



Republic of Botswana

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Joint Annual Report 2006

Table of Contents

EXECUTIVE SUMMARY	3
1. UPDATE OF THE POLITICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL SITUATION	4
1.1 Update on the political situation	4
1.2 Update on the economic situation	4
1.3 Update on the social situation	8
1.4 Update on the environmental situation	11
2. OVERVIEW OF PAST AND ONGOING CO-OPERATION	12
2.1 9th EDF Focal Sector: Human Resource Development	12
2.2 8th EDF Focal Sectors	13
2.2.1 Focal Sector 1: Private Sector Development and Training	13
2.2.2 Focal Sector 2: Natural Resource Utilisation and Conservation	15
2.3 Projects and programmes outside focal sectors	16
2.3.1 Community Development	16
2.3.2 Support to Fiscal Reform in Botswana	16
2.3.3 Technical Cooperation Facility	17
2.4 Utilisation of resources for NSAs	17
2.5 Utilisation of B envelope	18
2.6 Other instruments	18
2.6.1 SYSMIN	18
2.6.2 FLEX	19
2.6.3 Regional Indicative Programme	19
2.6.4 Community budget lines	20
2.6.5 European Investment Bank (EIB)	21
2.6.6 Centre for Development of Enterprises (CDE)	21
2.6.7 Beef Protocol	22
2.6.8 Facilities (water, energy, business climate, tradecom)	22
2.6.9 Global Fund for HIV/AIDS	22
2.6.10 Research	23
3. ASSESSMENT OF PERFORMANCE INDICATORS	23
4. DONOR COORDINATION AND HARMONISATION	23
5. DIALOGUE IN COUNTRY WITH THE NAO AND NSAS	24
6. CONCLUSIONS	24
ANNEXES	26
I. KEY MACRO-ECONOMIC INDICATORS	26
II. MDG INDICATORS	27
III. FINANCIAL SITUATION FOR 9TH EDF AND PREVIOUS EDF (27 MARCH 2007)	28
IV. REGIONAL PROJECTS	34
V. EIB PROJECTS	36
VI. CDE PROJECTS	37
VII. RESEARCH PROJECTS	38
VIII. USE OF BUDGETARY SUPPORT / COUNTERPART FUNDS	40
IX. BUDGET LINES	41
X. INDICATIVE TIME TABLE FOR COMMITMENTS (UP TO END 2007) AND DISBURSEMENTS (UP TO THE END OF 2008)	42
XI. MEASUREMENT OF E&T SPSP INDICATORS – 2006 JOINT ANNUAL APPRAISAL	45

EXECUTIVE SUMMARY

Botswana remained peaceful and stable in 2006. The opposition, despite some attempts to unite, has not succeeded in doing so, which has put the Government, lead by the Botswana Democratic Party (BDP), in an even stronger position. The House of Chiefs has been enlarged to take into account the demographic composition of the country. In December 2006, the High Court ruled that the Basarwa (San) had the right to live in the Central Kalahari Game Reserve CKGR and the government sought immediately to implement the ruling, thereby demonstrating respect for the rule of law.

GDP measured at constant prices for 2005/06 fell 0.8% and inflation increased, though on a declining trend. Botswana remains highly dependant on mineral revenues and diversification of the economy, increased competitiveness, development of the private sector and of the investment climate, the fight against HIV/AIDS, unemployment and poverty reduction remain major challenges in Botswana. The Business and Economic Advisory Council submitted its report to Government at the end of September 2006 highlighting the need for more openness of the Botswana economy and increased international competitiveness, as well as the critical need to attract and retain significant levels of foreign direct investment by further improving the investment climate.

Though social indicators are relatively good, the 2006 Human Development Report ranked Botswana 131st out of 177 Countries with an HDI of 0.57 due to a very low life expectancy at birth. Botswana has the world's second highest prevalence of HIV and AIDS - 17.3% of the total population according to the 2004 Botswana AIDS Impact Survey 2004 and 24.1% adult prevalence according to UNAIDS (2006), posing a significant threat to human development and continues to represent the critical challenge to Botswana's future. Poverty, and particularly high income inequalities, remains also a major challenge, which the Government is attempting to address through the Multi Sectoral Committee on Poverty Reduction (MSCPR) which aims at implementing the National Strategy for Poverty Reduction (NSPR).

Good progress was made in the focal sector programme, the Education and Training Sector Policy Support Programme, which was signed in February 2006. The Joint Annual Appraisal undertaken in end 2006 recommended the release of 88% of the variable tranche (€9.68m) based on the assessment of the Programme Indicators. Progress was noted in particular on policy development regarding public education expenditure and producing a new Human Resource Development Strategy, enabling Government to better meet the challenges of economic diversification, and in the sector's response to HIV and AIDS. However, whilst the quality indicator for secondary was surpassed, there is concern over learning achievements evidenced by very low pass rates in core subjects. Timeliness of data and educational information remain a problem. The shift from project approach to budget support in the focal sector in 2006 was a major step in changing the focus of the dialogue and strengthening further national systems.

The Government was very open during the 10th EDF CSP consultation process, permitting broad though rapid consultation with NSA/LA. The 10th EDF Focal Sector will remain Human Resource Development (HRD), focusing on the implementation of the HRD Strategy developed under EDF9, with specific emphasis on improving the responsiveness of the sector to market needs to tackle unemployment. Though turn-over and lack of staff in the NAO Office has had an impact on the implementation of programmes, there is great willingness and efforts to move the cooperation forward. The scope for formal donor co-ordination in 2006 remained limited with very few donors left in Botswana due to its middle income country status. The GOB announced end of 2006 its intention to re-launch a more regular forum to interact with and facilitate coordination among development partners.

1. Update of the political, economic, social and environmental situation

1.1 Update on the political situation

Botswana remained peaceful and stable in 2006. The Botswana Democratic Party (BDP) remained in power and the President continued his second 5-year term, which ends in 2008. The opposition, despite some attempts to unite, has failed to do so in 2006 and, on the contrary, was even more divided at the end of the year, which has put the Government in an even stronger position.

Among important developments in 2006 regarding democracy and human rights was the further democratisation of Botswana's traditional systems namely the House of Chiefs (known as Ntlo ya Dikgosi), which has been enlarged to take into account the demographic composition of the country. This development involved extensive consultations with all communities in Botswana. Most importantly, on 13 December 2006 the High Court unanimously found the occupation of the Central Kalahari Game Reserve CKGR by the Basarwa or Bushmen to be legal. However, the judges stated that the government is not obliged to provide services to those living in the reserve. The case, which was the longest and most expensive in Botswana's history, confirmed the independence of the Judiciary, but also the respect that the Government of Botswana has for the rule of law. The Government, immediately, implemented the ruling. There were no substantial changes in local government structures, the Judiciary and Legislature, neither from the offices of the Ombudsman nor the Auditor General. In 2006 Botswana chaired the Kimberley Process Certification Scheme (KPCS) for diamonds and between the 6&9/11 held a successful meeting in Gaborone. Botswana passed the chair to the Commission at the end of the year.

1.2 Update on the economic situation

1.2.1 Macroeconomic changes

Preliminary estimates indicate that gross domestic product (GDP) contracted by 0.8 percent in 2005/06, a sharp fall from the 9.2 percent growth rate in 2004/05, which was mainly led by a very high output in the mining sector (+19.5%)¹. This is below the forecast 4.2 percent expansion for 2005/06 in the Mid-Term Review (MTR) of National Development Plan 9 (NDP 9). As a result, the average annual GDP growth rate for the first half of NDP 9 (2003/04 – 2005/06) was reduced to 3.8 percent from 4.7 percent projected in the MTR.

Per capita income was about P32,000 in 2005/06. The preliminary 2005/06 data show a 4.4% decline in the mining sector real GDP², and declines in the non-mining sectors of agriculture, manufacturing, and construction, which all showed reductions of a little over 3% from 2004/05 to 2005/06. The remaining non-mining sectors grew at an average of 3%. Diamond mining, which is the largest part of the mining sector, continues to experience uneven growth. The return to more rapid growth is expected from major new projects: the on-going construction of the facility for Diamond Trading Company (Botswana); a new refinery at the Tati Nickel Mine, aiming at processing national raw material to add value³; the construction of Mmamabula Export Power Station and the expansion of Morupule Power Station.

Inflation averaged 11.6% in 2006 (8.6% in 2005) against the Bank of Botswana's target of 4-7%, but on a downward trend with the rate declining to 8.5% in December 2006. The higher inflation in 2006 was due to the combination of higher world prices for petroleum and the continuing effects of the new exchange rate regime introduced in May 2005 (continuous

¹ The IMF forecasts show a global real GDP growth of 5.1% in 2006, with a slight decline to 4.9% in 2007.

² Output in terms of carats was 34.3 million carats in 2004/05 to fall back to 32.8 million carats in 2005/06.

³ The refinery is expected to cost about P4bn, and employ 3500 people during construction and 500 on a permanent basis.

adjustment of the pula against a currency basket). The Real Effective Exchange Rate (REER) has remained stable since January 2006, following a sharp drop after the May 2005 devaluation and a subsequent gradual appreciation, which according to the IMF, offset roughly two thirds of the real effect of the devaluation, notwithstanding the crawl.

The preliminary estimates of the balance of international payments on current account show a surplus for 2006 of about P10bn, which is a significant improvement over 2005. Current account earnings, which include exports of goods and services, were valued at P37.1bn, which represents an increase of 9.6% from 2005 to 2006. On the other hand, the value of current account spending, including imports of goods and services, increased by 3.2% to P27.1 billion in 2006. Many non-traditional exports (biscuits, chewing-gum, textiles) are growing rapidly: from 2003 to 2006, non-diamond exports as a whole, measured in terms of US dollars, grew at an average compound rate of over 20% per annum, taking advantage of a relatively stable REER. After taking into account the capital and financial accounts, the overall balance of international payments, shows a surplus of P9.3bn in 2006, compared to a surplus of P7.1bn in 2005. As at the end of November 2006, the foreign exchange reserves amounted to P48.8bn, an increase of P14.1bn on a year earlier. These reserves would cover 30 months of import of goods and services as against 22 months in 2005. It is however expected that the major upcoming projects mentioned above, will reduce the import cover (given the high element of imported inputs).

The financial services sector continued to perform satisfactorily and have a positive impact on the sustainability and diversification of the economy. Botswana's sovereign credit rating remained high: the investment grade ratings, with stable outlook, first assigned in 2001 by Moody's Investors Service and Standard and Poor's, were reaffirmed in 2006. In December 2006, Parliament approved the Non-Bank Financial Institutions Regulatory Authority Bill, which aims at bringing the supervision of all non-bank financial institutions and services in new growth areas such as insurance and asset management, under one umbrella Regulatory Authority. The performance of most commercial parastatals continued to be satisfactory during the financial year 2005/06, though there was a decline in the net profits of the Botswana Power Corporation (BPC), the Water Utilities Corporation (WUC), and a net loss by Air Botswana (P17mn against the P3mn loss for the previous year).

1.2.2 Structural Reforms

Although GoB's main objectives under NDP9 have been to enhance productivity and competitiveness and promote economic diversification, there have been very limited results in these areas so far. In this regard, the Business and Economic Advisory Council submitted its report to Government at the end of September 2006, which has not been published officially. The 2007 Budget Speech mentions that the report highlights the need for more openness of the Botswana economy and increased international competitiveness, as well as the critical need to attract and retain significant levels of foreign direct investment by further improving the investment climate and adopting more business friendly and supportive processes and procedures in the public sector. The report also makes proposals for GoB to examine the feasibility of implementing and fast tracking some identified projects. GoB is currently working on a plan to facilitate implementation of the proposals made.

The privatisation programme is advancing, though at a slow pace, with major operations concerning Air Botswana, National Development Bank and Botswana Telecommunications Corporation. Although there is no overall strategic framework for its objective to attract/encourage foreign and domestic investment, GoB has started to develop/implement a series of related measures, such as, amongst others, the Industrial Development Bill which will reduce the industrial licenses registration time from one month to about one week, the signing

of the SADC Protocol on Finance and Investment, the establishment of the Local Enterprise Authority to spearhead the development and growth of SMMEs, the review of the Companies Act regulations, the development of an Integrated Transport Policy, the development of a brand strategy for Botswana, the grading of tourism facilities and the restriction of certain tourism activities to citizen-own businesses, and the computerisation of the Registrar of Companies. This should be followed in 2007 by *inter alia* a Foreign Direct Investment Strategy, the review of all land-related laws and policies, the review of procurement procedures, and the establishment of an Innovation Hub in Gaborone. The latest Business Expectations Survey carried out by the Bank of Botswana in September 2006, showed that 78% of the respondents expressed optimism about business conditions in twelve months' time. This in spite of the WB's ease of doing business report, which ranks Botswana 48 out of 175 countries in 2006, a drop of 4 places compared to 2005. The World Economic Forum's 2006 Global Competitiveness Report ranks Botswana 81 out of 125 countries in 2006, against 72nd in 2005, which still makes it the third best performer in Sub-Saharan Africa after South Africa and Mauritius. In the area of financial services, following the approval of the Non-Bank Financial Institutions Regulatory Authority Bill, the IMF and the WB are assisting GoB in conducting an overall assessment of the sector with a view to benchmark regulatory and supervisory systems against international standards and add credibility to the on-going financial sector reforms. Unemployment remains one of the main challenges and GoB is developing policies and projects designed to increase productive employment with focus on youth, agriculture and SMMEs. Finally the Government should propose in 2007 several measures aimed at facilitating project implementation taking into account the recommendations of the BEAC Report.

