

SUPPORT FOR INDEPENDENCE

*An Evaluation of 27 Years
of Development Co-Operation with Botswana*



BY STEFAN DAHLGREN, TYRELL DUNCAN,
ALLAN GUSTAFSSON AND PATRICK MOLUTSI

Authors: Stefan Dahlgren, Tyrell Duncan, Allan Gustafsson and
Patrick Molutsi

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Corrigendum

Due to an unfortunate technical error, the first paragraph of Chapter 2 (page 15) in this book is incomplete. The first line of the paragraph is to be found as the last line of page 13.

The first paragraph of Chapter 2, page 15, should be as follows:

Very soon after Botswana's independence in 1966 the government succeeded in attracting a number of bilateral donors. The main reasons were two: the country's poorness and its vulnerable position as a neighbour to the minority-ruled states of South Africa and Rhodesia. Sweden was among the first countries to provide development assistance.

SIDA Development Assistance to Botswana 1966 - 1993

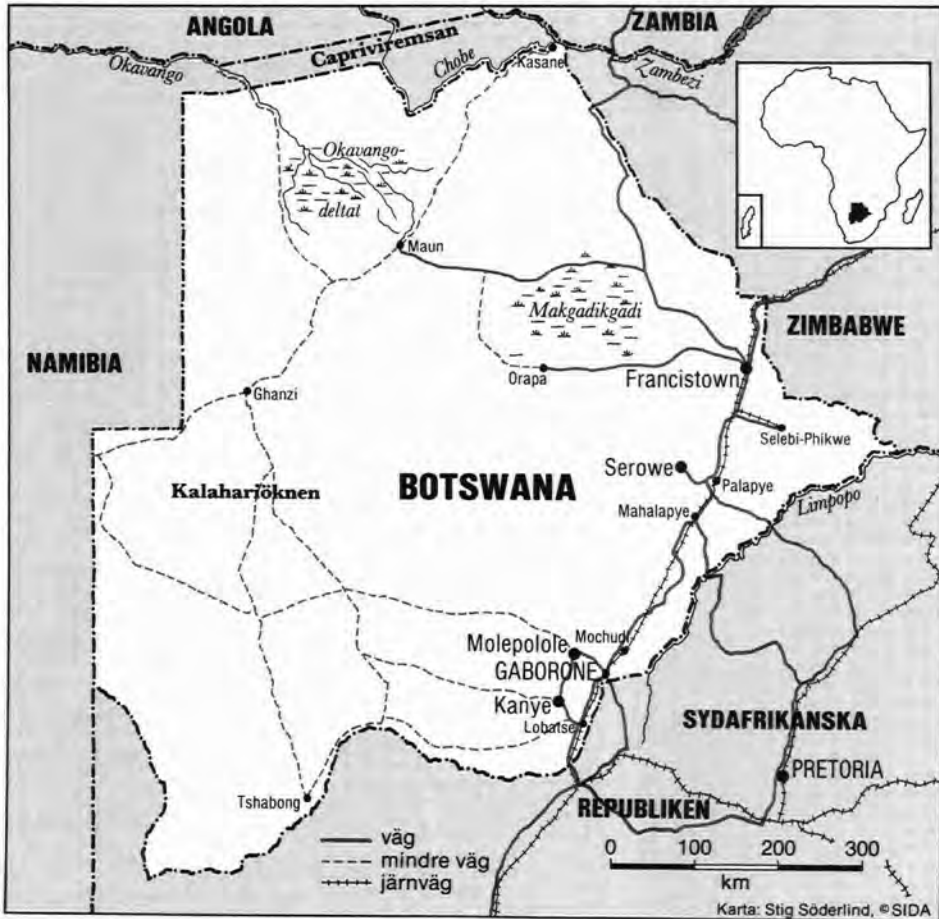
**An evaluation
of 27 years of development
co-operation**



Final Report – September 1993

**by
Stefan Dahlgren
Tyrell Duncan
Allan Gustafsson
Patrick Molutsi**

MAP OF BOTSWANA



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PREFACE

This is the report from an evaluation of SIDA development assistance to Botswana 1966-1993. It can be divided into three parts: chapters two and three are mainly descriptive, chapters four to six discuss various aspects of development assistance both generally and in relation to the SIDA assistance to Botswana, and chapters seven to eleven provide our conclusions, again taking one aspect at a time in separate, short chapters.

The descriptive parts in the report – a brief account of Botswana's development and a description of Swedish assistance – take a fairly large proportion of the report, but we consider them necessary for the subsequent discussion and assessment of the effects of the development efforts. Readers familiar with Botswana may skip these parts. However, the economic, political and social periods outlined in chapter three are essential for the analysis of the relevance of the assistance and should be kept in mind.

Undertaking an evaluation of the effects of a country development assistance programme after more than 25 years is an enormous – some would say impossible – task, especially considering the limited amount of time allotted to the exercise. Nevertheless, we have tried to provide a fair and comprehensive picture of what has been done and what has been achieved as well as provide suggestions about the immediate future for Swedish development assistance. We want to point out that the report is the team's product and it does not express official views of neither the Government of Botswana, nor SIDA.

During our work we have been met with great openness and helpfulness, both by people in Botswana's administration, at various development agencies in Botswana and at SIDA, and we want to thank those who have helped us.

Stefan Dahlgren
Team Leader

ACRONYMS AND ABBREVIATIONS

ALDEP	Arable Lands Development Programme,
ALSP	Accelerated Land Servicing Programme
ARDP	Accelerated Rural Development Programme
BDP	Botswana Democratic Party
BEDU	Botswana Enterprise Development Unit
BNF	Botswana National Front
BPP	Botswana Peoples Party
BRIDEC	Brigades Development Centre
CIDA	Canadian International Development Agency
CSO	Central Statistical Office (in Gaborone)
DCC	District Development Committee
DCO	Development Co-operation Office (SIDA's office; now Swedish Embassy)
DDSS	District Development Sector Support Programme
DLGSM	Department of Local government Service and Management
DPSM	Directorate of Public Service Management
DWA	Department of Water Affairs in the Ministry of Mineral Resources
EBU	Educational Broadcasting Unit
FAP	Financial Assistance Policy
GDP	Gross Domestic Product
ILO	International Labour Organisation
JC	Junior Certificate
MFDP	Ministry of Finance and Development Planning
MLGLH	Ministry of Local Government, Lands and Housing
MOH	Ministry of Health
NatCap	National Capacity Building
NDP	National Development Plan
NORAD	Norwegian Agency for International Development
PK fund	SIDA's Personnel and Consultancy fund
PTA	Preference Trade Area (Southern and East African countries)
P	Pula, Botswana currency
RADP or RAD	Remote Area Dwellers Programme
RSA	Republic of South Africa
SACU	Southern African Customs Union
SADCC	Southern African Development Cooperation Conference

SADC	Southern African Development Community
SDR	Special Drawing Rights
SEK	Swedish Krona
SHHA	Self-Help Housing Agency
SIDA	Swedish International Development Authority
SIPU	SIPU International, a Swedish consultancy firm
TGLP	Tribal Land Grazing Land Policy
ToR	Term of Reference
UK	United Kingdom
ULGS	Unified Local government Service, a unit within the MLGLH, now DLGSM
UNDP	United Nations' Development Programme
USAID	USA's International Development Agency
USD	US Dollar

EXECUTIVE SUMMARY

Sweden has supported the Government of Botswana with bilateral development assistance through SIDA since Botswana's independence in 1966. The assistance has been in the form of grants to projects and programmes as well as technical assistance. In total SEK 1,428 mill. have been disbursed. The main areas have been water supply, education, district development, small scale industry development and capacity building. Sweden is one of the largest bilateral donors to Botswana.

Over the more than 25 years of development assistance there have been considerable changes both in Botswana and in the nature of Swedish assistance. The purpose of the evaluation is to assess the effects of Swedish development assistance to Botswana and to summarise results and experiences from projects and programmes before the present bilateral agreement expires by the end of June 1994.

The evaluation covers the whole period of Swedish assistance through SIDA, i.e. 1966-1992. Its focus is on three topics: the *relevance* of Swedish assistance through SIDA, the *effectiveness* of the various programmes and projects, and the *long-term impact* of Swedish interventions. The evaluation was carried out between February and May 1993.

The main conclusion is that Swedish assistance to Botswana has been quite successful in comparison to aid efforts in other African countries. It has clearly contributed to Botswana's development in the main sectors, which are also central for the country's needs.

There are some exceptions from these generally positive experiences: an early livestock farm project, co-funded with IDA, and the small industry support programme. Some components in the sector programmes have been less successful and have been abandoned or suspended, but this does not affect the overall effectiveness of the support.

When relating the type and composition of the programmes to Botswana's situation at different periods during these 27 years, it seems that on the whole the support was relevant, i.e. targeted at problems that needed assistance from abroad at that time. This conclusion is also valid for the present situation.

The strengthening of Botswana's independence from the Republic of South Africa was one of the main reasons for assisting the country from the beginning of Swedish aid. It is difficult to find activities that in the short run have been important for the independence objective. In practice, the objective of reducing poverty, especially for the rural poor, which was implicit during the first years and later clearly spelled out, has been the true objective for SIDA assistance.

However, from an early stage Sweden accepted Botswana's view of what political and economic independence means: the creation of a nation with established institutions and infrastructure, which could be run and maintained without unwanted, outside influence. In that respect the Swedish objective has to a considerable degree been fulfilled.

Within each of the main sectors it has been supporting, SIDA has found Government to be receptive to its contributions towards policy dialogue and provision of technical assistance and consultancies to support this process. As a result SIDA has had a positive influence on the development of policies and design of programmes and projects.

Botswana is very skilful in handling donor funding and has from early on made it clear who is determining the use of it. The key reasons seem to be the ability to make the donors accept the priorities in the NDPs and that a formal framework is established and adhered to.

In view of Botswana's relative prosperity during the last ten years it is not possible to argue that the donors have created a dependence on aid in financial terms. The political ambitions to provide basic welfare on a certain level to all citizens during a short time period together with a readiness from donors to assist have, however, created a situation where Botswana has committed itself to programmes that continue to depend on foreign expertise. This is illustrated in the water programme, where it is possible to talk about a dependence on aid from SIDA; if SIDA steps out now there is a serious risk that the programme would deteriorate.

Experiences from SIDA's small industry development programme (admittedly ten years old) and Botswana's own FAP point towards the need for a new strategy for economic development. However, judging from NDP6 and NDP7, Botswana as well as the donor community seems still to be searching for a comprehensive vision or theory or plan of how to achieve the development "takeoff" needed for successful economic diversification.

SIDA has been among the leading donors in departing from the convention of only supporting "development" in that most of its support for capacity building is directed at improving the performance of recurrent activities. While SIDA should continue to avoid programmes with direct budgetary support for recurrent activities there is a strong case for SIDA support for capacity building, training and streamlining of recurrent provision.

The present situation is rather fragile, first of all because of the shortage of trained and experienced people from the country. It will yet be a some time before a sufficient number of Botswana will be able to satisfy the demand for manpower in all sectors and before institutions have reached a stable level of proficiency. Outside expertise, through donors or otherwise, will be needed for many years to come.

INTRODUCTION

1.1 Background

Sweden has supported the government of Botswana with bilateral development assistance through SIDA since Botswana's independence in 1966. The assistance has been in the form of grants to projects and programmes as well as technical assistance. The main areas have been water supply, education, district development, small scale industry development and capacity building.

During the 27 years since independence Botswana has gone through a tremendous change from a low-income, largely agricultural based economy with an undeveloped infrastructure and poor educational system to one of the most prosperous economies in Africa, a stable, democratic political system and a still fairly small, but growing cadre of well trained professionals in the private and public sectors.

In spite of the rapid economic development, a substantial proportion of the population still earn their income by subsistence farming and have little opportunity of sharing the income-opportunities in the modern sector. There are therefore large income disparities between different segments of the population. The economy is vulnerable since most of the foreign currency income, which also constitutes the main source for prosperity, is from one activity only – diamond mining. Other reasons for concern are fast population increase, rapid urban growth and a high level of unemployment.

Sweden is one of the largest bilateral donors to Botswana. The present agreement amounts to 180 million SEK over two years, 1992-1994. In connection with the general cuts in development aid in Sweden, the Swedish government has proposed a decrease of the country frame during the last year of the agreement.

1.2 The evaluation – purpose and timing

Over the 25 years of development cooperation there have been considerable changes both in Botswana and in the nature of Swedish assistance. Although many evaluations, sector reviews and other studies make it possible to follow how the Swedish assistance to Botswana has evolved, no comprehensive assessment of the

overall effects of the SIDA programmes exists. SIDA has decided to review the results and evaluate the role of Swedish support to Botswana before the present bilateral agreement expires by the end of June 1994. Discussion about the new programme will take place during the beginning of 1994. The evaluation is intended to provide an input into discussions on the future size and content of Swedish development assistance to Botswana.

The purpose of the evaluation is to assess the effects of Swedish development assistance to Botswana and to summarise results and experiences from projects and programmes. The evaluation covers the whole period of Swedish assistance through SIDA, i.e. 1966-1992.

The evaluation was carried out between February and May 1993 and comprised three phases. The first phase was an overview of the various SIDA-financed projects and programmes, based on documents in SIDA archives in Stockholm. Data and parts of the text from the overview are used in this report and it will not be published separately.

The second phase was a country study, where Botswana's development since independence was described and analysed in a concise report. The main parts of the country study are included in this report (chapter 3). Because of the limited time available, the country study was confined to identifying major trends and explanations of Botswana's development, particularly those which have had relevance to Swedish development assistance.

The third phase was the evaluation, and the fieldwork in Botswana was carried out during three weeks at the end of April and beginning of May 1993. Preparations for phases II and III were made during a visit to Botswana by the team leader in March.

Terms of Reference for the evaluation were drafted by SIDA's evaluation unit in collaboration with the Ministry of Finance and Development Planning (MFDP) in Gaborone, SIDA-DCO in Botswana and SIDA's secretariat for Southern Africa. After further discussions with MFDP the ToR were elaborated in an addendum, where the tasks to be carried out in phase II and III were further specified (see Appendix 1).

1.2.1 The evaluation team

The team for the main phase comprised four members:

Mr. Stefan Dahlgren, head of SIDA's Evaluation Unit, Stockholm, team leader,

Mr. Tyrrell Duncan, economist (Maendeleo Botswana (Pty) Ltd.), consultant to SIDA,

Dr. Allan Gustavsson, economist (Scandinavian Project Managers, Stockholm), consultant to SIDA,

Dr. Patrick Molutsi, sociologist (lecturer at the University of Botswana), con-

sultant to SIDA.

The country study (phase II) was prepared by Tyrrell Duncan and Patrick Molutsi. The overview (phase I) was compiled by Ms. Katja Wählström at SIDA, Stockholm.

1.2.2 Method

The evaluation task was approached in three ways:

- compilation and discussion of findings from previous evaluations, reviews and other studies,
- analysis of trends in Botswana's development during various periods in relation to composition and volume of Swedish development assistance,
- interviews and discussions in Botswana with government and district staff, representatives from SIDA and consultants or employees in SIDA-supported programmes and projects.

The general approach is outlined in the ToR. The focus is on three topics: the *relevance* of Swedish assistance through SIDA, the *effectiveness* of the various programmes and projects, and the *long-term impact* of Swedish interventions.

Very soon after Botswana's independence in 1966 the government succeeded in

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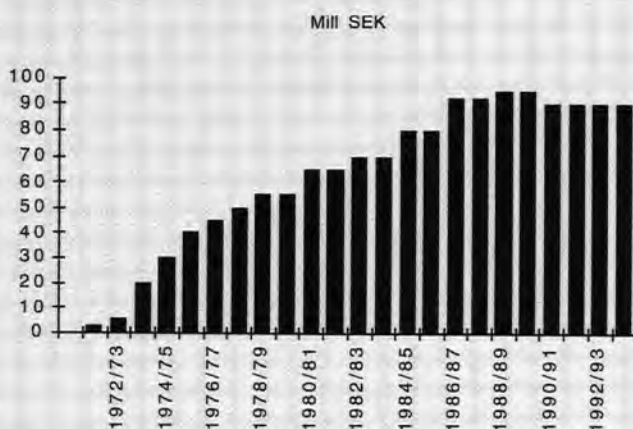
DEVELOPMENT ASSISTANCE TO BOTSWANA

attracting a number of bilateral donors. The main reasons were two: the country's poorness and its vulnerable position as a neighbour to the minority-ruled states of South Africa and Rhodesia. Sweden was among the first countries to provide development assistance.

2.1 Swedish assistance to Botswana

Botswana has received bilateral assistance from Sweden since 1966. It began on a modest scale with scholarships to students and support to Swaneng Hill school in Serowe. It was soon expanded to include support to some secondary schools, a vocational training centre (co-financed with ILO) and somewhat later a number of libraries in major towns were built and equipped through SIDA. The first bilateral agreement was signed in 1971 and the same year SIDA opened an office in Gaborone. Up to 1970/71 SEK 5,7 mill. was disbursed.

Fig 2-1 Volume of bilateral agreements (two-year agreements are split in half over two years)



During the first ten years of co-operation the volume gradually expanded from less than SEK 5 mill per year to SEK 60 mill. During the most recent seven years the volume remained around SEK 90 mill per year. The present agreement, covering two years, is SEK 180 mill.¹

From the outset three main areas were defined in the SIDA support programme: education, water supply and rural development. Over the years the activities in each sector have changed, but the composition of the programme has largely remained. Outside these sectors SIDA supported a small scale industry programme from 1973 to 1990 and electrification of major villages during 1975-1983. The Personnel and Consultancy Fund has been and still is SIDA's channel in Botswana for handling technical assistance, including both persons on SIDA contract and persons employed directly by the government of Botswana, sometimes with so-called topping-up. (The relative size given below for the main sectors are slightly misleading since most of the money in the fund should be distributed over the various sectors to give a proper picture of resources spent for different purposes.)

2.1.1 Objectives of Swedish assistance

Initially Swedish development assistance to Botswana was included in a programme for Southern Africa, aimed at the three newly independent states Botswana, Lesotho and Swaziland, but it was not very coherent as to the means. Several projects involved co-financing or parallel financing of education or vocational training together with Unesco or ILO. There was, however, a clear idea behind the support. The original reasons for assistance were given in the Swedish government's proposal to the Parliament in 1968:

"--- Furthermore development assistance co-operation would, for diplomatic reasons, be possible to be commenced with countries outside the range of main recipient countries. With this motivation development assistance has commenced in the neighbouring countries of the Republic of South Africa Botswana, Lesotho and Swaziland" ---.

"Furthermore special development assistance activities have been carried out to the benefit of countries in a sensitive position. Such a programme is commenced for Lesotho, Botswana and Swaziland." (Translated from Swedish Government Bill 101:1968)

In a summary of the first country programme for Botswana in 1971 SIDA quotes the parts above and concludes:

"These reasons indicate that the objective for Swedish development co-operation to Botswana is to lessen the country's dependence on South Africa."²

¹ The amount for the second year in the present agreement was later decreased to SEK 67,5 mill. All amounts mentioned here and in subsequent table and figures are at current prices.

² SIDA project documents are usually in Swedish. Translation of parts quoted in this report was undertaken by the evaluation team. Project documents used for the evaluation are listed in App. 3. Document headings are also given in English translation in this list.

It can safely be concluded that the origin of assistance to Botswana was political and that the main objective was set in relation to South Africa. It was SIDA's task to find means for achieving this objective, laid down by the Swedish parliament.

SIDA outlined the following strategy, which is very broad indeed:

"The task for Swedish development assistance should be to support Botswana's government in its efforts to create an economic development which is as independent and balanced as possible. The sectors primarily in focus will be strengthening of domestic institutions, rural development, development of domestic industry and education."

Education was in fact already an established area, albeit on a modest scale, at the end of the 1960s with scholarships to refugees from the region and support to Swaneng Hill School as the origin of Swedish support.

One of the very first projects that Sweden through ILO supported in Botswana was the building of a teachers training college in Francistown. The preparations were carried out even before independence, at the end of 1965 and beginning of 1966. The government of the then Bechuanaland motivated the project in the following way:

"Bechuanaland, to become an independent nation in September 1966, less than a year away, has a total population of 543,105 people living in a country 222,000 square miles in extent. Of this population only 32% is literate in Setswana, the country's mother tongue, and 22% in English. There are 270,000 people who have received no education at all, that is some 50% of the population. The present supply of indigenous people who will be required to govern the newly independent land next year, to man its public service, to run its few industries, to operate commercial services, to maintain and expand internal communications and to raise livestock and till soil is woefully small. There are in fact only 91 persons indigenous to the country with degrees or diplomas, only 581 with matriculation and only 1,745 with Junior Certificate, --- 'If any significant change is to be made to alter this situation and unless Bechuanaland is to be forever dependent upon the good-will of neighbouring and other countries or a mere pawn in emergent Africa that change must come now. It must moreover initially be one which yields the earliest possible dividend. Educated men and women are needed today."

It is obvious, and not very surprising, that both countries recognised that education was essential for this nation-building, but that it would also be necessary to receive assistance for virtually all activities in the new country. The donor's problem was to target the aid to relevant areas in an effective way.

The 1971 country programme indicated the following possible areas for SIDA support: rural development in general, livestock farming, education (educational equipment, vocational training, adult education, scholarships for higher education), industry, village water supply, roads, rural health and government administration. With the exception of the health sector, SIDA has to a greater or lesser

degree supported projects in all these sectors. The rural development emphasis was established early but it was soon further emphasised in both the programmes for education and for water supply. Also the strengthening of government functions came early, these areas later merging into the district development support programme.

Two years later, in 1973, SIDA says that:

"The primary objective for Swedish assistance is to create an opportunity for the country to reach the economical and political independence she aims for, firstly from South Africa and Rhodesia. Against this background Swedish assistance should be carried out in programmes and projects that are conducive for increased production with domestic resources. In addition, support should be given to increase the education level among people in Botswana so that they, in the shortest time possible, will be able to take over the running of activities in various sectors".

This way of phrasing the objectives remained during a number of years with only slight variations in the latter part. In 1976 it was also stated that "Botswana's own objectives for social and economic development fit well with the overall objectives for Swedish development assistance". That was emphasised in later documents, e.g. in the 1984 proposal.

However, already in 1977, in its proposal to the Swedish government of a renewed country programme for Botswana, SIDA strikes a slightly critical tone: "The policy of economic and social equity that the government [in Botswana] advocates, is far from fulfilment." In the same document SIDA suggests that the assistance should be concentrated to the existing sectors, viz rural development (infrastructure in rural areas), education and development of small industry, but that new sectors may be considered for future support. In that case 'care should be taken that projects and programmes are designed so that they are well in line with Botswana's efforts towards strengthened political and economic independence as well as social and economic equity."

The next year, 1978, is the first time when SIDA includes 'social and economic equity' together with 'political and economic independence' in the phrasing of the objectives of the development assistance programme for Botswana.

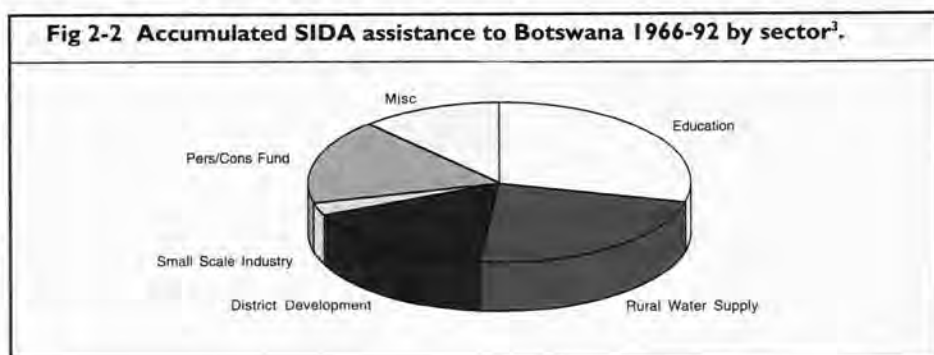
The proposal from SIDA in 1982 says that the main reason for development assistance is and has been to decrease dependence on South Africa. However, it also points out that the only conclusion from the present situation is that "Botswana during the foreseeable future does not have any alternative to continued economic and political co-existence with South Africa", but that the country has 'within the borders of her limited opportunities' made every reasonable effort in order to achieve independence in the long run. The SIDA document also says that Botswana's role within SADCC suggests new possibilities in this respect.

The objectives remained similarly phrased during the next decade. From 1984

and onwards SIDA demanded, however, that procurement in South Africa should be decreased and eventually cease completely. As a further means to guarantee this, part of the funds are tied during several years to procurement in Sweden, which was and is contrary to the norms for Swedish development assistance.

2.2 Volume and duration of projects

The character of SIDA aid to Botswana has kept a relatively steady profile over the years. The focus of co-operation has been concentrated on three sectors: rural water supply, education/culture and district development. There was also a substantial support to development of small scale industries. A considerable share of the aid flow has been given in the form of technical assistance. From 1982, the Personnel and Consultancy fund was used as the channel for technical assistance. The distribution of the accumulated volume of aid among sectors is illustrated in Fig 2-2 below.



