



REPUBLIC OF BOTSWANA

STATE OF THE NATION ADDRESS

BY

HIS EXCELLENCY

Lt. GEN. SERETSE KHAMA IAN KHAMA
PRESIDENT OF THE REPUBLIC OF BOTSWANA

TO THE

OPENING OF THE FIFTH SESSION
OF THE NINTH PARLIAMENT

*"Empowering the Nation through Democracy,
Development, Dignity and Discipline"*

3rd November 2008
GABORONE

INTRODUCTION

1. Mr. Speaker, I am grateful for the opportunity to give this Honourable Assembly an assessment of our nation's achievements and challenges, in this my first State of the Nation Address, which will also be the last before the next general election.

2. We should, however, recognise that addressing the needs of Botswana cannot be limited to the activities of Government alone. The ability to move forward ultimately rests with all of us. Our national anthem rightly affirms that our land is a gift from God - but our nation's progress did not fall from heaven - it is the product of human efforts to achieve common goals. Only by continuing to work together shall we overcome our most daunting challenges, while achieving our highest aspirations.

3. Over the years, I have had the pleasure of interacting with fellow citizens from different areas and walks of life around the country, in the process deepening my own appreciation of the fact that, as a society, we are fortunate to share common values, as well as interests. We further share the conviction that Government must remain accountable to the common good.

4. Our democracy is also embedded in a culture of tolerance and mutual respect, in which individual rights go hand in hand with responsibilities and consideration for the dignity of others. These qualities are reflected in our Constitution, which provides us with the framework by which the three arms of Government are not only held accountable to one another but, more importantly, to the public they have been established to serve. All three arms of Government, as well as other independent bodies, should therefore work together for the nation's shared benefit. In this way, the goals which unite us will continue to be far greater than any details that may divide us.

5. Such a democratic commitment, when combined with enhanced discipline, will enable us to achieve the sustained development necessary to ensure that all our citizens live in dignity.

DISCIPLINE AND VALUES

6. Nations must know their goals if they are to achieve them. We have a Vision of where we wish to be. Our guiding principles,

economic strategies, and development plans further provide us with a roadmap.

7. While there are still many obstacles in our way, the biggest challenge we face in driving towards a better future is finding the discipline within ourselves to sacrifice short term interests for sustained development. This means setting and achieving standards of excellence that will enable us to compete with the best in the world. We need to create a culture of achievement with an emphasis on quality delivery by the public and private sectors, as well as individuals.

8. Government's primary economic responsibility is to nurture an enabling environment for private sector growth that allows for increased domestic, as well as foreign investment. We remain committed to promoting an open society, with an open economy, in which all who can make a positive contribution to further growth and development are encouraged to do so. In this era of globalisation, local industries can no longer prosper as big fish in small, protected ponds. They should instead seek the ocean of opportunities available in the global market.

9. No democracy can exist without discipline. Wherever I go throughout our great country, I hear voices lamenting that the timeless values that have long held our nation together are under threat. That Botho, our shared sense of mutual respect and responsibility, is being replaced with more self-centred, all too often self destructive, social and political behaviour. Where we once practised self-reliance (ipelegeng), at both the individual and community levels, we now too often tend to rely on others and the State to provide for us.

10. Sadly, I am certain that anyone of us could cite instances where the common good has been compromised by fallen morals, a dearth of patriotism and an exaggerated sense of self-centred individualism and entitlement; such as:

- When official documents such as passports and Omang are sold to foreigners;
- When people stand aside in the false belief that it is up to others to fight veld fires;

- When people who should know better look the other way while public property is vandalised and the environment littered and polluted;
- When women are openly abused or children in school uniform are corrupted by elders.

11. Left unchecked, such anti-social trends will undermine what we have so far achieved, as well as be a barrier to our further development. We, therefore, must take necessary action when we find that the discipline upon which our progress has been based is being eroded. It is said that discipline is the bridge between your desired objectives and their achievement.

HIV/AIDS and Substance Abuse

12. Through the proactive leadership of my immediate predecessor, Former President Festus Mogae, we recognised that we could not afford to ignore the scourge of HIV/AIDS in the blind hope that it would somehow leave us in peace. Because we turned away from denial, today there are many amongst us who would otherwise not be here. We can take comfort in the fact that through vigorous outreach efforts, today over 110,000 people are now on ARVs, while we have reduced mother-to-child transmission of the virus from infected females from about 40% to 4%.

13. These programmes have come at a great cost – last year we spent over P 1.4 Billion, of which almost 90% came from our own resources. No amount of money, however, can compensate for the need for greater commitment. Drugs can only do so much. Discipline will do the rest.

14. Mr. Speaker, there is a recognised link between excessive alcohol use and risky behaviour that contributes to the spread of the virus. We are aware of the role substance abuse plays in treatment default for other illnesses such as TB. Alcohol is also a contributing factor to a wide range of additional maladies:

- from carnage on the roads to low levels of productivity and injuries at the workplace;
- from the occurrence of Foetal Alcohol Syndrome and other health complications to violent crimes, such as assaults, rapes, robberies and murder, as well as spouse and child abuse.

