P	P	P	P	P	P	P	P
<b><u>COST</u></b>								
Opening balance	-	139,533	271,454	703,296	524,893	17,314	409,113	2,065,603
Additions	3,500,000	160,215	67,211	74,836	16,360	-	63,811	3,882,433
Disposals	-	-	(20,801)	(7,400)	-	(16,684)	-	(44,885)
Closing balance	<u>3,500,000</u>	<u>299,748</u>	<u>317,864</u>	<u>770,732</u>	<u>541,253</u>	<u>630</u>	<u>472,924</u>	<u>5,903,151</u>
<b><u>ACCUMULATED DEPRECIATION</u></b>								
Opening balance	-	103,168	183,297	562,495	272,465	17,314	385,050	1,523,789
Charge for the year	-	58,236	40,728	83,070	53,275	-	55,968	291,277
Reversal during the year	-	-	(19,952)	(4,162)	-	(16,684)	-	(40,798)
Closing balance	<u>-</u>	<u>161,404</u>	<u>204,073</u>	<u>641,403</u>	<u>325,740</u>	<u>630</u>	<u>441,018</u>	<u>1,774,268</u>
<b>Net book value 2001</b>	<u>-</u>	<u>36,365</u>	<u>88,157</u>	<u>140,801</u>	<u>252,428</u>	<u>-</u>	<u>24,063</u>	<u>541,814</u>
<b>Net book value 2002</b>	<u>3,500,000</u>	<u>138,344</u>	<u>113,791</u>	<u>129,329</u>	<u>215,513</u>	<u>-</u>	<u>31,906</u>	<u>4,128,883</u>

3.1 The properties under construction are erected on plot 134 - Millennium Office Park- Kgale hill. The plot was purchased for P500 000.

**NOTES TO THE FINANCIAL STATEMENTS**

**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**31 March 2002**

	<u>2002</u>	<u>2001</u>
	P	P
<b>3 PLANT AND EQUIPMENT (continued)</b>		
The sponsors have agreed to pay for the property, plant and equipment as follows:-		
The African Capacity Building Foundation	689,223	708,392
Botswana Government	3,098,850	656,600
Botswana Institute for Development Policy Analysis	1,484,295	74,078
Norwegian Agency for Development Co-operation (NORAD)	630,783	630,783
	<u>5,903,151</u>	<u>2,069,853</u>
<b>4 ACCOUNTS RECEIVABLE</b>		
Professional fees and disbursements	685,059	1,593,935
Staff	12,860	67,737
Deposits	40,700	62,400
Sundry	13,677	3,202
Interest receivable	13,680	27,672
Prepayments	169,019	143,284
	<u>934,995</u>	<u>1,898,230</u>
<b>5 SHORT TERM INVESTMENTS</b>		
Bank of Botswana Certificates	<u>2,313,320</u>	<u>2,039,112</u>
<b>6 BANK AND CASH BALANCES</b>		
Petty cash float	1,000	1,000
Barclays Pula current account - general	(85,894)	12,329
Barclays Pula current - Botswana Government	(166,859)	(158,796)
Barclays Pula call account - ACBF	251,188	206,010
Barclays US\$ current account - Botswana Government	402,963	252,533
Barclays Pula call account - Botswana Government	1,137,666	1,863,042
Barclays US\$ current account - general	1,188,818	280,907
Barclays Pula call account - general	1,316,991	634,175
Barclays GBP current account - general	112,081	87,237
	<u>4,157,954</u>	<u>3,178,437</u>



**BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 March 2002**

	<u>2002</u>	<u>2001</u>
	P	P
<b>7. ACCOUNTS PAYABLE</b>		
Trade creditors and accruals	87,122	159,555
Gratuity provision	<u>1,392,360</u>	<u>960,537</u>
	<u>1,479,482</u>	<u>1,120,092</u>

**8 FINANCIAL INSTRUMENTS**

Exposure to currency, interest rate and credit risk arises in the normal course of the Trust's affairs.

**Currency risk:**

The trust is exposed to currency risk (US Dollars: Pula) mainly through its liability to Expatriate employees for gratuity payable.

**Interest rate risk:**

Financial instruments that are sensitive to interest rate risk are bank and cash balances. Interest rates applicable to these financial instruments compare favourably with those on the market.

**Credit risk:**

Trade credit is only extended to selected reputable clients. The trust faces a low credit risk.