At present the following sector agreements are in force:

- Education and culture. The support runs according to an agreement for 1992/93-94/95, comprising SEK 50 mill.
- Rural water supply runs according to a one-year extension agreement (1992/93), comprising a grant of SEK 20 mill. The rural water supply support will be phased out during this period.
- District development support runs according to a three year sector agreement (1990/91-92/93) comprising SEK 78.4 mill.
- The Personnel and Consultancy fund, runs according to a two-year co-operation agreement (1992/93-93/94) which comprises a grant of SEK 50 mill. .
- Support to Botswana Railways is issued from the Personnel and Consultancy

¹ Detailed figures are in appendix 5

fund. A phasing-out agreement of SEK 9.6 mill. is in force for technical assistance during 1992/93-93/94.

2.2.1 Sector co-operation – history and results

(a) Education and Culture

SIDA support to education in Botswana started in 1966. From 1974 onwards, the education support was funded through sector agreements. Until 1992/93 the total amount of disbursements to education, was SEK 405.1 mill. The main purpose has been support to basic education for adults and children.

Education support has been determined by the following agreements:

Agreement	I	1974 - 78	SEK 35 mill.
	II	1976 - 79	SEK 45 mill.
	III	1978 - 81	SEK 25 mill.
	IV	1979 - 84	SEK 50 mill.
	V	1980 - 84	SEK 35 mill.
	VI	1982 - 85	SEK 50 mill.
	VII	1985 - 88	SEK 64 mill.
	VIII	1988 - 92	SEK 75 mill.
	VIII	1992 - 95	SEK 50 mill.

Aid to education started with support to secondary schools in the late 1960s. SIDA funding was used to build three secondary schools: Madiba, Swaneng Hill and Shashe River. In the beginning of the 1970s, support started to include primary schools as well. Throughout the 1960s and 1970s most support was for financing construction of secondary and primary schools, accommodation for teachers and procurement of equipment. Financial support also went to construction of an annex to the National Museum, the National Archives and 15 library branches in rural areas.

Between 1972 and 1982 financial support amounting to SEK 13,3 mill. was given to the "Third Country Training" project. This was a scholarship programme which provided higher education abroad (in Africa and Europe) to students from Botswana. Support also went to the Brigades, which offered a combination of technical training and theoretical education to students who were not attending regular secondary schools, and to the Botswana Polytechnic Institute, which provided training in natural sciences and engineering.

In 1986/87, a new strategy was launched for the education support. This was put into effect mainly after 1989 and implied a gradual phasing out of the infrastructure support. Now the support was to be geared towards capacity building and institutional building within the education and cultural sector. The character of the aid changed from a "hardware" to a "software" orientation. In



PHOTO: T. ROND LAMSEN

Support has been given to construction of primary schools. Above a group of children in a primary school in Rakops.

concrete terms, this meant an increased support to basic education and cultural activities. During 1988/89 - 91/92 the support to museums and libraries constituted 30% of the total volume of aid to the sector.

The focus on software has in turn led to an increase in technical assistance to the sector. During the 1970s, technical assistance primarily had the form of pure financial contributions. SIDA contributed only a limited number of personnel. Among these were a few consultants who evaluated the construction of schools and an limited number of teachers who were involved with improving primary and secondary school education.

During the period 1973/74 - 81/82 SIDA support contributed to *the construction of 1,346 classrooms* (85% of all primary school classrooms which were built during this period), 488 accommodations for teachers and 3,200 sanitary installations. Total disbursement of SEK 122.9 mill. went to construction of primary schools during this period. The support also was used to purchase of school equipment. This created funding for more than 70,000 new primary school students during this period. SIDA support went exclusively to small villages in rural areas, constituting 75% of all SIDA investments in primary schools in rural areas and 66% of the total SIDA financial investment in primary schools. During the 1980s the support continued to provide additional construction of classrooms, teachers' accommodation, sanitary installations and equipment. SIDA support to construction and maintenance was terminated in 1990/91.

In order to support *the production of teaching aids*, the Teaching Aids Produc-

tion Unit (TAPU) was supported by SIDA between 1983-92. Over time TAPU became more of a production unit than a centre for development and improvement of teaching materials, as was originally intended. Hence, the support from SIDA was gradually decreased and was terminated in 1991/92. Between 1988/89 - 91/92 SEK 1.3 mill. was disbursed.

In order to support the reformation of the educational sector throughout the country, SIDA has supported *studies and evaluations* within the Ministry of Education since 1982. During 1988-92 SEK 2 mill. was disbursed.

The *national literacy programme* has received SIDA aid since 1980. The support to the operating budget of this programme was terminated in the late 1980s, and was replaced by support to education of teachers and post-literacy education for adults. The literacy programme received the largest amount of aid within the education sector during the agreement period 1988/89-91/92. The total disbursement was SEK 17.5 mill.

In the late 1980s, under the programme of *special education*, SIDA supported construction and purchasing of equipment to a centre for diagnosis and advice to handicapped children. In order to support capacity building at the centre, a project of institutional co-operation has been started between the centre and the Programme of special teachers training, at the Institution for Teachers Education (Lärarhögskolan) in Stockholm. Between 1988/89 - 91/92 SEK 4 mill. was disbursed.

The *Brigade Training* provides technical and vocational training to young people. It has received various kinds of SIDA assistance. The Brigades Development Centre, BRIDEC, is a government institution for training of Brigade instructors. Between 1988/89 - 91/92 SIDA provided SEK 11 mill. in financial support to the reconstruction of BRIDEC's facilities and for tools and utensils.

Between 1986 and 1988 the *Educational Broadcasting Unit* (EBU) was given support for construction of a new building. After this the support went to institutional co-operation between EBU and its Swedish equivalent (Utbildningsradion). The purpose was to offer education to technicians and producers and to provide advice to EBU. The support has thus predominantly been in the form of technical assistance. This co-operation has been subject to a number of problems due to lack of capacity on the part of the personnel and the management of EBU. An evaluation showed that co-operation will not be successful until a planned reorganisation of the EBU has taken place. In the meantime limited consultancy assistance will be provided. During the period 1988/89- 91/92 SEK 5.5 mill. was disbursed.

Under support to *museums* the construction of the annex of the National Museum in Gaborone (concluded in the end of the 1980s) was supported by Sweden. In order to help the museum staff to cope with the increase in activities, as a result of the new annex, institutional co-operation was initiated with the Ethnographic Museum in

Stockholm. This co-operation provides education and advice to the museum staff in Botswana. SIDA assistance has also been given to the extension of the mobile museum service. During 1988/89-90/91 SEK 15 mill. was disbursed to the museum support.

The *extension of library services* in Botswana has been given SIDA assistance since the 1970s. The support has mainly been used for building and furnishing 18 library branches around the country. During the period 1988/89-91/92 more than SEK 3 mill. was disbursed.

Support was given to the Women's Affairs Unit (a unit under the Ministry of Labour and Home Affairs) for a pilot project which provides *education to poor women* with families to support. SEK 5 mill. was allocated to this project, which was not a part of the sector agreement. A project for environmental education at the University of Botswana has also been supported. This came from the Environment grant.

During the present agreement period, 1992/93 - 94/95, the aid to education continues to the above mentioned components. In addition, there is a special grant of SEK 5.3 mill. for special studies in the education, used for e.g. the National Education Commission. The present education sector agreement covers SEK 50 mill.

Evaluations

Two education sector evaluations have been carried out by SIDA, one in 1982 and one in 1986. The findings of both evaluations were fairly positive. The second evaluation concluded that the aid has worked out well and that it has helped Botswana to reach its education reform goals. It also advocated increased institutional development and research activities within the sector. It pointed out that Swedish aid has contributed to the achievement that 90% of all Botswana children today are able to attend primary school. A fact-finding study on the school-building programme was undertaken during the first half of 1993 as preparation for an end-of-programme evaluation in 1994.

In addition SIDA has taken the initiative for several other evaluations and reviews of components in the education sector programme. They are listed in appendix 3.

(b) Rural water supply

SIDA has supported the water sector since 1971. A total sum of SEK 293.4 mill. has been disbursed (until June 1991). An additional 65 mill. SEK has been disbursed through technical assistance. The water support will be phased out after a one year extension (1992/93) of SEK 20 mill.

Several ministries are involved as recipients. The Department of Water Affairs (DWA) in the Ministry of Mineral Resources is responsible for the construction of water installations. The Ministry of Local Government, Lands and Housing, (MLGLH⁴), is responsible for operation and maintenance of the installations and

⁴ The Ministry of Local Government and Lands, MLGL, was recently renamed the Ministry of Local Government, Lands and Housing, MLGLH.

the Ministry of Health is responsible for health information and environmental hygiene. The Directorate of Public Service Management is responsible for technical assistance to the water sector.

The purpose has been to improve the living conditions of the rural population. Primary target groups are women and children.

The SIDA assistance has been given in the form of financial support and technical assistance. During the 1970s and until the beginning of the 1980s, the water sector programme mainly dealt with boring of wells and construction of distribution networks in rural villages. During the 1980s, the support changed to financial contributions to maintenance and operation of already existing installations and equipment. Today, the aid continues for maintenance and repair of established installations, for education of Botswana personnel and provision of information about health, sanitation and hygiene. SIDA has also financed the development of the National Rural Sanitation Programme Strategy and a number of studies which have served as a background to policy decisions concerning the organisation of the water sector in Botswana.

In short, the aid has changed from a clear hardware profile to a firmly established software orientation. Technical assistance reached its peak in the beginning of the 1980s, when twenty contract employees were stationed at DWA. The number of contract employees has since decreased. This form of technical assistance will be terminated during the extension period 1993/94. Technical assistance during 1989/90-91/92 consisted of ten experts working at DWA and two at MLGLH. In 1991 technical assistance amounted to eight people. Five of these were contract employees, and three were hired through consultancy firms.

During the period 1985/86-88/89 the water sector support amounted to SEK 101 mill., not including costs for technical assistance which were financed through the Personnel and Consultancy fund (see below).

During the agreement periods 1985/86 - 88/89 and 1989/90 - 91/92 the following components were given support:

- The Department of Water Affairs. The support was given in order to develop alternative technologies for water supply, education of personnel for the water programme, rehabilitation of wells and vehicles, research on ground water, water quality control and a (decreasing) financial support of construction of new installations.
- The Ministry of Local government, Lands and Housing received support for rehabilitation and construction of water supply installations already in progress and development of systems for operation and maintenance.
- The Ministry of Health (MOH) received support for hygiene education.

During the latter period a new component was assistance to MLGLH for capacity building at district level. The purpose was to secure that operation and maintenance of water supply installations could be carried out at the local level.

Support to the water sector will be terminated in 1993. In order to facilitate a gentle and gradual termination, a one-year extension of the sector-agreement was signed to cover an additional allocation of SEK 20 mill. during 1992/93. The extension agreement has the following components: additional construction/rehabilitation of existing installations (MLGLH), improvements of sanitation conditions in rural areas (MLGLH), hygiene education (MOH), and provision of equipment to DWA.

Evaluations

Two independent evaluations of the water programme, conducted in 1984 and 1988, found that the programme has been successful. They stated that the capacity to run the programme has been good and that SIDA support has contributed to



PHOTO: STEFAN DAHLGREN

Pump station for water in Kalkfontein, western Botswana.

600,000 Batswana in rural villages having access to clean water within walking distance. Water supply installations and equipment have functioned well and operational errors have been corrected within reasonable time. Despite these satisfactory results, the most recent evaluation (1988) did point at some shortcomings of the programme. One concerned the lack of participation on the part of the local population in the operation and maintenance of the installations. It also revealed that the co-ordination between water, health and sanitation activities has been weak. The evaluation also pointed to the fact that measures ought to be taken to increase the influence of village populations – especially women – over decisions concerning water management at the local level. The evaluation also indicated that the cost effectiveness of the water programme has been low. A final evaluation of the water programme is planned to early 1994. A pre-study, summarising result and facts, was carried out in May 1993.

(c) District development Support (DDSS)

SIDA has supported the District Development Sector Support Programme (DDSS) since 1979. The accumulated sum of disbursements amounts to SEK 257 mill. (1992/93). The objective of the programme is to strengthen the administrative capacity of local authorities at district level and create conditions for decentralisation of decisions to the country's nine administrative districts. The primary target groups have been staff and elected representatives at rural districts. Over time Swedish support has changed its focus to more software support, i.e. consultants, support for training and financial support for scholarships etc.

The Ministry of Local government and Lands, MLGLH, has the responsibility to run the projects within DDSS. SIDA contributions have been provided in three different forms:

- (i) financial contributions to projects (approved by MLGLH and run by the districts),
- (ii) financial support for scholarships and education (in Botswana and abroad) of district staff,
- (iii) technical assistance to MLGLH and to a certain extent to the district administration, in order to plan and run the projects and train the staff.

SIDA assistance has been organised in the following four phases:

- DDSS I (1979 - 83)

During the first phase the assistance comprised financial contributions to construction of infrastructure, i.e. offices and habitations for district employees in rural areas. SIDA support amounted to SEK 50 mill.

- DDSS II (1983 -87)

During this period, the focus of SIDA support changed to capacity building of the districts and of the Unified Local government Service, ULGS, (a unit within the MLGLH, which is responsible for personnel development). The SIDA support was SEK 60 mill.

- DDSS III (1987 -90)

The support continued with the same focus as during the preceding period. The SIDA contribution amounted to SEK 68 mill.

- DDSS IV (1990 -93)

The direction of the support continues. SIDA disbursements amounted to SEK 53.8 mill. during 1990/91 and 91/92. In 1992/93 disbursements have thus far been SEK 24.6 mill. The total sum of disbursements during DDSS IV until now is SEK 78.4 mill.

The projects listed below have received and still receive the major part of the support:

- Education and training of staff within the districts (Unified Local government Service Training). The largest part of the SIDA assistance between 1982/83 - 90/91 went to this project. The aim of the project is to develop a programme for internal education within the districts and to strengthen the personnel and development unit within MLGLH, the Unified Local government Service (ULGS). The support has been channelled through the Swedish consultancy firm SIPU International. Support has gone to training by consultants within the fields of: administration, management, water sector expertise and financial management. Purely financial contributions have gone to scholarships to district staff and institutional training within the programme.
- District Physical Planning, DPP. The support has been given in the form of consultants through Swedeplan (the consultancy unit of the Swedish Board for Habitation and Physical Planning, Boverket). The goal of the project is to strengthen physical planning capacity at district level. Swedish support has been provided since the beginning of the 1970s. The largest part has been technical assistance (contract employees for SIDA). In 1988 the SIDA support changed to consultancy assistance at the Department of Town and Regional Planning, DTRP. Another minor project which aims at improving the capacity of mapping is also receiving support since 1989 in the form of an expert (through SwedSurvey) at the Department of Surveys and Lands.
- Operation and maintenance of water installations in villages (maintenance of District Water Supplies), including both maintenance of water installations and training of personnel. Swedish support has also included three smaller projects which were phased out in 1991:
- Local Authority Development Grants. Support was given to MLGLH for contributions to development projects run by districts.
- Remote Area Development. The project aimed at creating dwellings and service to the population in remote rural areas (predominantly Basarwa).
- Employment creation in rural areas through labour-intensive public works.

The districts could apply for contributions in order to pay short-term employees at infrastructure construction sites.

During the present phase part of the support continues to be for the same three projects as during the 1980s, viz. training and capacity building of district staff, physical planning, operation and maintenance of water installations in villages.

The current co-operation agreement runs until June 1993. A one year extension of the agreement is planned for the period July 1993-June 1994. The proposed amount for the extension is SEK 15 mill. Botswana has submitted a proposal for the co-operation during the extension. It calls for a continuation of the present co-operation, i.e. support to physical planning and to ULGS (or DLGSM which is the new acronym). Only a few changes are suggested for the extension period. These are: a general decrease of the co-operation (SIDA has given around 25 mill. SEK annually, as compared to the 15 mill. SEK now suggested), a larger share of short-term consultants (especially within the education programme of ULGS) and a corresponding decrease of long-term consultants. The support to operation and maintenance of water installations is suggested to be phased out in 1993. SIDA will, in addition, suggest a termination of the mapping component. Five long-term consultants are presently employed within the Physical Planning project. The suggestion for the extension period is to keep only one long-term consultant at half time and otherwise hire only short-term consultants. The plan for DLGSM is to cut the number of long-term advisers from five to three. It is suggested that support to the training programme will be provide very limited technical assistance. In addition, SIDA contributions shall no longer be used to finance institutional training.

Evaluations

An evaluation of DDSS III (1987-90) found that the support had improved the capacity of the districts to provide services and to run development projects. But the results had not been enough to keep pace with the considerable increase of requirements, which the fast economic progress had created. The staff development programme of ULGS was one example of a programme which was not able to keep the pace with this development. Another problem was that highly skilled staff prefer the private sector, which offers better payment and better working conditions. The experience of the personnel development programme proved nonetheless to be good and it had accomplished an indisputable improvement of the capacity within the districts.

The experiences of the four smaller projects mentioned above (Local Authority Development Grants, District housing, Remote Area Development and Labour-intensive Public Works) had, on the contrary, been generally bad. These projects received SIDA support exclusively in the form of financial contributions. The districts had generally failed in planning and running the projects. This was due partly to shortcomings of the capacity within the districts and to complicated administrative routines and rules which were established at MLGLH. The co-

ordination of DDSS activities was less successfully managed on the part of the Botswana authorities. SIDA support had been looked upon more as ad hoc contributions to different projects than support of a district programme

The most recent evaluation of the programme covers DDSS IV and was carried out in 1992. DDSS IV comprises three parts: training and management development in the districts, support to physical planning in the districts and production of maps. The evaluation found that results from the first part are good, especially in-house training at the various district headquarters. Training at external institutions was less successful, and the recommendation was that future activities should be limited to in-house training. The evaluation recommended also that management development should be directly linked to specific decentralisation projects.

Capacity-building for physical planning was hampered by the conflicting interest of producing immediately needed plans, and planners from abroad had less time than expected for training. For this part the evaluation recommended a programme which should be more specifically targetted at support and on-the-job training of Batswana planners. The map production project was highly successful and could be expected in the near future to finance its own activities through fees.

The evaluation concluded that the programme was quite satisfying concerning the overall objectives, i.e. increasing the capability at the district level to implement development project and give services to the citizens. However, the governments's decentralisation process was unfortunately slow and had showed little progress during the programme period.

(d) The Personnel- and Consultancy Fund (PK fund)

The fund was established in 1982. The total sum of disbursements (up until 1990/91) is SEK 165 mill. The PK fund is used for technical assistance, education and consultants. It has been used to support education of Batswana personnel (within government/district administration) through financing of work-related courses. It has also been to used finance consultants within areas where Sweden is considered to have outstanding expertise.

The fund has provided SEK 25 mill. annually since 1986/87. 50% of this has gone to technical assistance and 50% to provision of consultants. But usage of the latter part has in reality been lower, due to lack of adequate consultancy assignments. A total sum of around SEK 40 mill. has been disbursed to the consultancy activities, up to fiscal year 1990/91.

The Directorate of Public Service Management (DPSM) is responsible for administration of technical assistance and provision of personnel to the central government administration. A corresponding unit, the Department of Local government Service and Management (DLGSM), is responsible for the same task at district level. The Ministry of Finance and Development Planning is responsible for co-ordination of consultancy services provided by foreign aid.

The most common form of technical assistance has been contract employment,

ie personnel hired on contract by SIDA. Technical assistance reached its largest share in the beginning of the 1980s when more than 40 contract employees were hired. In the middle of the 1970s a approach to employment of technical assistance started. This was the so-called direct recruitment, which means that staff is employed directly by the Botswana government but paid through SIDA support. In 1990 a separate agreement of a modified form of direct employment was signed. During the period 1992/93 - 93/94 contract employment will be phased out.

The present agreement for the PK fund runs between 1992/93 and 93/94 and amounts to SEK 50 mill. The fund is being used for limited projects within the co-operation sectors, for example studies, and in other areas which are of importance for the Botswana administration. The consultancy part of the fund is now also financing two long-term activities. One is technical assistance to the railway project (see below) and the other one to the National Water Master Plan. A few small projects within environmental education are also being financed, for example, the environment education at the University of Botswana. From 1993/94 all support to the environment sector will be channelled through a separate environment grant. SEK 5 mill. for 1992/93 and SEK 10 mill. for 1993/94 of the fund's budget has been earmarked to support institutional co-operation between Botswana and Sweden.

The PK fund has contributed to improving the Botswana administration's capacity. A number of consultancy reports have been used for decisions concerning highly strategic investments, policy issues and legislation. Several Swedish corporations and institutions have been introduced to the Botswana market through the consultancy fund. Technical assistance through contract employment used to need an comparatively large administrative input, both from the development co-operation office and SIDA in Stockholm. Through direct recruitment this problem is avoided and, in addition, personnel employed through direct recruitment seem to have adjusted more easily to working conditions in Botswana. In accordance with this experience, SIDA decided in 1990 to terminate contract employment and only use direct recruitment in the future.

The experience of technical assistance in the form of individual aid workers is considered to have had a limited impact on sustainable capacity building (but no separate evaluation of this subject has been carried out in Botswana⁵). Consequently, individual aid workers have been replaced by institutional co-operation within a number of different fields, for example within education/culture and district development. (This kind of support is financed over the sector agreements and is not included in the PK fund.) The Consultancy fund has proven to be a flexible form of aid. The only problem has been that proposals for consultancy activities, on the part of Botswana, sometimes have been very few.

⁵ A joint Nordic evaluation on technical assistance, based on case studies in three African countries in 1987 concluded that this form of aid was not always efficient and recommended that it should be considerably decreased.

Two comparatively large projects have been financed within the PK fund: support to Botswana Railways (1986–1993) and the Road Traffic Safety Project (1985–1992).

Botswana Railways

The purpose of support to *Botswana Railways* was to contribute to national independence and economic development. Consequently, the aim of the support for the rehabilitation of the railway has been to help Botswana obtain efficient rail transportation which can compete with automobile transportations as well as with other railways in the region. The costs of transportation would thus decrease and incomes would be generated from transit traffic. Railways are also a form of transportation which does not endanger the environmental balance of the country.

The railway in Botswana is a part of the network which connects the SADC countries with five harbours in the region and in South Africa. Until 1987 the railway in Botswana was owned by Zimbabwe. When Botswana took over the ownership in 1987, the railway needed extensive repair. Sweden decided to finance a train control and telecommunications system and to provide technical assistance to a unit for operation and maintenance of those systems.

The first agreement for the SIDA support covered 1986/87–88/89, and constituted a grant of SEK 56 mill. Most of this was taken from the SIDA allocation to SADCC and was used for purchase of train control and telecommunications systems. The other SEK 10 mill. was taken from the PK fund and was used for technical assistance, i.e. engagement of four experts and provision of education of local personnel. Swederaail Consulting AB was commissioned by SIDA to recruit the experts. The second agreement for the continuation of technical assistance to Botswana Railways, covered the time between 1989/90–91/92 and contained an additional grant of SEK 12 mill. from the PK fund.

The present agreement for technical assistance to the railway covers the period 1992/93–93/94 and provides an allowance of SEK 9.6 mill. from the PK fund. The support to the railway will be phased out during this period.

SIDA has carried out two reviews of the railway support. These showed that the training of Botswana staff took much longer than was originally planned. The reasons were considered to be the difficulties in finding qualified Botswana personnel and equal difficulties in finding Swedish personnel who were able to conduct both installation work and training duties. Despite these difficulties, the Swedish support has led to the accomplishment of the full installation of a train control and telecommunications systems with capacity to function within a much larger railway system, a thorough repair of the old telecommunications system and the establishment of an educational unit.

Road Traffic Safety Project

The objective of the project was to bring down the number of road accidents in Botswana. The means to achieve were information to the general public (in schools



PHOTO: ANDERS GUNNARZ

A road accident caused by melting asphalt, near Kanye village.

and through the radio and television), training of key personnel like driving instructors and vehicle inspectors, production of information material and provision of mobile test equipment.

The project ran between 1985 and 1992 and SEK 15.6 mill was disbursed from the PK fund. During the last agreement period the contribution from government of Botswana was an additional SEK 2.7 mill. The Swedish consultancy firm SweRoad was in charge of the implementation, which is considered to have been carried out efficiently.

However, road accident figures showed no decrease during the project period, but it is open to judgement what would have happened without the project. A main reason for the small immediate impact of the project is assumed to be lack of legal instruments to induce drivers to behave more carefully; virtually all cases are brought to higher court with long delays and a decreasing respect for traffic rules. At present road accidents in Botswana are estimated to cost the equivalent of SEK 150-190 mill each year.

(e) The Small Scale Industry Programme

SIDA supported a small-scale industry development programme during 1973/74 - 1989/90. The total sum of disbursements was SEK 47.4 mill.

The purpose of the programme was to create employment opportunities through the establishment of viable small-scale enterprises, owned by Botswana.

The intention was also that these enterprises would employ local workers and use local raw-materials.

The support consisted of financial contributions and consultants, who were hired through a Swedish consultancy firm. Technical assistance consisted of Swedish consultants at Botswana Enterprise Development Unit (BEDU) and at various industries. The consultants performed market surveys, studies and advisory tasks. Financial contributions from Sweden went to investments, industrial construction and purchase of equipment. BEDU, a unit within the Ministry of Industrial Affairs, ran the project.