15. As a society, we can no longer pretend that there is little that can be done to curb such ravages. This is why Government, in line with the World Health Organisation and guided by international best practice, has adopted a multi-faceted approach to the problem, whose key components include:

- A National Policy or Strategy on Alcohol;
- Public Education Campaigns on the dangers of underage and excessive alcohol consumption, as well as consumption during pregnancy or whilst on medication;
- enhanced law enforcement;
- reduction in the hours of sale of alcohol; and
- this month's introduction of a 30% levy on alcoholic beverages.

16. Each of these is a reasonable step that, when taken together, will help reduce death and destruction. There are, nonetheless, those who try to dismiss our efforts by saying that alcohol harm is a symptom rather than a problem. Such people ignore the circular nature of cause and effect; for excessive drinking is itself a breeder of poverty, delinquency and inefficiency, as well as poor mental and physical health.

Justice and Security

17. Mr. Speaker, our forefathers knew that the internal harmony (kagisano) of a community was the key to ensuring the dignity of its inhabitants. Today, we also recognise that achieving a safe and secure nation is a prerequisite for a productive and prosperous society that combines opportunity with tranquillity.

18. Criminals come from all backgrounds, as do their victims. We shall continue to fight crime, including corruption, through better strategies that are being developed for prevention, policing and prosecution. I am pleased to report that we are already seeing success as a result of these strategies. Government has been enlisting community stakeholders, such as business, civic and traditional leaders, in these efforts.

19. In addition, the capacity of law enforcement will be enhanced through the impending merger of Local Police into the Botswana Police Service, which will be accompanied by the hiring of an additional 2050 personnel to cover more villages. The Police Air

Support Branch should be launched early next year with the arrival of new helicopters. Joint operations between the Police and Defence Force are being intensified to reduce crime.

20. For both the accused and victims of crime, justice delayed is justice denied. We have, therefore, been implementing reforms in our justice system such as court records and judicial case management, so as to reduce the backlog of cases in our courts. The handing over of prosecutorial duties from the Police Service to the Director of Public Prosecutions will enhance the efficiency of both these Departments.

21. In line with our commitment to zero tolerance for corruption, the Directorate on Corruption and Economic Crime is embarking upon new interventions countrywide, where opportunities for corruption are especially prevalent. These interventions are already bearing fruit.

22. Mr. Speaker, in the end, the stability of a community cannot be separated from its commitment to upholding public values and morality. This is why I appointed a Task Force on Morals and Social Values made up of prominent religious and traditional leaders. Their report, which was received this morning, should provide us with proposals for additional interventions.

DEVELOPMENT

23. Mr. Speaker, in keeping with our Vision, our development goal is to move from being a middle income to high income economy that provides for the dignity of all. While we can be proud of our past achievements, it is more important that we now face our current challenges:

- Although there has been a steady reduction in poverty over the years from 47% in 1994 to our latest figure of 30% in 2004, which is projected to fall to 23% by next year, we are acutely aware of the need for more equitable growth and job creation.
- There is a mismatch between our graduates' skills set and workplace demands, which further contributes to the challenge of unemployment.
- While we have invested heavily in the health sector, we remain reliant on external specialists.

- Agricultural productivity has stagnated, despite past interventions aimed at improving it.
- Though we have put in place structures and policies aimed at increasing foreign direct investment, the inflow of outside capital has fallen short of our expectations.

24. Unless we discover new diamond streams, of similar magnitude to those in Jwaneng and Orapa, the revenues accruing from diamonds for the country will drastically decline in the coming decade. It is therefore imperative that we find additional income through economic diversification.

25. Mr. Speaker, our strategy to reach a state of a high income economy in the coming decade stands on two legs. The first is to drive economic diversification efforts through focused “Hubs”. The second is through the implementation of a range of initiatives.

26. Government has established six Hubs. The Minister responsible for each of these Hubs reports on its progress to the Cabinet Committee on Economy and Employment chaired by His Honour the Vice President, and also reports to me monthly. Each Ministry also has a set of initiatives it is currently implementing since they were launched a few months ago. Let me here emphasize that these initiatives are being carried out in the context of, and are adding impetus to, our normal development planning. I shall now highlight some of the key elements of the strategy.

Minerals, Energy and Water Resources

27. Mr. Speaker, it is our intention to make Botswana a major international diamond centre. To help achieve this, a Diamond Hub is being established to increase our benefits from beneficiation initiatives. It will create jobs and contribute to GDP growth by encouraging such downstream processes as cutting and polishing, jewellery manufacturing and local trade in rough and polished diamonds.

28. The Secure Transfer Facility at Sir Seretse Khama International Airport is to be transferred to the Hub to serve not only export needs of Debswana and the Diamond Trading Centre, but other industry players.

29. A Diamond Office will become operational this month as a one stop shop for industry stakeholders. It will monitor diamond supply agreements, while ensuring compliance with the Kimberly Process Certification.