1.2.3 Management of Public Finances and Budgetary Expenses

The management of Public Finances remains sound and Botswana continues to be praised internationally for its efficient and transparent management and use of public revenues. Transparency International ranked Botswana least corrupt in Africa and 37th in the world, in their Corruption Perceptions Index. The 2006 Auditor General's Report however notes a number of weaknesses in PFM, such as over-expenditure, lack of control/ monitoring of use of funds, lack of reporting on some special funds, mistakes in contract management and salary payments. Although these weaknesses do not appear to be deliberate irregularities, these had been reported earlier by the AG and had still not been addressed by the time of reporting. The Government is reviewing its procurement procedures to make them compliant with international standards and facilitate project implementation.

The overarching theme for the 2006/2007 Budget was *Building an Innovative Economy for the 21st Century*. The main features of the budget remain a high fiscal dependence on the mining sector, heavy costs imposed by the HIV/AIDS epidemic, and continued focus on the education and health sectors.

The revised 2006/2007 budget estimates show a much larger surplus⁴ than expected (+P2.66 bn) due mainly to a P2bn increase in Customs revenue (due to higher than estimated SACU Revenue Pool Surplus) and an increase in non-mineral tax revenue, as a result of improved tax collection efforts by the Botswana Unified Revenue Service (BURS) established in 2004. Revenues reached P26.3bn coming mainly from mineral revenues (P11.4bn or 43%, compared to about 50% in 2005/06), Custom revenues (28%, compared to about 17% in 2005/06), non-mineral income tax revenues (12.5%), and VAT (8.3%). Foreign grants represented less than 2% of total expenditures in 2006/07 (5% of development

⁴ P4.39bn in 2006/2007, P4.63bn in 2005/2006, P0.5bn in 2004/2005.

expenditures)⁵. Expenditures were very close to estimates (P22.4 billion compared to P17.63 billion in 2005/2006) with a good development expenditure level (P5.8bn, i.e. only P200mn or 3% less than the original target)⁶. The budget remained in line with both NDP9 Rules: Fiscal Rule (max. 40% GDP for expenditures) and Expenditure Rule (max. 75% of expenditures allocated to recurrent expenditures). Public salaries were increased by 8% across the board in line with the recommendations of the NDP9 MTR to adjust salary by half the rate of inflation (15.6% inflation since the last salary increase in April 2004).

The Ministries receiving the largest share of recurrent and development expenditures were: Ministry of State President (resp. 14% and 21.3%, with HIV/AIDS projects representing 52% of development expenditures), Education (resp. 27% and 9%), Local Government (14% and 15.4%), Health (8% and 10%), Works and Transport (6% and 12.3%). The Ministries receiving the largest share of the total estimated expenditures were: Education (22%), State President (14%), Local Government (15%) and Health (9%), which closely follows the 2005/2006 allocations. The allocation to the Education sector does not take into account substantial funds spent on education through other ministries, particularly the MLG.

1.2.4 Integration into the world economy and EPAs

Botswana continued open market policies, in particular with South Africa, its key trade partner, in order to benefit from foreign investments, free trade and economies of scale. Botswana remained active in implementing SADC activities aimed at attaining a free trade area (FTA) by 2008, customs union by 2010, common market by 2015, and a monetary union by 2016. The technical capacity in the Ministry of Trade and Industry (MTI) is nevertheless limited in terms of numbers and technical skills. Capacity remained further stretched by Botswana's dual membership of SACU and SADC and important other trade negotiations. In August 2006, SADC Member States signed the Protocol on Finance and Investment, to foster harmonisation of financial and investment policies. The Protocol will facilitate regional integration, cooperation and coordination in finance and investment areas, with the aim of diversifying and expanding the productive sectors of the economy. It will also enhance trade in the SADC region to achieve sustainable economic development and growth, and eradication of poverty. These arrangements should strengthen Botswana's position to compete regionally and globally.

In order to further enhance efforts for sustainable economic diversification and global competitiveness, Government has signed a number of bilateral investment treaties, which protect the investment of citizens and/or companies originating in the contracting state parties. In 2006 two bilateral agreements were signed, one with Belgium-Luxemburg and the other with Mauritius, bringing to six the total number of bilateral investment agreements signed so far. Further, in July 2006, a SACU-European Free Trade Area (EFTA) Agreement was signed, which will result in free trade between SACU and EFTA (Iceland, Liechtenstein, Norway and Switzerland).

Botswana continued to play an active and constructive role in the EPA negotiations through her Minister of Trade and Industry (MTI) as Chief Coordinator of the group, her Ambassador in Brussels as co-ordinator at Brussels level, the secondment of the Director for International Trade, MTI, as Chief Technical Advisor to the EPA unit created in 2004 within the SADC Secretariat, and continued their financial contribution to the functioning of this unit. The SADC Framework Paper was presented in March 2006 and discussions with the EU on the principles outlined in the document are still ongoing.

⁵ This compares to 51% in 1965/66

⁶ Slow Project implementation has been a major problem in the past and as a result there was no increase between 2005/06 and 2006/07 development expenditures. Actual development expenditures in 2005-06 were 22% below the original target

1.3 Update on the social situation

1.3.1 Main challenges and achievements in the social sectors

Botswana has developed from one of the 10 least developed countries worldwide at independence in 1966 into a middle-income country, with high achievements in development indicators. The Human Development Index, HDI, steadily increased between 1975 (0.494) and 1990 (0.681), declining thereafter to the 1980 level in 2000 (0.572) due mostly to the dramatic shortening of life expectancy⁷ due to HIV/AIDS as the other variables composing the HDI remained stable or improved. The 2006 Human Development Report ranks Botswana 131st out of 177 Countries, with an HDI of 0.570 due to a very low life expectancy at birth (34.9 years). Figures reported by UNDP and CSO show discrepancies for some parameters, notably life expectancy (CSO value 55.6 years in 2001) and under five-mortality rate.

Delivery and outcomes of social services are good, in particular health care (over 90% of births attended by skilled health personnel), access to safe water (over 90% of the population), education (Net Enrolment Rate (NER) in primary education [7-13 years] of over 95%), and achievement of gender parity in formal education. Botswana has the world's second highest prevalence of HIV and AIDS (24.1% adult prevalence)⁸, posing a significant threat to human development, latest estimates suggest that this absorbs 6% of the Government's budget. The epidemic represents the critical challenge to Botswana's future.

1.3.2 Education and Training

Education and Training (E&T) is identified as a critical area for economic and social development. Since independence Botswana has recorded outstanding achievements in enrolment at both primary and secondary levels. In 2004, the primary NER (6-12 year olds) was 90.0%, and the transition rate from primary to Junior Secondary level was 97.4% (2004). Girls represented 49.5% and 53.7% of total enrolment at primary and secondary levels respectively in 2003, and 50% across all levels. This has resulted from consistently high levels of investment; in 2006/7 Education expenditures across all Ministries secured 31.2% of the recurrent and 17.3% of the development budget. Development spending is set to rise significantly in the coming years as the establishment of the second University begins. Botswana performs well in terms of the equitable distribution of material and human resources at the primary level⁹. Net dropout rates¹⁰ are low: 0.72% at primary and 1.8% at secondary (2004). Pregnancy accounts for almost half of girls' drop-out at secondary, though total numbers have decreased by 22% and the rate from 1.86% to 1.39%. There is a positive drive to promote re-entry, with over 40% of pregnant girls resuming their education after delivery.

Education is free at the primary level, though user fees were re-introduced at the secondary level in 2006. The collection of school fees has proved a challenge to both schools and parents. Though policy is that no child will be excluded, sanctions (e.g. withholding certificates) are being used. An elaborate system of exemptions using a network of newly recruited social workers should safeguard the poor from payment.

Expanding access to senior secondary schools (years 11 and 12) and Vocational Education and Training (VET) institutions is a Government priority, to raise participation from around

⁷ 44.4 years in 1995-2000, from 53.2 years in 1970-75 (HDR 2002, UNDP)

⁸ UNAIDS 2006.

⁹ The Southern and Eastern Africa Consortium for Educational Quality (SACMEQ) Report 2005.

¹⁰ The net rate takes account of re-entrants.

66% (2003) to 83% by the end of NDP9¹¹. Currently a third of students therefore exit formal education after ten years (Form 3) and enter the labour market: while unemployment of 15-19 year olds was estimated at almost 50%¹² in early 2006, the 2005/06 Labour Force Survey preliminary results published in November 2006 estimated the rate to be now at 26.8%. As a temporary measure increased enrolment is being achieved through double shifting at select senior secondary schools. To assist in decongestion in these schools and to reach the target transition rate from junior to senior secondary school of 83%, Government is currently undertaking the expansion of 26 Junior Secondary Schools. In addition, construction of five new senior secondary schools is planned during the 2007/8 financial year.

The Gross Enrolment Rate (GER) at tertiary level is 12%, with University enrolment just over 20,000 (2002) of which 39% are studying outside Botswana (two-thirds in South Africa). Only 7% of the population possess a tertiary level qualification. Public expenditure on tertiary bursaries accounts for an estimated 25% of the total education budget. Botswana plans to build a second university at Palapye - the Botswana International University of Science and Technology - at an estimated cost in excess of Pula 2 bn.

Concerns over both relevance and quality at all levels of the system remain; 56% of Standard 6 pupils had minimal mastery of both reading and mathematics, whilst the desirable level of mastery was restricted to only 16% in each case¹³. At the secondary level, though the overall number of passes is increasing, only 13.6% of students scored C or more in the core subjects of English, Setswana and Maths in 2006. Government response to these challenges includes revision of the inspectorate, a review of pre-service teacher training, identification of and special support to the poorest performing schools, and the relocation of responsibility for primary text book provision from the Ministry of Local Government to the Ministry of Education.

1.3.3 Health and fight against HIV/AIDS

Similarly achievements are recorded in the health services. Priorities for improving the delivery of health services highlighted in NDP9 are efficiency, cost effectiveness, equity in access, quality, retention of skilled personnel, focus on primary level, health promotion and disease prevention, infrastructure and technology development. Access remains a challenge in rural areas¹⁴.

Public expenditure on health has dramatically increased from 5-5.5% of total expenditure until 2001 to 12.2% in 2005/6, as a result of the scaling up of the fight against HIV/AIDS. User fees represent a very marginal proportion¹⁵ of the financing of public health services, though full cost recovery is implemented for foreigners since 2002 and will be extended to Botswana¹⁶.

HIV and AIDS poses a major threat in undermining Botswana's achievements in economic and social development, placing the health system and the social fabric under considerable stress. There is significant risk of reduction in labour supply, productivity, foreign direct

¹¹ President Mogae's State of the Nation address, 7 November 2005

¹² "From Labour Market to Employment Policies", presentation by Stanley Makosha at National Workshop, Mokolodi, Gaborone 26th June 2006.

¹³ Southern and Eastern Africa Consortium for Monitoring of Education Quality.

¹⁴ Where 81% of the population was, in 1995, within eight kilometres of a health facility as compared to 94% of the urban population, and where availability and cost of transport are constraints.

¹⁵ 0.1% in 1993 vs. 7% in the 1970s - NDP9

¹⁶ Currently, citizens are charged 2 Pula for a medical visit at public hospitals while medicines are free. Non-citizens are charged 20 Pula for visits and full costs for medicines. Identification as citizen or resident is required before admission to hospital.

investment, and economic growth, and the need to scale up universal access to prevention, treatment and care.

There are encouraging trends. The number of patients receiving Anti-Retroviral Treatment increased by 39% between 2005 and 2006, and is now an estimated 90% of those targeted¹⁷. Similarly coverage of Prevention of Mother to Child Transmission is over 90%; 96% of Orphans and Vulnerable Children received food baskets. There is increasing uptake of Voluntary Counselling and Testing. The 2006 sentinel survey shows prevalence having reduced by 10.5% since 2001, with significant decrease in the 15-29 age range. Pregnant women aged [15-49] showed a continued downward trend with sero-prevalence now at 32.4%. Efforts at prevention have been sustained, targeting youth in particular. The Joint Annual Appraisal of the education and Training Sector Policy Support Programme found strong evidence of prevention activities in schools and colleges visited.

An allocation of Government funds of 650 million Pula, equivalent to 1.2 % GDP has been made in the 2006/7 budget for HIV/AIDS programmes in addition to significant external funds particularly through the President Bush's Emergency Plan for Aids Relief (PEPFAR).

1.3.4 Employment and Poverty

Unemployment remains a major challenge for the Government. While unemployment at national level was estimated at 24.6% in 2004, with younger people, particularly females, worst affected (60.8% average in 15-29 and 45.6% average in 20-24 age range)¹⁸, preliminary results of the 2005/2006 Labour Force Survey reveal an overall unemployment rate of 17.6% with an overall youth (aged 12-29 years) unemployment rate of 27.4% (31.8% for female youth). Employment creation is limited by the capital rather than labour intensive nature of the mining sector, which accounts for only 3.3% of formal employment. Almost 40% of formal employment is with central and local government. The labour market is so far not supplied with the increasingly skill-intensive work force that it requires and a major priority of Government remains as heavy investment in Education and Training (E& T) to address the skills deficit. The envisaged 10th EDF HDR Budget Support Programme will place special emphasis on these challenges. There is a large influx of immigrants, mainly from the neighbouring Zimbabwe, who form an important part of skilled and unskilled staff in Botswana, with a large share filling low-paid jobs.