**Fair values:**

The fair value of all financial instruments are substantially identical to the carrying amounts reflected in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS (contd..)**

**TECHNICAL ASSISTANCE PROJECT (TAP)  
RECEIPTS AND PAYMENTS STATEMENT  
OR THE YEAR ENDED 31 MARCH 2001**

	<b>PWC Clients' money a/c US\$</b>	<b>Fleming Isle of Man a/c US\$</b>	<b>BIDPA current a/c US\$</b>	<b>Total US\$</b>
<b>RECEIPTS</b>				
Transfer from PWC US\$ account	50,000.00	-	-	50,000.00
Transfer from PWC US\$ account	50,000.00	-	-	50,000.00
Transfer from PWC clients' money account	-	-	9,540.00	9,540.00
Received from Ministry of Finance	-	532,100.00	-	532,100.00
interest received	-	5,680.05	-	5,680.05
Other receipts	-	5,597.72	-	5,597.72
Bridging finance from BIDPA	-	80,000.00	-	80,000.00
Proceeds from sale of vehicle	-	-	3,387.08	3,387.08
	<u>100,000.00</u>	<u>623,377.77</u>	<u>12,927.08</u>	<u>736,304.85</u>
<b>PAYMENTS</b>				
Transfer to PWC Pula account	-	50,000.00	-	50,000.00
Transfer to PWC Pula account	-	125,000.00	-	125,000.00
Consultants' costs	57,231.63	565,350.95	18,516.50	641,099.08
Transfer to BIDPA	9,540.00	80,000.00	-	89,540.00
Fees paid to BIDPA	14,033.58	-	-	14,033.58
Management fees (Pricewaterhouse)	13,660.58	-	-	13,660.58
Bank charges	-	1,420.00	86.16	1,506.16
	<u>94,465.79</u>	<u>821,770.95</u>	<u>18,602.66</u>	<u>934,839.40</u>
Net surplus during the year	5,534.21	(198,393.18)	(5,675.58)	(198,534.55)
Balance at beginning of the year	17,836.12	272,117.30	9,467.77	299,421.19
Balance at end of the year	<u>23,370.33</u>	<u>73,724.12</u>	<u>3,792.19</u>	<u>100,886.64</u>

# BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS

31 MARCH 2002

## AUDIT SUMMARY MEMO

### Audit objective

To obtain audit evidence that the financial statements of the institution are fairly stated.

Summary of work done

Test of details and analytical procedures.

### Findings

	2002	2001
1. Property plant and Equipment		
Net book value	<u>4,128,883</u>	<u>541,814</u>
Percentage change	662%	

There is increase in net book value as compared to prior year because the client is building their own office which is now at the cost of P3.5million. This has been added to the fixed assets. The client has also purchased some assets like, car costing P160 215 and some other assets. The building is financed by the grant from the Government and BIDPA has contribution

### 2. Accounts receivable

Trade debtors	685,059	1,593,935
Staff debtors	12,860	67,737
Deposits	40,700	62,400
Prepayments	169,019	143,284
Interest receivable	3,680	27,672
Sundry debtors	13,677	3,202
	<u>934,995</u>	<u>1,898,230</u>

Accounts receivable has decreased by 50% mainly due to decrease in trade debtors of 57% The project income has also decreased by 13% as compared to prior year. Included in debtors is a balance of P320 000 which is from prior year, this not provided because the payment will be received.

Staff debtors has decreased because loans are no longer given except for emergencies, the client has made an arrangement with FNB for the employees loans.

# RECEIPTS AND PAYMENTS STATEMENT

## 3. Short term Investments

	<u>2002</u>	<u>2001</u>
Bank of Botswana Certificates	<u>2,313,320</u>	<u>2,039,112</u>
The increase is due to interest earned		

## 4. Accounts payables

Gratuity provision	1,392,360	960,537
Accrued expenses	74,763	94,746
Audit fees	11,109	11,364
Sundry creditors	1,250	53,444
	<u>1,479,482</u>	<u>1,120,091</u>

The increase of 30% is mainly due to increase in gratuity provision, local staff were on 25 % gratuity previously and now at 30%.

## 5. Income

Grant income	10,433,390	7,418,327
Project revenue	2,601,150	3,011,463
Sundry income	109,716	29,592
Interest received	641,867	742,213
	<u>13,786,123</u>	<u>11,201,595</u>

The government fund is P8.1million as opposed to P4million prior year. The grant has increased because the new office building is funded by the government grant.

## 6. Expenditure

Balance	<u>11,324,774</u>	<u>9,839,188</u>
---------	-------------------	------------------

The expenses has increased because of increase in staff costs. There has been 10% salaries increase and performance related increase, gratuity also increased from 25% to 30% for local staff. Other expenses are in line with prior year.

## Conclusion

Based on audit work done the financial statements do not appear to be materially misstated.