30. Connection of households to the national electricity grid is fundamental to improving our citizens' quality of life. In this regard we have been making real progress. Today about half of all households in the country are directly connected, compared to only one in eight a decade ago. In the process, we have electrified an additional 270 villages with another 98 soon to be connected.

31. There are, however, impediments to realizing our goal of bringing electricity to all. Many Batswana cannot afford costly connection fees. The Ministry has, therefore, been directed to find ways to standardise electricity connection fees and charges in rural areas. The completion date for this exercise is April 2009.

32. Mr. Speaker, energy sufficiency is an urgent priority. Owing to the current problems with load shedding and the need to increase energy throughput for both industrial and home consumption, Government has embarked on a three pronged strategy to meet our short, medium, and long term needs. Its first aspect is to explore and bring to fruition opportunities to secure our power supply.

33. The second is the Morupule B Power Station plant expansion, whose first phase will have a projected output of 600 Mega Watts and is due for completion in 2011. A second phase of expansion will further increase output by another 600 Mega Watts, which will free us of the need to import electricity.

34. The third is to encourage and facilitate investment by Independent Power Producers (IPPS) in the country, to assist us in meeting immediate energy needs, while generating additional long-term capacity for export. In this context, negotiations are on-going between the Mmamabula Energy Project sponsors and its key stakeholders, the Botswana Power Corporation and Eskom, as well as the Governments of Botswana and South Africa. Due to rising costs associated with events outside our country, the project sponsors have had to scale down the project, which is now expected to generate a total of 1200 Mega Watts. We are also in the process of negotiating with additional partners to reduce the project's risk profile.

35. I take this opportunity to further urge other interested IPPs to engage Government. Botswana has the resource endowment and central location to potentially supply power to the SADC region. We will also welcome those in the private sector who may be interested in setting up renewable energy projects such as solar energy.

36. Government recognises that access to clean water is a basic need. One of the major projects to be implemented during NDP10 is the North South Carrier II and the building of more dams. The Ntimbale Dam has been completed and the construction of Dikgathong, Thune and Lotsane Dams are now underway. Other sources of water will also be identified to improve accessibility. Inefficient means of distribution, such as having several authorities serve the same locality, is also a barrier to water accessibility. The Ministry of Minerals Energy and Water Resources is working with Local Government to restructure and reduce the number of authorities per locality. Implementation will commence in May 2009.

Works and Transport

37. The Transport Hub is being established to ensure that major infrastructure projects provide optimal benefits to the economy through synergy in the air, road, and rail sectors. The Hub's anticipated benefits further include increased employment and revenue from tourism and hospitality, as well as transport sectors.

38. Major projects contemplated include the Kazungula Bridge, the Dry Port at Walvis Bay, Trans Kalahari Railway, Mmamabula-Ellisras and Moseitse to Kazungula Rail Links. Feasibility studies for the rail projects are in process, while a lease agreement for the Dry Port is being finalised. Efforts are also underway to attract international air carriers, while the ongoing upgrading and reconstruction of the Francistown, Kasane, Maun, and Sir Seretse Khama International Airports, are scheduled for completion by 2010-11.

39. Mr. Speaker, to enhance citizen empowerment, a directive has been issued that auctions involving boarded vehicles, along with other stores and equipment from Government and public-funded entities, are now reserved for citizens and 100% citizen-owned

companies. Approximately 2000 such vehicles will be auctioned by the end of this year.

Agriculture

40. The Agricultural Hub is being established to encourage and support greater commercialisation and sustainable diversification of the sector, as well as improve food security. Amongst its key projects is the second phase of the National Agricultural Master Plan for Arable Agriculture and Dairy Development (or NAMPAADD). During the initial phases of this programme, four production and training farms were established, one for rain-fed farming, two for horticulture production and one for dairy farming. These farms are used for training in various aspects of commercial agricultural production, resulting in technology transfer to participating farmers. In addition yield potentials of various crops under improved management practices have been established.

41. Another major initiative under consideration is the Zambezi Agro-Commercial Integrated Development Project, whose objective is to develop agricultural production on a large commercial scale in northern Botswana. Progress on this project has been delayed pending finalisation of an agreement to extract water from the Zambezi.

42. Recently, we have also launched a new programme called Integrated Support Programme for Arable Agriculture Development (ISPAAD), to provide farmers with assistance in the form of seed, fertiliser, ploughing and planting, water and cluster fencing. Seed has already been distributed to most areas, while the Ministry is in the process of sourcing additional fertiliser, where global shortages have driven up costs. To date over 1600 privately owned tractors have been registered for the programme to augment the capacity of Government tractors, an additional 60 of which are now on order for use in the coming months. To facilitate tractor use, we have also waived the need to have a special tractor license for those who already have motor vehicle licences.

43. ISPAAD will develop commercial farming while reducing the need for imported food. I would like to stress that only those farmers who show genuine dedication to their projects will be given continued support.