The Human Development Report (2006) ranked Botswana 93rd out of 102 through the Human Poverty Index. Though declining, poverty as measured by income remains a structural problem with national average of 23.4% of people living below USD 1/day, and a Gini Index of 63 (2006 HDR based on a survey in 1993), hardly reduced for the past two decades, which reflected the third highest income inequalities in the world, behind Namibia (74.3) and Lesotho (63.2)¹⁹. Poverty largely results from high un- and under-employment and limited capacity for sustainable employment creation. These are the consequences of a narrow and capital-intensive (mining) economic base. Foreign Direct Investment fails to show any consistent increasing trend.

Factors of vulnerability include remoteness in particular, but also gender, ill health, lack of access to physical assets, financial resources, and to markets, and their impact is exacerbated by the weakening of traditional solidarity mechanisms.

¹⁷ Budget Speech 5 Feb 2007.

¹⁸ 2004 Botswana AIDS Impact Survey

¹⁹ According to the 2002/2003 Botswana Household and Income Survey, the Gini Coefficient for Botswana was 57, which would rank it now no. 7 in the World together with South Africa.

Botswana has made remarkable progress in reducing capability poverty through education and training, health and nutrition, but disparities are noted for some groups and/or geographic areas, in particular for secondary education. Beyond the current mechanisms (popular participation through the Kgotla and decentralisation to local authorities), further decentralisation to communities and enhancement, through education and training, of the ability of the poor to participate are needed.

In spite of being drought prone and of a high incidence of poverty, Botswana have been mostly protected from hunger through the implementation of specific feeding programmes and adequate social safety nets financed by government budget.

The Multi Sectoral Committee on Poverty Reduction (MSCPR) coordinated by UNDP, continued its works (6 areas of action: (1) poverty assessment and policy; (2) poverty focus of policies and programmes; (3) poverty focus of institutions; (4) poverty monitoring system; (5) impact assessment, lessons learned and scaling up; and (6) knowledge sharing, advocacy and building consensus) in 2006, however, major obstacles remain to implement the National Strategy for Poverty Reduction (NSPR) such as irregular attendance of meetings by members, inefficient monitoring and evaluation systems of key data and pro-poor institutions capable of identifying, mapping and accompanying the poor. Finally, it appeared that still too much emphasis is laid on social safety nets than on job creation.

1.3.5 Achievements in cross-cutting issues

GoB recognizes that gender inequality and inequity exist and are experienced by women and men in all sectors of the economy. A review of the policy on women in development (WID) was undertaken in 2006. It resulted in recommendations to move from a women to a gender approach in development; further mainstreaming in Ministries; enhance monitoring and evaluation of the WID policy; and to capacitate the National Gender Machinery. The WID policy will be replaced by a national policy on gender and development which will take these recommendations into account. A first draft was presented in October and the policy should be submitted to Parliament for approval in 2007. Efforts are being made to engage men and other groups in understanding and alleviating gender inequalities. Consultative work shops and audits of gender policies are becoming more common and were undertaken in sectors such as energy and agriculture during the year. Though the country did not meet the SADC objective of 30% female participation in decision making by 2005, women are well represented in the administration including at senior level (a third of the country's legislators, senior officials and managers are women²⁰), but less so at political level (11% of the seats in Parliament are held by women). Women are exceptionally well represented at senior levels in the private sector: a third of all senior management positions in the country are occupied by women. Changes are also coming about in traditional areas such the Botswana Defence Force, who decided to open up for recruitment of female officer cadet at the end of the year.

Death penalty is still practiced in Botswana. The latest execution took place in April 2006. Much thanks to Ditshwanelo, a well respected and very active Human Rights organisation, the Court of Appeal finally freed two Basarwa/San men in July from a death penalty inflicted on them in 1999.

1.4 Update on the environmental situation

Environmental management is largely the function of the Ministry of Wildlife Environment and Tourism (created in 2002). The upgrading in April 2006 of the former National Coordination Strategy Agency into the Department of Environmental Affairs will strengthen the coordination of environmental policies and strategies. The Environmental Management

²⁰ UNDP Human Development Report 2006.

Act, which is likely to be approved in 2007, will harmonise existing legislation, thereby ensuring a global and coherent framework and strengthen implementation/monitoring of environmental laws. The “State of the Environment” report of 2002 is being up-dated and should be published in 2007. The economic value of natural resources is poorly known and understood and there is little use of Environmental Economic Instruments (tariff study, user charges, taxes, etc.) to complement environmental legislation in seeking efficient and sustainable use of resources. Lack of up to date data in some sectors and the weak utilisation of information to guide decision making are other constraints. The livestock study of December 2005 should inform policy makers on the viability and long term development strategy for the livestock sub-sector, including its impact on environment. Efforts have focused on rationalisation of environmental institutions with the aim of reducing overlaps, clarifying roles and improving their effectiveness.

Despite the insignificant amounts of rainfall in most districts during the last quarter of 2006, the overall water situation remained manageable, and the condition of livestock and rangelands was fair to good countrywide. The drought recovery programme for 2005/2006 was extended to December 2006 to allow for completion of projects. To complement surface water, various groundwater projects continued in Kang/Phuduhudu, Matsheng, Masama and Bobonong to be completed by the end of 2007/2008.

The air pollution from the smelter in Selebi Phikwe which is the planet’s second largest single emitter of sulphur dioxide probably represents the biggest source for pollution in Botswana.

2. Overview of past and ongoing co-operation

2.1 9th EDF Focal Sector: Human Resource Development

Previous EDF-financed interventions in Botswana had used a project approach, support to Human Resource Development (HRD) under EDF9 has moved to a Sector-Wide Approach (SWAp) through the Education and Training Sector Policy Support Programme (E&T SPSP) with resources channelled through sector budget support. Arrangements for sectoral dialogue and joint monitoring of progress under the sector programme, by GoB and the Commission, have been detailed in a Memorandum of Understanding. The Financing Agreement was signed in February 2006 for an amount of €50.26M, including €8.06M from FLEX. In allowing for a broader dialogue on key sector policy areas, E&T SPSP has greater potential to support and influence a sector identified as essential for economic diversification and growth, increased employment and reduction of poverty and inequality. The specific objective of the programme is to assist Government in adequate financing and effective management of the E&T sector, and expanding equitable access to quality education and training, with special – though not exclusive - emphasis on primary and secondary levels. This support is provided in the form of non-targeted budget support (total of 41 M€), disbursed in four annual tranches on the basis of progress in the sector performance as assessed through targets set for process and output/outcome indicators.

Results: The second Joint Annual Appraisal (JAA) was undertaken in November 2006. Progress was assessed against seventeen indicators, based on which recommendation for release of 88% of the variable tranche (€9.68m) was made. The executive summary of achievement against each indicator is at Annex XI. The E&TSPSP indicators combine process and outcome targets (in addition to a single indicator measuring the sustainability ratio²¹), and these form the focus for policy dialogue with Government. Performance on the

²¹ The sustainability ratio is government’s total recurrent budget minus health and education divided by the total of non mineral revenue. The target of 1.0 was comfortably met at 0.77.

eight process indicators (overall value in assessment of 25%) was good, reflecting satisfactory government progress in taking forward a number of key reforms aimed at improved system efficiency and effectiveness. Progress was noted in particular on policy development regarding public education expenditure and producing a new Human Resource Development Strategy, enabling Government to better meet the challenges of economic diversification. The JAA noted substantial efforts in the sector's response to HIV and AIDS, with strong institution level emphasis on behavioural change, prevention, and voluntary testing and counselling. Sentinel data shows an encouraging reduction in prevalence in younger age groups. Timeliness of data and educational information remain a problem, and the related indicator was only partially achieved.

The sector outcome indicators focus on access, quality and equity issues at the primary and secondary (including technical and vocational levels). These have a combined value of 60%. Whilst achievement was broadly positive, Government failed to achieve the quality indicator at primary level, and only partially achieved the gender equity indicator for TVET. Drop-out targets at both primary and secondary were met, as was the primary NER and increases to TVET enrolment. Whilst the quality indicator for secondary was surpassed, this does not disguise the growing concern over learning achievements evidenced by very low pass rates in core subjects.

Progress in activities: The transition from a project to sector approach requires adjustment on the part of both government and donor. While the Government had fulfilled all prerequisites in June 2006 for the disbursement of the First Tranche (€16.3M), including the Flex amount, this was only made in November 2006 due to delays in the Commission's approval process. Regular steering committee meetings as set out in the MoU have taken place and have focussed on the indicators as well as important policy issues, such as school fees, double shift system, HIV/AIDS prevention and disadvantaged groups. The JAA was undertaken after some delay though suffered from some lack of central government commitment. The conclusions of the JAA were approved by the Steering Committee in December 2006 and request for disbursement is expected in early 2007. Whilst the indicators have provided a clear focus for policy dialogue, the opportunity of the Mid Term Review in 2007 will be taken to re-assess their appropriateness in light of experience. Following the conclusions of the ETR, a Rider for an additional amount of €1.15M to support actions for disadvantaged groups in the education sector should be signed in early 2007.

Cross cutting issues are addressed in E&T SPSP through a number of specific indicators that monitor female participation in TVET and roll out of HIV and AIDS awareness in schools and colleges. Further attention will be paid in subsequent years through indicators that capture access of disabled learners to TVET. In addition all data and outcome indicators are disaggregated by gender and form part of our policy dialogue with government. HIV/AIDS education is an integral component of all learning programmes, and focuses on an active learning approach. Results are internalisation of the dangers of risk behaviours, freer discussions on subjects such as sexuality, prevention, risk and exposure.

2.2 8th EDF Focal Sectors

2.2.1 Focal Sector 1: Private Sector Development and Training

- Francistown CTVE/VTC Vocational Training Programme (8 ACP BT 3)

The Francistown College of Technical and Vocational Education (CTVE) programme is a continuation of the programme funded under EDF7 aiming to respond to the severe shortage of technical and vocational teachers and to improve the skills of existing staff and to service the staffing needs of the Vocational Education expansion programme and address the severe

shortage of vocational education and training college places for school leavers, unskilled people and the unemployed. The Financing Proposal was approved by the EDF Committee in December 1999 and signed by the Government of Botswana in March 2000. The total cost of the original programme was €27.3 million of which the EDF share was €15 million and the government contribution was €12.3 million. During the design stage of the college, lessons learned from EDF 7 strongly supported the decision to design this as a larger technical college due to the increase in popularity of the new Technical Education programmes and the overwhelming demand for places. The extra cost to build a larger technical college and almost double its intake is €16.2 million, which will be fully met by the GoB.

Results: It is still early to assess the possible impact of the project on the sector. Given delays in the implementation of works, teaching and learning expected to commence in March 2007 will now be delayed until September 2007. The Staff houses were handed over in October and the arrival of staff for duties has presented obvious problems for the College management. Idle staff at a new facility is bad publicity for the Government's flagship Technical Education Project.

Progress in activities: Construction began in 2004 and should be completed in early 2007. The works contract was to contractually end in November 2006 some 8 months behind schedule, however complete handover of facilities is likely to be in February/March 2007 with an addendum to the contract for claim settlement. The reasons for the delay are many and are due to a complex combination of the following: poor contractor performance; poor post contract supervision; unreliable and untrustworthy sub-contractors; two devaluations causing cash – flow problems in this “fixed price” contract. The compounded delays have caused serious problems with the delivery and commissioning of the equipment, furniture and supplies as Tenders for these supply contracts were launched in anticipation of handover of facilities in November. However contingency plans have been put in place for the safe storage of the supplies until installation and commissioning can take place. Commissioning, delivery and installation of equipment and supplies will commence on the 16th of November and continue through to April 2007.

Following prequalification and tendering for a team of 6 technical assistants in 2005, a contract was awarded to a consortium lead by Proman (Luxembourg) for the provision of services to the CTVE. The team was mobilised between February and June 2006 and the service contract will conclude in December 2008.

Despite the problems with the works contract other aspects of the project have gone very well. The Technical assistance team is working well with DVET counterparts and the equipment and supplies tenders have been awarded for 98% of the college requirements. Three EU monitoring meetings since the project start have judged the overall project performance and relevance as “excellent – very good”.

Out of €15M, €14.5M are committed, €11.7M have been paid, €1.2M remains to be paid under the works contract and €1.5M under the TA contract.

- Augmentation of Gaborone Technical College (8 ACP BT 14)

Shortly after completion of the new Gaborone Technical College it was realised that the GTC (EDF 6 and 7) had inadequate classroom space to cope with even a fraction of the number of applicants. Following a feasibility study in 2001, a Financing Proposal to augment the GTC/ATTC facilities was signed in May 2003 for a total cost of €11.8 million of which EDF contribution is €3.88 million. The project envisages the construction/upgrading and equipping of relevant training facilities, curriculum development and staff skills upgrading, networking and co-ordination with the industry and stakeholders, improvement of recreational / hostel facilities, and provision of technical assistance focusing on facilitating the Nationalisation of

the BTEP. On completion of this Project the number of training places will increase from 900 to 1500, with emphasis on allowing larger quotas of disadvantaged groups through the creation of a centre for students with special learning needs and hostel facilities for students with disabilities. A new “Science and Technology” block and enhanced facilities for the “Hospitality and Tourism” programmes are also planned.