Evaluations

The small-scale industry support was phased out in 1990. The reason was that the programme, according to a very critical evaluation in 1988, did not show satisfying results. The evaluation stated that "successful implementation – has been hampered by a confused mixture of contradictory ambitions. The major contradiction has been the one between the necessary long time horizon and the short run targets which have been the guiding principles of implementation." Also the organisation was not very successful with the two major actors functionally too distant from each other.

In the evaluation's opinion the design of the programme stressed fast job-creation too much at the expense of long-term capacity building and was not taking the difficult conditions for domestic industry in Botswana into consideration. For that reason several projects with doubtful future were supported and although it seemed at first sight that new employments had been achieved, a more critical scrutiny revealed that out of several hundred new jobs that the programme claimed, only fifteen remained indisputable. The evaluation concluded that "the resulting effects – have been meagre, the development impact small, and, consequently, the cost effectiveness of the programme turns out to be low". The recommendation was the programme should be terminated but allowed one year for phasing out the activities.

2.3 Other donors: areas, volumes and trends

2.3.1 Overview

During the first decade the establishing of international relations provided the basis for Botswana to attract foreign aid from a wide variety of sources. For the donor community Botswana came to represent a compelling case for support. In terms of per capita income it was among the 25 poorest countries in the world at independence; it was a landlocked country surrounded by hostile racist regimes; it was a practising democracy, and its development objectives and plans seemed to generally offer a model of good sense. Even when, towards the end of the second

decade, Botswana attained the per capita income of a middle-income developing country, most donors continued to find sufficient reason to maintain aid contributions. Over most of the second decade and even during the third decade Botswana received the highest aid per capita in Africa (USD 231 in 1989). For many of its principal donors, including SIDA and NORAD which have had the largest bilateral aid programmes, the levels of per capita aid contributions to Botswana were higher than for any other country that they were assisting.

Table 2-A Development expenditure financed by foreign aid ^{a)}

	1966/67 (Rm)	1969/70 (Rm)	1976/77 (Pm) ^{c)}	1986/87 (Pm)	1990/91 (Pm)
Sweden	..	..	7.0	18.2	43.3
UK	3.2	2.9	3.4	2.3	0.4
USA	..	..	4.4	3.7	0.5
Norway	..	..	6.4	11.6	13.9
World Bank Group	..	0.1	4.5	15.3	8.9
Other	3.4 ^{b)}	1.9	4.4	131.2	110.2
TOTAL FOREIGN	6.6	4.9	30.1	182.3	177.2
Domestic Dev. Fund (DDF)	..	..	7.5	224.1	918.6
TOTAL DEVELOPMENT FUND	6.6	4.9	37.6	406.4	1 095.8
Foreign Funding Share	100%	100%	80%	45%	16%

^{a)} Figures refer to expenditure under the government budget and are generally *exclusive* of technical assistance and training.
^{b)} Figures under "other" for 1966/67 refer to loans raised through local branches of commercial banks.
^{c)} About the change from Rand to Pula see section 3.1.3 below.

Source: Annual Statements of Account

By the early 1990s the absolute level of aid inflows had started to decline. Various donors decided to reduce their aid programmes in view of Botswana's favourable financial position. According to UNDP's classification of countries, Botswana's graduation from the category of "least developed country" to "middle-income developing country" will become effective 1994⁶. By 1992/93 the share of the development budget funded by donors had fallen to 14 percent. Whereas in NDP7 MFDP had assumed that donors would provide P 2.8 billion or some 20 percent of the development budget over the plan period (1991-1997), by mid-1993 it was considered unlikely that foreign aid would exceed P 2 billion.

2.3.2 Sectorial distribution of aid

In overall terms foreign aid has focused on the provision of necessary infrastruc-

⁶ According to most economic and social indicators Botswana has attained the status of middle-income developing country. An important exception is that it has yet to achieve significant industrial diversification as would be expected of a middle-income country. It has also been argued that Botswana faces special disadvantages through being landlocked, because of difficulties associated with low population density and remoteness, and through the continuing political problems and instability in South Africa.

ture and on attempting to improve the livelihood of the rural population. Based on UNDP estimates of total development aid *inclusive* of technical assistance and training, the sectors which have been the leading recipients of foreign aid are transport and communications, human resources development, agriculture, natural resources and health. Since the mid-1980s most donors have given greater emphasis to capacity building and training, as reflected in the sharp rise in aid provided for human resources development.

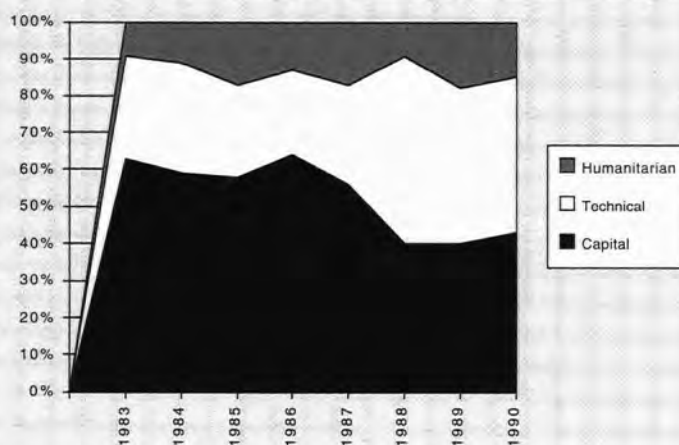
Table 2- B Trends in sectorial distribution of foreign aid

	1983	1985	1987	1989 ^{a)}	1991
Human Resources	15%	14%	15%	23%	27%
Transport & Comms	21%	12%	15%	14%	32%
Agric/Forestry/Fisheries	8%	5%	6%	11%	5%
Health	6%	6%	10%	8%	5%
Natural Resources	20%	34%	19%	13%	6%
Humanitarian Aid/Relief	9%	17%	17%	4%	3%
Other	20%	12%	18%	27%	22%
TOTAL	100%	100%	100%	100%	100%

^{a)} Data for 1989 onwards were collected according to revised definition of sectors and may not be strictly comparable with data for previous years.

Source: UNDP Development Cooperation Reports

Fig 2-3 Trends in Composition of Foreign Aid by Type⁷



Source: UNDP Development Cooperation Reports

⁷ Detailed figures are in appendix 5

2.3.3. Development capital versus technical assistance

During the first two decades the majority of foreign aid was provided in the form of capital assistance for investment in provision of infrastructure and facilities. Alongside growth in Botswana's ability to provide investment capital from domestic sources, over the 1980s and early 1990s donors have concentrated an increasing share of aid on technical assistance, which may be expected to comprise more than half of aid over the first half of the 1990s. This reflects the commonly-held view among donors that Botswana's greatest needs are for capacity building and training rather than budgetary support.

2.3.4 Bilateral and multilateral donor support

Bilateral donors have been the major source of foreign aid to Botswana, accounting for roughly two-thirds of aid over the 1980s, with most of the remainder being provided by World Bank, African Development Bank, EEC and UN agencies. Over this period most bilateral aid was provided in the form of grants, such that the proportion of aid financed by grants amounted to two-thirds of aid and loans accounted for one third.

The aid programmes of Botswana's major donors have tended to retain continuity of sectorial emphasis over the years, with a steady shift over the 1980s from "hardware" to "software". The broad features of the aid programmes of Botswana's largest donors are summarised below:

- UK** During the first five years after independence UK grant aid for both development and recurrent budget support constituted the majority of foreign aid received by Botswana. With the subsequent diversification of Botswana's sources of aid, support from the UK was concentrated mainly on providing technical and manpower support for education and training, institution building, development planning, project implementation and also security. UK was among the first donors to switch from "hardware" to "software";

- Sweden** After providing aid on a small scale from 1966 onwards, a SIDA Development Cooperation Office was established in 1971. Since then aid from SIDA has been consistently among the highest of Botswana's donors. SIDA's overall aims have been to promote economic and social equity and to lessen Botswana's dependence on South Africa. Assistance has been concentrated mainly in three sectors: education, rural village water supply and district development. As Botswana has become better able to finance development from domestic sources, there has been a gradual shift in SIDA support from "hardware" to "software", with the current emphasis being on building of knowledge, developing local competence and strengthening institutional capacity. SIDA has also increasingly supported environmental protection and gender awareness programmes;

- Norway** Aid to Botswana began in 1972 and had similar objectives to SIDA, in terms of helping to alleviate poverty and providing support in the face of sanctions

against Rhodesia and South Africa. Most NORAD support has been for rural transport and health, notably rural roads and rural health centres. Technical assistance has represented around one third of NORAD support. By the early 1990s NORAD was in the process of reducing the size of its aid programme, mainly by phasing out capital aid and concentrating on capacity strengthening. NORAD's emphasis on rural development and its concern to target Norwegian aid towards disadvantaged groups led to a major new involvement in supporting the Remote Area Development Programme to assist the *Basarwa*.

- **USA** Aid to Botswana commenced in 1973. A main focus has been on training and education, particularly through training of teachers, in-service training and technical assistance. The other focus has been on employment creation, including major agricultural improvement and extension programmes, support for rural industries and – since the mid-1980s – on supporting development of the local private sector. A further new involvement has been in natural resource management, with emphasis on policy development, institution building and community involvement.

- **Germany** It was not until 1975 that Botswana began to receive aid from Germany. By 1982 Germany was briefly the country's largest bilateral donor but its contribution has since declined. The largest contribution was in capital aid for construction of the Morupule Power Station. Germany has supported a wide range of technical assistance projects including mineral exploration, technical training and support for small-scale enterprises. At the end of the 1980s Germany By the early 1990s Germany had shifted its emphasis from capital projects to technical assistance and reduced its aid programme in Botswana, having decided that Botswana no longer needed comparatively high levels of aid.

- **World Bank and other multilateral agencies** Botswana has received continuing support from the World Bank Group, the UN Agencies, African Development Bank and various other multilateral agencies. World Bank loans have been provided mainly for large capital development projects, beginning with roads projects and the Shashe Project during the late 1960s and early 1970s and then extending to include education, livestock, urban development, water supply, development finance, power and health. Dialogue has been maintained with World Bank regarding formulation of economic policy, most recently with respect to financial sector reform and industrial development policy. Botswana has often been upheld as a model of national economic management by World Bank officials.

2.3.5 Aid management

Successful use of foreign aid depended on government establishing capacity for aid management and donor co-ordination. In comparison with many other developing countries, government was successful in ensuring that donors provided

support in accordance with its priorities, guide-lines and specific projects and programmes as outlined in the national development plan. Through its dialogue with donors Botswana has consciously sought to match donors to spending programmes (rather than vice-versa), to subject donor funded expenditures to normal government spending procedures (sometimes in parallel with the donor's procurement procedures), to retain continuity of donor involvements in particular activities and to avoid wasteful duplications of effort among donors. The ability of Botswana to make good use of aid funding is a significant explanation of the continuation of high levels of foreign aid.

2.3.6 Trends in donor support

As with other developing countries, aid to Botswana has been subject to trends and fads in donor support. At an overall policy level, donors have increasingly been emphasising good governance, respect for human rights, private sector development and reduction in defence spending. Botswana's favourable standing in terms of good governance and human rights, and its general support for private sector development, have meant that it has been well placed to benefit from these trends, with some donors choosing to continue their programmes in Botswana when arguments have been raised that they should pull out. Botswana has sought to deflect criticism of recent high levels of defence spending by arguing that this represents a "once-only" initiative to relocate military airport facilities from central Gaborone to make way for expansion of University of Botswana, and also that since construction is well advanced it would not now be possible to reduce the scale of the project.

Alongside the declining trend in the size of donor programmes in Botswana, several major donors have adopted a policy of "cost sharing" – which seeks to secure local commitment to providing financial contributions on the assumption that Botswana no longer faces a financial constraint. By 1993 aid from UNDP was subject to a local contribution of 50 percent of costs, while USAID required 25 percent local contribution and aid from UK was subject to similar arrangements. As budgetary conditions become tighter over the mid-1990s it is likely that donors and government will have to keep such cost sharing arrangements under review, since finance may yet re-emerge as a constraint and Botswana may in some cases decide that the services provided by a particular donor could be more cost-effectively procured without donor involvement.

In terms of the sectorial distribution and type of aid provided, most donors have become increasingly interested in providing support for environmental issues, capacity building and institutional support; private sector development; and poverty alleviation. This has been accompanied by the general shift from "hardware" to "software". A key concern expressed by donors with respect to these trends is that it is not feasible for all donors to be accommodated within these favoured

sectors, particularly in view of Botswana's general policy of reserving sectors on a long term basis for particular donors and also in view of shortages of implementation capacity. A further practical concern is that in respect of private sector development – and, to some extent, poverty alleviation – neither government nor the donors have yet established a clear strategy or plan and there are few established modalities for implementation. In contrast with the majority of aid programmes in the past, there is not yet an adequate framework within the NDP for guiding aid to private sector development. Such a framework is clearly needed if Botswana is to make effective use of aid in these areas.

Apart from private sector institution building and training by USAID, many donors appear to have assumed that Botswana is now ready to graduate to more commercial forms of aid, particularly through formation of joint ventures between firms in the country of the particular donor and local private companies. However, very few Botswana companies are yet strong enough to benefit from support for such joint ventures – as has been demonstrated by the poor results so far from joint venture promotion efforts by Sweden and Norway.

2.3.7 Need for donor support

As Botswana has developed so its needs for foreign aid have changed. In the immediate post-independence period the rate of national development was dependent on financial support from donors, both to provide foreign exchange and as budgetary support. Over the boom years the accumulation of reserves and budget surpluses meant that – despite continuing high levels of foreign aid – the development budget and balance of payments could increasingly be financed without external support and without depleting reserves. Over this period the importance of foreign aid was perhaps greatest in terms of providing technical support to reduce the impact of short and medium term manpower constraints and helping to establish long term means of strengthening capacity through support for development of training institutions and institutional strengthening.

By the early 1990s – just as the years of surpluses had ended and government was having to adjust to slower growth and tightening of expenditures – some donors were finally considering the possibility of cutting their aid programmes in Botswana. It is a concern within government that, after investing so much in Botswana, donors might withdraw from Botswana before it has been possible to sufficiently consolidate the country's comparatively fragile economic success. Unlike countries in South East Asia which experienced rapid growth over the same period, when Botswana reached middle-income status there appeared to be little scope for expansion of its main economic activity and no other new sources of sustainable growth had been determined. It cannot be so confidently assumed that over the medium term Botswana will also be able to sustain its previous strong economic performance without foreign aid.

In the process of emerging from its comparative isolation and inexperience as a nation, Botswana has used its relations with donors as a "window on the world" through which to determine models, standards and in some cases technologies for its development. Without donor support Botswana would presumably have been obliged to rely mainly on South African advice and sources of supply. The likely outcome would have been dilution of Botswana's political independence and adoption of the kind of flawed and inefficient approaches to planning and policy which present such a challenge to post-apartheid South Africa. When combined with government's ability to manage and coordinate foreign aid, the donor community has provided an important means of sounding out ideas and learning from the successes and failures of development in other countries. With a few notable exceptions the government has generally welcomed the advice which has been forthcoming from donors – without the donors being seen to interfere unduly or impose outside views on Botswana's affairs. In some instances donors have helped to promote policy dialogue where this was lacking or concerning issues which government regarded as sensitive – such as defence spending, the gap between rich and poor, and the position of disadvantaged groups including women and the *Basarwa*. While Botswana may no longer depend on foreign aid to fund its development programme, the country's comparative youth, disadvantages associated with its geographical position and the troubled situation of its neighbours, together suggest that it is not yet ready to go it alone. Botswana continues to need to be able to turn to its friends in the donor community for technical support, ideas and advice.

BOTSWANA'S DEVELOPMENT

3.1 Economic development

With a land area of 582,000 sq.km. and a population of 1.3 million Botswana is one of the most sparsely populated countries in the world. Much of the country is comprised of desert or arid scrubland and offers only limited agricultural potential, mainly for cattle farming. Following the discovery of diamonds during the late 1960s Botswana has achieved rapid economic growth over three decades and has been cited as a model of economic management among developing countries.

At independence in 1966 Botswana was one of the world's poorest countries. Eighty years of colonial rule had been characterised by neglect, as Britain sought to minimise the costs of administering an apparently barren country. Apart from the railway line, the development of communications and infrastructure had barely commenced. Little attention had been given to education so that the population was largely illiterate and extremely few qualified Batswana were available to fill professional and technical positions. The overwhelmingly rural population depended mainly on traditional agriculture for their livelihood, with cattle farming being the mainstay of the economy. The tiny modern sector of the economy was largely based on the cattle abattoir at Lobatse and production of associated cattle by-products, almost entirely for export to South Africa. With few other exploitable economic activities the country's economic prospects seemed bleak. At birth Botswana was a country largely without resources or institutions, making it difficult to distinguish from a "reserve in the periphery of South Africa."

Most of the first decade after independence (1966-75) – as charted under the Transitional Plan and the first two national development plans – may be characterised as a period of *emergence from poverty*. This saw the establishing of the core institutions of government, the policies and plans for national development and the beginnings of mineral-led economic growth. Key developments during this period were the discovery and subsequent development and exploitation of copper-nickel at Selebi-Phikwe and diamonds at Orapa. Other important factors were the ending of the mid-1960s drought; gaining access to the EC market for beef (at prices in excess of world prices); re-negotiation of the Southern African Customs Union (SACU) agreement on more favourable terms, and; the rapid

economic strategy was refined towards achieving rapid returns from capital intensive mining ventures, and; re-investing those returns so as to improve the living standards of the majority of the population who would not benefit directly from the mining sector expansion. In this way mineral revenues together with foreign aid were used to finance investment in education, health and in physical and social infrastructure, which would also lay the foundations for future economic growth. The development of the major mines was used as an opportunity to develop associated new towns and infrastructure, and the construction work provided a major boost to domestic demand. Over the 1980s diamond revenues replaced foreign aid as the largest source of financing for infrastructure development and expansion of government services.

A consistent feature of Botswana's development strategy has been the emphasis that productive activities should be conducted by the private sector, while the public sector should limit itself to providing overall economic management, social services and infrastructure and seeking to ensure that the general business environment is conducive to private sector development. The transitional plan explicitly recognised that private enterprise would only be interested in investing in Botswana if profits could be made and remitted overseas and the environment was stable and friendly – a stand-point which has now become orthodoxy for many other developing countries but which was not widely accepted over much of the 1960s and 1970s. In practise the small size of the private sector and the lack of necessary infrastructure meant that during the first and second decades the private sector was not in a position to provide major growth outside of mining⁸. By the third decade, with some of the more obvious constraints to private sector growth having been removed, a main theme of NDP7 has been for the private sector to provide growth and create jobs through economic diversification into non-mining activities.

At independence the principle of self-help was advocated as a means of realising improvements and development initiatives at village and community level. Self-help had long been established as a feature of traditional Tswana society. After many accomplishments in the early years, self-help became one of the casualties of the boom years. Sharp increases in government spending and a general proliferation of subsidy schemes led to complacency and the expectation that self-help was not needed since government would provide. So, for example, community self-help in the building of schools gave way during the boom years to construction by private contractors hired by government. As economic growth began to slow down in the early 1990s this added to the difficulties of adjustment, since peoples' expectations of what government would or should provide for them had in many instances outstripped what was affordable or sustainable. The 1990s has seen government seeking to reverse

⁸ In the case of major mining projects, government chose to participate as a joint venture partner because of the scale of national interests at stake, but the actual management and operation of the mines was generally the responsibility of the private partner.

the trend towards dependency on government by encouraging private rather than public provision and by advocating that the beneficiaries of government services should generally be required to meet the associated costs.

Among the other important aims of the immediate post-independence period was the long term aim of achieving an equitable distribution of income. Available evidence indicates that, while most people have benefited from growth in real incomes, the extent of income inequalities between the rich few and the poor majority has increased. Government's current approach towards achieving an equitable distribution of income appears to depend mainly on large scale job creation and income generation being realised through economic diversification. But, as we have mentioned elsewhere, the prospects for diversification are uncertain.

3.1.2 Macroeconomic performance

For much of the period since independence Botswana has been the fastest growing economy in the world, with an average annual growth over the period of around 13 percent. Real GDP per capita in 1990/91 was nine times higher than at independence.

The most significant change in the sectorial composition of GDP has been the rise of mining from negligible levels at independence to account for nearly half of GDP in 1990/91. As a proportion of GDP, agriculture has steadily declined from around 40 percent in 1966 to less than five percent in 1990/91. Although manufacturing has grown in absolute terms, its small and declining share of GDP provides an indication that economic diversification has yet to begin in earnest.

Botswana's economic growth has followed a pattern of relative boom and slow-down as would be expected in view of the pattern of lumpy investments in key mining projects. Hence the boom associated with the Shashe Project and developing Orapa in the early 1970s gave way to stagnation between 1974 and 1978; and the boom of developing Jwaneng and expanding Orapa at the end of the 1970s was followed by slower growth in the mid-1980s.

The use of resources within GDP reflects the central role performed by government as the direct recipient of diamond earnings and in terms of directing these towards national development activities and provision of social services. The share of investment within GDP grew substantially during the boom years of the mid-1970s and early 1980s. This reflected the expenditures on establishing major mining projects, associated infrastructure and the impact of government development programmes. Over the 1980s capital investment ranged between 25 percent and 40 percent of GDP, reflecting the pattern of lumpy investment. The share of government consumption in GDP also grew over the 1970s and early 1980s, reflecting growth of recurrent services. In contrast, private consumption by households has steadily declined from around 60 percent in the mid-1970s to less than 25 percent in 1988/89, which is comparatively low by international standards.

Table 3-A Growth in GDP since independence

	1966	1976/77	1986/87	1990/91 ^{a)}
<i>Current Prices</i>				
GDP (P million)	37	351	2,810	6,995
GDP per capita	68	460	2,458	5,307
<i>1985/86 Constant Prices</i>				
GDP (P million)	252	919	2,636	3,954
GDP per capita	462	1,206	2,306	3,000
<i>Composition of GDP (%)</i>				
Mining	-	13	44	42
Agriculture	39	24	5	5
Manufacturing	8	7	6	4
General government	13	16	15	18
Other	40	42	30	31

^{a)} estimate

Source: National Accounts; NDP7.

Table 3-B GDP by type of expenditure in current prices

	1976/77	1986/87	1988/89	^{a)}
Government consumption	80	723	1,208	
Private consumption	223	987	1,237	
Net changes in stocks	21	19	56	
Gross fixed capital formation	78	670	2,232	
Net exports less net imports	(51)	411	739	
TOTAL	351	2,810	5,472	

^{a)} (provisional)

Source: National Accounts

During the first decade Botswana continued to use the South African Rand. In 1975 the Pula was introduced and Botswana left the Rand Monetary Area. The value of the Pula has been determined by a basket of currencies, of which the Rand, SDR and USD have been the main currencies within the basket. Over the 1980s and early 1990s this led to an appreciating trend against the currencies of South Africa, Zimbabwe and other neighbouring countries whose economies were performing poorly⁹. While this has helped to restrain inflation a stronger Pula represents a threat to economic diversification, since it reduces the competitiveness of Botswana exports in the regional market. In response to this, by the early 1990s the Bank of Botswana had discreetly introduced a

⁹ Between 1980 and mid-1993 the Rand exchange value of the Pula appreciated from around parity to 1.35; while the Zimbabwe dollar exchange rate rose from around 0.80 to 2.65.

policy of restraining growth in the value of the Pula by periodically depreciating the Pula.

Since 1973 the average annual inflation rate has remained in the range of 8 to 18 percent. These comparatively high levels of inflation have reflected economic conditions in South Africa more than purely domestic conditions. Most of the goods consumed in Botswana are imported, mainly from South Africa, so that changes in price levels in South Africa and fluctuations in the Pula/Rand exchange rate have been the major determinants of inflation.

Formal sector employment has increased considerably since independence. In 1966, out of a population of 550,000 and a potential labour force of about 196,000, only 35,000 were in regular paid employment and of these some 20,000 were working in South Africa as migrant labour. By 1991 about 240,000 of the labour force of 443,000 were in formal sector employment and migrant labour was no longer of great importance. Over the first two decades the central government provided the majority of formal sector jobs. However, by 1991 private sector employment had grown to account for 64 percent of formal sector jobs, as compared with 25 percent for central government, 6 percent for local government and 5 percent for parastatals.

3.1.3 Government budget

Overall changes in the economy have been closely reflected in structural changes in the government budget. By the early 1990s the combination of slowing revenue growth and rising expenditure capacity has meant that budget deficits were recorded, heralding a new era when financial strength could no longer be so confidently assured and requiring more sophisticated approaches to fiscal management.

Prior to diamond mining the government depended substantially on income from SACU and from foreign aid to finance its development expenditure (British recurrent budget support also continued until 1972). By the early 1980s mineral royalties and taxes had become the largest single component of government revenue and by the early 1990s these comprised nearly half of revenue. As a result the importance of SACU revenues has steadily diminished, declining from 44 percent of revenue in 1973/74 to an estimated 24 percent in 1992/93. Foreign aid as a proportion of government revenue declined from 13 percent in 1973/74 to only one percent in 1992/93. Throughout the period since independence income taxes on non-mining activities have provided only a minor contribution towards government finances.