44. We are further prepared to lease State land to any investors who are truly committed and capable of putting the land to productive use. Government also intends to acquire and reserve underutilised Tribal Land for more productive agricultural usage.

45. Mr. Speaker, financial institutions have often been reluctant to offer loans to farmers in the absence of an agricultural insurance scheme. To facilitate such loan access, and also minimise the risks caused by climatic variability and natural disasters, Government is in the process of introducing a Botswana Contributory Agricultural Insurance Scheme. The CEDA Young Farmers Fund, which has been established to encourage the youth to enter commercial farming, has also now taken off. So far 151 projects have been assisted through the scheme, valued at P58 million.

46. To further expand agriculture, Government is intensifying rural infrastructure development, namely roads, electricity, water, and telecommunications. Options for livestock water development, to assist small herd owners in communal areas throughout the country where water resources are scarce, are being undertaken. Work in this respect is already ongoing in the Kgalagadi and Ghanzi Districts.

47. Mr. Speaker, we have been making significant progress in fighting Foot and Mouth disease in Ngamiland, but unfortunately our efforts received a setback last month with a new outbreak near Kuke, in the Ghanzi District. The Minister will be making a full statement in Parliament about this development.

Health

48. Mr. Speaker, the Health Hub is being established to identify projects and programmes that will make Botswana a centre of excellence in the provision of healthcare services. Amongst its primary projects is the outsourcing of the freight and logistics function of the Central Medical Stores. This project should end the current problems being experienced by the institution, where ineffective structures and processes have created opportunities for fraud, while causing drug shortages and wastage of expired drugs that had gone undelivered.

49. There is no doubt that we have excellent health facilities, but we lack the human capital to optimise their quality of service. It is

owing to this that we rely heavily on our neighbour, South Africa, for some of the specialised care we require. We are therefore in the process of outsourcing portions of hospitals. For example, in Molepolole an agreement is being negotiated with the University of Bonn, Germany, to set up a Cardiac Centre of Excellence at the new Scottish-Livingstone hospital. Such outsourcing to reputable private operators will allow more specialists to establish themselves in our country, thus providing Botswana with services they have hereto had to obtain from outside the country.

50. Mr. Speaker, accessibility of ARVs has been a problem in the past, especially to outlying settlements. Government is now implementing new strategies for distributing ARVs to address the problem. A total of 79 clinics are now offering ARVs on site.

51. Not many Botswana can afford medical expenses for complex ailments requiring organ transplants and specialised therapies. The Ministry of Health has recently developed a policy to improve affordability and accessibility for such ailments. Implementation is on a selective basis using age, probability of success and cost of maintenance as criteria. In recognition of their special challenges, medical fees for old age pensioners and the handicapped have been waived.

52. To bring medical care closer to rural communities, the Ministry of Local Government is upgrading its integrated primary health care services through the recruitment of additional staff and expansion of facilities. To ensure grassroots delivery to rural areas, it has been decided that the medical services provided by doctors and other medical personnel will be organised into 189 clusters around the country, of which just over 100 have already been provided with doctors. This initiative will save people from having to wait a long time or travel long distances to receive quality medical care.

53. In addition, the Ministry of Health is intensifying the recruitment of doctors to address existing shortages, which are especially acute in our rural health facilities.

Education and Skills Development

54. Mr. Speaker, the Education Hub is being established to promote quality education, training and research into such fields as

Science and Technology, Business Management, Mining, Hospitality and Tourism, where we believe that Botswana can compete favourably at the regional and global level, thus creating business and employment opportunities. Like the health sector, the intention is to provide most areas of learning in-country, reducing the need for external placement.

55. Amongst the major projects to be undertaken by the Hub is the opening of the Botswana International University of Science and Technology. Phase I construction is scheduled for completion in December 2010 for enrolment in March 2011. Phase II of the project, to be financed through Public Private Partnership, will start immediately thereafter. Government also intends to sponsor some of our most gifted students to selective world class universities. This will ensure that we have a pool of talent to help us better meet our future challenges.

56. Mr. Speaker, a holistic Human Resource Development Strategy is being formulated as achieving high income status will require an enhanced skill base. Given the dynamic nature of the global economy, there is, moreover, a need for continuous learning on the part of our workforce. On the job training, short term courses and post graduate education must become the norm. While Government will continue to facilitate lifelong learning, the private sector also should play its part, with the encouragement of Government incentives.

57. Indiscipline in schools is of great concern. To mitigate vandalism, substance abuse and other forms of juvenile delinquency, a pastoral system has been introduced in secondary schools. To better ensure discipline among teachers a Teaching Council is being established and the existing Code of Regulations is being reviewed. I have directed that there be no tolerance for indiscipline from the primary through tertiary levels of education, including at the University of Botswana.

Labour and Home Affairs

58. For its part, the Ministry of Labour and Home Affairs is in the process of starting a National Internship Programme to enhance the skills set and marketability of our graduates who may not be immediately employed upon completion. Registration of the

graduates has already started and the programme will commence in January 2009.