A start-up work programme was approved, running from 1st August 2003 to 31st January 2004. Planning workshops were held and essential computer equipment was procured. The Tender Dossier for the Design Stage of the Project was launched in June, 2004 and the Design Team commenced work in March 2005. Delays occurred at the design stage due to poor consultant performance and at the tendering stage due to a longer approval process than expected. The tender for the works contract was launched in December 2006 and will be evaluated during the first quarter of 2007, 10 months behind schedule. The 15 month construction is scheduled to start in the second quarter of 2007.

2.2.2 Focal Sector 2: Natural Resource Utilisation and Conservation

Wildlife Conservation and Management Programme (8ACP BT10): The Financing Agreement was signed in November 2001 for an amount of €14M. The objective of the programme is the conservation of wildlife and protected areas and promotion of the sustainable use of these resources to improve employment and income opportunities for the local communities.

Results: The Directorate of DWNP has been stabilised with the appointment of the Director and Deputy Director, functioning effectively. The DWNP’s Wildlife Management and Conservation policy and legislation has been undergoing review and workshops have been held to consider what changes are necessary. The new CBNRM (Community Based Natural Resources Management) Draft Policy was presented to cabinet (and will go before Parliament early 2007). It recommends taking 65% of funds previously received by communities from commercial community hunting quotas and photographic safari leases. A CBNRM CBO (Community Based Organisation) socio-economic study of the country was completed and a report is being prepared. The Okavango Delta Management Plan process was effectively completed and the Kavango/Zambezi (KAZA) Transfrontier Conservation Area (TFCA) agreement was signed between Botswana, Namibia, Zambia and Zimbabwe in December 2006.

The High Court gave its judgment on the court case with the San/Basarwa 13 December. The legality of their occupation of the CKGR was the most important point and the judgment in their favour was unanimous. The court’s acceptance, by a majority, of the legality of government cutting the provision of services allowed a victory to Government. The judges have made clear that their judgement is not the end of the matter and that negotiations will be necessary. The draft management plan for the CKGR is being reviewed following the judgement.

Progress in activities: In 2006, Annual Work Programme 3 came to an end in October at the same time as the TA contract which started in June 2002. The most important achievements of AWP 3 were park draft management plans for Moremi Game Reserve and Makgadikgadi/Nxai Pans National Park; a computerized booking system; and a number of training courses and workshops to DWNP personnel, in the fields of protected area management, community extension, research, problem animal control and wildlife utilisation. A tender for additional infrastructure for an amount of €5.5M in Moremi Game Reserve and Makgadikgadi/Nxai Pans National Parks was launched and offers successfully evaluated (contract to be signed in early 2007).

The WCMP did however not perform as expected during 2006, partly because no Steering Committee Meetings to monitor progress were taking place during the first semester. The first meeting since February 2005 was held on 24 August 2006. NAO and TA contractor had difficulty to follow EDF procedures.

To ensure continuity of WCMP, the GoB contracted a TA to manage AWP 4 which was approved 1 November 2006. It will run until the end of the WCMP 31 December 2007. The Ministry of Environment, Wildlife and Tourism has also assured that they are committed to meeting objectives and making progress, and the programme indeed picked up pace the last months of 2006.

There is a high risk that a substantial amount of funds remain unspent under this project, in particular €1M reserved for the Community Grant Fund as no initiatives have been presented so far in this regard. Out of €14M; only €6.3M have been committed and €4.7M have been paid (€5.5M should be committed in early 2007 for the infrastructure component).

Cross-cutting issues: In view of the additional infrastructure component mentioned above, an environmental impact assessment was done to prepare for the environmental management plan. Impacts of global warming on livelihoods of people in rural areas have not been taken into account sufficiently in the different projects. With regard to institutional strengthening and capacity building, the management capacity of the Department of Wildlife and National Park was strengthened through management development courses and leadership trainings. The Community Extension and Outreach Division was strengthened through training in rural development processes and good governance. The performance audit of the Department, planned for 2006, was postponed to 2007.

2.3 Projects and programmes outside focal sectors

2.3.1 Community Development

The Financing Agreement for the Capacity Building Programme in the Ministry of Local Government (9ACP BT6) was signed 7 September 2006 for an amount of €3M. By enhancing GoB's capacity to promote community development, it is expected that improved and appropriate support can be provided to community groups that will engender economic and social empowerment and reduce dependency on social safety nets and welfare programmes. The programme was delayed in the first semester due to delays in the approval of the Financing Proposal by the Commission, and in the second half due to lack of capacity at the NAO's office. Thus there have been no commitments to date. The launching of the procurement notice was postponed to the first semester of 2007.

2.3.2 Support to Fiscal Reform in Botswana

GoB received support to tax administration and reform under 8 ACP BT 006 (long-term TA for the introduction of VAT and preparation of the BURS), 8 ACP BT 011 (VAT administration and auditing) and 8 ACP BT 008 (consultancy on tax administration reform). This was followed by a project to Support Tax Administration Reform (9 ACP BT 2 - €750,000) under which Technical Assistance is provided to assist in the pre- and post launch arrangements for a smooth and successful operation of the Botswana Unified Revenue Services (BURS), a semi-autonomous organisation merging the Departments of Taxes and of Customs and Excise, which was launched in 2004 and has been identified as a pre-requisite for an efficient and effective revenue collection and to widen GoB's tax base (away from overdependence on mineral revenues, SACU receipts and Bank of Botswana income).

The 2-year TA started in April 2005 and was extended for one year, upon BURS' request. Two short-term experts (IT and HRD/organisational structure) were contracted in November

2006 just before the <D+3>²², for mobilisation in early 2007. The TA has assisted BURS in developing an efficient organisational structure and staff and HRD plans; procurement plan and asset inventory; management and operation systems (financial/budgeting, financial procedures/regulations, IT); and a communication Strategy. BURS has acknowledged that the TA had been very useful in supporting the relocation of Gaborone Income Tax, VAT and Customs operations in a single site, the definition of a 2006-2009 Strategic Plan, the filling in 2006 of most senior manager vacancies, the development of a Training Policy, the inventory of BURS assets, the drafting of BURS first Annual Report, and the development of other strategies for IT, financial systems and communication. Key Issues for 2007 are the establishment of a more effective organisational structure (staff migration, staff recruitment), implementation of a performance management system, development of BURS' IT capacity and sustainability of the intervention. At end 2006, €554,150 had been committed and €260,742 paid. Given that <D+3> date was reached, the remaining funds (€195,000) will remain unused, except for a small allocation for Audit and Evaluation.

BURS continued to achieve good performance in its core mandate of revenue collection and substantially achieved its targets for the financial year 2005/06 with P11.5bn of revenue collected in 2005/2006 compared to P10bn in 2004/2005, i.e. a 19% increase. This was also 5% above the target revenue collection. The overall contribution of tax revenue to total Government revenues in 2005/06 (P22.2bn) was 54%.

2.3.3 Technical Cooperation Facility

The Financing Agreement for the Technical Cooperation Facility (9 ACP BT 3) was signed on 26 July 2004 for an amount of €1.38mn. By the end of 2006, only two Programme Estimates, two Audits and two FA preparatory studies (9th EDF Education and NSA programmes) had been committed for a total amount of €285,000. The Delegation has taken active steps to commit all the funds before the <D+3> deadline (26/07/2007) by pushing forward studies that had been submitted in 2005 and 2006 (Labour Market Observatory Feasibility Study, Tracer Study on Graduates of the Botswana Technical Education Programme, Support to the Public Procurement and Assets Disposal Board, Support to the Directorate on Corruption and Economic Crime, Support to the High Court computerised record system, MDG needs assessment) and which will be procured through framework contracts; a third Programme Estimate will also be committed in the first semester of 2007.

As in many middle income countries, the availability of funds in Botswana is not the major obstacle but rather the availability of highly professional and specific inputs, thus the Government starts to realise the usefulness of the TCF in providing rapid and highly qualified TA. Based on the above number of studies that will be funded under the TCF in 2007, it is expected that the Government will make increasing use of this facility, thus a proposal for a TCF II will be submitted in 2007 for an amount of €2.5mn in accordance with the 9th EDF ETR conclusions.

2.4 Utilisation of resources for NSAs

The Financing Agreement for Non-State Actors Capacity Building Programme (9ACP BT7) for an amount of €6M should be signed in January 2007. The programme aims at building NSAs' capacity to engage more effectively with Government and donor agencies in development processes, particularly policy formulation and implementation, so that policies, strategies and related programmes are more responsive to the needs of the population, including the marginalised and disadvantaged sections of the population. The Programme

²² Sunset clause

will assist NSAs in upgrading their skills in project preparation, implementation, review and financial sustainability. The Procurement Notice for Technical Assistance to Non State Actors Capacity Building Programme was launched in November 2006. The programme implementation was delayed in the first semester due to delays in the Commission's approval process and in the second half due to lack of capacity at the NAO's office. The launching of the tender dossier has been postponed to first semester 2007.

2.5 Utilisation of B envelope

Envelope B (€41 m after MTR) finances the peace facility (€1.4 m), a 3rd SYSMIN support (8 ACP BT 13 - €30 m), a transfer under FLEX (€8.06 m) included as a part of the E&T SPSP, and is now exhausted except for ECHO's drawing rights (€1.54 m).

With the ETR the amount of € 1,54 million will be reduced from the B envelope and transferred to the long-term development reserve. The funds thus transferred shall be used within the Southern Africa region for humanitarian and emergency assistance in the sense of Articles 72 and 73 of that Agreement by means of a consolidated commitment.

2.6 Other instruments

2.6.1 SYSMIN

Following the confirmation of eligibility of Botswana's application for SYSMIN assistance in 1998, the FA for the project Economic Diversification of the Mining Sector (8 ACP BT 13) was signed in February 2003, with a duration of 5 years and an EDF budget of €30mn. The project aims at ensuring that the operations of the two companies operating in the base metal mining sector (BCL in Selebi Phikwe and Tati Nicke near Francistown) continue long enough to permit further diversification of the economy of Selebi-Phikwe, the proving of further ore reserves by Tati, up to an estimated 300 million tonnes, and the eventual phasing out of the BCL mine operation in an environmentally acceptable manner. Results and activities include exploration drilling at both BCL and Tati mines, the establishment of new mining sections; sustaining critical metallurgical capacity and the improvement of efficiencies at BCL, and making various recommendations / feasibility studies on operations at BCL. The Government signed a €20mn on-lending agreement (OLA) with BCL in March 2004 and a €2mn OLA with Tati Nickel in April 2005. Funds granted to Government under the EDMS will be on-lent at a concessionary interest rate. The existing Re-Employment Account will continue to be the repository for interest and loan repayments made under this scheme. Consideration shall be given to the modalities of using this Account to create a revolving fund to provide ongoing assistance to diversification projects in Selebi Phikwe.

Results: Developments in the mining sector of Botswana have seen the establishment of a number of base and precious metal mines in and around the mining area where both BCL and Tati are situated. The country's principal mining product, Diamonds, continues to dominate the mining activity and worth to the economy of Botswana. The exploration drilling in Tati has indicated, as expected, an increment to the ore reserve at the Selkirk Pit yet to be quantified, and has also identified PGE (Platinum Group Elements) at Phoenix which will be the subject of future exploration drilling outside the EDMS programme. Tati is satisfied with the progress of the contract and the results so far seen. Overall results are expected in mid-2007. The equipment that has already been purchased under BCL OLA has led to improved mining and production capacities and to efficiencies of reduced cost of operation as the equipment is new and covered by warranties, and augmented production capacity. The recommendations of the Study on Economic Diversification of Selebi Phikwe undertaken in 2006 with EDMS funding will be discussed in 2007 and should provide a useful input for

agreeing on the use of the re-employment account. The programme is not deemed to have yet produced an effect on economic diversification.

Progress in activities: A total of four tenders were published during 2006, comprising 10 Lots for Supply contracts and three Lots for Works contracts. A total of five contracts were awarded in 2006, with a contractual total of BWP 49.3 million. Four Lots for Supply and three lots for Works contracts are under evaluation and should be awarded in April 2007. The following equipment was delivered in 2006: 3 Underground Drilling Rigs; 3,335 Self Contained Self Rescue units; 62 Hoppers; 4,370 meters of rail, with 3,024 meters being installed underground; two 50t Rough Terrain Mobile Cranes; four 30t Low Profile Dump Trucks. A total of 24,401 meters were drilled at Tati Nickel.

TORs for two studies (mine closure study and housing and facilities disposal) are under preparation. The Tender for the Mid-Term Review had to be cancelled as no proposals were received on time, therefore the MTR will only take place in 2007.

As of December 2006, €23.6mn (out of €30mn) have been committed and €16 were disbursed. It is foreseen that a Rider will be signed in 2007 for the BCL Component to commit a further €5mn. The Tati component has been completed and will be closed in 2007.

Cross-cutting issues: The MTR will give special consideration to environmental issues which is of great relevance to this project.

2.6.2 FLEX

On the basis of the 2003 statistics presented by Botswana²³, Botswana qualified for the mobilisation of envelope B through the FLEX mechanism for both the loss of export earnings and worsening in the programmed deficit. Accordingly, it was decided to allocate € 8.06 million as budgetary support, in accordance with the Flex guidelines, which was disbursed in November 2006 in the framework of the E&T SPSP (9 ACP BT 4/5), as a special tranche upon realisation of conditions for budgetary support but independently of education sector indicators.