Rapid growth in government revenues provided the basis for rapid growth in government expenditure. Over the first two decades the shortage of implementation capacity meant that although the rate of expenditure growth was high it lagged behind the rate of revenue growth because of lack of implementation capacity. During the third decade expenditure growth has exceeded revenue growth. A

further important trend has been the growth in the recurrent budget as a result of previous development activities, with the largest components of recurrent expenditure being for general government services (including defence), education, health and agriculture.

Table 3-C Composition of government revenue

	1973/74	1980/81	1986/87	1992/93 ^{a)}
Total Revenue (P million)	48	308	1,548	4,161
<i>Share of Total Revenue (%)</i>				
Mineral revenues	11	34	55	45
SACU	44	28	12	24
Other revenues	32	29	29	30
Foreign Aid/Grants	13	9	4	1
TOTAL	100	100	100	100
^{a)} Estimate				
Source: CSO Statistical Bulletin; NDP6				

Table 3-D Composition of government expenditure

	1982/83	1984/85	1987/88	1990/91 ^{a)}
<i>Expenditure Summary (P million)</i>				
Recurrent ^{a)}	227	345	696	1,438
Development ^{b)}	187	270	616	1,505
Total Expenditure	414	615	1,312	2,943
Budget Surplus/Deficit	(21)	188	513	798
<i>Share of Recurrent Expenditure (%)</i>				
General Services	36	34	36	33
Education	21	21	20	22
Health	6	6	6	6
Agric, Forestry, Fishing	8	8	7	7
Other	29	31	31	32
TOTAL	100	100	100	100
^{a)} Inclusive of transfers.				
^{b)} Inclusive of capital payments.				
Source: Bank of Botswana Annual Reports				

Since 1989/90 government has no longer been able to finance the budget from non-mineral revenues alone. This has required 'consumption' of non-renewable mineral revenues which government had previously sought to reserve only for investments to benefit future generations. In 1992/93 an overall budget deficit of P109 million was recorded. This was the first budget deficit since 1982/83. For 1993/94 government has forecast a widening of the deficit to P567 million.

Government projections over the NDP7 plan period indicate that the proportion of mineral revenues required to meet the shortfall in the recurrent budget will rise from 8 percent in 1991 to 90 percent in 1997, with the consequence that development expenditures will have to be financed through external grants and loans, domestic borrowing or drawing down of cash balances.

3.1.4 Balance of payments

Diamond earnings transformed Botswana's precarious balance of payments position at independence to one of substantial accumulated reserves. During the boom years there was a steady build-up of reserves due to the favourable combination of large foreign exchange revenues (and continuing inflows of foreign aid and foreign investment), limited expenditure capacity and careful management of the foreign exchange reserves. By 1990 Botswana's accumulated foreign exchange reserves were P 8.4 billion, which was equivalent to a forward import cover of 20 months and was among the highest of any country in the world.

Government has exercised considerable caution in the use of reserves since these are seen to represent Botswana's only insurance policy against future economic problems. Until recently the overall lack of implementation capacity meant that it would have been difficult for government to deplete the reserves – unless through negligence or corruption. However, by 1993 the country's expenditure capacity has grown and there is now a deficit in the current account of the balance of payments. Despite continuing strong inflows under the capital account of the balance of payments Botswana is finally beginning to acquire the capacity to deplete its reserves. While the reserves position remains enviable and sound economic policy and careful management of the reserves remain in place, a number of emergent factors indicate that in future the balance of payments risks may increase and the real challenge of foreign exchange management will begin. Such factors include weakness in the international diamond market, recent unprecedented levels of expenditure on defence procurement, and the challenge presented to economic management by the need to reduce growth in government expenditure.

3.1.5 Public sector management

Much of Botswana's success over three decades has been attributed to sound public sector management. Through cautious use of foreign exchange reserves and government cash balances, on a countercyclical basis, government helped to compensate for short-term economic fluctuations. By employing expatriates where there were shortages of qualified citizens, it augmented local manpower to provide necessary short and medium term implementation capacity without compromising standards. As we have mentioned elsewhere, the government also avoided the temptation to use up its reserves.

Already at independence a system of national development plans was evolving, with an overall set of objectives and strategies, an estimated overall budget and, based on this, a series of project spending votes which defined the scope of development projects authorised by parliament and their projected capital and incremental recurrent costs. This was further developed into systems for economic planning and budgetary control which served to ensure that development projects would generally be selected on the basis of their likely economic and social returns and provided the means for maintaining firm control over overall public expenditure.

By accumulating fiscal surpluses the government has been successful in retaining resources to be used to compensate for the types of short-term economic fluctuations which are inevitable in an economy dominated by a single product. From the onset of recurrent budget surpluses in 1972/73 government established the Revenue Stabilisation Fund and the Public Debt Service Fund which provided a temporary placement of funding to secure the public debt and provide contingency funding to cover future short-term revenue shortfalls and established a channel for investing surplus revenues in domestic development ventures.

Government has also demonstrated its capacity to implement major budgetary changes in response to unforeseen circumstances. When international diamond market conditions appeared gloomy in 1982 government quickly implemented a programme of budgetary cutbacks. In the event the weak market conditions proved short-lived and it was then possible to revert to more rapid expenditure growth. In September 1992 Botswana's diamond sales quota to the Central Selling Organisation was cut by 25 percent for a period of 18 months, mainly due to the weak international diamond market conditions as a result of recession in industrialised countries. In response the 1993 budget began the process of slowing expenditure growth, with the likelihood that tough spending limits would be imposed in 1994 unless revenue expectations improve.

Various authors have drawn attention to Botswana's past skill in negotiations with foreign interests. government has been able to recognise when major issues of national interest have been at stake, to accord these issues sufficient priority and to assign them the necessary resources to have a chance of obtaining an outcome favourable to Botswana. Usually this has involved the establishing of an inter-ministerial negotiating team, consisting of some of the government's most able officials and aided by hired advisers to assist with technical and other specialised aspects. After what have tended to be lengthy processes of negotiations, Botswana has often been able to emerge with a workable agreement on favourable terms (and often quite different in nature to those proposed by the foreign party). The most obvious examples are the Debswana agreements with De Beers, which obtained what are generally regarded as exceptionally favourable and flexible terms. Other examples have included re-negotiation of the SACU agreement in 1969 (alongside Lesotho and Swaziland); development (and ultimately aborting)

of the coal project with Royal Dutch Shell during the mid-1980s; and the management agreement under which Cable & Wireless were engaged to establish and develop the Botswana Telecommunications Corporation.

One of the qualities for which Botswana has been much admired has been its open and honest approach to doing business. Over the first and second decades the country was comparatively free of corruption, which proved an important advantage in pursuing national development efforts. Experience during the third decade has shown that Botswana is not immune to corruption. Part of the problem can be traced to the 1982 Presidential Commission on Economic Opportunities which effectively opened the way for civil servants to pursue private business while still employed by government, and failed to establish strict rules to prevent associated conflicts with the public interest. While it is commendable that recent land and housing scandals have been vigorously exposed by Presidential Commissions¹⁰ and by the private press in the 1990s the threat of official corruption needs to be firmly uprooted if it is not to seriously challenge Botswana's good public sector management.

3.1.6 Sectorial performances

(a) Mining

The existence of exploitable reserves of copper and nickel at Selebi-Phikwe was determined in 1969. Together with coal mining further south at Morupule, the exploitation of copper nickel provided the basis for the Shashe project which was the focus of national development efforts during much of the first decade, and provided the beginnings for Botswana's transformation from a poor cattle-farming economy. Since the mid-1970s the BCL mining company which produces the copper-nickel at Selebi-Phikwe has been the country's largest single employer. However, BCL has not been nearly as profitable as originally expected, so that over the 1980s and 1990s its continuation has appeared uncertain.

De Beers geologists discovered diamonds at Orapa in 1967, just one year after independence. Subsequently Debswana, a joint venture between government and De Beers, was established to develop open-cast mining of the deposits. Further deposits at Orapa and Letlhakane were discovered in the mid-1970s and provided the basis for doubling of mining capacity from 2.5 million carats to a total of more than 5 million carats. By 1977 a much larger Kimberlite deposit was discovered at Jwaneng which, with over 80 percent of its output being of gem quality, has become the richest diamond mine in the world. During the late 1970s and early 1980s some USD 250 million was invested in Jwaneng, including the establishing of a substantial town with sophisticated social and physical infrastructure. Production commenced in 1982. By 1989 the annual output of Jwaneng had reached 8.4 million carats. Botswana's total diamond production of 15.25 million carats in 1989, with

¹⁰ The Kgabo Report (1992) and the Christie Report (1992).

a value of USD 750 million, represented 15.5 percent of world production, making Botswana the world's third largest producer by volume and the second highest by value. Although by the early 1990s Botswana's diamond production reached mature levels and no new diamond mining projects were under way, all three existing mines have extensive reserves which are expected to last well beyond their 25 year leases.

During the third decade the only major new mining development has been the establishing of soda ash and salt production at Sua Pan. The plant is expected to directly employ more than 500 people at full production and has provided the basis for major investment in establishing the new town of Sowa. However the scale and expected returns of this project are not of a level comparable with diamond mining. The project is currently making losses, mainly as a result of marketing problems.

(b) Agriculture

Because of its low and erratic rainfall, Botswana has comparatively poor agricultural potential. Much of central and western Botswana is too arid to support agriculture and only in a small number of areas, such as the Tuli Block, can



Farming is very difficult in a country like Botswana with its poor agricultural potential. In order to obtain sufficient grazing, men have to walk their cattle for long distances.

conditions be considered to be relatively favourable for crop farming. Over the first two decades after independence a variety of agricultural programmes sought to develop areas of possible opportunity but there were few successes.

Against this background livestock ranching has continued to account for about four-fifths of agricultural GDP. In the absence of a comprehensive approach to range management and conservation, the livestock sector faces problems of overstocking, overgrazing and range degradation.

By 1990 the new agricultural policy shifted from an overall objective of self-sufficiency in food production towards national and household food security. This recognised that imports would continue to play a significant role in future food supply and that employment creation and rural income generation would to a large extent be dependent on the performance of sectors other than agriculture. In 1986 it was estimated that rural households derived only around one third of earned incomes from agriculture and less than five percent from crop production.

(c) Industry

During the first two decades private non-mining investment was concentrated mainly in retailing and distribution. Over the past ten years a small privately-owned manufacturing base has emerged, partly as a result of attractive incentives offered under the Financial Assistance Policy (FAP). Emerging activities include garment making, diamond cutting, plastic goods, electrical and metal products, concrete products and leather products.

Government's main contributions to industrial development have been through offering investment and employment grants under FAP. In its 1990 Incomes Policy government indicated its intention to allow greater market determination of private sector salary levels and to use price signals and competition as the means of rationing scarce skills and providing market incentives for people to train in needed areas. It also was seeking to reduce red tape for trading and industrial licensing, abolish price controls and de-control private sector property rentals.

Nevertheless the task of diversifying the economy remains difficult and uncertain. Various recent studies have shown that few of the companies in Botswana's small emergent manufacturing sector are yet able to survive without FAP grants. The idea of diversification has gained credence not because it represents a proven major opportunity but rather by the deduction that if no further minerals can be found then any further growth must unavoidably come from diversification into non-mining. It will be difficult for Botswana's fledgling private sector to be successful – amid stiff competition from South Africa and internationally – and it is likely to require more imagination and risk-taking from government in the industrial development field than was evident during the first two decades.

(d) Infrastructure

Establishing a core of physical infrastructure has represented a major theme of Botswana's development activities since independence, particularly during the first two decades. This was seen as a precondition for opening up the populated parts of the country for development of productive economic activities. At the

same time, infrastructure provision offered a relatively simple choice for how to invest part of the country's diamond revenues and represented a highly visible means for government to deliver benefits to the electorate.

From having only 20 km of tarred roads in 1965 (mainly in Gaborone), Botswana had 2,664 km of tarred trunk roads in 1990. The railway system was taken over from Zimbabwe Railways in the mid-1980s and has since been re-equipped and expanded to serve new mining projects. The production of electricity rose from 5 million kwh in 1965 to 845 million kwh in 1989. Beginning in the 1980s, the telephone system has been modernised and extended so that most areas of the country are now served by a high quality digital system and the country has independent international services through its satellite facilities. Potable water is now available in all sizeable population centres.

By the third decade much of the basic infrastructure was in place. The expected commencement during 1993 of construction of the long awaited Trans-Kgalagadi road, which will complete the national trunk highways network, can be seen to represent one of the final stages in the establishment of the country's core transport infrastructure. In this regard NDP7 reflects a gradual shift away from government acting as the pioneer and provider of infrastructure towards improving the management, legislative framework and maintenance of existing infrastructure.

3.1.7 Manpower

With virtually no trained manpower at independence (and consequently an overall dependency on expatriates), the transitional plan set the objective of achieving self-sufficiency in professional and higher level manpower within a period of 25 years. But for the unforeseen expansion in the need for such skills as a result of diamond-led growth, it is likely that this target would largely have been met. The number of citizens holding established permanent posts in central government grew to 11,388 in 1977 and to 25,967 in 1987, while the numbers of expatriates went from 1,256 in 1977 to 1,303 in 1987. Expatriates held 11.9 percent of central government posts in 1977 and 5 percent in 1987.

The reliance on expatriates to fill professional and technical positions continues to represent a noticeable feature of the Botswana economy. Although the proportion of posts held by expatriates has decreased over the years, the relative importance of expatriates in decision making and in high-ranking professional positions has remained high as the economy has expanded and grown more complex. The task of training citizens to replace expatriates will still take many years.

Government has always recognised that localisation¹¹ is a fluid process with progress depending on many complex factors. It has been felt that too rapid a pace of localisation could result in loss of experience and expertise and a decline in

¹¹ The term "localisation" is used in Botswana and means simply the replacement of expatriate employees by Batswana.

standards of management. Alongside the long-term objective of localisation government has therefore recognised the need for non-Batswana in the pursuit of national goals.

3.2 Political Development

The post-colonial state in Botswana is by comparison the most democratic in the Southern African region. It is among two or so states in Africa which still retain and operate the colonially inherited Westminster-type constitution embodying a multi-party parliamentary system, regular elections, universal adult suffrage, separation of powers in the legislature, executive and the judiciary. The Botswana system also upholds the rule of law and independence of the courts. An elaborate system of local government was also established in the early years of independence and has been operating with relative stability and success.

Explaining Botswana's success is a subject that has attracted considerable interest among social scientists, political analysts, financiers and policy makers. The major features of Botswana's liberal democratic system can be conceptualized over three main phases, namely:

- Insecurity and Fragility (1965-1974)
- Consolidation and Democracy (1975-1985)
- Uncertainty and Challenges (1986-1996)

These are discussed below.

3.2.1 The Botswana state: Its origin and character

Before independence in 1966 the country was known as Bechuanaland Protectorate and its capital town was located outside its borders in Mafikeng, South Africa. The class character and social origin of those who came to inherit the post-colonial state shows that they were different in a number of ways from their counterparts elsewhere in Africa. Unlike many of their counterparts in Zambia, Kenya, Tanzania and later in Zimbabwe, Mozambique, Angola, Namibia and currently South Africa, they were not nationalists in the sense of radically confronting the colonial state. Rather, they were a class of conservative, Christian educated 'new men' which had been comfortably functioning within the bureaucracy of the colonial state since the late 1940s.

Trained in South Africa's liberal-christian institutions of Fort Hare, Tigerkloof, Lovedale, etc., in the 1920s, 1930s and 1940s, this small group had been taught to detest and fear "communism". Throughout Southern Africa the colonial state had mounted an effective propaganda which portrayed communism as an evil system which had no place in Africa. The political class of the new state was thus neither nationalist nor traditionalist but a conservative elitist group which was socially well placed within their communities. They were teachers, journalists, tribal administrators, school inspectors and leading farmers and traders.

3.2.2 The young fragile and insecure state (1965-74)

An analysis of speeches of Botswana's leaders and official documents in the first decade of independence show a picture of a young, weak, fragile and insecure state. This condition was a result of a number of internal and external factors which are described below.

(a) The traditional chieftaincy system

At independence, Botswana did not have a central monarchy as was found in Lesotho and Swaziland. Instead, there were one or two strong chiefs in the country who had regional but not national influence. This made it easier to introduce a liberal-democratic system which in essence undermined the traditional chieftaincy system.

However, before a new stability was achieved the chiefs tried hard to resist the new state. The traditional chieftaincy system remained relatively strong and outrightly hostile in the first decade of independence. The position of the strong popular chiefs threatened the legitimacy of the new state and its institutions. The confrontation reached climax in 1969 when one of the leading and most experienced chiefs, Bathoen II of Bangwaketse, resigned his chieftaincy to become the leader of the opposition Botswana National Front. In the same year he won three seats for the latter in parliament.

Table 3-E Seats won at national assembly elections and percentages of popular vote by party, 1965-1989

	1965	1969	1974	1979	1984	1989
<i>Number (Share) of Seats Won:</i>						
BDP	28(90)	24(77)	27(84)	29(91)	28(82)	31(91)
BNF	-	3(10)	2(6)	2(6)	5(15)	3(9)
BPP	3(10)	3(10)	2(6)	1(3)	1(3)	0(0)
BIP	0(0)	1(3)	1(3)	0(0)	0(0)	0(0)
BPU	-	-	-	-	-	0(0)
BFP	-	-	-	-	-	0(0)
BLP	-	-	-	-	-	0(0)
BLP(C)	-	-	-	-	0(0)	0(0)
<i>Percent of votes cast:</i>						
BDP	80.4	68.3	76.6	75.2	67.9	64.7
BNF	-	13.5	11.5	12.9	20.5	26.9
BPP	14.2	12.1	6.6	7.4	6.6	4.3
BPU	-	-	-	-	1.3	0.8
BFP	-	-	-	-	-	0.5
BIP	4.6	6.0	4.8	4.3	3.0	2.4
BLP	-	-	-	-	-	0.02
BLP(C)	-	-	-	-	-	-
INDTS	0.6	-	0.5	0.2	0.5	-

Source: Democracy Research Project (1990), University of Botswana, Gaborone

The early 1970s also saw major struggles between the chiefs and the new state which led to the deposition in 1973 of Chief Neale Sechele of the Bakwena. Recognizing the threat posed by the chiefs the new government had introduced as early as 1965, a series of local government legislation with the intention to curtail the power of the chiefs. Among these were the District Councils Act of 1966; Chieftaincy Act of 1965 and the Tribal Land Act of 1968. The latter enshrined the aspect on the Land Boards which took over the responsibility for administering tribal land in 1970.

(b) The opposition parties threat

Although the ruling Botswana Democratic Party had a landslide victory and left the opposition nationalist parties very weak in the first elections in 1965, the opposition parties had better links with the black political leaders in South Africa, Southern Rhodesia and as far away as Ghana. They used these links to influence leaders such as Nkrumah, Nasser and Nyerere of Ghana, Egypt and Tanzania respectively against the BDP government, which they described as pro-colonialist. In addition the opposition posed the threat of enlisting support of some of the leading chiefs into their ranks.

Although opposition support was largely urban-based the Botswana Peoples Party of Phillip Mantate won two rural seats in the 1965 and 1969 elections. One of these was in Mochudi where the chief was known to be indifferent to BDP. In fact, in 1969, opposition parties won more seats than in any other election.

In terms of their share of votes cast the opposition experienced significant declines in the elections of 1974 and 1979, but began attract increasing support again from 1984 onwards, amounting to about one third of the votes – as compared with only between 10 and 20 percent of the seats.

(c) The drought

An equally threatening factor facing the new state in the first years of independence was the severe drought of 1963 to 1967. The drought threatened to dampen aspirations raised by independence and thereby undermine the legitimacy of the new state. However the ending of the drought and the impact of both foreign aid and mineral discoveries helped to create a positive image of the state as the masses of the population started receiving direct state support.

(d) The external threat

In the early years of independence Botswana's leaders had to address two major external factors both of which were trying to undermine the country's independence. The racist regimes in South Africa, Southern Rhodesia, Mozambique, Namibia and Angola who felt challenged by Botswana's multi-racial system encouraged white settlers in Botswana to migrate to either South Africa or Southern Rhodesia. The settlers who objected to being ruled by 'Kaffirs' wanted to secede. This particular problem saw Botswana making a case to the United Nations in the mid-1960s.

Equally frustrating in the early years was the rejection of the country's independence by her black independent African neighbours. The African spokesmen of the time, including Kwame Nkrumah of Ghana, Jomo Kenyatta of Kenya, Julius Nyerere of Tanzania and Kenneth Kaunda of Zambia grudgingly accepted Botswana's independence, but only after some years of delay. They considered Botswana to be part of South Africa and saw her leaders as British stooges.

Faced with this situation the leaders of Botswana worked hard to establish relations in international organizations as early as possible. Among these were the OAU, Non-Aligned Movement, the Commonwealth and the United Nations itself. The leaders made campaign trips to European countries where bilateral relations were established and thereby gained some access into relations with black Africa.

3.2.3 Institutional consolidation, development and democracy, 1975-1985

After the difficulties of the first decade the combination of increasing foreign aid and mineral revenues enabled the state to establish some control over the earlier threats. In the first instance, the ruling party won the third elections with a convincing majority in 1974. From 1972 onwards government was able to balance its recurrent budget from its own resources, which brought an end to reliance on British recurrent budget support. These positive developments coincided with better weather which saw the recovery of the national herd of cattle and an improved harvest (see appendix 5).

(a) The role of aid

Foreign aid had three important long term political impacts on the state and development. Firstly, the substantial direct transfers of food and clothing not only benefited a significant section of the population but also increased the legitimacy of the new state in relation to the chiefs' rule. Secondly, aid formed part of a new tradition of people's dependency on the state, particularly under the umbrella of "drought relief". Thirdly, aid served to ensure that Botswana pursued a relatively balanced development programme, particularly in terms of benefiting the poorest sections of the society. Foreign aid helped to promote the special needs of women, special minority groups, youth, etc.

(b) Institutional framework

The second period witnessed consolidation of an array of local representative institutions which although seriously limited in their powers, offered some opportunity for local participation. The institutions ranged from the District Council and Village Development Committees down to sector oriented agricultural, education and health committees. These institutions although generally initiated from above did give some semblance of local participation in decision making, project identification and implementation.

Though still weak and heavily reliant on central government grant-in-aid,

district councils and land boards became well-established and accepted local democratic institutions during the second period. The district/town councils, in particular, became both centres of political party competition and agencies of rural development. Having been made responsible for primary education, provision of health services, water and rural roads, the councils during this period established an identity and legitimacy of their own.

Some areas of conflict and confusion between local government institutions were ironed out by the establishment in 1978 of the District Development Committees (DDCs) as coordinating agencies for district development. Although DDCs were initially criticized as undermining the District/Town Councils, they have become well established in rural Botswana. At central government too, the second period witnessed rapid growth and improved legitimacy of central government institutions.

However, it was at central bureaucratic level that the greatest consolidation took place. Just to illustrate the point, the Accelerated Rural Development Programme, 1973 (ARDP), the Arable Lands Development Programme, 1978 (ALDEP); the Tribal Land Grazing Land Policy, 1975 (TGLP), the Financial Assistance Policy, 1982 (FAP), the Self-Help Housing Agency, 1973 (SHHA) and several other environmental, wildlife and rural development programmes were introduced during the second decade of independence. Some of these programmes such as ALDEP and the Remote Area Dwellers Programme (RADP) were targeted at the poor farmers, female-headed households and the *Basarwa*.

The impact of such programmes was the massive expansion of the central government bureaucracy. Most central government ministries established regional offices including those of agriculture, education, water, roads, health, etc. From a political viewpoint, a huge bureaucracy using the leverage of development plans became increasingly powerful. Critics of the Botswana state dubbed it an "administrative" and "bureaucratic" state. With the establishment of the army in 1976 and expansions in the police force, there was significant growth in the administrative presence of the state during this period.

With the chieftaincy system under control and weakness in the opposition parties, the ruling party was assured of political stability and relative legitimacy unknown in many parts of post-colonial Africa. This was also possible given Botswana's relative cultural homogeneity and the absence of ethnic confrontation. The relative linguistic and cultural homogeneity has so far developed into a common national language – again something not commonly found elsewhere in Africa.

3.2.4 Difficult times ahead, 1986-1996

(a) Growing opposition

The third development decade beginning around 1986 shows a relatively changed society. In the first instance the opposition parties have been gaining more of the

popular vote at the expense of the ruling party. In the 1989 elections the opposition parties together polled around 35% of the popular vote, substantially reducing the ruling party's traditional popularity from 80% to 65%. This trend looks set to continue partly because the population is moving into urban areas which have tended to be the opposition strongholds. However, support for the ruling party is entrenched in rural areas, which should assure it of victory by a reasonable margin at the next election.

(b) A stronger civil society

Over the years new political forces have emerged which have posed a new threat to the state. The labour movement has experienced some growth and is now slightly better organised. In fact government's Incomes Policy of 1990 called for a stronger and freer labour movement which will require less and less government intervention on its behalf. If media reports are anything to go by, the workers are currently asking for more participation in decisions that affect their lives including involvement in the national budgeting. On the other hand, there are also indications that government seems to have been devising methods of weakening the workers by de-unionizing them.