59. Mr. Speaker, to promote prisoner rehabilitation and their self-employment, ex-convicts will be afforded the opportunity to use prison facilities for a limited time for training and raising seed capital. The Ministry of Labour and Home Affairs is in the process of starting a pilot project to this effect. To further promote rehabilitation, I ordered the remission of sentences of certain categories of prisoners. This has so far resulted in the early release of 1,039 prisoners, which, I must stress, is conditional on their continued good behaviour. Should they default, they will be sent back to prison to serve the remainder of their sentences.

60. In view of the current security risks posed by illegal ownership of Botswana Passports by non-citizens, the Ministry has been directed to put stringent measures in place to protect this important national document, in line with international expectations as well as domestic concerns. As a result those who lose their passports, especially on account of lack of proper care, can expect delays of up to a year before they are issued with new ones, while cost of such replacements will be up to P1000. Where unconvincing reasons exist for the loss of a passport, a replacement may be denied.

61. Steps have also been taken to clamp down on opportunities for corruption in the Departments of Immigration and Labour, fuelled in part by the influx of illegal immigrants. We have started cracking down on those foreigners who engage in any activities that undermine immigration control by removing them from the country. Citizens who illegally assist such people can expect to be prosecuted.

62. In keeping with our overall commitment to the principle of *therisanyo* (consultation), the Ministry has also redoubled its efforts in engaging labour and employers in matters of mutual interest. Such dialogue should generate concrete proposals on how we can enhance both the quality of life and productivity of our labour force.

63. Mr. Speaker, I am pleased to report that the participation of women in decision making in most levels of public and private life continues to advance. Over the past decade, Botswana has been

ranked among the global top twenty in terms of the percentage of women occupying leadership positions in both the public and private sectors. Women are further reported to makeup over half of those employed in our country in professional and technical fields, while in senior positions in the public service, female representation stands at just above 40%.

64. Today, we can also be proud of the fact that in one of the few areas where we have lagged behind the rest of the world, the recruitment of women into the military, we are finally catching up. Where we have still not yet made sufficient progress is the representation of women in positions of political leadership. - though as of today, at least, we have for the first time a lady as the Leader of this House.

Communication, Science and Technology

65. Mr. Speaker, we live in an era when economic growth around the world is being increasingly driven by knowledge based industries. It is in recognition of this fact that we are establishing an Innovation Hub as a commercial nexus for knowledge creation and innovation. The Hub will cater for ICT and Research and Development companies serving the local and international market. It will also serve as a platform for management training and business support to industry clusters and networks that will contribute to improved productivity and employment.

66. For any society to achieve world-class standards, its professional disciplines must adhere to appropriate norms of conduct based on global benchmarks. In this context, the call for local media practitioners to be responsible and professionally accountable to an independent Press Council with sufficient capacity and credibility ought to be understood as a necessary development for the good of all.

Youth, Sport and Culture

67. In line with the Vision 2016 pillar of a United and Proud Nation, Government has taken the initiative to support different codes of sports. In this regard, appearance fees for official national team games and monthly allowances to local athletes in the Premier League, First Division (North and South) and other sport codes have

been introduced. We will continue to review the strategies to ensure that we develop competitive sportspersons in different codes in order to encourage competition and quality.

68. A programme for inter-constituency football competitions for non league players within districts, including necessary funding arrangements for games and prizes to be won, has also been introduced and will be sustained. So far these competitions are taking place in 53 out of the 57 constituencies (that is in all constituencies except Nkange, Kgatleng East and West, and Gaborone West North).

69. The Ministry of Youth, Sport and Culture, in collaboration with the private sector, has also started implementing projects aimed at identifying non-sport talent. President's Day celebrations are now used to identify talents in various districts and localities in the fields of fine arts, music, dance, theatre, drama, poetry, and comedy, with accompanying incentives to reward the best performers. This dovetails with the Ministry of Communications Science and Technology's ongoing exploration of ways to assist upcoming music artists to record their work.

70. In order to improve coordination of youth activities, each Ministry now has a Youth Officer post. This will ensure that the youth issues are fully addressed by both Government and the private sector. Youth Officers, with funding to support empowerment initiatives, will be posted in each constituency. Youth Officers have further been directed to meet quarterly with the Ministry of Youth, Sport and Culture to present new empowerment opportunities for onward transmission to Cabinet. It is our intention to drive the creation of significant opportunities for youth in all sectors.

71. To broaden our tourism base and protect our cultural heritage, monuments and heritage sites will be established and operated by communities and other interested stakeholders. Twenty sites have been so identified for development during NDP 10. In addition, management plans for various monuments are being drafted.

Trade and Industry

72. Mr. Speaker, as part of our efforts to strengthen our resilience, we have to be aggressive in pursuing the import substitution initiatives in all Ministries to reduce unemployment and grow our

private sector. Progress in this regard has been attained in several areas.