2.6.3 Regional Indicative Programme

The Regional Strategy Paper (RSP) and Regional Indicative Programme (RIP) for SADC, signed on 07.11.2002, were reviewed in 2005, confirming the orientations of the RSP but establishing a more realistic programming pipeline for an envelope of €161.6 (down from €170.0). Priority areas for 9th EDF support remained:

- *Regional Integration and Trade* (35%-45%), which allows SADC member countries to continue pursuing economic liberalisation policies at a regional level, within the framework of WTO, which should in turn help the region's producers to improve market access and attract investment into the productive sectors. It currently accounts for 49% of the programming pipeline, as revised after the 2006 MTR of the RIP. A project for an amount of €12.6 million (Food and Mouth Disease) has been committed during 2006. Its purpose is to reduce the spread of FMD and its negative impact on both livestock producers and intra/extra regional trade of livestock and livestock products. Recruitment of technical assistance is well advanced and expected to be concluded early 2007. The FA for a Customs Modernisation Programme (9 ACP SAD 009, € 18 million) was signed in Windhoek in April 2006. Recruitment of technical assistance is ongoing. A €7.5M FP for Capacity Building in Maximum Residue Level was in the approval circuit in Commission's HQ at end of 2006. The remaining two FPs, namely the Support to the Implementation of the SADC Protocol on

²³ Value of total export goods for the year 2003 was 95.1 % of the arithmetical average of total export goods in years 1999 to 2001. Botswana qualified for both criterion (a) with a loss of export earning higher than 2% for landlocked ACP States, and criterion (b) with a worsening in the programmed deficit superior to 2%.

Finance and Investment (€13M) and the Technical Cooperation Facility III (€3.7M), are planned to be submitted before the March 2007 deadline. At the end of 2006, 70% of the financial envelope available for this focal sector has been committed, up from 1.7% two years earlier. For 2007, another €23.5 million corresponding to 30% of the financial envelope of this focal area is expected to be committed.

- *Transport and Communications* (35 - 45%). Based on interventions initiated under previous EDF two major road project have been agreed: i) Investment in the Malawi/Mozambique, Milange Corridor (EDF contribution: €15M) to continue the road connecting Malawi to the Mozambican ports. The feasibility study encountered serious delays and consequently the Financing Proposal for the Works and Supervision components of the project has not been submitted by end 2006, which has resulted in the project being classified as a high-risk one; and ii) Investment in the Trans-Kunene Corridor (EDF contribution: €15M) to finance a key section in the western North-South corridor between Angola and southern African countries prioritised by SADC. A FP for the construction and supervision of the upgrading/rehabilitation of 98 km of trunk roads in the corridor and the construction of a 1,000 metre bridge over the Kunene River at Xangongo, is to be submitted in the first quarter of 2007. In addition to these proposals the SADC Secretariat is reviewing options for possible measures associated with the planning for the future infrastructure development within the area that includes the Walvis Bay, Trans Kalahari, Trans Caprivi and Lobito Corridors. The results of the exercise could be used to provide future submissions under the proposed EU-financed Infrastructure Facility and other donor sources. The delays in formulating project interventions for the Transport and Communications focal sector have directly resulted from the restructuring of SADC's institutions. Previous interventions in the Transport sector were driven by the individual Member State governments and from the outset were prepared as national projects with resources drawn primarily from the NIP and supplemented by the RIP. With the "regionalisation" of the RIP there was initial uncertainty as to the responsibility for the formulation, preparation and implementation of road projects that, although national/provincial, have a significant regional dimension. A similar degree of uncertainty extended to the nature and level of regional resources that could be made available from the RIP as supplementary to the resources allocated from the respective NIP.

HIV/AIDS, gender, capacity building and environmental management form important cross-cutting thematic issues. NSAs are expected to contribute to the design, implementation and monitoring of EDF financed interventions, though it is likely that their participation should be facilitated through capacity building support, possibly as a component of the 2nd programme in support of regional integration. Besides the two Focal Areas, assistance is also given in areas such as agriculture such as research and livestock disease control and production.

The ongoing structural reform of the SADC Secretariat hampered the Secretariat's capacity to program and implement EDF support. Consequently, implementation is on average 2 years behind schedule. By the end of 2006, only €87M has been committed (53.81% of the RIP) and €5.5M has been disbursed (3.3% of the RIP). Payments in the amount of €10.9M (6.74% of the RIP) are foreseen for 2007 and by the end of that same year a total of €152.3M of EDF 9 (94.20% of the RIP) should be committed.

A list of Regional projects is attached in Annex IV.

2.6.4 Community budget lines

The management of three budget lines was devolved during the second semester 2006. Problems in effectively devolving the three budget lines below delayed considerably the contracting or preparation of contract or addenda.

NGO co-financing (ONG-PVD/2006/132-160): A contract with Skillshare International was signed on 19 December 2006 for an amount of €890,181. The same amount was committed at the end of the year. The specific objective of the programme is to build capacity of partner organisations to improve their service delivery to the poorest and most marginalised people in West and North West Botswana.

Gender (GENGRE/2006/117-222): Preparations were made in December for a contract to be signed early 2007 with Women Against Rape for an amount of €371 145. No commitments were made. The objective of the programme is to counter violence against women encouraging adolescents to strive for and live gender-equitable lifestyles.

Environment (ENV/199/054-131): Preparations were made in November for an addendum to be signed early 2007 with Kalahari Conservation Society. The addendum concerns the extension of the duration of the contract (and has no implication on the budget) which will now run to 30 November 2007. The original contract was signed 10 January 2000 and has been extended twice. The implementation of the contract has been delayed due to changes in the Commission Services.

2.6.5 European Investment Bank (EIB)

Under the 3rd and 4th Lomé Conventions and the Cotonou Agreement, the EIB has so far signed loan commitments for investment projects for a total of € 94.9 million. These operations were focused on public sector infrastructure, in particular water supply (4 loans comprising 66% of the total amount committed) and energy (2 loans representing 14%), as well as support to small and medium-scale private enterprises through 3 credit lines with the Botswana Development Corporation (12%). In addition, the Bank supported one meat processing project and one operation in the horticultural sector.

At the end of 2006, the EIB had 11 active (not yet repaid) loans in Botswana: 5 from EIB's own resources signed between 1993 and 2003 and 6 from EDF funds (signed between 1987 and 2004). The first loan in Botswana under the Investment Facility of the Cotonou Agreement (€ 2 million) was signed in 2004 and fully disbursed in 2005 for a flower growing project north of Gaborone. In November 2005 the EIB launched its first Pula denominated bond in Botswana (maturity of 5 years and issue size of BWP 500 million).

Further viable investment projects, in the private sector or public sector infrastructure, can be supported through a wide range of financial instruments provided for under the Cotonou Agreement/Investment Facility. Possible areas for further EIB cooperation are in particular power generation as well as water supply, telecommunications, tourism, mining and SME support through financial intermediaries.

2.6.6 Centre for Development of Enterprises (CDE)

The Centre for Development of Enterprise (CDE), which opened formally in 2004 a Regional Office in Gaborone, Botswana, increased its activities in 2006 (BEDIA was appointed as CDE's antenna Office for Botswana in 2002). Out of a total of €582,205 assistance to companies and projects (63 companies/projects assisted and 73 direct assistances to individual companies) in Botswana since 2003, €236,588 were spent in 2006 covering 31 interventions in favour of private companies/projects and 28 direct assistances to individual companies.

A list of interventions from CDE in 2006 is attached in Annex VI. They related basically to the horticultural, mineral, ornamental and textile sectors. Furthermore 20 companies of the Botswana industrial and service sectors have achieved the ISO 9000 international standard

through CDE TA in the framework of the SME Competitiveness Programme (Quality Management System Implementation 2004-06), a Joint Programme with BOBS (Botswana) and SIDA (Sweden). CDE participated also in the Botswana Global Expo end of 2006.

2.6.7 Beef Protocol

Since 1975, Botswana benefits from the Beef Protocol (BP) with an annual quota of 18 916 t. Although exports often fall short of the quota, the BP had so far a positive financial impact for the country (revenue, employment). On the other side, development of cattle farming had also negative impacts such as competition with wildlife (grazing and water). Fencing, to separate domestic from wild animals, on one side limits the spread of diseases but on the other side, prevents the latter to move around freely, with on occasion in the past disastrous consequences, in particular during periods of drought.

In 2006, the total amount exported to the EU amounted to 5 645.5 t (2 845.5 to Germany and 2 800 to the UK) which represented a slight decrease compared to 2005, when 6 884.1 t had been exported to the EU (3 418 to Germany and 3 466.1 to the UK).

Although an outbreak of Foot and Mouth Disease (FMD) was detected in Sekgopye (Zone 7) along the common border with Zimbabwe in April 2006, this alone does not explain the decrease of beef exports to the EU far below the quota.

2.6.8 Facilities (water, energy, business climate, tradecom)

Although 2 NGOs attended information sessions on the 2nd call under the Water Facility in April 2006 with funding from the TCF 1, none of the 78 proposals selected ACP wide (amounting to 190 M Euro) will benefit Botswana in particular.

Concerning the Energy Facility, the Call for Proposal was launched on the 19th of June 06 (final date for submission: 6/10/06). 307 applications have been received and evaluation was still on going end of 2006. Botswana, apparently, has not introduced any proposal despite the information sent out by the Delegation to local stakeholders directly or indirectly through the NAO.

There were no specific workshop or seminar held in Botswana for presenting the TradeCom Facility (although it was done at a regional level in South Africa). However on the occasion of official meetings (e.g. RPTF), the existence and purpose of the Facility was explained to officials in the Government. As a consequence, end of 2006, the recruitment procedure of a trade policy analyst was well advanced (the expert took up duty in the Trade Ministry beginning of 2007).

On the 3rd of April 06, the BizClim Facility PMU was set up in Brussels to assist the ACP Secretariat in the implementation of a 20 M Euro private sector development programme. The European Commission Delegation was contacted end of 2006 by the PMU for the organisation of a mission to Botswana in 2007, however until now there are no concrete dates as yet for the planned mission.

2.6.9 Global Fund for HIV/AIDS

Botswana has failed to maximise potential funding through the GFTAM. Under Round 2, a grant for \$18,58m for HIV/AIDs was approved in June 2004, of which \$9,019,119 has been disbursed. However, following failure to adequately account for expenditures, further payments were suspended, pointing to a lack of capacity and coordination within the National

Aids Coordinating Agency (NACA). In addition, a grant for \$5,52 m for Tuberculosis was awarded under Round 5 in Dec 2006 of which \$2,797,173 has been disbursed.

2.6.10 Research

Under the 6th EU Framework Programme for Research and Technological Development (FP6), Botswana was involved in a total of 47 proposals in the areas of international cooperation (17), Sustainable Development (10), Food Quality and Safety (2), Information Society Technology (1), Mobility and Training Actions (1) and other areas (17). 8 proposals in the areas of international cooperation (6), IST (1) and sustainable Developments (1) have so far been approved for a total EU contribution of about €14M. Two projects were signed in 2006: Development of innovative and healthful marama bean (*Tylosema esculentum*) products targeting niche markets (€1.3M) and Competence Platform on Energy Crop and Agroforestry Systems for Arid and Semi-arid Ecosystems – Africa (€1.5M). More information on research cooperation between Botswana and the Commission is presented in Annexe VII.

3. Assessment of performance indicators

In the 2001 JAR, the original CSP performance indicators were used but not measured. However, in 2002 and 2003 the indicators were changed in the respective JARs and in 2004 and 2005 (after the MTR), the performance indicators adopted were those in the E/T SPSP but were not measured, the Financing Agreement of which was signed in February 2006. This is therefore the first time that progress has been reported against these indicators. The summary of the Report of the Joint Annual Appraisal which assessed performance against each of the agreed ETSPSP 20 indicators in November 2006 is attached in Annex XI.

The timely availability of data is a problem, with official CSO statistics taking between two and three years to be issued. Performance for 2006 on a number of indicators will thus only be available in 2009. This makes assessment of progress on a number of outcome indicators problematic as the 2006 JAA had to rely on 2003 data. The MTR scheduled for 2007 will follow up on the conclusion of the 2006 JAA to examine the relevance of some of these indicators. The E/T SPSP indicator 5, Implementation of an effective Education Management Information System (EMIS), was only partially achieved thus the MTR will examine the relevance of this indicator to the problem of timely availability of data. Improvement in this area could be supported through funding from the E/T SPSP and/or the Technical Cooperation Facility. Furthermore, the CSO (Central Statistics Office) is planning a strategic review through the IMF GDDS (General Data Dissemination Standard) for 2007-2008.

Indicators related to non focal areas were not fixed in the 9th EDF CSP and macroeconomic indicators are available on a yearly basis through the IMF Article IV reports.

4. Donor coordination and harmonisation

Botswana's development achievements and graduation as a middle income country prompted most donors to phase out their bilateral co-operation programmes and to concentrate on regional co-operation with SADC. The scope for formal donor co-ordination in 2006 has therefore been limited. The vast majority of planned resources were allocated to the fight against HIV/AIDS, while education, health, civil society, agriculture, environment and the rule of law made up the bulk of the balance. The main donors were the US, both public and private, the UN and Sweden. There were monthly meetings with the four member states' representatives in Botswana in 2006 and with all other donors on a more ad hoc basis. GTZ

ended its bilateral operations with Botswana in 2006 and it is expected that USAID Office will soon be relocated in South Africa.