Non-governmental organizations in the areas of women's rights, minority rights, environmental issues, etc. have also emerged and gained more strength in recent years. In step with trends elsewhere the church has also moved from its traditional humanitarian role to articulating issues and concerns of the disadvantaged groups in society.¹²

Equally important as a new force has been the emergence in the mid-1980s of the independent private press. These weekly newspapers have made a substantial impact on society, notably in terms of influencing opinion regarding such areas as corruption – in a way that the official media could not.

(c) Issues from local government

Decentralisation of decision-making and management to local institutions and communities remains a sensitive political issue. Decentralisation requires curbing the power of the central bureaucracy, recognizing the views of the local authorities and including more such views in the national development plans than has hitherto been the case. In NDP7 the government has committed itself to strengthening local institutions. Among other things government plans to develop a formula for determining the council deficit grant, to increase councils' revenue base and to afford councils some financial autonomy and personnel management. This declaration by government is important. What is not clear is whether this is to become a formal policy on decentralisation. It is also necessary that more details are spelt out on the proposed changes and how these will be implemented.

¹² See for instance, Botswana Christian Council's (1991) Report on the Conditions of the Basarwa in the Ghanzi District and BCC reports on the monthly magazine called *Mokaedi*.

Recent reviews of past efforts on decentralisation have shown that only modest progress has been made. Meanwhile councils in particular are pressing for more decentralisation in the areas of finance, personnel, decision making and projects planning at district level. It would seem likely that the decentralisation debate between the central government and local authorities will intensify in the later part of the 1990s.

3.2.5 Other aspects

Some other aspects of Botswana's politics which are not easy to periodize include the human rights record, the legal system and relations with South Africa and the Southern African Development Community (SADC).

(a) Human rights record

On the whole Botswana has an excellent human rights record. Since independence no person has been imprisoned on account of their political opposition to the government or on grounds of their beliefs. The only human rights questions raised against some of government decisions related to the National Security Act of the early 1980s, expulsion of foreign newspaper editors, one or two incidents where opposition leaders' passports were withheld on grounds that their trips were not in the interest of state security, and a few cases of death at the hands of police and the army.¹³

More recently human rights questions have focused on the rights of both women and the *Basarwa*. It is evident that many Batswana still despise, exploit and deny Basarwa their rights. For example, Basarwa's right to education, employment, health, land, etc., are still only partially met. Their facilities are below the standard enjoyed by other Batswana in other parts of the country. The law does however technically afford Basarwa equal rights to those of every other Motswana.

Women in Botswana continue to face problems on account of their gender. In 1992 the courts established that there were certain laws in Botswana which were discriminatory against women. Government is currently reviewing these laws, presumably so that they can be corrected.

(b) Legal system

Botswana operates two legal systems, the common law and the customary law. On the whole these seem to have blended together fairly well. The common law courts are widely accepted and increasingly used though largely by the educated urban based citizens. The system of customary courts – the *kgotla* – is an important feature of rural life. Some concerns have been expressed that since customary courts do not permit legal representation, it may be inappropriate for them to retain power to pass prison sentences of up to several years. However, on the whole the legal system is open and fair.

¹³ This happened once or twice in the late 1970s and early 1980s when BNF members were alleged to be undergoing military training outside the country.



PHOTO: ANDERS GUNNARZ

South African soldiers in an armoured car leaving their outpost at a crossroads.

(c) Botswana's relations with South Africa

South Africa has always been a major factor in Botswana's existence as a separate nation and will remain so over the foreseeable future. Reference has already been made to how important the proximity of Botswana to South Africa was in the mid 1960s and 1970s. In the late 1970s and early 1980s Botswana became a victim of this proximity when thousands of South African refugees flooded the country and caused both political and social insecurity. This reached a climax in the series of attacks on Botswana by the South African Defence Force in the 1980s.

During the early 1990s the prospect of a democratic South Africa and the associated ending of international sanctions has led Botswana and the other frontline states to begin a process of preparing to build relations with South Africa, which might eventually be expected to seek to increase mutual cooperation and interdependence. Such thinking underpinned the transformation of SADCC into the SADC in 1992, which involved the abandoning of SADCC's former objective of reducing dependence on South Africa in favour of a future vision of regional economic integration – inclusive of South Africa.

3.3 Social Development

Botswana society has experienced significant changes over the past two and half decades of independence. Changes have occurred at individual, family, community and national levels. These changes are manifested in a number of ways

including in the people's material conditions, skills, social values, mode of dress and general life. At national level what were loosely linked communities with limited shared values and resources have over the years been knitted together into a nation with an identity of its own. Population mobility from rural to urban areas and within urban areas themselves has increased contact between people from different communities.

There is still scope for more integration and acceptance of other peoples values. Groups such as the Basarwa, Balala, etc. have remained most disadvantaged and much less accepted than other minority groups in the country, partly due to their remoteness and partly because of their marginal position from the social, economic and political mainstream. Another area where change has been slow and difficult is gender roles. The social structure and dominant social attitudes and values of the past still pervade against equality between men and women.

It is possible to distinguish four in Botswana's social development:

- Emerging changes – mid-sixties up to the beginning of the seventies;
- Transition period – mid-seventies to early eighties;
- Change patterns firmly established – most of the eighties;
- Uncertainty about the future – the nineties.

These periods can, somewhat loosely, be defined in terms of population increase (very rapid and accelerating up till beginning of the 90s; decreasing child mortality), urbanisation (slow at first and accelerating), less, now virtually no migrant workers, changing conditions for agriculture, better living conditions (water, schools, health facilities), arrival of modern society (physical communications, media, schools), increased presence and importance of state and local government, traditional values being replaced by values related to "modern society", widespread basic education etc.

The following social and infrastructural development can be perceived through three distinct periods. The first being the period of low quality self-help initiated projects – schools, clinics, water supply systems, etc. This period running through 1965 to 1978 was followed by a new period of rapid government sponsored expansion programmes including the Accelerated Rural Development Programme, 1973-1976 (ARDP). The second period incorporated the ten years of NDP 5 and 6 i.e. from 1979 to 1991. In the current period – 1992-93 – government is scaling down on infrastructural development, calling for cost recovery, targetted subsidies and a return to self-help effort.

3.3.1 Rapid population growth

Since independence Botswana's population has more than doubled. The current population is 1,325,000 people (1991 Census), which represents a substantial increase from 550,000 people at independence. Although the population growth rate has started to decline (the average annual growth rate reduced from 3.7% in

3.3.4 Recent dimensions of poverty

Widespread provision of social services and infrastructure in the past two decades of independence has had substantial impacts in alleviating absolute poverty in Botswana as shown by e.g. improvements in the health status of the general population. Life expectancy at birth has increased from 48 years in 1966 to around 60 years in the early 1990s. However, in spite of substantial public investment, the lack of cattle, draft power, productive assets, sources of alternative income, the decline and occasional failure of the arable sector, continue to be major causes of poverty in rural Botswana. Most affected by poverty are rural households in western Botswana and those headed by females.

Closely related to poverty are the phenomena of inequality and formal sector job opportunities. Poverty is a relational phenomenon. The large cattle owners, borehole owners, shop owners and other rural employers have taken advantage of the rural resources often at the expense of the poor. They have commonly charged exorbitant prices for water, transport and basic food commodities while paying the lowest wages in the country to those disadvantaged rural poor working in their shops, farms, cattleposts and as maids (Hitchcock, 1977, Peters, 1984, Molutsi, 1986).

Women are further disadvantaged because of structural constraints of the traditional patriarchal and modern economic systems which perceive them as minors under the tutelage of their fathers, husbands, brothers, uncles, grandfathers and even their own sons. Although formal education has had some positive effects by improving women's status, women still tend to occupy low paying jobs and engage in low return economic activities.

3.3.5 Changing roles of women

On the whole the position of women in Botswana is changing for the better. Quite a large proportion of women have been to school and by comparison with many other developing countries a sizeable number of Botswana women are able to advance to higher levels of education.

In rural areas, where many less educated or illiterate women live, there have been some positive developments for women. Social services and infrastructure provided widely over the past two decades have had both direct and indirect effects on the conditions of women in Botswana. As citizens women have benefited equally from free education, better and affordable health facilities, clean water and drought relief food handouts. Government policy in agriculture has favoured women. Programmes such as ALDEP and FAP have offered special benefits in favour of women.

Nevertheless, women's conditions are changing comparatively slowly and a number of major hurdles still remain. Botswana is still predominantly a patriarchal society. Laws of marriage, inheritance and property acquisition still favour men

against women. The dominant values and attitudes resist the equality of women with men, and are reflected in the workplace, credit institutions and law making institutions including Parliament and councils.

3.3.6 Changes on the land

At independence Botswana inherited three types of land tenure systems. These were the tribal communal land tenure system, occupying then around 48% of the country's land; Crown Land, including Wildlife Reserves, urban land and large portions of the Kgalagadi altogether constituting some 47% of the total area; and freehold land accounting for the remaining 5% which belonged mainly to white settler farmers in the Tuli Block, Francistown (Tatitown), Molopo and Ghanzi. Immediately after independence the government transferred substantial portions of formerly Crown Land (now called State Land) and some Freehold land to communities in the North East district and other smaller districts as tribal land. By 1975, when government introduced a major tribal land reform programme, the land distribution in terms of tenure stood at 71% communal; 26% stateland and 3% freehold. In broad terms this distribution has not changed much to date. However, within both communal and state land a new type of tenure – the leasehold – obtains for commercial and residential (urban) activities.

(a) Tribal Land

Several important changes have occurred on tribal land over the past decades. Even before independence individual large cattle owners, taking advantage of new technology, developed waterpoints in the fringes of the Kgalagadi and established de facto private holdings on large portions of tribal land. This trend intensified in the mid 1970s when the country's livestock sector recovered from the drought of the 1960s. Noting the dangers of this trend and particularly its long term effects on conservation, in 1975 the government introduced what purported to be a major land reform on tribal land. The Tribal Grazing Land Policy (TGLP) had three central objectives, namely to increase livestock production; to improve conservation of tribal land; and to provide for an equitable distribution of land resources between communities and between households within the same community. Although it has been in existence for over fifteen years, TGLP has achieved little to date. Government administrative and technical support to the local land boards was often delayed or not given. There were extensive delays in making important decisions relating to ranchers continued entitlement to tribal communal land (double tenancy). There were also major miscalculations relating to what land was available for delimitation into ranches.

The major problems facing TGLP have been due to the attitudes of the ranchers. Many ranchers refused to fence their ranches, they failed to manage the ranches properly and were very slow to sign the lease required under TGLP. The consequences have been poor management, overgrazing and minimal improve-

ment in livestock production. However, through the New Agricultural Policy and the Borehole Subsidy Scheme the government has taken firm action not to assist farmers/ranchers who do not meet the requirements of TGLP. The issue of double occupancy by ranchers has also been resolved through new legislation. Now those who move to commercial ranches relinquish their rights to communal land.

Although shortage of land for arable and grazing purposes is not yet a major factor in rural Botswana, the impact of increases in the populations of both people and their livestock is beginning to be felt in a number of districts. The districts of North East, South East, Kgatleng and Barolong Farms are currently experiencing serious conflict between residential, grazing and arable demands for land. In these districts and sub-districts the shortages of land made it impossible to set aside land for TGLP development.

At household level the land shortage is beginning to affect young newly established households. Older households have access to large holdings of arable land, grazing and inherited residential plots from their departed relatives. Another area of conflict over land relates to Game Reserves and National Parks. Communities neighbouring these areas are experiencing conflict both due to shortage of land and as a sequel of interaction with and destruction to their livestock and crops caused by wild animals.

(b) Urban Land

The rapid growth in Botswana's urban population during the 1970s and 1980s was not accompanied by a commensurate increase in the supply of urban land, either for residential or commercial purposes. This arose through a series of factors including the unexpectedly high rate of growth of the principal towns and lack of sufficient town planning capability. During the 1980s this led to an artificial shortage of urban land. Key outcomes included overcrowding of the available housing stock and the rise of associated social problems, overheated market conditions which led to excessive rentals for all types of property, and delays in establishing commercial ventures due to lack of sites. These imbalances also created undesirable conditions by fuelling the rise of official corruption over scarce land and housing. In an attempt to rectify past mistakes with respect to urban development the government launched the Accelerated Land Servicing Programme (ALSP) in 1987 with the aim of substantially increase the supply of serviced urban land for housing and industrial and commercial plots, at an estimated cost of about Pula 700 mill. The tasks of implementing this enormous programme have uncovered a series of associated policy issues which may take many years to resolve – for example how urban areas should be planned, who should meet the costs and how to control the threat of corruption in the institutions responsible for urban development.

4.

THE RELEVANCE OF SIDA-SUPPORTED PROGRAMMES AND PROJECTS

Clearly, different types of development assistance are needed during different stages in a country's development; what is relevant in one period is less so in another. During the long period of Swedish development assistance to the country, Botswana experienced a tremendous change. Also the characteristics and composition of assistance through SIDA has changed. The question is if these changes have been at pace and in harmony with each other – has SIDA provided, and Botswana requested, the 'right' assistance at the right time?

4.1 Botswana objectives and Swedish objectives: do they meet?

The four economic planning objectives for Botswana has been rapid economic growth, social justice, economic independence and sustained development. As is pointed out in chapter 3 the promotion of these objectives in practice have been mainly concentrated on economic growth. Economic independence has obviously not been achieved since relations with South Africa are still very important – with 85% of all import originating there. On the other hand, diamonds revenues have given Botswana a considerable freedom to make her own choices.

The main objective for Swedish assistance was to support economic and political independence. Later "social and economic equity" was added to the objectives (see section 2.1.1). In addition to these specific objectives, SIDA has had to consider the four (later five) guiding principles for all Swedish development assistance laid down by the Swedish parliament: economic growth, economic and social equality, economic and political independence, democratic development and environmental quality.

It is obvious that the development goals for both Botswana and Sweden are similar. No doubt a fruitful co-operation has emerged on this common basis. Several times SIDA's documents emphasise the importance for the Swedish part to consider Botswana's objectives in the selection and design of activities to be

supported. However, the accord has not been not complete, and some differences have been expressed on social justice issues. The consequences of this practical disagreement have not been dramatic. The discord is not loud and has remained in verbal form. SIDA or the Swedish government has not seen any reason to attach any conditions to its assistance, with the exception of the restriction on procurement in RSA with Swedish funds and the partly tied funds stipulated in connection to this.

Our conclusion is that there has been a mutual adoption between the two parties in how the objectives should be interpreted in practice. The transparency of Botswana's policies and plans through easily accessible NDPs and budgets and the open policy dialogue have been crucial factors here.

4.2 The right support at the right time?

The overview of Botswana's development in chapter 3 describes various periods in the country's economic, political and social development. In the same way it is possible to refer to periods in the SIDA assistance. These periods are shown in the chart below. The transitional decade – around 1975 to 1985 – was also a period for reconsideration of the support from SIDA. The almost exclusive concentration on so-called hardware, i.e. construction of building and provision of furniture and equipment, was gradually replaced by an emphasis on first the running and maintaining of the new infrastructure and later on capacity-building with the aim of localisation and increasing efficiency.

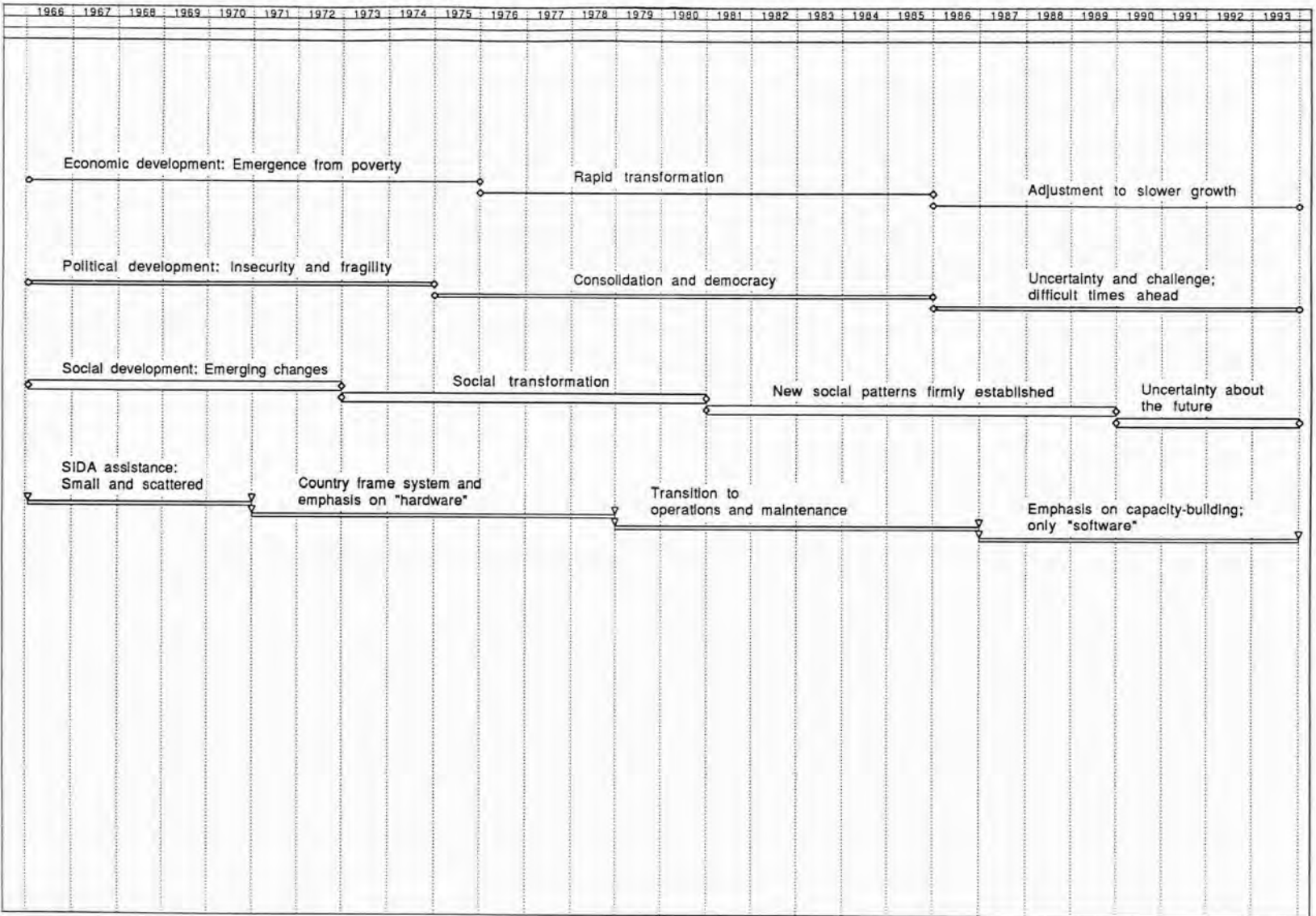
The reasons for these changes in the type and composition of SIDA assistance are not always clearly given in documents. Of course, they changed partly because of different requests from Botswana depending on changing political priorities as expressed in the NDPs, but much of it seems to be related to new ideas from the donor's side. As SIDA gained experience from both Botswana and from development activities in other countries there was a growing insight that providing support to building physical infrastructure was not the final solution. There had to be institutions in which to make this 'hardware' useful and there had to be capacity to make the institutions function.

With the benefit of hindsight this may seem obvious. The thinking of the early days of development assistance saw, however, tangible resources as both necessary and perhaps even sufficient means for making development take off. Soon, this proved to be overoptimistic and an oversimplification and the emphasis in the assistance programme changed.

There seem to have been several, interlinked processes at work here. One was the growing financial resources of Botswana, which made it possible for the government to take responsibility for acquiring the "hardware" and external financing became less and less necessary for that. Another process was the commitment by the government of Botswana to increase welfare for its population

through improved social and physical infrastructure, which, of course, was also related to better financial resources, but likewise with increasing social changes like population increase, lower child mortality, rural-urban migration etc. A third process was interest in and demand for taking care of and managing this new infrastructure, which, because of the high ambitions, made it necessary to rely on institution- and capacity-building that originates from abroad.

In general SIDA seems to have been flexible in adopting its aid programme to changing circumstances, providing highly relevant types of development assistance, and perhaps even instrumental in bringing these changes about. The small industry programme may have been out of pace with these trends, assuming too much of favourable conditions, which were not at hand.



THE EFFECTIVENESS OF DEVELOPMENT ASSISTANCE THROUGH SIDA – OUTCOME IN RELATION TO OVERALL OBJECTIVES

There were two sets of objectives that should be attained through the Swedish assistance – the Swedish goals of economic and political independence and social and economic equity and, indirectly, support of Botswana's national development goals of economic growth, social justice, economic independence and sustained development. In this chapter we will examine what the outcome seems to be in relation to these objectives.

5.1 Political independence

Given its background – under British rule from 1885 to 1965 and historical integration to South Africa – Botswana had to achieve two different kinds of independence. First was political independence from Britain. Second was reduction of political and economic dependence on South Africa, which for many years had wanted to incorporate Botswana, Lesotho and Swaziland into its territory. Political independence from South Africa was also necessary, given Botswana's multi-racial and democratic political system, which stood opposed to the apartheid ideology of the South African government.

In a speech in 1970, President Khama emphasized Botswana fragile political situation in the following words:

"Here in Botswana, virtually surrounded as we are by minority-ruled countries and territories, we recognize that we have a particular responsibility to demonstrate that democracy and non-racialism work".

The Botswana leader went on to say that Botswana was happy that it was not alone in carrying out this responsibility: "We are sustained by those countries who give us aid to help us to build on our independence", he said. Botswana has also survived the odds against racialism through the international community's moral and material support.

According to Botswana's National Development Plan 6 (1985-1991) the objective of economic independence has two dimensions. One internal and the other external. The internal dimension involves "training and localisation, diversification of the economy, and the mobilisation of internal resources for development". (NDP 6, p. 58). Botswana's interpretation of external economic independence means diversification of communication and greater links with more countries. It means diversification of the markets for Botswana's goods, imports, technology, aid and technical expertise.

From the latter aspect of the objective, construction of roads and telecommunications away from South Africa, promotion of the Southern African Development Community (SADC) with a potential for a better market, are positive steps towards economic independence.

On the whole Botswana's economy remains integrated into that of South Africa. Communication lines, exports, imports and other resources still flow mainly through South Africa. Thus diversification of outlets remains largely a long term objective. However, from the nation-building viewpoint Botswana has made a lot of progress. It has established an independent government structure, a multi-racial political system and has secured international recognition as an active political mediator in regional and African conflict.

If we accept this view of independence which relates to both nation-building and to an extensive and reliable net of contacts with friendly countries, then the mere presence of Sweden in Botswana would, to some degree, achieve both countries objectives. It is, of course, more valuable if the political support is backed by long term and substantial involvement in development assistance activities.

5.2 Economic independence

"Economic independence" is a Botswana development objective and an objective of Swedish assistance. Unfortunately it is difficult to operationalise the notion of economic independence, or even to define its meaning in generally acceptable terms.

What should be the interpretation of the Swedish development objective "economic independence", in general and in the case of Botswana in particular? Looking at it from a historical point of view, the independence objective came to the fore at a time when trade-relations between the First and the Third World were seen by many as fundamentally exploitive. Thus increased economic independence was seen, by many, as synonymous with decreased trade relations with the First World and an inward-looking development strategy.¹⁴ In relation to South Africa, there was the additional aspect of apartheid and the consequent pressure to impose UN sanctions against that country.

¹⁴ Acknowledging the smallness of many countries, however, increased regional co-operation was favourably looked upon and seen as complementary to the building up of the national economies.

To a small country like Botswana, an inward-looking development strategy was, however, clearly not feasible. SADCC and the PTA should, in principle, have been able to serve as a broader, and in relation to South Africa, alternative trading area. SADCC and PTA, however, failed to create the mechanisms for proper economic co-operation. All currencies except for the Pula have remained non-convertible and attempts at creating an alternative clearing mechanism for regional trade have been unsuccessful. To Botswana cutting off, or even significantly reducing, economic ties with South Africa has therefore turned out to be too difficult.

Much more modestly, Botswana has chosen to see economic independence as a) reducing the risk that any single product or market will collapse and b) diversifying production and markets so that the relative impact of any single product or market failure on the domestic economy is reduced.¹⁵

It is noteworthy that with the prospect of democratic change in South Africa, SADCC, now renamed SADC, has changed its policy of trying to isolate South Africa towards one of integrating it into a broader framework of regional co-operation. Thus, in future, economic growth is seen as best fostered by a closer economic integration with South Africa rather than through greater economic independence.

5.3 Equity

Botswana has been able to develop a relatively comprehensive welfare programme for its population. At present education is free from primary to university level, water drinking is free at standpipe point, and health services are over 95% subsidised. The government has also devised drought relief public works programmes, and given assistance to farmers during drought. There are some subsidies to farmers such as free livestock vaccination, dam water for livestock and free agricultural extension services.

Responding to the plight of the small farmers and the most impoverished sections of the society such as the Basarwa and the elderly, government has introduced special programmes among which are the Arable Lands Development Programme, Remote Area Dwellers Programme and the Destitute programme. However these programmes have had limited impact on incomes. Various reasons, including drought, lack of information, general reluctance of the target groups to take advantage of these programmes, have been used to explain why these programmes were not adequately patronised by the target groups.