73. Government has been purchasing locally produced goods and services, which include pottery, crafts, and art works. Between April and June, locally purchased goods and services amounted to P240 million. Government has opened up its premises to small scale caterers. I urge Botswana to take advantage of this initiative by producing more quality goods and services, and I urge the private sector and the public as a whole to follow Government's lead. Obviously, our products must be of world-class quality if we are to successfully compete in today's global market.

74. The Local Enterprise Authority (LEA) is fulfilling its mandate of providing business development services to facilitate the success of small, medium and micro-enterprises or SMMEs. Since its establishment last year, the value of investment for import substitution projects by LEA has been over P6 million, with additional funding in the pipeline. Some 7000 customers have approached LEA for assistance, of whom over 70% have passed its screening test and are being assisted.

75. The Ministry of Trade and Industry is also working on mechanisms for major food retailers to accommodate non-Halaal consumers, who are by far the majority of the consumers in the country, by amongst others, providing non-Halaal sections and products in their shops. The Attorney General is drafting a statutory instrument to this effect.

76. The Ministry is also fast tracking its assessment of feasibility of establishing free trade zones, to aid in attracting Foreign Direct Investment for employment creation. The Ministry is further looking into additional ways of easing impediments to doing business in Botswana.

Finance and Development

77. Mr. Speaker, there are concerns that the tax system in Botswana is complicated and a disincentive to investors. We are thus in the process of reviewing the tax system with the aim of simplifying it. In addition, we will continue to seek double taxation agreements to reduce the cost of doing business in Botswana.

78. To further support the growth of the agricultural sector, from next year farm implements and spares will be exempted from VAT.

79. Achieving our vision of a more prosperous and productive nation will require successful local entrepreneurs, as well as dedicated and skilled workers. The Citizen Entrepreneurial Development Agency (CEDA) was established to promote entrepreneurial development and provide finance to local businesses. The CEDA Development Fund has so far approved 177 projects valued at P124 million in the current financial year; bringing the total number of projects financed through the programme to 2,229 at a total value P 1.27 Billion. These have already created 12,567 new jobs.

Environment, Wildlife and Tourism

80. Mr. Speaker, the Ministry of Environment, Wildlife and Tourism has been proactive in its implementation of the Community Based Natural Resource Management (CBNRM) Policy, which Parliament approved last year. Community Based Organisations (CBOs) involved in the sustainable management of our natural heritage are now active in some 150 communities, involving more than 135,000 people countrywide. To improve their governance, CBO constitutions are now being aligned with a model Deed of Trust that was developed in consultation with concerned stakeholders.

81. The need for community involvement in managing local resources is guiding our ongoing efforts to finalise a management plan for the Central Kgalagadi Game Reserve. Following my June 2008 meeting with community stakeholders, it was agreed that Government would consult further with representatives of affected communities to ensure the Reserve's sustainable future. This process is being carried out on the basis of a continued commitment to provide these communities, like all other citizens, with developments such as education, employment, health and other socio-economic amenities that will improve their quality of life. In this respect, there is a common recognition on the part of all internal stakeholders that such developments are not inconsistent with the rich culture of these communities. The notion on the part of some outsiders that any segment of our society wishes to subsist today on the basis of a hunter-gathering lifestyle is, however, an archaic fantasy. The

Reserve's unique natural heritage is an important national resource, which will be preserved for the benefit of the present and future generations.

82. Though wildlife continues to be a treasured asset, we are aware of the damage that fauna can cause to some communities. In this respect, consideration will be given to increased compensation for damaged property where farmers meet their own obligations to adequately secure their livestock and crops. More steps are also being undertaken to combat poaching.

83. A programme to accelerate tree planting is being rolled-out to reduce the impact of soil erosion and also to conserve indigenous tree species. 30,000 indigenous trees are being grown for planting. Forty (40) primary schools are targeted for tree planting and twenty-two (22) schools have already been identified for the programme. I urge Botswana to augment these efforts.

84. To promote development, the Ministry has also been directed to fast track the carrying out of a review of Environmental Impact Assessments.

85. The Ministry is also working to ensure that Botswana maximises the benefits from the 2010 FIFA World Cup. I urge the business community to also position itself to benefit from the event, through opportunities in such areas as tourism, transport, and hospitality services.

Lands and Housing

86. One of the constraints we are facing in attracting outside investment is shortage of serviced land. The Ministry of Lands and Housing is, therefore, working on identification and reservation of bulk land for the Ministry of Trade and Industry (for BEDIA), and the Ministry of Environment Wildlife and Tourism, as well as the Ministry of Agriculture.

87. The SHHA scheme has been reviewed to improve affordability and encourage home ownership amongst low income earners. In line with affordability, interest rates have been waived and the repayment period has been increased. To improve the quality of the structures, the loan has been increased from P20,000 to P45,000. In addition, turnkey SHHA loans are capped at P60,000.

88. Provision of land and housing for the youth is a priority for Government. In this regard, the Ministry is considering the possibility of revising the age limit for land ownership from 21 to 18. We are also in the process of devising strategies for provision of accommodation for young people and public officers, especially in the lower grades.