Given the low volume of external assistance to Botswana, many issues related to harmonisation and coordination are not relevant for the country. The shift from project approach to budget support in the focal sector however in 2006, was a major step in changing the focus of the dialogue and strengthening further national systems (see section 2.1).

The GOB, nevertheless, gives a lot of importance to the presence of donors in the country and has also announced end of 2006 its intention to put into a place again a more regular forum to interact with and coordinate among donors.

5. Dialogue in country with the NAO and NSAs

The Government was very open during the 10th EDF CSP consultation process, permitting a broad though rapid consultation with NSA/LA on a draft version before relevant Ministries commented on it. Three meetings were also held with NSAs (two stakeholders' workshops and one brainstorming meeting) consulting on the CSP. NSAs were also given time after the meetings to make comments in writing. Those who responded gave good quality and timely inputs such as the linkage between human resources development (supply side) and employment (demand side). NSA attitude was positive although capacity and organisation remain weak. The CSP was modified after consultation and a revised version presented in November 2006 to Commission's HQ. Further modifications were made as part of the Commission's review process and it was finally agreed to keep Human Resource Development as the single focal sector though placing more emphasis on the demand side to improve the responsiveness of the sector to market needs. In the last Steering Committee of the E&T SPSP in December 2006, it was decided to invite NSA Representatives at the next meetings.

Relations with the NAO remained good, though improvements are possible. Staffing limitations and changes in personnel in the NAO's office have resulted in the Delegation taking on a greater share of the burden of EDF administration. Staffing constraints in the Delegation make it impossible to continue to carry this burden, so the NAO will need to take a greater role in administering the EDF. In light of the above, the next Programme Estimate under the 9th EDF TCF to be signed in April 2007 will focus on capacity building and institutional strengthening. Day to day contacts are excellent, but a more regular and structured dialogue on policy and strategic issues should be developed. Policy dialogue has focused on Education and Training through the sectoral budget support programme.

6. Conclusions

Botswana remains a peaceful and stable country marked by prudent management of natural resources. Significant allocations are made to the education and health sectors and to support the decentralisation process. Diversification of the economy within and away from the mining sector, increased competitiveness, development of the private sector and of the investment climate, the fight against HIV/AIDS, unemployment and poverty reduction remain the main challenges and the Government has taken important measures in these areas. The implementation of the recommendations of the Business and Economic Advisory Council should respond to challenges in these areas to ensure continued growth and development of the economy. There are encouraging signs of progress in the fight against the HIV/AIDS epidemic. Botswana continued to play an active and constructive role in the EPA negotiation, but its dual membership of SACU and SADC and other important trade negotiations put a heavy burden on the GOB's limited capacities. On the environment side,

the upgrading in April 2006 of the former National Coordination Strategy Agency into the Department of Environmental Affairs is expected to strengthen the coordination of environmental policies and strategies.

Cooperation with Botswana is good though turn over and lack of staff in the NAO Office somewhat slows down implementation. Progress in the 9th EDF Education and Training Sector Policy Support Programme as measured against the programme indicators was good with a recommendation in end 2006 to release 88% of the variable tranche (€9.68m), reflecting satisfactory government progress in taking forward a number of key reforms aimed at improved system efficiency and effectiveness. Progress was noted in particular on policy development regarding public education expenditure and producing a new Human Resource Development Strategy, enabling Government to meet better the challenges of economic diversification. Substantial efforts in the sector's response to HIV and AIDS were also noted. There is however concern over learning achievements evidenced by very low pass rates in core subjects. The sectoral budget support approach has allowed for an improved policy dialogue with the Government in the education sector and NSA will be involved in the dialogue in 2007. Very little has happened under the two other major 9th EDF projects (support to NSA sans to MLG) with significant delays in moving the TA Tender Dossiers forward. Donor coordination is very limited given the small number of donors still operating in Botswana, but GoB announced end of 2006 its intention to re-launch a regular forum to interact with and facilitate coordination among Development Partners.

There was broad consultation, including with NSAs, within the framework of the 10th EDF CSP. Human Resource Development should remain the single Focal Sector under the 10th EDF with special emphasis on the responsiveness of the sector to market needs to tackle unemployment.

ANNEXES

I. Key macro-economic Indicators

	1997-2001	2002	2003	2004	2005	2006	2007
Population (in '000)		1,667	1,691	1,711	1,727	1,756	
Real GDP Growth (percent)	8.2	5.6	6.3	6.0	6.2	4.2	4.
Real Per Capita GDP Growth (percent)	6.8	5.1	6.1	6.1	6.6	4.8	5.2
Real Per Capita GDP (US\$)	3,679	4,319	4,584	4,865	5,186	5,436	5,717
Mining Output (percent of GDP)¹	41.1	37.3	35.4	38.7	38.8		
Consumer Prices (Annual average percent change)	7.7	8.0	9.3	6.9	8.6	11.3	6.0
Total Investment (percent of GDP)	34.3	40.7	41.5	38.4	30.1	25.3	25.8
Domestic Saving (percent of GDP)	47.4	52.2	50.7	49.8	47.4	44.2	43.2
Overall Fiscal Balance, Including Grants (central Gov. percent of GDP)	2.3	-3.6	-1.2	0.6	6.8	3.1	0.6
Overall Fiscal Balance, Excluding Grants (central Gov. percent of GDP)	1.9	-3.9	-1.3	0.0	6.2	2.5	0.0
Government Revenue, Excluding Grants (central gov. percent of GDP)	39.5	36.6	38.0	37.5	39.9	39.2	38.1
Government Expenditure (central gov. percent of GDP)	37.6	40.4	39.3	37.5	33.7	36.8	38.1
Exports of Goods and Services (percent of GDP)	50.1	47.8	44.2	45.7	52.8	55.3	53.3
Imports of Goods and Services (percent of GDP)	41.9	36.3	33.5	37.6	35.5	40.6	39.4
Trade Balance (percent of GDP)	11.8	11.9	10.8	8.5	17.3	15.2	14.5
External Current Account, Including Grants (percent of GDP)	9.5	3.3	5.6	3.0	15.4	14.9	14.5
External Current Account, Excluding Grants (percent of GDP)	5.6	-0.3	2.1	-2.4	10.2	8.5	8.9
Official Grants (percent of GDP)	4.0	3.6	3.5	5.4	5.2	6.4	5.6
Real Effective Exchange Rates (Index, 2000=100)	97.3	109.3	115.0	110.2	107.1	104.0	
Nominal Effective Exchange Rates (index 2000=100)	100.1	108.5	112.4	105.1	99.0	93.3	
External Debt to Official Creditors (percent of GDP)	10.2	7.5	5.3	4.5	4.0	3.7	3.3
Terms of Trade (index 2000=100)	103.1	87.4	90.6	91.1	91.3	76.0	89.2
Reserves (Months of imports of goods and services)	30.7	30.3	23.0	18.4	20.9	21.0	23.5
Exchange rate (annual average of Pula per 1 €)		5.980	5.529	5.822	6.31	7.28	
Unemployment (in % of labour force, ILO definition)			23.8	24.6	23.8		

1. In Financial Year. FY runs from July to June (hence Year 2002 stands for July 2002 to June 2003); Source: Bank of Botswana

Source: IMF Regional Economic Outlook for Sub-saharan Africa, sept 2006. 2006 and 2007 figures are estimates

II. MDG indicators

Indicator	1994	1996	1998	2000	2002	2003	2004	2005
1. Proportion of population living on less than USD 1 per day	20.2	n/a	n/a	n/a	n/a	23.4	n/a	n/a
2. Prevalence of underweight children (under-five years of age)	12.5	12.8	18.0	13.0	7.7	7.1	5.9	n/a
3. Under-five mortality rate, ‰	56	45	67	75	n/a	n/a	n/a	n/a
4. Net enrolment ratio in primary education								
- [7-13 years]	95.9	97.9	98.7	100.1	100.2	97.8	98.5	n/a
- [6-12 years]		88.5	89.6	90.1	89.0	86.9	89.5	n/a
5. Primary Completion Rate	75	78	81	94.3	94	92	92.0	n/a
6. Ratio of girls to boys in:								
- primary education	102	100	98	98.7	98	97.6	97.1	n/a
- secondary education	111	114	112	108.4	109	108	107.9	n/a
- tertiary education	71	91	91	96.2	100	84	87	n/a
7. Proportion of births attended by skilled medical personnel	92.7	96.6	94.6	97.3	96.5	96.1	n/a	n/a
8. Proportion of one-year-old children immunised against measles	n/a	74	n/a	83	79	90	86	n/a
9. HIV prevalence among								
15-20 year old pregnant women	20.7	27.2	28.6	22.9	21	22.8	n/a	17.8
20-24 year old pregnant women	31.5	40.9	42.8	39.1	37.4	38.6	n/a	30.6
10. Proportion of population with sustainable access to an improved water source	n/a	n/a	n/a	96.5	n/a	n/a	95.8	n/a

III. Financial situation for 9th EDF and previous EDF (27 March 2007)

a) 9th EDF

Year	Program/Project	Title	Amount	Contracted	Paid	RAC	RAP	RAL
2003	9 ACP BT 1	BW SUPPORT TO ECONOMIC DIVERSIFICATION IN SELEBI-PHIKWE PO	0	0	0	0	0	0
2003	9 ACP BT 2	BW GENERAL T.A. FOR SUPPORT TO TAX ADMINISTRATION REFORM	750,000.00	554,150.00	260,742.09	195,850.00	293,407.91	489,257.91
2004	9 ACP BT 3	BW TECHNICAL COOPERATION FACILITY (TCF)	1,385,000.00	339,845.11	184,244.60	1,045,154.89	155,600.51	1,200,755.40
2005	9 ACP BT 4	EDUCATION AND TRAINING SECTOR POLICY SUPPORT PROGRAMME	42,200,000.00	41,260,000.00	8,260,000.00	940,000.00	33,000,000.00	33,940,000.00
2005	9 ACP BT 5	EDUCATION AND TRAINING SECTOR POLICY SUPPORT PROGRAMME	8,060,000.00	8,060,000.00	8,060,000.00	0.00	0.00	0.00
2006	9 ACP BT 6	STRANGTHENING CAPACITY FOR COMMUNITY DEV. IN MINISTRY OF LO CAL GOVENMENT AND COUNCILS - ADONIS 8643	3,000,000.00	0	0	3000000	0	3000000
2006	9 ACP BT 7	NON-STATE ACTORS CAPACITY BUILDING PROGRAMME ADONIS 8643	6,000,000.00	0	0	6000000	0	6000000
2007	9 ACP BT 8	TCF II	0	0	0	0	0	0
2007	9 ACP BT 9	AUGMENTATION FURTHER TO ETR - IMPLEMENTATION OF A NATIONAL L ANGUAGE POLICY AND AN EDUCATION INCLUSIVE	0	0	0	0	0	0

TOTAL

61,395,000.00 50,213,995.11 16,764,986.69 11,181,004.89 33,449,008.42 44,630,013.31

on the 27-3-07

b) 8th EDF

Year	Program/Project	Title	Amount	Contracted	Paid	RAC	RAP	RAL
1998	8 ACP BT 1	STRENGTHENING OF GOVERNMENT CAPACITY IN THE APPRAISAL AND IM PLEMENTATION OF EU FUNDED PROGRAMMES	361,014.52	361,014.52	361,014.52	0.00	0.00	0.00
1999	8 ACP BT 2	BW COMMUNITY FORESTRY DEVELOPMENT	924,293.51	924,293.51	924,293.51	0.00	0.00	0.00
1999	8 ACP BT 3	BW FRANCISTOWN CTVE/VTC VOCATIONAL TRAINING PROGRAMME	15,000,000.00	14,507,556.32	9,124,023.32	492,443.68	5,383,533.00	5,875,976.68
2000	8 ACP BT 4	BW 3RD MICROPROJECTS PROGRAMME	2,500,000.00	2,348,428.01	2,047,889.07	151,571.99	300,538.94	452,110.93
2000	8 ACP BT 5	WILDLIFE CONSERVATION AND MANAGEMENT PROGRAMME	0	0	0	0	0	0
2000	8 ACP BT 6	BW ADVISER TO THE SECRETARY FOR FINANCIAL AFFAIRS, MINISTRY FINANCE AND DEVELOPMENT PLANNING	444,690.96	444,690.96	444,690.96	0.00	0.00	0.00
2000	8 ACP BT 7	APPRAISAL OF BOTSWANA'S REQUEST FOR FURTHER ASSISTANCE UNDER THE SYSMIN PROVISIONS OF THE LOME IV CONVENTION	108,090.60	108,090.60	108,090.60	0.00	0.00	0.00
2001	8 ACP BT 8	CONSULTANCY FACILITATE REFORM OF TAX ADMINISTRATION	60,230.81	60,230.81	60,230.81	0.00	0.00	0.00
2001	8 ACP BT 9	BW TECHNICAL ASSISTANCE TO NAO'S OFFICE	1,400,000.00	1,279,571.71	1,202,202.81	120,428.29	77,368.90	197,797.19
2001	8 ACP BT 10	BW WILDLIFE CONSERVATION AND MANAGEMENT PROGRAMME	13,273,400.00	11,782,344.79	4,751,137.57	1,491,055.21	7,031,207.22	8,522,262.43
2001	8 ACP BT 11	TECHNICAL ASSISTANCE - VAT ADMINSTRATION EXPERT	91,433.66	91,433.66	91,433.66	0.00	0.00	0.00
2002	8 ACP BT 12	BW 9TH EDF PREPARATORY ACTIVITIES-SUPPORT TO MIN OF FINANCE DEVELOPMENT PLANNING	1,114,360.40	1,114,360.40	1,023,192.36	0.00	91,168.04	91,168.04
2002	8 ACP BT 13	BW ECONOMIC DIVERSIFICATION OF THE MINING SECTOR	30,000,000.00	23,692,600.00	16,070,297.25	6,307,400.00	7,622,302.75	13,929,702.75
2002	8 ACP BT 14	BW AUGMENTATION OF GABS TECHNICAL COLLEGE AND AUTOMOTIV TRADES TECHNICAL COLLEGE	3,880,000.00	23,100.00	21,249.11	3,856,900.00	1,850.89	3,858,750.89
2003	8 ACP BT 15	Francistown water supply (21942)	2,100,000.00	2,100,000.00	0	0	2100000	2100000