The involvement of donors, including SIDA, in the areas of education, rural water supply, and health services, has been important. From this point of view SIDA has been instrumental in promoting this level of equitable welfare and targetted programmes in Botswana. Subsidies, direct cash and food transfers, programmes

¹⁵ NDP7, page 32, para. 2.57.

supported heavily from donor funding, have had significant impact on the quality of life of the general population. The average life expectancy at birth has as a result risen from 51 years in 1971 to around 60 years in 1991. Infant mortality has also fallen from over 150/1000 live births in the 1960s to around 37/1000 in the 1990s.

However, equity promoted at policy level does not always translate into equity at household level. Structural constraints of power and inequality in the ownership of resources – livestock, land, water sources and other property – naturally benefit most those who are already advantaged. Hence the comparatively well to do households who could afford to pay school fees, health charges, water, and services for their livestock have benefited most from government welfare programmes. They have thus used their resources to accumulate generally at the expense of the poor e.g. in the area of land. The Gini coefficient for the rural areas has increased from .52 to .57 between 1975 and 1986.¹⁶ Poverty has also remained persistent with around 40% of households nationally estimated to be poverty stricken.

Perturbing as the income disparities may be, one should not forget the formidable difficulties in achieving equitable development in an economy based on the rents of one major mineral source. Diamond production generates very little direct employment and income opportunities for the broader population. There are few backward and forward linkages, i.e. there are few inputs for diamond production that can be produced locally and diamond cutting is a highly specialised business.

Consequently, the only mechanism available for redistributing the diamond wealth and improving income distribution has been government spending. As mentioned above, government policy is that diamond revenue should be used for investment. But unless these investments really do result in growth in other economic areas, the actual result may really be to subsidise consumption. Implicit and explicit consumption subsidies will in future make up an even greater share of government spending as infrastructure like rural water supplies etc. will need to be maintained. Up until the end of the eighties, it was possible for the government to finance recurrent expenditure entirely out of recurrent revenue. Now the consolidated budget is in deficit and future generations are paying for present consumption.

Another question is which groups have benefited the most from the consumption subsidies. There is no question that rural dwellers have seen their standard of living considerably improved through government financing of schools, clinics, roads and water schemes. At the same time a sizeable share of the diamond wealth has benefited a rapidly growing layer of civil servants through good salaries and generous perquisites. Workers as well as factory owners have benefited from the FAP (Financial Assistance Policy) and other means of subsidising labour costs in industry.

¹⁶ It has been pointed out that the data refer to cash incomes only, and there might be differences in data collection between surveys that affect the results.

A third aspect of equity is how less advantaged groups are targetted. It is worth noticing that the government's redistributive policy has mainly had a geographical rather than a social group focus. The philosophy continues to be that all (rural) areas in the country should have equal access to basic services, almost regardless of the cost of supplying these services. Thus it may cost 10,000 Pula in investment and 1,000 Pula in yearly maintenance to supply one individual with clean water in the remote areas of western Botswana. The same amounts could be used to supply several individuals with water in rural eastern Botswana. There may be over-riding and perfectly justifiable political reasons for this geographical focus of rural development, but clearly, there are trade-offs.

Present efforts towards cost recovery in services need to be stepped up and fully targetted to the high and middle income households while measures to provide some safety net for the poorest, elderly and persons with disability must be found.

SIDA has strongly stressed the element of social equity, most clearly seen in its consistent support to rural development activities. It can easily be concluded that the Botswana government, through its emphasis on water supply, primary education, health services and also communications, has raised the standard of living among the rural population considerably. The wealth gained in the mining industry in particular has been redistributed to the citizens with government services as the main channel. This is valid if one only looks at absolute living standards. If relative income distribution is taken into account the picture is less positive. In this respect the two countries disagree to some extent and Sweden has also voiced its concern about the situation of the poorer part of the population, especially in view of the rapid population growth, rapid urbanisation and the inability for the formal sector to absorb the younger generations. Together with Norway, Sweden has expressed views on the situation for minorities in the country.

5.4 Growth

Botswana is the only country in Africa which has achieved growth rates that match those of the Asian "tigers", i.e. Taiwan, Korea, Singapore etc. As to the source and dynamics of that growth, Botswana has, however, very little in common with the latter countries. The crucial and dominating role of the diamond revenues makes Botswana more comparable to the Gulf states. Just as in the latter countries, a highly priced natural resource has allowed the country to grow at a rate that it would not have come anywhere near had it been left to rely on just the human and more common natural resources available to most countries.

Credit must be given to Botswana for not having squandered that fortuitous natural endowment. On the contrary, the Botswana government has followed a very prudent economic policy which has systematically set investment ahead of consumption. Even within this framework, the government has moved cautiously,

injecting diamond revenue into the economy only at a pace that will not overheat the economy and fuel inflation.

Two important related factors set Botswana apart from the oil sheikhdoms: (a) the starting level from which a modern economy and society had to be built and, (b) *the importance of foreign assistance.*

At independence, Botswana was basically devoid of infrastructure, physical as well as intellectual. Foreign assistance and later on the increasing diamond revenues allowed Botswana to take a short-cut. Rather than having to wait for domestic capacity to be built in the form of a well-educated competent public administration and a dynamic private sector, Botswana could draw on generous foreign assistance and had the means to procure whatever other expertise it needed.

External assistance also allowed the government to, early on, start to "deliver" improved social services to the broad population. What is, however, sometimes forgotten is that it is Botswana's own resources that have made such a focus possible. Investment in the social sectors, health, education and water supply, for example, are very demanding in terms of recurrent expenditure, which according to standard donor philosophy, have to be financed from domestic resources. In other words, while foreign assistance has facilitated growth, growth is also a prerequisite for effective use of the external assistance. It is, in fact, only because of the rapid growth of diamond revenues that Botswana has been able to absorb the very substantial per capita aid inflow. Or put even more curtly, growth in the short-term is a prerequisite for growth in the long-term.

No doubt, investment in basic education and rural water supply, the present SIDA areas of concentration, will positively affect growth, but the gestation period of that investment is long. In the short and medium term, resources devoted to these areas will constitute a heavy burden on public finances. To bridge that period Botswana – and the foreign assistance – is lucky to have the diamond revenues as a buffer.

The government is, however, painfully aware how vulnerable the development in the country is to any changes in the diamond fortunes. The existence of additional diamond deposits is not known and future market conditions, albeit to a large degree controlled by a strong cartel of which Botswana is a part, are difficult to predict. The present aim is therefore to expand the private sector in order to have a more diversified economy.

Diversification is proving to be easier said than done. Labour productivity is still generally very low. Thus it supposedly takes a Motswana seamstress several times longer to produce a T-shirt than it takes an East-Asian skilled worker. And lower productivity can not be compensated for by lower wages because the latter are driven by the wages in the diamond industry and the trickled-down diamond revenues.

As a mirror image of these high and increasing wage levels, the exchange rate has systematically appreciated, thereby eroding Botswana's competitiveness in trade. The problem actually became more difficult when Botswana left the Rand zone. When Botswana was part of a larger monetary area the exchange-rate effects of the diamond earnings were to a large extent diluted. After the introduction of the Pula, in particular in recent years, the Botswana currency has appreciated against all currencies in the southern Africa region. This effect has made non-diamond alternative exports to the neighbouring markets more difficult and decreased the competitiveness of local industry on its home turf. Foreign assistance has contributed to this in two ways: through its direct effect on the exchange rate and through the example that expatriate conditions have set, particularly for salaries.

At the same time it has turned out to be quite difficult for donors to design support programmes which will impact positively on industry without distorting the business environment. The much touted interest on the part of the donors to support joint ventures between donor country companies and Botswana entrepreneurs has yielded only meagre results. Swedish support to the development of small scale industry was one example of efforts in this area that failed.

The question is whether Botswana, given the macro effects of the diamond revenues, will be able, or should, follow the standard path of development, passing through labour intensive industry, like textiles, moving up the ladder to more technically demanding production as skills evolve. To do that the country would probably need to move toward a monetary union with South Africa and preferably the entire southern African region. If that is not feasible in the medium term, should the country attempt to move directly to a more skill intensive level of production trying to cash in on the resources that the country can put into education? Is it possible to do so without an interim period for another work ethic to evolve and for management to gain experience? Can it be done without heavy foreign investment? Question marks abound and government and donors alike grope for a long-term strategy or at least for the instruments to implement such a strategy, presuming that diversification is the way to go.

5.5 The objectives in long term and short term perspective

Although SIDA has always stressed political and economic independence of Botswana as the main objective for its assistance, it is difficult to see how this has been immediately reflected in the concrete selection of projects to support. One may have believed that this aspect should have played an especially important role during the years after Botswana's independence. The first projects supported by SIDA – a couple of secondary schools/brigades, vocational training, hydrological survey, the road Lobatse-Gaborone and a livestock project with IDA – have, on the face of it, little relationship to this grand goal. (Admittedly, it is mentioned in

passing in the document regarding Swaneng Hill School that some pupils may come from South Africa but this is not seen as the crucial reason for support.)

It seems that Sweden already from the beginning accepted that this objective could not be reached or promoted by short term means but implicitly adopted an exclusively long term perspective. The outcome was, of course, that in fact the reasons for assistance differed little from reasons for support to other countries in Africa. It is even possible to argue that the objective of independence gained strength compared to the more general economic development objective as Botswana grew richer and became capable, at least financially, to cater for its own needs. Instead of reducing aid to Botswana, Sweden remained and even increased the country frame; political presence was at least as strong a reason for assistance as the support itself.

Of course, Botswana's own views certainly played an important part in this strategy. The letter from the then government of Bechuanaland, quoted in section 2.1 above, shows clearly that what SIDA entered into was nation-building, no less, of a relatively small country, that is true, but a long term endeavour nevertheless. What may be questioned is the time frame envisaged when SIDA's involvement started. It is only now that children from SIDA-financed primary schools are entering into qualified positions for running the country, the needs of which were so eloquently described that letter from the end of 1965.

Examples where it is possible to see any direct relationship between the strengthening of Botswana's independence and SIDA-supported projects are few: a micro-wave link for telecommunications to facilitate routing of calls outside RSA is the most obvious. An assessment of the 'presence factor' is not within the scope of this evaluation and it would be difficult to establish effects from that in any case. It may later be the task for historians.

5.6 Other issues

The objective of environmentally sustainable development and the principle of gender-awareness in development assistance have not always been explicitly mentioned in the SIDA documents, but they are nevertheless important for Swedish development efforts and have been considered by the evaluation team.

5.6.1 Gender

Both government and the wider society increasingly recognize that past tendencies of assuming as they were, that there is equality between sexes were unfounded. In overall terms, women in Botswana have not benefited equitably from the development process. They are among the most illiterate, the poorest, the most lowly paid, and are dominant in the less rewarding informal and arable agricultural subsectors.

SIDA has over the years supported a number of projects which directly and



PHOTO: BROR KARLSSON

Women in Botswana have not benefitted equally from the development process. Many of them are illiterate, poor and poorly paid.

indirectly addressed the problem of gender inequality. In the first instance, SIDA's support to the Women's Affairs Unit of the Ministry of Labour and Home Affairs has gone a long way in putting women's concerns on the agenda and subjecting them to public debate. Although lack of capacity prevented full utilisation of the funds available, several workshops were held in remote areas such as Tsabong, Ghanzi, Maun, Kasane and nearer Gaborone in Kanye, Molepolole and Mochudi. Contacts have also been established between different women's groups, non-governmental organizations and relevant government departments. At present government in collaboration with women groups in the country, is working on the policy on women in development, a step which when completed should push gender issues higher on the development programme.

SIDA has also supported educational programmes likely to benefit women most. Through the literacy programme many women have acquired literacy which they did not have before. The Educational Evaluation Project in the same Ministry has also enabled professional women in education to undertake research thereby creating capacity and confidence in their work. SIDA has also used private consultants to develop and elaborate gender disaggregated data (Alexander,

1989), to conduct training workshops on gender approaches and gender balanced curricula (Marope and Njabili, 1993).

Perhaps the most important area of success in the gender area has been the introduction of a gender studies programme at the University of Botswana around 1990. This programme is supported by several donor organisations and it carries on the activities that have been started in the Women's Affairs Unit and some NGOs. This programme which is now part of the universitywide curriculum is likely to have long term impact not only on values and attitudes but also on policy.

5.6.2 Environment

SIDA's direct involvement in support for the environment has been largely limited to co-financing (with NORAD) a major study on the environment of the Okavango Delta. SIDA's main sectorial programmes have also incorporated the strengthening of key institutions with responsibilities for regulatory control over environmental standards and addressing environmental issues. So the major expansion of education may be seen to represent the main long term means of sensitising Batswana to the importance of the environment; improved approaches to rural water supply and sanitation may be expected to have important environmental benefits through conservation of natural resources and control over waste, and strengthening of district councils represents the development of a key agent of environmental control in the major villages and rural areas.

IMPACT OF DEVELOPMENT ASSISTANCE TO BOTSWANA

An overview of Sweden's assistance to Botswana over the last 27 years was presented above. There has been support to primary education, rural water supply, rural electrification, small scale industry etc. Each and every project has generally been thoroughly documented and evaluated. But what is the *overall impact* of the SIDA assistance? Simply the arithmetic sum of the different projects? Most likely not. For example, rural water supply and extensive primary education would have been developed even if Sweden had not assisted Botswana in those areas.

At the overall level, the impact must be judged against what might hypothetically have been the case if there had been no Swedish assistance at all. Obviously it is not possible to arrive at any precise measure of this impact. A few qualitative observations can be made, however. The subject has been considered in terms three questions: (a) to what extent has the Swedish assistance been fungible; (b) what has been the influence on Botswana development policy; and (c) to what extent has Sweden influenced the institutional development of the country?

6.1 Additional or fungible resources?

External resources are perfectly *fungible* if the recipient, under any circumstances, would have financed what the external contribution is used for. External contributions are perfectly *additional* if they are used for activities that would not have been financed by government. Fungible external contributions allow a government to finance activities of a lower priority by itself. The actual or net impact of the external contribution is thus to allow the implementation of the lower priority activity. In practice, external contributions may be partly fungible, partly additional because a project may contain some activities that would have been financed anyway and others that would not.

The level of fungibility is a direct function of the degree of control that the government has over the development process, especially its capacity to co-ordinate the donors, and the resources it has to match and balance the external support. Botswana's well developed national development planning system is an important factor.

6.1.1 *The Botswana planning system*

The Botswana system of development planning is probably unique, at least in Africa. Planning is an activity which permeates the day-to-day operations of the government; it is not just an activity carried out once every five or six years for show. Yet it is a dynamic process, not a straight-jacket like it was in the former Eastern block countries.

Three factors probably explain the unique strength of the Botswana planning system. Firstly the consciously limited role attributed to planning. Thus, in the words of the "Planning Officers Manual": "The government's approach to planning does not involve the imposition of controls over the sector production; instead the emphasis is on making the best possible use of the resources under government's control within a mixed economy." Secondly, the government has managed to create a very streamlined planning machinery. Especially important is probably the concentration of planning, budgeting and control functions in one Ministry of Finance and Development Planning. Thus, Botswana has avoided the ubiquitous turf battles between a Ministry of Planning and a Ministry of Finance which have nullified attempts at planning in so many other African countries. Thirdly, Botswana was able to recruit highly competent planning staff from overseas during a period when local professionals were extremely scarce. Even more importantly, the country's pragmatic approach to the use of expatriate staff gave time for routines to settle and for an effective planning culture to evolve while posts were gradually localised.

"The National Development Plan (NDP) is the major statement of government's development strategy and policies. As well as explaining the general principles on which policies are based, it incorporates quantitative targets for resource allocation. It pays attention to activities of the private sector as well as of government and parastatals, but its quantitative targets deliberately concentrate on those instruments over which government has most control or influence." (op.cit.)

The Plan is, thus, the basis for all development work carried out by the government. Most concretely it is the basis for the development and the recurrent budgets of government. In the early days of independence, the plans were basically rolling, but from NDP 5 onwards there has instead been a major mid-term review after three years of the plan period.

The Botswana administration is very centralised, compared to, for example, the Scandinavian countries, particularly in regard to economic matters and staffing. Yet Botswana has managed to merge into this centralised, western-type administration, a certain amount of influence from the "grass roots". Demands voiced by the local population shape the District Development Plans which, albeit still imperfectly, are reflected in the NDPs. Traditional authorities like the *kgotla* and representative voluntary and other organisations and fora form part of the wider range of public institutions which influence the administration.

17 Republic of Botswana. Government Printer, June 1986.

In addition to the general statements of policy, the National Development Plans list and summarise in principle all projects – at local as well as at central level – to be implemented during the plan period. The government thus has a clear agenda. It is not like in many other countries where the initiative very often comes from the donor side and where the total development programme is basically an ad hoc affair. This is not to say that the investment programme is written in stone and that there may not be additions and alterations during the plan period. What is important is that the plan is the starting point and that the government seeks financing for a project rather than donors coming to government with an offer to finance a particular activity. Furthermore, all negotiation of foreign support is centralised to MFDP in order to avoid sectorial ministries forcing the hand of the government by entering in direct agreement with a donor.

6.1.2 Weight of own resources vs. external assistance

An individual donor's assistance is, generally speaking, more fungible than the assistance of the donors as a group. This is so for the simple reason that if one donor is not interested in financing a particular area another one may very well be. On the other hand, there is a well known tendency of donors to follow the same trends – from integrated rural development to capacity building, to institutional development, to women's affairs, to environmental issues, to private sector development. If all or most of the recipient country's development expenditure is financed from overseas sources, the donor's "flock mentality" could influence development in the country very strongly. In Botswana, by contrast, an increasing share of development expenditure is financed from domestic resources making the country less exposed to the effect of donor fads. If certain priority areas are left by the donors, the government has the financial means to simply pick up the tab.

6.1.3 Conclusions about additional or fungible resources

Knowing the preferences, constraints and modus operandi of the different donors, MFDP will try to match donors and projects in a way that will optimise the net contribution to Botswana. Donors which are more flexible in terms of administrative procedures, disbursement, control and procurement but more demanding in terms of focus – e.g. SIDA and NORAD – are generally directed to more complex rural projects. Given the pressure from the grass roots alluded to above, and the general development ethos of the government, these projects are generally high priority as well. In the absence of Swedish support, it is likely that they would be financed anyway, by Botswana itself or by another donor.

However, most of SIDA's technical assistance in recent years is not of the gap-filling variety but is capacity-building and specialised training closely related to those projects SIDA has decided to support and well integrated with the administration. These resources are not easily replaced in on a short term

basis, but in a longer perspective it would be possible to make other priorities.

Because Swedish assistance has been quite flexible compared to many other donors and there being a general concurrence as regards the development objectives of Botswana's and for Swedish assistance, most of the net impact of Swedish aid cannot be found in the Swedish supported projects but must be sought elsewhere. If all projects and recurrent activities could be neatly ranked, the net additional effect of Swedish support might be found at the bottom of the list. But reality is not that neat and any firm conclusion would be mere speculation.¹⁸

6.2 Influence on policy

Policy formulation in Botswana has tended to follow a gradual iterative process involving cycles of experimentation, review and revision. By testing out and refining its approach before this becomes policy, the government has often been able to strike a balance between the search for innovation and improvement and the need for caution and pragmatism in order to ensure that policies will be both supported by the people and capable of being implemented.

A close bilateral relationship has been maintained between government and each of its main donors. Typically for each main donor-supported project the government has welcomed the inputs of the respective donor regarding project design, and in many cases has drawn upon the work of consultants which have been financed by that donor. A joint reference group comprising representatives of government and the donor has usually been established to monitor and review progress with the project and to consider issues as these arise. Such reference groups have usually been characterised by the transparency with which they share information and go about their business.

Government has generally been responsive to suggestions and criticisms from donors regarding the sectors and sub-sectors which they have respectively been assisting. Donors have been able to offer the benefit of know-how and experience from other countries, and on occasions to serve as catalysts for re-orientating sectorial and sub-sectorial strategies – often by proposing that work of this kind should be included alongside provision of resources for implementation.

In this way SIDA has contributed over the years to important changes of policy and strategy in Botswana. Among the most important examples of SIDA's influence on policy was through providing financial support and expertise (including the chairman) to assist the National Commission on Education in 1977. SIDA also financed studies of a strategic nature with respect to rural sanitation provision and decentralisation of local authority responsibilities and has supported the development of gender policy and initiatives to assist women in development.

¹⁸ It has been suggested the the team should have carried out a formal, econometric analysis of the fungibility of development assistance to Botswana. It is not quite clear whether that would have been possible with the statistical material available. In any case, time did not permit such a study and we had to limit ourselves to more "soft" observations, which may not be less valid.

In a minority of instances the policy dialogue between SIDA and government has been less well received and has had less influence. This has generally concerned issues which have fallen outside of the areas covered by SIDA support, and which, to some extent, government may have felt were not the concern of SIDA (or the other donors). Notable examples of such issues include Botswana's future relations with post-apartheid South Africa, high defence expenditure in the early 1990s and the approach to the RAD programme. Even in these cases it is quite likely that Swedish expressions of concern have contributed to government re-examining its position, albeit somewhat belatedly in SIDA's judgement.

Botswana's success in overall economic management and macroeconomic policy – and its conscious effort to establish its independence in terms of overall control of the economy – have meant less of a role for donor influence in these areas. The fact that the Botswana government is very much master in its own house does not mean, however, that it is impermeable to the opinions and desires of the donor community. On the contrary, the government has always welcomed a dialogue with the donors. At the same time it is very clear that the government wants to be co-ordinator of the dialogue rather than having that function assumed by a UNDP or a World Bank as it is in many other countries. There are thus no Round Table discussions or consultative group meetings arranged by the UNDP and the Bank respectively. Botswana does not participate in the NatCap exercise. While MFDP had to rely on expatriates to fill many senior positions until comparatively recently, these personnel were generally under the firm control of MFDP regardless of whether their posts were donor-funded. In any case most donor agencies have been impressed with the country's overall economic management and have offered more praise than criticism. World Bank, which is able to draw upon more specialist expertise in economic management, has provided regular advice and criticism which has no doubt had some influence on policy. Most recently it has been closely involved in major government reviews of the financial sector and industrial development policy.

6.3 Structural effects

Through the planning process MFDP has sought to maintain a system of estimating incremental recurrent costs as part of project memoranda and project reviews for all new development projects, and to use this as a means of retaining control of growth in recurrent expenditure. However, this is a difficult task since planning officers have often concentrated more of their time on the development aspects and neglected the recurrent implications. Based on some rough econometric studies the NDP7 planning exercise adopted an overall assumption that *every Pula spent on development expenditures would generate 26 thebe in incremental recurrent cost*, although it is difficult to know how accurate this actually is. At such a rate it is easy to see how the recurrent budget has come to represent the majority of the total

government budget, and that the years ahead will require proportionally lower development activity and greater concern over the efficiency and cost-effectiveness of recurrent service provision.

Because donor funded activities have been limited to projects and programmes drawn from government's NDPs and its associated expenditure plans, there has generally not been much tendency to establish activities which are dependent on donors for their motivation, initiation, implementation or subsequent continuation. This has been the case for the main activities which have been funded by SIDA. SIDA has itself sought to avoid financing activities which might lead to aid dependency.

The main structural weakness associated with SIDA support is that donor support is still needed in order to achieve satisfactory standards of performance in activities it has funded. There is still a long way to go before Botswana has a sufficient quantity and quality of trained manpower. Without further improvement and streamlining of recurrent provision an important negative structural impact of support from SIDA and other donors is that Botswana will be left with a relatively inefficient, high-cost, recurrent capacity which will act as a dead hand on generating resources for development. This capacity has been the outcome of many years of donor involvement in development activities. There is therefore a case for continued donor support for capacity strengthening (and gap filling). In this context the appropriate time for donors to consider that their involvements have been completed is when efficient recurrent provision has been achieved.

Self-help and community participation have been casualties of both Botswana's economic boom and the generous amounts of international aid that it has received. In some instances, notably regarding drought relief, support from both donors and government has contributed to an erosion of the normal incentives for people to be willing to provide for themselves – since they have learned that they can rely on special handouts being provided. Among the SIDA supported activities there are numerous examples of communities seeking payment for their involvements (e.g. village water supply operators) or assuming that government should provide for them (e.g. construction of primary school classrooms). Particularly in view of the general tightening of economic conditions, more attention needs to be given to finding ways of involving communities and making people take greater responsibility for running activities and maintaining facilities at local level. While it may not be possible to reconstruct the original idea of popular self-help in Botswana there is now a need to reverse the current trend towards creating a network of dependency on government.

EFFICIENCY (COST-EFFECTIVENESS) OF AID

When discussing efficiency, it is necessary to have a bench-mark. In this case, the appropriate comparison would be against a hypothetical situation where all the assistance is provided as untied budget/balance of payment support. In relation to the latter form of support, the mostly traditional project support given to Botswana, has its costs and its benefits from the point of view of the recipient. The balance of those costs and benefits is an indication of the efficiency of the assistance. With the suggested bench-mark it is also possible to compare SIDA assistance with assistance from other donors.

The analysis is further complicated by the fact that the relative costs and the benefits of traditional project assistance probably change over time. The cost of capital has changed as the diamond revenues have enriched the country. From this many donors have drawn the conclusion that funding for hardware is not what the country needs. Therefore many donors are focusing their support on technical assistance. On the other hand, government has over the years managed to build up its capacity to manage its development and the need for expatriate personnel has decreased, at least in proportional terms¹⁹.