89. Government will also provide support for a new Instalment Purchase Scheme to be administered by Botswana Housing Corporation. This scheme will provide expanded accessible and affordable housing for rent and purchase by citizens, with those without any form of housing being given priority. To promote ownership a special fund will be set up to facilitate the financing of loans. This will be a big project, for which we are now actively seeking additional finance.

Local Government

90. Mr. Speaker, labour intensive public works used to be a short term job creation programme, but will now become a permanent programme. Besides providing needed employment, this initiative will ensure cost effective delivery in such areas as destitute housing, road maintenance and local authority infrastructure. Under the revised Labour Intensive Public Works Programme P368 million has been voted for this financial year, which will provide work for over 33,000 people per month. Implementation of this programme has already started in most Districts.

91. Given the complexity of today's ailments, Government has decided to upgrade health posts to clinics in line with our goal of ensuring Botswana have access to good quality health service. Nine health posts will be upgraded during this financial year. During NDP 10, many more health posts will be upgraded.

92. The budget for destitute housing will be scaled up to ensure dignity for the less privileged. As part of this initiative, 635 houses will be constructed over a period of three years. In addition, Councils will continue to provide destitute housing through their recurrent budgets. The Ministry of Local Government will engage local builders for construction of such housing. As part of our overall strategy to support small-scale local entrepreneurs, the Ministry has been further

directed to engage local service providers in rural areas to provide for council projects and programmes.

Cross Cutting Initiatives

93. Mr. Speaker, maintenance of assets, anti-corruption, business process reengineering, the environment, filling public sector vacancies, and reaching out for external assistance are cross cutting initiatives, which all Ministries are implementing

94. We are quite concerned about the rising costs and poor services that grow out of inadequate maintenance. To address this challenge we have initiated a process of devolving maintenance responsibilities so that each Ministry and department becomes responsible for the upkeep of its facilities. In terms of road maintenance we shall continue to roll out our Zero Tolerance for Potholes initiative.

95. Ministries are now addressing environmental issues within their purview, as this is more effective than relying on an external party, and they are progressing well in this respect.

Public Service

96. Mr. Speaker, if Government is to be truly “for the people”, its public service must be efficiently staffed with men and women who appreciate that their vocational existence is premised upon the expectations of their customers, the public. In this way the Public Service will have the mindset to act as a facilitator, rather than bottleneck, in our broader efforts to realise sustained economic growth and social development.

97. We have put in place enhanced Public Service Standards throughout Government, with performance measures that are open to public scrutiny to better meet both domestic expectations and the demands of globalisation. We are also reinforcing our Code of Conduct for Public Officers.

98. To ensure delivery and quality control, Government has further embarked upon a course of Business Process Reengineering. Since the inception of this initiative over 340 bureaucratic procedures have been reengineered and dozens of service standards launched and publicised.

99. All Ministries and Departments have also been instructed to ensure that they promptly fill all vacancies. While some progress has been achieved, it is important that these efforts be sustained to avoid backsliding.

100. As we move forward, we need to intensify our efforts to tackle bureaucratic red-tape, which will have the further effect of reducing opportunities for corruption. The introduction of e-Services will be a key instrument to our achieving this result. In this respect, Government is investing in the necessary infrastructure to ensure that Information and Communication Technologies (ICT) become a driver, rather than impediment, to progress.

Accountability

101. Mr. Speaker, the success of all of these programmes, projects and initiatives will require effective monitoring and evaluation, to allow us to track progress and redirect our plans as appropriate. It is owing to this that the Government Implementation Coordination Office (GICO) has been mandated to coordinate all Government projects, programmes and policies, while leading and driving its monitoring and evaluation efforts.

102. I wish to reiterate that development requires accountability and commitment. To achieve such discipline, six monthly reviews have been instituted across all branches of Government, by which Ministers and Permanent Secretaries are held accountable and are rated for the performance of their Ministries. I also have quarterly briefings with all Ministries. I have further warned that failure to perform, at both the political and official level, will have consequences.

103. I am pleased to report that our efforts to build a society of achievement, based on world-class standards, are showing signs of success. In just the past few weeks, the World Economic Forum in Geneva commended us as this year's most improved competitor. We have likewise improved our overall rank in the World Bank's recently released "Ease of Doing Business Index", which cited us as being among the world's top regulatory reformers. Our scores have also risen in the latest Transparency International Corruption Perception Index, where for the 13th year in a row, we were cited as being the least corrupt country in Africa, as well as among the least corrupt

countries in the world; and the 2008 RS World Risk Survey, where we are ranked in third place globally as a destination for mineral investment.

104. Most recently, and of special note, has been the award of this year's "Ibrahim Prize for Achievement in African Leadership" to Former President Mogae. On behalf of a grateful nation, I congratulate him for this great honour.

105. Such fresh accolades, along with our steady record as a global leader for political stability and prudent resource management, should not make us complacent. In today's competitive world we must always strive to do better, and I intend to accomplish this.