TOTAL

71,257,514.46 58,837,715.29 36,229,745.55 12,419,799.17 22,607,969.74 35,027,768.91

c) 7th EDF

Year	Program/Project	Title	Amount	Contracted	Paid	RAC	RAP	RAL
1992	7 ACP BT 1	GEOPHYS EXPLORAT OF GHANZI - CHOBE	1,252,404.58	1,252,404.58	1,252,404.58	0.00	0.00	0.00
1992	7 ACP BT 2	BOTSWANA PARTICIPATION IN S M T V	31,518.52	31,518.52	31,518.52	0.00	0.00	0.00
1992	7 ACP BT 3	PREP DRAFT FINANCING PROP FOR EXTENSION OF ATTS METAL TRADE	58,713.96	58,713.96	58,713.96	0.00	0.00	0.00
1992	7 ACP BT 4	BW FORESTRY PROTECTION AND DEVELOPMENT	2,641,128.95	2,641,128.95	2,641,128.95	0.00	0.00	0.00
1992	7 ACP BT 5	TECHNICAL ASSISTANCE TO THE DEPARTMENT OF WATER AFFAIRS	932,238.79	932,238.79	932,238.79	0.00	0.00	0.00
1993	7 ACP BT 6	PARTICIPATION "SALON MONDIAL DU TOURISME" PARIS 13-15/3/93	3,894.00	3,894.00	3,894.00	0.00	0.00	0.00
1992	7 ACP BT 7	1ST MULTIANNUAL MICRO-PROJECT PROGRAMME	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	0.00
1993	7 ACP BT 8	PARTICIPATION TO TUR GOTEBOG 25-28/3/93	2,470.00	2,470.00	2,470.00	0.00	0.00	0.00
1993	7 ACP BT 9	BDC GL III/(1.6330)BOTSWANA DEVELOPMENT CORPORATION LTD	569,441.18	569,441.18	569,441.18	0.00	0.00	0.00
1993	7 ACP BT 10	AID TO REFUGEES IN BOTSWANA	231,679.00	231,679.00	231,679.00	0.00	0.00	0.00
1993	7 ACP BT 11	PARTICIPATION TO TRADE AND TOURISM FAIRS 1993	0	0	0	0	0	0
1993	7 ACP BT 12	BOTSWANA POWER CORPORATION IV (1.6705)	886,312.14	886,312.14	886,312.14	0.00	0.00	0.00
1993	7 ACP BT 13	TECHNICAL ASSISTANCE TO THE NATIONAL AUTHORIZING OFFICER EDF	694,302.72	694,302.72	694,302.72	0.00	0.00	0.00
1993	7 ACP BT 14	(EX 05 P011) TRADE PROMOTION	541.13	541.13	541.13	0	0	0
1993	7 ACP BT 15	(EX 05 P015) SHEEP&GOAT DEVELOPMENT PHASE 2	14.76	14.76	14.76	0	0	0
1993	7 ACP BT 16	(EX 05 P018) SERVICES TO LIVESTOCK OWNERS PHASE 2 SLOCA	167,818.78	167,818.78	167,818.78	0.00	0.00	0.00
1993	7 ACP BT 17	(EX 05 P019) SERVICES TO LIVESTOCK OWNERS PHASE 2 SLOCA	0	0	0	0	0	0
1993	7 ACP BT 18	(EX 05 P020) FRANCISTOWN RURAL TRAINING CENTRE	2,275.72	2,275.72	2,275.72	0.00	0.00	0.00
1993	7 ACP BT 19	(EX 05 P023) WILDLIFE, TOURISM & ENVIRONMENT	48.09	48.09	48.09	0	0	0

1993	7 ACP BT 20	(EX. 05 P016) LINE CREDIT NAT.DEV.BANK BOTSWANA	0	0	0	0	0	0
1993	7 ACP BT 21	T.A. FOR IMPLEMENTATION OF IST MICROPROJECTS PROGRAMME	336,042.83	336,042.83	336,042.83	0.00	0.00	0.00
1993	7 ACP BT 22	BW WILDLIFE CONSERVATION & UTILISATION IN CENTRAL & SOUTHERN	6,207,644.24	6,207,644.24	6,207,644.24	0.00	0.00	0.00
1994	7 ACP BT 23	STUDY 3 YEAR TA DEPARTMENT OF TOURISM	47,907.00	47,907.00	47,907.00	0.00	0.00	0.00
1994	7 ACP BT 24	PARTICIPATION FOIRES 1994_(VOIR AUSSI 6.BT.46)	22,831.98	22,831.98	22,831.98	0.00	0.00	0.00
1994	7 ACP BT 25	TA/COORDINATION VOCATIONAL TRAINING	426,079.88	426,079.88	426,079.88	0.00	0.00	0.00
1994	7 ACP BT 26	CONFERENCE:IMPACT SUR L'AFRIQUE DE L'INTEGRATION ECON.EUROP.	13,920.61	13,920.61	13,920.61	0.00	0.00	0.00
1994	7 ACP BT 27	BOTSWANA TRADE DEVELOPMENT PROGRAMME SHORT TERM STUDY.	59,556.80	59,556.80	59,556.80	0.00	0.00	0.00
1994	7 ACP BT 28	BDC GL IV (17210).	502,994.75	502,994.75	502,994.75	0.00	0.00	0.00
1994	7 ACP BT 29	LOBATSE WATER SUPPLY. (1.7063).	802,187.80	802,187.80	802,187.80	0.00	0.00	0.00
1994	7 ACP BT 30	LOBATSE WATER SUPPLY.(70954)	2,263,632.00	2,263,632.00	2,263,632.00	0.00	0.00	0.00
1994	7 ACP BT 31	EXAMINATION ELIGIBILITY/PROJECTS PROPOSED FOR FINANCE A217.2	15,142.23	15,142.23	15,142.23	0.00	0.00	0.00
1994	7 ACP BT 32	BDC GLOBAL LOAN IV TRANCHE A (70948).	269,000.00	269,000.00	269,000.00	0.00	0.00	0.00
1994	7 ACP BT 33	BDC GLOBAL LOAN IV TRANCHE B (70948).	0	0	0	0	0	0
1994	7 ACP BT 34	BW SUPPORT FOR HIV/AIDS PROGRAMME.	527,376.37	527,376.37	527,376.37	0.00	0.00	0.00
1994	7 ACP BT 35	VOCATIONAL TRAINING PROGRAMME PROJECTS COORDINATOR	57,912.09	57,912.09	57,912.09	0.00	0.00	0.00
1994	7 ACP BT 36	LOBATSE ABATTOIR (BEI: 17467)	0	0	0	0	0	0
1995	7 ACP BT 37	PARTICIPATION AUX FOIRES 1995	112,184.50	112,184.50	112,184.50	0.00	0.00	0.00
1995	7 ACP BT 38	AEROMAGNETIC GEOLOGICAL SURVEY OF WESTERN NGAMILAND	1,824,983.65	1,824,983.65	1,824,983.65	0.00	0.00	0.00
1995	7 ACP BT 39	STRENGTHENING OF GOVERNMENT'S CAPACITY POLICY FORMULATION.	116,206.27	116,206.27	116,206.27	0.00	0.00	0.00
1995	7 ACP BT 40	LOME IV VOCATIONAL TRAINING PROGRAMME.	58,511.95	58,511.95	58,511.95	0.00	0.00	0.00

1996	7 ACP BT 41	NORTH SOUTH CARRIER WATER(18177)	12,259,630.97	12,259,630.97	12,259,630.97	0.00	0.00	0.00
1996	7 ACP BT 42	FINANCIAL & ECONOMIC REVIEW OF THE LIFESTOCK SECTOR IN BT	51,009.34	51,009.34	51,009.34	0.00	0.00	0.00
1996	7 ACP BT 43	PARTICIPATION IN INTERNATIONAL TOURISM BOURSE, BERLIN	0	0	0	0	0	0
1996	7 ACP BT 44	BW ASSISTANCE TO THE BASE METAL MINING INDUSTRY (NI-CU-CO).	33,700,000.00	33,700,000.00	33,693,016.69	0.00	6,983.31	6,983.31
1996	7 ACP BT 45	SYMPOSIUM OF THE QUALITY OF LIFE IN BT 15-18/10/1996	50,095.77	50,095.77	50,095.77	0.00	0.00	0.00
1996	7 ACP BT 46	BOTSWANA TOURISM DEVELOPMENT PROGRAMME (+6BT44)	1,156,942.22	1,156,942.22	1,156,942.22	0.00	0.00	0.00
1996	7 ACP BT 47	BOTSWANA POWER CORP.(BPC) V (1.8785)	1,425,607.92	1,425,607.92	1,425,607.92	0.00	0.00	0.00
1996	7 ACP BT 48	BW VOCATIONAL TRAINING PROGRAMME (6/47+7/48+7/49).	12,651,370.00	12,651,370.00	12,651,370.00	0.00	0.00	0.00
1996	7 ACP BT 49	BW VOCATIONAL TRAINING PROGRAMME (6/47+7/48+7/49).	634,285.01	634,285.01	634,285.01	0.00	0.00	0.00
1996	7 ACP BT 50	PARTICIPATION IN WORLD TRAVEL MARKET	0	0	0	0	0	0
1996	7 ACP BT 51	BW SECOND MICROPROJECTS PROGRAMME	500,000.00	500,000.00	494,562.06	0.00	5,437.94	5,437.94
1997	7 ACP BT 52	8TH EDF VOCATIONAL TRAINING PROGR. FRANCISTOWN VTTC/VTC	13,546.61	13,546.61	13,546.61	0.00	0.00	0.00
1997	7 ACP BT 53	BOTSWANA TRADE DEVELOPMENT PROGRAMME (FOUNDATION PHASE)	0	0	0	0	0	0
1997	7 ACP BT 54	BOTSWANA TRADE DEVELOPMENT PROGRAMME (FOUNDATION PHASE)	267,568.28	267,568.28	267,568.28	0.00	0.00	0.00
1997	7 ACP BT 55	FRANCISTOWN VOCATIONAL TEACHERS TRAINING CENTRE AND VTC	74,480.19	74,480.19	74,480.19	0.00	0.00	0.00
2000	7 ACP BT 56	WILDLIFE CONSERVATION AND UTILIZATION	6,006.92	6,006.92	6,006.92	0.00	0.00	0.00
1998	7 ACP BT 57	DEVELOPMT OF MGMT & ADMIN STRATEGY FOR MICROPROJECTS PROGRAM	13,410.69	13,410.69	13,410.69	0.00	0.00	0.00
2000	7 ACP BT 58	WILDLIFE CONSERVATION & MANAGEMENT - REVISION DRAFT FIN.PROP	21,860.16	21,860.16	21,860.16	0.00	0.00	0.00
2001	7 ACP BT 59	COUNTRY SUPPORT STRATEGY - NIP EDF 9	72,280.50	72,280.50	72,280.50	0.00	0.00	0.00
2001	7 ACP BT 60	AUGMENTATION OF GVTC FACILITIES - VOCATIONAL TRAINING PROGR	74,500.02	74,500.02	74,500.02	0.00	0.00	0.00
2001	7 ACP BT 61	ACTVE CURRICULUM STUDY - VOCATIONAL TRAINING PROGRAMME	73,951.61	73,951.61	73,951.61	0.00	0.00	0.00
2001	7 ACP BT 62	WILDLIFE CONSERVATION AND MANAGEMENT-INITIATION OF NEW 8TH E DF PROJECT	55,941.67	55,941.67	55,941.67	0.00	0.00	0.00