7.1 Cost of donor imposed constraints

One donor imposed constraint which obviously lowers the value of assistance from the point of view of the recipient is the tying of procurement to the donor country. Regulations which in some other way limit the freedom to procure from wherever it is most cost-effective also reduce the value to recipient.

Only a small fraction of SIDA's assistance to Botswana has been tied to procurement in Sweden. However, Sweden has, as an extension of its policy in relation to South Africa, imposed the condition that Swedish funds should not be used for procurement from Botswana's southern neighbour. It is difficult to measure the real effect of this constraint. In relation to the total SIDA assistance and from a purely economic point of view this

¹⁹ In absolute terms the number of expatriate staff in the administration has remained more or less constant since independence.

has probably been negligible, but politically it may have been an important sign of consistent policy. If, however, all donors had put the same constraints on all type of aid, it could have created problems.

Technical assistance has from the outset constituted an important part of the SIDA assistance and has been increasingly important as the support has shifted from "hardware" to "software". A large portion of that technical assistance has been recruited in Sweden. Had the same type of staff been recruited directly by Botswana, it is possible that the cost would have been lower. The current agreement period is the last with staff on SIDA contracts in Botswana. SIDA will continue to provide funds for direct employment by Botswana of technical assistance staff. This is in line with both the present SIDA policy about the recipient country's responsibility and the objective of reducing the cost for technical assistance.

Some donors insist on a strict cost-sharing formula. UNDP, for example, requires that Botswana pay 50 percent of the cost of the technical assistance personnel that it provides. At that rate, it may very well be that it would be cheaper for Botswana to recruit directly and pay from her own funds. USAID's cost sharing formula is that Botswana should pay 25 percent. SIDA funds are free of any such formal requirements.

Botswana is and has always been quite skilful in co-ordinating the donors and directing them towards areas and projects that match their respective strengths and preferences. If, however, a donor insists on channelling its assistance towards the often more complex social sectors, maintaining all the same a set of stringent conditions (as to procurement, use of consultants etc.), projects may be seriously slowed down and the cost of a project increased considerably.

Donor fads have influenced government in that they have inevitably drawn more attention to issues which donors have been focusing on. However, these have generally not been pursued outside of the framework of the NDPs and their influence on government's thinking has often had to wait until the next NDP is prepared (which has probably helped to weed out fads with less relevance to Botswana). In the course of pursuing fads in development thinking the donors have usually found the Botswana government to be prepared to enter into dialogue and consider the merits of the issues at hand.

The Botswana administration is keenly aware of the relative efficiency and complexity of the different donor bureaucracies. Delays in project implementation can be quite costly to the government. In the Planning Officers Manual the problem is described in the following, straight-forward way:

"Aid agencies have varying reaction times to projects they receive. World Bank procedures are lengthy due to the Bank's almost obsessive thoroughness and the EDF also has rather cumbersome procedures. Some of the smaller institutions enjoy a flexibility that enables them to give approval to a project within a month or so of receiving the project application."

The conclusion is that the SIDA assistance, with one exception, has been free from constraints that would have reduced its cost-effectiveness on a general level. The efficiency in individual projects and programmes has not been considered here.

7.2 Benefits of active donor involvement

The earmarking of funds for projects may, however have some benefits. Even tying of aid may in the longer-term perspective sometimes has its advantages. The Botswana authorities point, for example, at the benefits of getting exposed to a wider range of expertise than if the country did all its own recruiting. In the short term, it would certainly be easier to go to the better known sources for advice and technical assistance personnel, generally South Africa and Britain. In the long term, however, the wide mixture of sources of expatriate staff working in the administration may turn out to have been rather enriching. Botswana officials also like to stress the long institutional experience that the aid agencies bring with them, experience sometimes acquired at high cost in other countries.

SIDA's assistance to Botswana has, all along, had a relatively strong and direct focus on the social sectors and on the disadvantaged groups in society. Thanks to the high degree of flexibility in the SIDA assistance, Botswana has, nevertheless, not experienced any serious difficulties in making good use of the assistance. The same has, according to the Botswana authorities, not been true for some other donors.

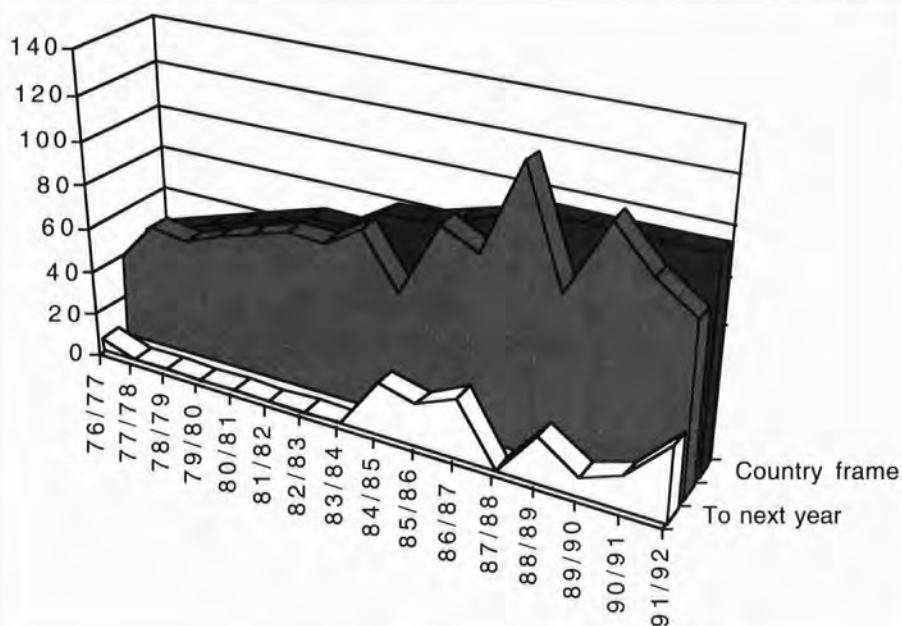
7.3 Disbursements

The rate of actual disbursements in relation to plans can be a rough indicator of the efficiency of an aid programme. It shows if allocated funds are used within reasonable time or are lying idle while obstacles are overcome. Fig. 7-1 (see next page) illustrates the disbursement rate from the (Swedish) fiscal year 1976/77 to 1991/92.

The country frame was fully utilised during the first seven years in the diagram. It then slowed down for a couple of years. Disbursements in 1987/88 made partly up for the unused funds in the preceding years, but from 1988/89 and onwards available funds have not been fully utilised.

The lower level of disbursements in relation to the allocated country frame during the most recent years does not, however, seem to point at sloppy planning or implementation at the programmes. It rather illustrates the general experience that aid programmes with a high proportion of hardware is often easier to execute than programmes that comprise much training and capacity-building, partly because the construction of buildings etc. are easier to plan in detail, both in terms of costs and in terms of time schedules, partly because implementation efficiency is often enhanced by the presence of technical assistance personnel and implementation consultants.

**Fig 7-1 Swedish country frame, disbursements and funds carried over 1976/77
1991/92. (Mill SEK)**



SUSTAINABILITY OF THE DEVELOPMENT ASSISTANCE FROM SIDA

This chapter is both a discussion of sustainability of development projects and programmes in Botswana in general and a comment to the more SIDA related findings in the previous chapters and in the conclusions.

8.1 Future growth of Botswana's economy and its budgetary aspects

The nature of the development challenge facing Botswana has changed. In the past diamond-based growth provided the basis for major expansion of the economy and provision of physical and social infrastructure. By the early 1990s the existing diamond mines were operating at full capacity and no new mines were under development. Botswana therefore faces the prospect of slower economic growth in future.

Assuming that government continues to be able to exercise control over public spending, according to most of the more likely short and medium term budget scenarios it may be expected that a period of slower growth and consolidation of existing activities is ahead. In such circumstances it is to be expected that activities which have been developed with support from SIDA and other donors will generally be continued but that there will not be enough domestic resources to sustain the pace of economic development and social welfare provision – at least, unless a major new mining project is established. Scenarios which support this conclusion include:

(a) *Planned slow-down* in growth. According to NDP7 government will respond to the slow-down in growth of diamond revenues (and slow pace of economic diversification) by exercising restraint over expenditure growth. It would be possible to sustain activities which have already been developed but increasingly difficult to extend or add to these;

(b) *Recurrent hangover*. As scenario (a), except that recurrent expenditure would continue to grow rapidly for some years as a result of unforeseen recurrent implications of past developments. This could mean a need to cut back on some

existing activities, at least if a pattern of regular budget deficits were to be avoided;

(c) *Draw-down of reserves.* As scenario (a), except that government would opt to use some of the country's reserves to finance continued expenditure growth. Some of the more obvious drawbacks are that by depleting its reserves Botswana would become less able to make strategic investments when such opportunities arise and that it would be more exposed to the risks associated with regional political instability and fluctuations in diamond revenues;

(d) *New minerals project.* It would appear that only through the discovery of a major new mining opportunity would it be possible to alleviate the constraint on revenue growth, and probably not until the NDP8 period during the second half of the 1990s.

At the same time, there is a growing need to address the key issues of large-scale unemployment and continuing pockets of mass poverty in the rural areas. Botswana now needs to find new means of growth – presumably through economic diversification – and to find ways of streamlining existing activities in order to reduce the resources which these consume.

As is evident from NDP6 and NDP7, government has not formulated any comprehensive vision or theory or plan of how to achieve the development "take-off" needed for successful economic diversification. Nor has it committed major resources towards this task, for example by establishing some kind of "think-tank". The need for such a vision is becoming increasingly urgent. Ideally this would be featured in the next national development plan and would provide a basis in terms of policies, programmes and projects for seeking more concerted donor support for diversification.

While government has made numerous official statements regarding the need for improvements in private sector productivity, there has perhaps not been an equivalent recognition of the vital importance in achieving comparable improvements in public sector productivity. However, a National Productivity Centre has recently been established.

With prospects of slower growth and tightening budgetary conditions, coupled with continued capacity constraints, it remains an immensely difficult task for Botswana to transform its diamond-dependent economy into one which is more broadly-based and self-sustaining. Until some kind of "take-off point" has been reached, many of the achievements of Botswana's past development will remain fragile and potentially reversible. If Botswana is to find its way through this transition it will continue to need foreign aid, especially to provide missing expertise and supplement other resources, to assist in strengthening capacity and through policy dialogue and involvement in preparing what should amount to a new generation of national development strategies.

8.2 Human resources aspects

During the first two decades after independence the shortage of qualified manpower was often cited as the critical constraint to the rate of development expenditure. It was argued that expenditure beyond the country's limited implementation capacity would simply fuel inflation without contributing to economic growth. This partly explains the budget surpluses and accumulation of reserves over the 1980s. The gradual reduction in manpower constraints over the 1980s also provides part of the explanation for the rapid increase in government expenditure leading to the budget deficits of the early 1990s. In this context the existence of manpower constraints during the first two decades may have helped to insulate Botswana from the potential dangers of imprudent expenditure. By the third decade Botswana may now have established the capacity to risk its accumulated surpluses and its reserves – should government adopt unrealistic spending programmes.

Nevertheless, the lack of skilled personnel to fill up existing positions and allow for further expansions in the central and local government and private sector remains a major constraint to Botswana's development. Although the formal sector employment has grown from a mere 10,000 or so at independence to 97,400 in 1981, further to 116,800 in 1985 and to 225,800 in 1991, the lack of qualified and experienced manpower more than financial resources constitutes a major challenge for future. There is a mismatch between the labour force supply on the one hand and the demands of the economy on the other. In 1982 the economy required some 172,351 and 221,335 people in 1985. Of these 136,333 and 177,035 were needed in positions demanding less than the Junior Certificate (JC). The rest had to have JC and above. Given the preponderance of people with less than JC in the labour force, there were major imbalances between the demand of the economy and the labour force supply.

These labour force imbalances continue. This has meant that the expatriate/technical personnel will continue to be needed to play a crucial role in the economy. Table 8-1 shows the number of expatriates in the different sectors of the economy and projected need. The number of expatriates was highest in construction, finance and businesses, commerce and manufacturing. The central government had 2,079 expatriates while local government had only 108. In all the total number of expatriates was 11,381 of the total formal sector employment in 1991.

Table 8-1 Occupational manpower requirements and additional citizens required by 1990 and 2001

	1985			1990		2001 (projected)	
	Citizens	Non-citizens	Total	Manpower Required	Additional citizens req.	Manpower Required	Additional citizens req.
Scientists, Engineers & Technicians	1,887	1,236	3,123	3,858	2,226	6,989	5,683
Medical Personnel	2,195	282	2,477	3,858	2,226	7,164	5,637
Mathematicians, Statisticians, Economists & Accountants)	847	463	1,310	1,671	946	3,218	2,637
Teachers	8,439	1,762	10,201	16,374	8,783	29,705	23,627
Social Workers	699	15	715	1,128	556	2,999	2,540
Managers & Administrators	1,934	1,161	3,095	4,235	2,609	8,789	7,487
Foremen & Prod. Supervisors	2,198	279	2,477	3,239	1,412	6,170	4,707
Blacksmiths, Toolmakers & Machine Operators	1,203	7	1210	1,570	571	3,003	2,203

Source: Derived with modification from national manpower development planning, 1985.

The table above may not give an up-to-date picture of the manpower development in Botswana but it does indicate the general state of manpower requirements in the professional and technical areas. Given the limited training capacity locally, the difficulties involved in placing people abroad for training and the length of time to train a doctor, an engineer, etc, the pace of localisation in most of the above areas can be expected to be slow.

8.2.1 Gap-Filling/Adviser/Counterpart

It is difficult to obtain precise information of the number of technical assistance personnel in public sector and local authority posts. It is even more difficult to get these data in an historical perspective. However, it is clear from existing documents and discussions with officers in central and local government that many key technical posts in the areas of science, engineering, electrical engineering, hydrology, physical planning, science teaching, accounting, etc. have for many years been filled by expatriates. The trend appears destined to continue for over the foreseeable future.

In addition to donor-recruited technical assistance, some technical personnel are directly recruited and paid for by the government. This is mostly the case with expatriate personnel from other African countries and the Indian subcontinent. There is also personnel that are directly recruited by government but partly funded by donors, for example the Norwegian supported doctors in the health sector.

It is important to recognise that many of the technical experts in key positions in the public and parastatal sectors and local authorities are "gap-filling". Such technical personnel have helped Botswana in the past and will continue to do so

in future. Efforts to replace them and develop skilled citizen personnel have intensified. It is government policy to localise most of these posts as soon as citizen personnel are available. Indeed in the areas of administrators, economic planning, low to middle level health workers significant progress has been made. In most government ministries and departments localisation of the highest and middle level posts has occurred. On the other hand in the areas of hard science the progress has been slow and tedious and more technical assistance is required in the short and medium term.

8.2.2 Training capacity in Botswana

Botswana has long recognized the importance of training. Over the years a wide range of training institutions have been established, comprising primary schools, secondary schools and tertiary institutions such as brigades, artisan training centres, teacher training colleges etc. Post secondary institutions as the University, the Polytechnic and the National Health Institutes, the latter training nurses and other paramedics, were developed from scratch and expanded to accommodate rapidly increasing enrolments. Nevertheless, with University's annual output of around 3,000 graduates of degree, diploma and certificates mainly in arts, general science and education, the demand of the economy continues to far surpass the supply.

The current National Development Plan (NDP 7, 1991-1997), recognises the slow pace of localisation:

Over NDP 6, the proportion of expatriates working for government rose slightly, from 2.6% to 3.1% in March 1989. This is partly a reflection of the faster than anticipated growth in skilled manpower requirements: in the short term, more finance can be allocated to create posts requiring skilled manpower posts, but the training required to produce qualified Botswana to fill those posts takes longer (NDP 7, p. 108).

Vacancy rates at central government and local authorities levels have surpassed expectations. It is not uncommon to find some departments with vacancy rates of up to 50%. On this NDP7 says:

The high level of vacancies in many departments remains a serious problem. Government's target is that the vacancy rate in any department should not exceed 5% by the end of NDP 7 (p. 109).

The target of 5% is to be achieved through cutting back on creation of new jobs rather than by producing qualified citizen personnel or recruiting more expatriates. This represents further recognition on the part of government that localisation can only be expected to proceed slowly.

Training of citizen manpower has been multi-pronged. Training takes place in formal institutions such as the ones mentioned above, through in-service, in-house mobile training; placement abroad and of late, through the newly established

productivity centre which is intended to improve skills, attitudes and motivation of those in posts. SIDA has been heavily involved in training in the areas of in-service and in-house training, particularly for local authorities personnel. However, from observations made by the evaluation team the vacancy rate in district administration is likely to remain a major problem for several years, and it can easily jeopardise the training programmes that are under way in the DDSS.

8.3 Sustainability for SIDA-supported areas

The prospects of continuation and development of the SIDA supported programmes centre around three main issues: sustainable institutions, availability of relevant manpower, and financial means. These are to a large extent interrelated – institutions do not function without people and money and manpower and financial resources are not sufficient to create and maintain development processes.

8.3.1 Institution-building aspects of the main programmes

Institution-building in the sense that a completely new organisation has been set up with SIDA support has not taken place during recent years apart from one or two exceptions in the education sector programme. The institution-building which SIDA has been involved in is rather improvements of practices and the introduction of sometimes considerable development programmes in the administration of existing organisations. This seems to have functioned well. One good, recent example is the human resources plan, created and implemented with assistance from the consultancy firm SIPU International in the rural district water and waste water departments. The failures or less successful examples seem to be where attempts were made to create new organisations.

It has not been possible to carry out an investigation of the current situation for all the institution-building activities that SIDA has been involved in. The general impression is that Botswana acknowledges the need for a long term perspective on this and has in most cases committed itself to providing the necessary financial and manpower resources to make the institutions function in the future. However, the present rather favourable situation can easily be eroded since routines and experience are perhaps not always strongly enough established.

8.3.2 Manpower

Given the paucity of qualified manpower at independence it was unavoidable that there would be a reliance on expatriates, until long term developments in expansion of education and training had been accomplished. The country's rapid economic growth has also meant ever expanding needs for qualified personnel, so that, even though the supply of local manpower has greatly

expanded, the need for expatriates is expected to continue for many years. (See further Table 1 in appendix 5.)

Botswana's use of expatriates has been somewhat different from most other African countries and has been distinguished by the high degree of pragmatism which government has exercised (particularly over localisation issues). Expatriates have been used to fill gaps and government has to a large extent tried to resist promoting local staff to take over posts filled by expatriates until the local staff are considered fully capable of doing so. Such an approach has helped to reduce the possibilities of premature localisation leading to institutions becoming inefficient and adopting low standards. Nevertheless this is also a politically sensitive issue and there remains pressure to accelerate localisation.

The counterpart system has also been used in Botswana, but this has been on an increasingly selective basis since it has often not been successful. As has been the case in many other developing countries, there have often been problems such as ensuring that suitable counterparts are in post, establishing the right mix between line responsibilities and on-the-job training, and providing for continuity after the expatriate has left.

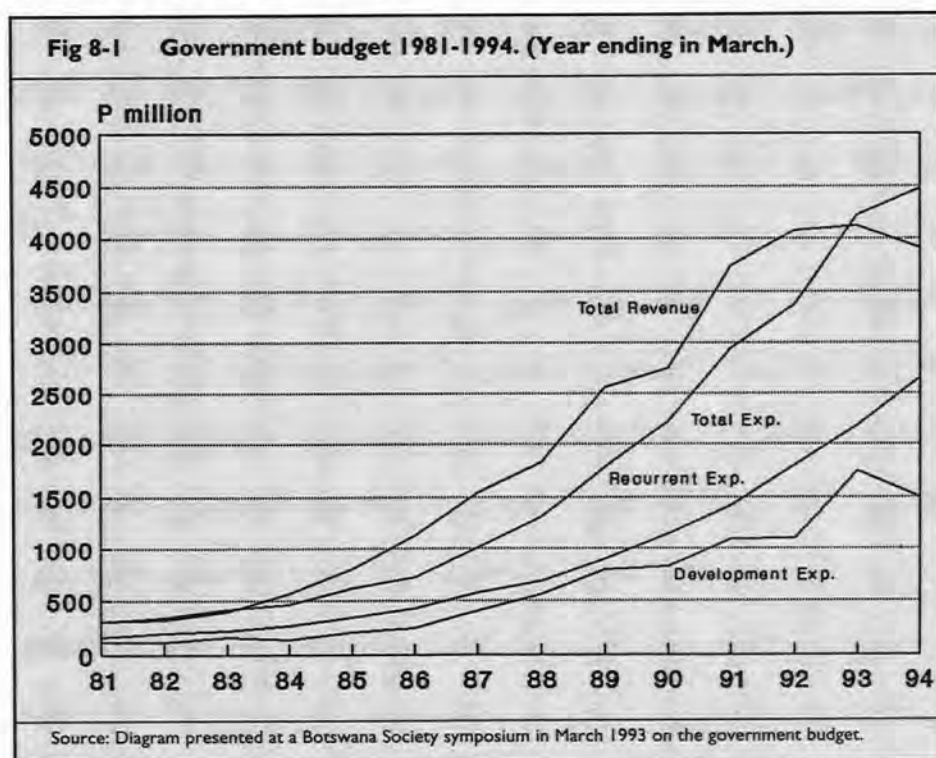
Over the last decade there has been an increasing tendency to engage expatriates as advisers rather than to use them to fill line posts. In some instances, such as SIDA support to the Department of Geological Survey, the use of advisers has been coupled with a major training initiative and has provided a fast route to effective localisation. However, unless this is carefully planned there is a risk of the advisers having no suitably qualified local colleagues to advise and/or becoming drawn into line responsibilities as "gap fillers" – as has been the case in respect of SIDA support to district physical planning.

The manpower situation will continue to be a problem for at least five years given the present level of ambition to provide public services. Since this shortfall of capable staff cannot be compensated by more money, the donors have still an important role to play in providing skilled staff.

8.3.3 *Financing*

Since the mid-1970s Botswana has been able to provide the financial resources necessary to sustain each of the main SIDA-supported activities. Now that budgetary conditions have become tighter, it is possible that if SIDA were to have continued to emphasise provision of "hardware" then problems would soon be experienced regarding the financing of recurrent activities. However, such a situation has been avoided as a result of SIDA's shift towards "software" activities. Only if there were to be a failure in overall budgetary control – such that government tried to conduct too many recurrent activities with too little available funding – might there be prospects of problems for the financial sustainability of SIDA-supported activities.

There are already signs that the mid-term review of NDP 7 probably will suggest measures to close the gap between government income and expenditures that is indicated in the diagram below.



8.3.4 Implications of aid for recurrent expenditure

It is to the credit of the planning system in Botswana that the recurrent implications of development activities and expenditures have generally been planned and provided for. Manpower rather than finance has represented the biggest constraint but expatriate staff have been widely used to fill gaps and to train Batswana and strengthen capacity. There is encouraging evidence of Botswana's preparedness to take over the full responsibilities and costs of activities originally developed with donor funding. In the case of SIDA's major sectorial involvements, government has taken over on-going funding of running and maintaining of village water supplies and SIDA's remaining support has been directed towards capacity strengthening to increase the efficiency of council water departments' activities. Similarly Botswana has met the costs of running the primary schools which were funded by SIDA in the education sector programme and again most of SIDA's continuing support is being directed towards helping to raise the effectiveness of Botswana's teaching system.

During Botswana's first two decades the greater emphasis of SIDA support on

"hardware" provision meant that it often contributed to substantial incremental recurrent costs, such as for the running of primary schools and water supplies. The more recent shift towards "software" support has generally implied much lower incremental recurrent cost implications. In instances where incremental recurrent costs have been more substantial (such as the re-organisation of council water departments) this has usually been because the resource requirements for recurrent provision had previously been overlooked or underestimated. "Software" support also offers the potential for generating recurrent cost savings if it leads to increased efficiency and lower unit provision costs.

The need for strengthening capacity and improving efficiency does not end when SIDA supported developments are taken over as recurrent activities by government. The rapid growth in recurrent expenditures in recent years may reflect not only growth in the quantity of services being provided but also that unit provision costs for many recurrent activities may be high, partly because efficiency – or productivity – may be low. The time-frame for development to become successful includes not only the period of introduction of the activity but also the time needed to attain acceptable performance standards in terms of cost-effectiveness and efficiency.

SIDA has been among the leading donors in departing from the convention of only supporting "development" in that most of its growing support for capacity building is directed at improving the performance of recurrent activities. While there is no significant case for SIDA to support programmes confined to budgetary support for recurrent activities, there is a strong case for SIDA support for capacity building, training and streamlining of recurrent provision. There would also be merit in giving more explicit recognition to the important contribution which is needed from SIDA and other donors in order to realise acceptable standards of performance in recurrent activities.

LESSONS LEARNED

1 SIMILAR VIEWS AND OPENNESS

It seems evident that the similarity in outlook and development objectives between Sweden and Botswana is an import factor behind the relative success for the SIDA development assistance programme to Botswana. Connected to this, and probably as important, has been the transparency of Botswana's policies and plans through easily accessible NDPs and budgets and the open policy dialogue that has taken place.