BOTSWANA AND THE WORLD

106. Mr. Speaker, while the onus is on us to take responsibility for our future, we also need the support, partnership and cooperation of the rest of the world. It is thus necessary for us to continue to actively participate in the shaping of trans-national issues and developments that affect our country. In an increasingly borderless world, our own prosperity is dependent on the prosperity of our neighbours and others in the global community.

107. We must therefore seek opportunities beyond our borders by marketing our country as a destination for investment and tourism. We must further commit ourselves to strengthening bilateral relationships and improving our contribution to the work of sub-regional, regional and inter-continental organisations and initiatives. In this respect, we are all proud of the continued international mediation and oversight efforts being played by Former President Sir Ketumile Masire.

108. While we now have diplomatic relations with 130 countries, due to our limited resources we have only 19 resident diplomatic missions. It is, therefore, important for us to strengthen our ties with other nations through the effective implementation of bilateral agreements and proactive participation in multi-lateral institutions.

109. Although membership in various international organisations comes with financial and other obligations, which are often burdensome to small countries such as ours, the price of remaining aloof is higher. There is a host of issues on which we need to play an

active role. Whilst we respect the principle of non-interference in the internal affairs of sovereign states, and remain cognisant of the fact that our capacity to influence world events is limited, we shall discharge our international responsibilities in line with our own values, regional protocols, and global consensus, voicing our opinion as and when we feel it is justified to do so.

110. This is what we have been doing in the context of developments in Zimbabwe, where we remain seriously concerned about the failure to form a Government that is widely accepted by the people of that country. We are of the further view that it is important for all SADC member states to uphold the regional standards they have collectively and voluntarily adopted. We strongly believe that the one viable way forward in Zimbabwe is to have a rerun of the Presidential Election under full international sponsorship and supervision. That way a repeat of the past runoff Presidential election, which was declared by regional and international observers to be neither free nor fair and was characterised by intimidation, violence and brutality, can be avoided. It should be unacceptable for ruling parties to seek to manipulate election outcomes to extend their stay in power, as this is bad for democracy on our continent.

111. As a least developed country at independence, we once depended heavily on the support of friendly countries and organisations. We arrived to where we are today in part because of the help we then received. Even though we are now better off, we still need and benefit from generous external assistance. I, therefore, wish to take this opportunity to acknowledge and thank all of the countries who have assisted us over the years. In addition, I further wish to thank the many organisations, companies and individuals, domestic as well as foreign, who have also generously supported us and who continue to contribute to our development endeavours.

Global Financial Crisis

112. Mr. Speaker, the recent international financial crises is a further reminder that we are part and parcel of an interdependent world. So far its impact on our economy has been limited, though this could change. Our own financial sector remains strong and has not as yet been much affected by the credit crunch. Our foreign exchange reserves have also not been compromised and can

cushion any immediate impact on our balance of payments. Due to past savings government spending can be sustained in the face of any short-term revenue downturn.

113. The situation, however, remains volatile, with the prospect of declining commodity prices and a general slowdown in trans-national investment. The main risk to us is the crisis' potential effect on diamond exports. We will continue to carefully monitor the situation and fine tune strategies to minimise any adverse domestic consequences. In so doing, we will be guided by our longstanding recognition that Government acts as a steward of public resources for the citizenry of tomorrow, as well as today. We shall thus not drain our current holdings without regard for the future, whilst ensuring that we minimise any negative impact on the private sector, which depends largely on Government spending for the health of their businesses.

114. The potential impact of the global financial crisis is also affecting our ongoing preparations of the tenth National Development Plan, and the need, therefore, to carry out the extensive consultations we have been undertaking with various non-government stakeholders in its preparation. I have directed that the Plan be tabled in Parliament for discussion during the March/April 2009 Budget Session, at which point we will be in a better position to know our likely revenue earnings more accurately.

CONCLUSION

115. Mr. Speaker, in the final analysis, the ultimate goal of all our efforts is to build a nation that provides for the dignity of each and every citizen. We should be open to diverse contributions, while remaining united in our own diversity. While those entrusted with leadership have an obligation to be responsive to the public's concerns, all Batswana should recognise their own role as development partners. This calls for a renewed commitment to self-reliance and unity of purpose, which can be summed up as patriotism. Elsewhere, others celebrate their achievers - men and women who excel in various fields of endeavour. Let us be similarly proud of our own individual and collective accomplishments.

116. Our political pluralism will once more be on display in the coming year when we go to the polls. Like many of you, I am

disappointed that the voter registration process has not achieved its targets. The Independent Electoral Commission is providing additional opportunities for registration. I appeal to those who have so far failed to register to do so. Let me also take this opportunity to state that I have no intention of abandoning our tradition of holding general elections in the month of October.

117. Finally, as we, individually and collectively as a nation, face our challenges; let us together seek God's blessings and guidance. For in doing so we set ourselves on a better path in life. Embrace God's teachings and you embrace your fellow country men and women, and we will succeed in ridding ourselves of all that is evil and remain with what is good inside us and between us. I thank you.
PULA!