2 THE RECIPIENT IN CHARGE

It is very clear that the government wants to be co-ordinator of the donors rather than having that function assumed by a UNDP or a World Bank as it is in many other countries. This is logical considering the importance of the NDPs and necessary if comprehensive development plans should become real steering documents. This unquestioned role contributes to the smooth functioning of the development assistance programmes, not only from Sweden, but probably from other donors as well. It also makes Botswana less vulnerable to donor "fads" whose occurrence at the same time could influence the country very strongly.

3 BOTSWANA CAN AFFORD DEVELOPMENT AID

The relative affluence of Botswana makes it easy for the country to use external resources efficiently. Botswana is not dependent on donors' priorities or planning. Since projects and programmes are seldom, perhaps never, executed in isolation from the government's own plans, they are likely to have the necessary support from the recipient country's own resources to be sustained over a long time.

4 DEVELOPMENT BECOMES RECURRENT

The conventional distinction between "development" and "recurrent" activities may often be artificial and misleading. Many activities which have ceased to be

considered as "development" will require considerable improvement in order to attain satisfactory standards. For SIDA support to be both effective and sustainable it may often be necessary to provide assistance to activities which are classified as "recurrent". To fail to do so will be akin to having encouraged recipient countries to introduce new activities which will then – through inefficiency – place an unacceptably high burden on recurrent resources.

5 ALL PARTS MUST WORK

In its ambitions for common welfare Botswana may have created a demanding, high-cost administration that was not intended. The main structural weakness associated with SIDA support is that donor support is still needed in order to achieve satisfactory standards of performance in activities it has funded. Otherwise there is a risk that Botswana will be left with a relatively inefficient, high-cost, recurrent capacity which will act as a dead hand on generating resources for development.

6 EXPLICIT RELATIONSHIPS BETWEEN RESOURCES AND OBJECTIVES

A more explicit "theory" or statement of assumed causes and effects are needed in order to "transform" objectives like "economic and political independence" into concrete projects and programmes that distinguishes (if necessary) those efforts from other, more conventional kinds of development assistance. Examples where it is possible to see any direct relationship between the strengthening of Botswana's independence and SIDA-supported projects are few.

7 PROVIDE – AND REQUEST – RELEVANT RESOURCES

The character of the development assistance provided should fit the development stage of the recipient country and the analysis of such "stages" need to be carried for separate sectors as well. The outcome of the small scale industry support programme may partly have been caused by insufficient analysis of the situation in which it was supposed to function.

8 STRATEGIC CONTRIBUTIONS

Important contributions are possible without heavy costs as the Swedish involvement during the seventies in the education policy shows. Naturally, this requires deep familiarity with the country and thorough knowledge of the subject as well as a profound, mutual respect of the parties involved.

9 LONG TERM PERSPECTIVE

Experience in most of the activities SIDA has supported in Botswana indicates that the timeframe for successful introduction of new activities is often much greater than normally allowed for in planning by SIDA and other development agencies. This means that either SIDA has to regularly renew and extend its programmes of support or that support is ended before satisfactory standards of performance have been achieved. Even in relatively affluent Botswana development assistance requires a long term commitment from both recipient and donor. The general impression is that Botswana acknowledges the need for a long term perspective on this and has in most cases committed itself to providing the necessary financial and manpower resources to make the institutions function in the future. However, the present rather favourable situation can easily be eroded since routines and experience are perhaps not always strongly enough established.

CONCLUSIONS AND RECOMMENDATIONS

DEVELOPMENT ASSISTANCE

There is and has always been a high degree of consonance between Botswana's development objectives and the objectives of Swedish assistance. Together with the relatively flexible nature of Swedish assistance, this has meant that the Swedish support, generally, has been used for high priority projects. Using Swedish support in such areas has allowed the government to allocate its own resources to other activities, perhaps less likely to attract donor support. Obviously but unfortunately, it is impossible to pin-point exactly what those areas have been. One can only conclude that evaluating the Swedish assistance requires a very broad approach, to some extent evaluating the development of the economy and the country as a whole.

Botswana is very skilful in handling donor funding and has from early on made it clear who is determining the use of it. The key reasons seem to be the ability to make the donors accept the priorities in the NDPs and that a formal framework is established and adhered to.

SIDA's OBJECTIVES

The strengthening of Botswana's independence from the Republic of South Africa was one of the main reasons for assisting the country from the beginning of Swedish aid. The success of this could be assessed from three points of view:

- importance of Swedish presence; concrete activities less important
- short term results of programmes and projects
- long term impact

The first aspect is outside the scope of this evaluation. It is difficult to find activities that in the short run have been important for the independence objective. In practice, the objective of reducing poverty, especially for the rural poor, which was implicit during the first years and later clearly spelled out, has been the true objective for SIDA assistance.

From an early stage Sweden accepted Botswana's view of what political and economic independence means: the creation of a nation with established institutions and infrastructure, which could be run and maintained without unwanted, outside influence. In that respect the Swedish objective has to a considerable degree been fulfilled.

IMPACT, RELEVANCE AND EFFECTIVENESS

Swedish assistance to Botswana has been quite successful in comparison to aid efforts in other African countries. It has clearly contributed to Botswana's development in the main sectors, which are also central for the country's needs. There are some exceptions from these generally positive experiences: an early livestock farm project, co-funded with SIDA, and the small industry support programme. Some components in the sector programmes have been less successful and have been abandoned or suspended, but this does not affect the overall effectiveness of the support.

When relating the type and composition of the programme to Botswana's situation at different periods during these 27 years, it seems that on the whole the support was relevant, i.e. targetted at problems that needed assistance from abroad at that time. This conclusion is valid also for the present situation.

Within each of the main sectors it has been supporting, SIDA has found government to be receptive to its contributions towards policy dialogue and provision of technical assistance and consultancies to support this process. As a result SIDA has had a positive influence on the development of policies and design of programmes and projects. However, government has tended to take less interest in views promoted by SIDA in relation to sectors outside the core of SIDA support.

SUSTAINABILITY

In view of Botswana's relative prosperity during the last ten years it is not possible to say that the donors have created a dependence on aid in financial terms. The political ambitions to provide basic welfare on a certain level to all citizens during a short time period together with a readiness from donors to assist have, however, created a situation where Botswana has committed itself to programmes that continue to depend on foreign expertise. This is illustrated in the water programme, where it is possible to talk about a dependence on aid from SIDA; if SIDA steps out now there is a serious risk that the programme would deteriorate.

Self-help and community participation seem to have been casualties of Botswana's economic boom. Among the SIDA supported activities there are numerous examples of communities seeking payment for their involvements or assuming that government should provide for them. Particularly in view of the general

tightening of economic conditions, more attention needs to be given to finding ways of involving communities and making people take greater responsibility for running activities and maintaining facilities at local level.

ALTERNATIVES AND THE FUTURE

The nature of the development challenge facing Botswana has changed. In the past diamond-based growth provided the basis for major expansion of the economy and provision of physical and social infrastructure. Now, at the early 1990s, Botswana needs to find new means of growth through economic diversification – particularly in order to address the key issues of large-scale unemployment and poverty – and to find ways of streamlining existing activities.

Experiences from SIDA's small industry programme (admittedly ten years old) and Botswana's own FAP point towards the need for a new strategy for economic development. However, judging from NDP6 and NDP7, Botswana as well as the donor community seems still to be searching for a comprehensive vision or theory or plan of how to achieve the development "take-off" needed for successful economic diversification.

The need for strengthening capacity and improving efficiency does not end when SIDA supported development programmes are taken over as recurrent activities by government. The rapid growth in recurrent expenditures in recent years could be an indication that many such recurrent activities are both high cost and inefficient. The time-frame for development to become successful includes not only the period of introduction of the activity but also the time needed to attain acceptable performance standards in terms of cost-effectiveness and efficiency.

SIDA has been among the leading donors in departing from the convention of only supporting "development" in that most of its growing support for capacity building is directed at improving the performance of recurrent activities. While SIDA should continue to avoid programmes with direct budgetary support for recurrent activities there is a strong case for SIDA support for capacity building, training and streamlining of recurrent provision.

The present situation is rather fragile, first of all because of the shortage of trained and experienced people from the country. It will yet be a some time before a sufficient number of Botswana will be able to satisfy the demand for manpower in all sectors and before institutions and have reached a stable level of proficiency. Outside expertise, through donors or otherwise, will be needed for many years to come.

RECOMMENDATIONS

1 Continuation of SIDA support is needed until adequate capacity has been established in the sectors and institutions being assisted by SIDA and until

1.2 Reasons for the evaluation

The development cooperation between Botswana and Sweden has existed for more than 25 years. During this period of time both Botswana and the Swedish assistance have changed considerably. It is, therefore, felt that it is necessary to summarize results and evaluate the role of the Swedish bilateral assistance in Botswana's development process.

This evaluation will also be an important input into discussions on the future size and content of Swedish development assistance to Botswana.

2 Scope and focus

The evaluation shall cover the whole period of Swedish assistance through SIDA, i.e. 1966-1992. It shall focus on three topics: the relevance of Swedish assistance through SIDA, the effectiveness of the various programmes and projects, and the long-term impact of Swedish interventions.

2.1 Relevance of Swedish assistance

The relevance of Swedish assistance shall be assessed against Botswana's needs as they have been expressed in National Development Plans and other planning documents deemed relevant.

Among issues that should be discussed are the congruence between various stages of Botswana's development compared to the content and volume of Swedish assistance and the original reasons and goals for support to Botswana - alleviation of poverty and strengthening of her independence - and how this has been reflected in the selection of programmes and projects.

When considering this topic the evaluation shall also describe and discuss Swedish assistance in relation to development assistance by other bilateral and multilateral agencies, e.g. their emphasis, volume, reasons for assistance to Botswana.

2.2 Effectiveness of programmes

The effectiveness of the programmes and projects in relation to their specific objectives shall be reviewed. This evaluation shall not go into details, but mainly rely on previous evaluations and other relevant documents. However, the evaluation team must try to update existing information and form its own opinion on how successful the various interventions are or have been.

2.3 Long-term impact

The evaluation shall also assess the long-term impact of Swedish development assistance with regard to Botswana's development process, emphasizing on the overall goals for the assistance, as well as impact of individual programmes and

projects. In discussing this the team shall take into account present prospects for Botswanas future development.

2.4 Conclusions

The evaluation report shall present conclusions about Swedish development assistance to Botswana that may guide decision-making on future Swedish assistance. They may cover both general lessons to be learned and specific areas where Sweden has been involved.

3 Methodology

The evaluation will be carried out in three separate studies:

- an overview of Swedish development assistance to Botswana
- a description and analysis of Botswana's economic, social and political development since independence, and
- the evaluation itself, i.e. main study,

Separate terms of references for study two and three will be produced. The terms of reference for the second study shall be developed in consultation with the teamleader of the main study.

3.1 The Overview

The first study will be an account of programmes and projects in Botswana with Swedish support. The emphasis will be on bilateral activities, but support through multilateral channels will be included in order to give a full picture of the Swedish engagements in Botswana. The study will be largely descriptive, but it will also point out main characteristics and changes in emphasis and differences in performance of Swedish support. It will be based on documents, mainly in SIDA's archives.

This study will be summarised in a separate report that shall be ready by the end of February.

3.2 Botswana's development

The analysis of Botswana's development, not only in economic terms, but also from social and political point of view, will be essential for the evaluation. This "country study" will be carried out in Botswana by local consultants and researchers. The analysis shall focus on changes that may have had relevance for Swedish development assistance in the past. It shall also discuss developments in the social, economic, and political fields that may have implications for future assistance.

The report shall be ready by the end of March.

3.3 Main study

The main study will build on the two previous studies. Through documents, interviews in Botswana and in Sweden, and visits to selected projects the team will collect and analyse data which is pertinent to the scope and focus of the evaluation.

A draft report shall be ready not later than 15 May.

4 Evaluation Team

A teamleader, with overall responsibility for the whole evaluation, apart from the first study, should be appointed.

The team for the main study should comprise the following expertise: a political scientist/historian, an economist with good knowledge of Swedish assistance administration and development assistance evaluation. One or two members of the main team should be from Botswana.

5 Time Plan and Reporting

Terms of reference will be discussed with and approved by the Government of Botswana. Appointment of team members from Botswana should be done in consultation with the Ministry of Finance and Development Planning.

A reference group consisting of representatives from the Government of Botswana and SIDA shall be formed. The reference group shall mainly discuss results from the evaluation.

The overview shall be ready by end of February and the country study by the end of March.

For the overview a maximum of three person weeks will be required. The country study is estimated to require ten to fifteen person weeks and should be commenced as soon as possible.

The main study will take place in April with an estimated duration of three to four weeks in Botswana. In total it is estimated to require 25-28 person weeks.

It is advisable that one of the Swedish members of the main team pay two visits to Botswana in order to both collect data and to co-ordinate the work between the country study and the main study. The first of these visits would preferable be made at the end of February or the beginning of March.

SIDAs Evaluation Unit will co-ordinate the evaluation and also commission the first part, the overview. The country study will be commissioned by SIDAs Development Cooperation Office in Gaborone after consultation with the Evaluation Unit in Stockholm.

Both the results from the overview and from the country study shall be presented in separate reports. The contents in these reports will be summarised in the main report.

A draft report from the main evaluation phase shall be ready by May 15, 1993. The final report shall be delivered to SIDA in Stockholm not later than three weeks after comments have been received from the Government of Botswana and from SIDA.

statements and in terms of budget allocations,

- funds actually spent on various sectors and programmes,
- needs, availability and provision of foreign exchange during different periods,
- needs and availability of qualified people and relevant institutions for various purposes in the public and private sectors,
- needs in relation to strengthening Botswana's economic (and political) independence from South Africa, and indicators in that direction, e.g. the existence of successful SIDA-funded, concrete projects with that purpose.

The **effectiveness** of programmes will be assessed on the basis of previous studies and up-dated information from interviews and by visiting projects. It seems that little can be done about that during Part Two of the evaluation.

Indicators of **long-term impact** (sustainability) of Swedish development assistance are

- Botswana's commitment to various programmes measured through budget allocations and actual funds spent,
- availability of persons with relevant background and training (competence levels),
- "organisation for maintenance" (both physical maintenance of e.g. buildings as well as organisational maintenance through provision of staff and continuous training and provision of funds in the recurrent budget).

In addition two important questions should be addressed: firstly, the issue of fungibility or whether Swedish development assistance is additional and or is complementary to other development efforts, secondly, in what way and to what extent has development assistance created a dependence of foreign donors?

Appendix 2:

PERSONS INTERVIEWED

Mr. J S Datta	Principal Finance Officer (Development), Ministry of Finance and Development Planning (MLDP)
Ms. Astrid Dufborg	Head of SIDA-DCO, Gaborone
Fred van der Geest	Consultant (Previously Senior Water Engineer, MMRWA)
Mr Peter Gumbel	Programme Officer (education and culture), SIDA-DCO, Gaborone
Mr Jim Houston	Previously Head (acting) of Planning, Ministry of Local Government and Lands
Ms. Åsa Larsson	Economist and Programme Officer (water), SIDA-DCO, Gaborone
Mr G G Morapedi	Chief Economist Projects, Ministry of Finance and Development Planning (MLDP)
Mr. Bengt Goran Karlsson	Consultant, SIPU
Ms. Sarah Morrisson	Dep. Res. Representative, UNDP, Botswana
Ms. Anne Murray	Head, Documentation Department, The National Museum of Ethnography, Stockholm. Project Leader for SIDA Support to the National Museum, Botswana
Mr. Hans Norgren	Consultant, Resident Representative, SIPU International, Gaborone
Mr. Erich Odotei	Secretary, National Commission on Education. Principal Planning Officer (education), MFDP
Mr Moremi Sekwale	Deputy PS, Ministry of Mineral Resources and Water Affairs (MMRWA) (Previously Director of Dept. of Water Affairs)
Mr. Chris Sharp	Consultant, (at the time of the evaluation engaged in the evaluation of the school building programme and in a pre-study (fact-finding) for next year's evaluation of the water programme)

Mr. Peter Siele	Chief Immigration Officer (Previously Establishment Secretary, MLGL)
Mr. M Ngidi	Director of Development Planning, MFDP
Mr. Harald Karlsnes	Ass. Resident Representative, NORAD, Gaborone
Mr Howard Handler	Director, USAID, Gaborone
Mr Serwalo Tumelo	Deputy Secretary for Economic Affairs, MFDP
Mr Jan Wåreus	Resident Representative, Swedeplan, Gaborone

Kgalagadi District, Ghanzi

Mr K C Koma	Council Secretary (acting)
Mr Mike	Senior Water Engineer
Mr A K Molatole	Planning Officer
Mr L Masutlhe	Treasurer
Mr O Lefhoko	Principal Remote Area Development Officer
Mr A A Hendrik	Borehole Operator, Tsoothsa (Kalkfontein)

Southern District, Kanye

Mr D Chikuba	Council Secretary
Mr S Sekwakwa	Senior Planning Officer
Mr B Kamara	Planning Officer
Mr N C Mchale	Senior Water Engineer
Mr G T Mosinyi	Principal Education Secretary
Ms P Matome	DOD, Kanye

Appendix 3:

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Proposal to the Government of Sweden, April 28, 1990

Appendix 4:

SWEDISH DEVELOPMENT CO-OPERATION WITH BOTSWANA

– LIST OF PROJECT AND PROGRAMMES

<u>Agreements</u>	<u>Duration of agreement</u>	<u>Amount (mill SEK)</u>
<i>Education</i>		
Swaneng Hillschool	1966-69	0,7
Teacher Training college	1967	2,3
Shashe River	1968-73	1,0
Technical assistance to education	1972/73-76/77	3,8
Madiba school	1972-78	3,3
Library branches I	1972-76	1,9
Library branches II	1974-78	2,0
News Agency link	1972-73	0,1
Popularization of five year plan	1973-74	0,4
Education sector programme I	1974-1978	35,0
Education sector programme II	1976-1978	45,0
Education sector programme III	1978-1981	25,0
Education sector programme IV	1979-1983	50,0
Education sector programme V	1980-1982	35,0
Education sector programme	1982-1986	77,0
Education sector programme	1986/87-90/91	1,15
Third country training	1972/73-81/82	13,25
Vocational Training Centre	1971/72-76/77	6,35
<i>Rural water supply</i>		
Hydrological Survey (FAO)	1968/69-71/72	3,0
Kanye, water supply	1971/73-72/73	1,1
Village and Rural water supply I	1973-1978	13,0
Village and Rural water supply II	1975-1978	15,0
Village and Rural water supply III	1978-1982	30,0
Village and Rural water supply	1981-85	71,0
Rural water supply	1986-1991	128,0

<i>District development Support</i>	1979-91	199,5
<i>Small scale industry</i>	1973/74-89/90	47,4
(Botswana enterprise dev. progr. I	1974-77	5,0)
(Botswana enterprise dev. progr. II	1976-78	5,0)
(Botswana enterprise dev. progr. III	1979-84	30,0)
<i>Personnel and Consultancy fund</i>	1982/83-85/86	5,2
	1986/87-90/91	84,7
Botswana Railways	1986/87-90/91	15,7
Regional dev. telecommunication		
(SADCC)	1986/87-88/89	47,3
Livestock project	1973/74-80/81	6,9
Personnel, farming	1974/75-75/76	0,83
<i>Miscellaneous</i>		
Co-operative Dev. Centre (ILO)	1971/72-72/73	1,2
Gaborone Lobatse Road (IDA)	1972-78	20,5
Livestock Project (IDA)	1972	8,0
Housing in Gaborone	1973-78	13,0
Okavango development	1974	2,5
Rural Electrification	1975-83	23,5
Village Area dev.	1975-79	5,0
Rural Power supplies	1979-81	11,0
Village dev.	1978/79-82/83	3,3
Village dev. Kalahari	1975/76-77/78	0,9
T A to public administration		
and management	1971/72-77/78	13,5
T A to construction and		
installations	1972/73-76/77	6,7
T A to the industry	1971/72-74/75	6,7
Specific programs, FEP	1990/91	0,12
Housing construction	1972/73	3,0
Environment projects (from	1989/90-90/91	1,1
the Environment grant)		
Advance grant (within multisector)	1977/78-85/86	65,8
Food aid (within multisector)	1986/87-89/90	2,3
Miscellaneous (within multisector)	1989/90-90/91	2,7
Specific progr. (within multisect.)	1989/90-90/91	8,6
Export support, ITC		
(within multisector)	1971/72-72/73	0,4
Technical assistance to multisector	1978/79-85/86	80,0

Support through NGOs (not in country frame)	1972/73-90/91	11,9
Emergency relief (not in country frame agreement)	1977/78-90/91	50,5

Appendix 5:

STATISTICAL TABLES

Table App-A **Estimated number of employees by economic activity sex and citizenship (March, 1991)**

ECONOMIC ACTIVITY	MALE	FEMALE	CITIZENS TOTAL	NON CITIZEN
Agriculture	4,717	782	6,499	177
Mining and Quarrying	6,977	470	7,447	359
Manufacturing	15,301	9,502	24,803	1,220
Electricity and Water	2,173	224	2,397	115
Construction	27,688	3,584	31,272	2,558
Commerce	19,336	20,421	39,757	1,288
Transport & Communication	6,921	1,777	8,698	392
Finance & Business Services	9,584	4,768	14,352	1,792
Community & Personal Services	5,047	2,884	7,931	615
Education	835	1,090	1,925	615
SubTotals				
:Private	89,722	44,106	133,828	8673
Parastatal	8,857	2,396	11,253	521
TOTALS				
Private & Parastatal	98,579	46,502	145,081	9,194
Central Government	39,361	23,105	62,466	2,079
Local Government	8,708	4,158	12,866	108
TOTAL ALL SECTORS	137,648	73,765	211,413	11,381
Source: Central Statistics Office, Labour Statistics, 1991.				

TABLE App-B: ANNUAL CROP PRODUCTION (METRIC TONNES)

Year	Sorghum	Maize	Millet	Beans/Pulses	TOTAL
1970	7,800	2,100	1,330	N/A	3,430
1971	73,300	16,600	3,658	N/A	93,558
1972	68,600	10,300	6,000	N/A	84,900
1973	10,300	22,300	400	N/A	33,000
1974	72,300	33,900	N/A	N/A	106,200
1975	33,800	28,700	N/A	N/A	62,500
1976	55,500	62,600	N/A	N/A	118,100
1977	N/A	N/A	N/A	N/A	N/A
1978	15,500	14,000	2,500	N/A	32,000
1979	5,000	3,000	1,000	1,000	10,000
1980	29,000	12,000	3,000	2,000	46,000
1981	28,000	22,000	2,000	3,000	55,000
1982	4,000	13,000	500	500	18,000
1983	5,000	9,000	500	300	14,800
1984	6,000	500	700	400	7,000
1985	15,000	1,500	1,800	400	18,780
1986	16,000	3,600	1,300	600	21,500
1987	18,000	3,300	400	100	21,500
1988	94,000	7,300	3,700	2,300	107,300
1989	53,000	20,000	2,000	2,500	77,500
1990	38,200	12,000	1,700	2,000	53,900

Sources: Agric. Statistics Reports

TABLE App-C: TOTAL LIVESTOCK POPULATION ('000s)

Year	Cattle	Donkeys	Pigs	Sheep	Horses	Chickens	Goats
1970	1,221	42	8	392	11	390	1,112
1971	1,366	64	16	370	11	234	1,014
1972	1,323	37	15	380	6	488	965
1973	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1974a/	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1975a/	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1976	N/A	156	N/A	458	44	1,627	1,634
1977a/	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1978	2,300	116	10	107	17	780	616
1979	2,840	127	6	152	18	740	616
1980	2,911	130	6	149	22	833	638
1981	2,967	127	5	140	24	1,046	621
1982	2,979	138	5	140	24	1,146	636
1983	2,816	142	5	165	23	961	783
1984	2,685	139	7	167	23	714	889
1985	2,489	146	9	200	23	1,020	1,138
1986	2,332	142	11	229	24	1,179	1,332
1987	2,264	147	11	240	24	1,283	1,470
1988	2,408	150	13	259	28	1,810	1,691
1989	2,543	151	15	286	32	2,013	1,897
1990	2,696	158	16	317	34	2,126	2,092

a/ No surveys were conducted in 1974, 1975 and 1977.
Source: MOA Agric. Statistics Reports

Table App-D Accumulated SIDA assistance to Botswana 1966-92 by sector

Sector	Mill SEK	Percent of total disbursements
Education	412.5	28.9
Rural Water Supply	325.7	22.8
District Development	239.3	16.8
Small Scale Industry	40.3	2.8
Personnel/Consultancy Fund	242.4	17.0
Miscellaneous	167.4	11.7
Total	1 427.5	100.0

Source: SIDA statistical reports

Table App-E Trends in composition of foreign aid by type

Capital	Technical Assistance	Humanitarian Assistance	Aid/Relief	TOTAL
1983	63%	28%	9%	100%
1984	59%	30%	11%	100%
1985	58%	25%	17%	100%
1986	64%	23%	13%	100%
1987	56%	27%	17%	100%
1988	40%	51%	9%	100%
1989	40%	42%	18%	100%
1990	43%	42%	15%	100%

Source: UNDP Development Cooperation Reports

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