TOTAL

85,241,405.15 85,241,405.15 85,228,983.90 0.00 12,421.25 12,421.25

d) 6th EDF

Year	Program/Project	Title	Amount	Contracted	Paid	RAC	RAP	RAL
1991	6 ACP BT 34	TA WILDLIFE TOURISME 41427	18,300.25	18,300.25	18,300.25	0.00	0.00	0.00
1991	6 ACP BT 35	SUPPORT ADMINISTRAT 4 14 17	18,985.13	18,985.13	18,985.13	0.00	0.00	0.00
1991	6 ACP BT 36	WILDLIFE TOURISM ENVIRONMENT	38,935.48	38,935.48	38,935.48	0.00	0.00	0.00
1991	6 ACP BT 37	AT WILDLIFE FIN PROP LOME 3	28,957.76	28,957.76	28,957.76	0.00	0.00	0.00
1991	6 ACP BT 38	Wildlife conserv north bostwan	3,823,104.74	3,823,104.74	3,823,104.74	0.00	0.00	0.00
1991	6 ACP BT 40	BW WILDLIFE CONSERV NORTH BOSTWAN	2,023,001.62	2,023,001.62	2,023,001.62	0.00	0.00	0.00
1991	6 ACP BT 41	BOTWANA 35 th ME ANNIVERSAIR CELEBRATIONS	11,554.99	11,554.99	11,554.99	0.00	0.00	0.00
1992	6 ACP BT 42	TA REG ASSESSMENT NATURAL RESOURCES WILD SILKMOTH-GONOMETA	48,016.55	48,016.55	48,016.55	0.00	0.00	0.00
1992	6 ACP BT 43	BOTSWANA DEV. CORP. BDC III (7.0893)	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00	0.00
1996	6 ACP BT 44	BOTSWANA TOURISM DEVELOPMENT PROGRAMME (+7BT46).	179,321.61	179,321.61	179,321.61	0.00	0.00	0.00
1993	6 ACP BT 45	EVALUATION OF KASANE AIRPORT PROJECT	42,331.33	42,331.33	42,331.33	0.00	0.00	0.00
1994	6 ACP BT 46	PARTICIPATION AUX FOIRES 1994(VOIR 7 BT 24)	55,342.62	55,342.62	55,342.62	0.00	0.00	0.00
1996	6 ACP BT 47	BW VOCATIONAL TRAINING PROGRAMME (6/47+7/48+7/49).	1,692,000.00	1,692,000.00	1,692,000.00	0.00	0.00	0.00
1997	6 ACP BT 48	FRANCISTOWN VOCATIONAL TEACHERS TRAINING CENTRE AND VTC	143,448.61	143,448.61	143,448.61	0.00	0.00	0.00
1997	6 ACP BT 49	FEASIB. STUDY PROGR. PREPARAT. MISSION PPM & MID-TERMREVIEW	268,391.50	268,391.50	268,391.50	0.00	0.00	0.00

TOTAL 9,891,692.19 9,891,692.19 9,891,692.19 0.00 0.00 0.00

IV. Regional projects

Disbursements EDF 8 up to end 2008(Euro)		Amount committed	Disbursed until end 2006	Forecast 2007	Forecast 2008
Project No.	Project title				
8 RAU 001	SADC Regional Fisheries Monitoring	5,740,000.00	3,974,890.00	84,757.00	/
8 RAU 003	Regional Food Security Training **	4,153,000	/	/	/
8 RAU 005	SADC Regional Statistical Training Project	4,800,000.00	1,845,044.00	1,871,002.00	/
8 RAU 009	Regional Drug Control Programme	1,990,000.00	55,609.00	/	/
8 RAU 010	EU – SADC Investment Promotion Programme (ESIPP)	16,325,000.00	7,055,739.00	5,551,000.00	190,000.00
8 RAU 013	Regional Integration and Capacity Building Project	15,615,000.00	9,461,780.00	1,501,884.00	2,020,000.00
8 RAU 014	Regional Support for an expanded HIV/AIDS Programme	3,114,000.00	1,943,819.00	320,604.00	450,000.00
8 RAU 018	SADC Land and Water Management Applied Research Programme	4,850,000.00	1,916,513	970,442.00	539,000.00
	Totals	56,587,000.00	26,253,394.00	10,299,689.00	3,199,000.00
	RIP amount	56,587,000.00	56,587,000.00	56,587,000.00	56,587,000.00
	(% disbursed)	100.00%	46.39%	18.20%	5.65%

Disbursements EDF 9 up to end 2008(Euro)		Amount committed	Disbursed until end 2006	Forecast 2007	2008
Project No.	Project title				
9 SAD 001	SADC Agriculture and Research Training Programme	15,000,000.00	1,519,716.00	2,316,749.00	2,448,877.00
9 SAD 002	Promotion of Regional Livestock Development	7,900,000.00	1,142,095.00	2,698,953.00	1,300,671.00
9 SAD 003	SADC Regional Food Security Training Programme* *	830,600.00	/	/	/
9 SAD 004	Support to SADC Regional Integration and Multilateral Trading System	1,090,000.00	959,800.00	130,200	/
9 SAD 005	Technical Cooperation Facility I	1,131,150.00	187,740.00	614,520	200,000.00
9 SAD 006	Economic Partnership Agreement (EPA) Support Facility	7,500,000.00	757,805.00	1,015,000.00	1,501,000.00
9 SAD 007	Support to SADC Member States in SQAM	14,200,000.00	/	540,000.00	4,220,000.00
9 SAD 008	ECOFAC IV	5,000,000.00	990,000.00	980.000	980.000
9 SAD 009	Support to SADC MS on Customs Modernisation and Transformation	18,000,000.00	/	1,590,000.00	4,560,000.00
9 SAD 010	SADC Foot and Mouth Disease Programme	12,600,000.00	/	820,000.00	4,306,000.00
9 SAD 011	Technical Cooperation Facility II	818,850.00	/	207,600.00	360,000.00
9 SAD 012	AMESD***	3,000,000.00	/	/	/
9 SAD 013	SADC MS Capacity Building in Maximum Residue Levels	7,500,000.00	/	/	2,200,000
9 SAD -	Support to implementation of Finance and Investment Protocol	13,000,000.00	/	/	3,500,000
9 SAD -	Capacity Building for Regional Integration	12,500,000.00	/	/	2,000,000
9 SAD -	Technical Cooperation Facility III	3,700,000.00	/	/	500,000
9 SAD -	ICART II	3,600,000.00	/	/	1,195,000.00
9 SAD -	Humbe - Cahama Road (Angola) ***	25,000,000.00	/	/	/
9 SAD -	Milanje - Mocuba Road (Mozambique)***	0	/	/	/
	Totals	152,370,600.00	5,557,156.00	10,913,022.00	29,271,548.00
	RIP amount	161,580,000.00	161,580,000.00	161,580,000.00	161,580,000.00
	(% disbursed)	94.2%	3.34%	6.74%	18.09%

** These projects are already closed.

*** These projects concern contributions from the SADC RIP to overall projects managed centrally or by other Delegations. Global commitment figures are included here for information. Individual forecasts should be taken from the report of the Delegation or service in charge.

V. EIB projects

LOME III AND IV CONVENTION								
Loans from EIB's own resources								
Loan No.	Signed on	Name of contract	Amount signed in EUR	Amount disbursed in EUR	Amount cancelled in EUR	Date of first repayment	Date of last repayment	Amount outstanding in EUR
16330	04/12/1992	BDC GL III	2,500,000.00	2,500,000.00	0.00	31/05/1997	30/11/2004	0.00
16705	09/07/1993	BOTSWANA POWER CORPORATION IV	7,000,000.00	3,823,644.00	3,176,356.00	31/12/1996	30/06/2008	555,266.94
17063	20/12/1993	BOTSWANA LOBATSE WATER SUPPLY	7,400,000.00	2,927,256.00	4,472,744.00	05/06/1998	05/12/2013	1,462,726.16
17210	14/04/1994	BDC GL IV	2,500,000.00	2,500,000.00	0.00	10/10/1998	10/04/2006	0.00
17467	10/10/1994	LOBATSE ABATTOIR	3,400,000.00	0.00	3,400,000.00	n/a	n/a	0.00
18177	23/10/1995	NORTH SOUTH CARRIER WATER	40,000,000.00	40,000,000.00	0.00	20/04/2001	20/10/2015	25,593,058.53
18785	17/06/1996	BOTSWANA POWER CORPORATION V	6,600,000.00	6,176,271.98	423,728.02	20/05/2000	20/05/2011	3,372,778.63
21942	14/02/2003	FRANCISTOWN WATER SUPPLY	12,500,000.00	7,879,572.04	0.00	15/09/2008	15/03/2023	8,045,247.99
TOTAL			81,900,000.00	65,806,744.02	11,472,828.02			39,029,078.25
Loans from risk capital resources								
Loan No.	Signed on	Name of contract	Amount signed in EUR	Amount disbursed in EUR	Amount cancelled in EUR	Date of first repayment	Date of last repayment	Amount outstanding in EUR
70679	15/09/1987	FRANCISTOWN ABATTOIR	2,000,000.00	1,550,908.82	449,091.18	10/09/2003	10/09/2012	702,760.10
70699	26/11/1987	BDC GL II	3,000,000.00	991,000.00	2,009,000.00	15/06/1993	15/06/2012	931,000.00
70893	04/12/1992	BDC GL III	1,500,000.00	1,500,000.00	0.00	30/11/2013	30/11/2017	1,500,000.00
70948	14/04/1994	BDC GL IV	1,500,000.00	269,000.00	1,231,000.00	10/04/2000	10/04/2009	157,700.00
70954	28/04/1994	LOBATSE WATER SUPPLY	3,000,000.00	2,263,632.00	736,368.00	20/04/1999	20/04/2014	1,177,088.64
TOTAL			11,000,000.00	6,574,540.82	4,425,459.18			4,468,548.74
COTONOU AGREEMENT								
Loans from Investment Facility resources								
Loan No.	Signed on	Name of contract	Amount signed in EUR	Amount disbursed in EUR	Amount cancelled in EUR	Date of first repayment	Date of last repayment	Amount outstanding in EUR
22712	04/10/2004	FABULOUS FLOWERS	2,000,000.00	2,000,000.00	0.00	25/02/2007	25/08/2014	2,000,000.00
TOTAL			2,000,000.00	2,000,000.00	0.00			2,000,000.00
GRAND TOTAL			94,900,000.00	74,381,284.84	15,898,287.20			45,497,626.99

VI. CDE Projects

Year	Sector	File Number	Company	Code	Type of Assistance	CDE Contribution
2006	Flowers	BOT/0103/AF	Fabulous Flowers	ATE	Technical assistance	50,000
	Flowers	BOT/0103/AF	Fabulous Flowers	AMK	Marketing assistance	27,700
	Ornamental stone	BOT/0305/EM	Dimension Stone	ATE	Technical assistance	18,750
	Other extraction	BOT/0306/EO	Masa Semi Precious Stones	ATE	Technical assistance	14,400
	Other health	BOT/0402/HO	Iona Holdings (Pty) Ltd	EPA	Partial Studies	11,800
	Clay	BOT/0404/EC	Mr. Ismael Servadi	EPA	Partial Studies	20,000
	Waste processing	BOT/0409/QD	Analytika Holdings (Pty) Ltd	EPA	Partial Studies	14,000
	Clothing	BOT/0412/TC	Dinesh Textiles Ltd	ATE	Technical assistance	9,166
	Clothing	BOT/0412/TC	Dinesh Textiles Ltd	RFO	Incentive for ACP Promoters	415
	Clothing	BOT/0601/TC	Label Clothing	ATE	Technical assistance	9,166
	Clothing	BOT/0601/TC	Label Clothing	RFO	Incentive for ACP Promoters	415
	Other extraction	BOT/0603/EO	Paving Systems Botswana	EPA	Partial Studies	4,604
	Other services	BOT/0605/SO	Tswana Times	ATE	Technical assistance	4,524
	Other services	BOT/0606/SO	Stronglink - ICT Provider	ATE	Technical assistance	2,965
	Other extraction	BOT/0607/EO	Stonebright Pty Ltd	EPA	Partial Studies	4,930
	Services	BOT/0608/SG	Implementation QMS ISO 91	ATE	Technical assistance	5,844
	Services	BOT/0609/SG	Implementation QMS ISO 91	ATE	Technical assistance	5,244
	Services	BOT/0610/SG	Implementation QMS ISO 91	ATE	Technical assistance	4,494
	Services	BOT/0611/SG	Implementation QMS ISO 91	ATE	Technical assistance	6,264
	Services	BOT/0612/SG	Implementation QMS ISO 91	ATE	Technical assistance	5,220
	Services	BOT/0613/SG	Implementation QMS ISO 91	ATE	Technical assistance	5,844
	Services	BOT/0614/SG	Implementation QMS ISO 91	ATE	Technical assistance	4,966
	Services	BOT/0615/SG	Implementation QMS ISO 91	ATE	Technical assistance	4,116
	Services	BOT/0616/SG	Implementation QMS ISO 91	ATE	Technical assistance	5,564
	Services	BOT/0617/SG	Implementation QMS ISO 91	ATE	Technical assistance	8,536
	Services	BOT/0618/SG	Implementation QMS ISO 91	ATE	Technical assistance	7,876
	Services	BOT/0619/SG	Implementation QMS ISO 91	ATE	Technical assistance	6,688
	Services	BOT/0620/SG	Implementation QMS ISO 91	ATE	Technical assistance	4,646
	Cereals	BOT/0622/FC	Multi-Biz Pty Ltd	ATE	Technical assistance	1,524
					Total CDE contribution, 2006	269661

VII. Research Projects

A) SUCCESS RATES

Proposal Program	Number of Applicants	Number of Participants	Success rate
FOOD	2		
INCO	17	6	35.29 %
IST	1	1	100.00 %
MOBILITY	1		
SUSTDEV	10	1	10.00 %
	16		
Sum:	47	8	17.02 %

B) PROJECTS

Information society technologies

Project Acronym	Project Title
BEANISH	Buildind Europe- Africa collaborative Network for applying IST in Health care sector

Specific measures in support of international co-operation

Project Acronym	Project Title
LOGO WATER	Towards effective involvement of local government in Integrated Water Resources Management (IWRM) in river basins of the Southern African Development Community (SADC) region
BAMLINK	Molecular, Environmental and Nutritional Evaluation of Bambara Groundnut (<i>Vigna subterranea</i> L.Verdc.) for Food Production in Semi-Arid Africa and India
MARAMAIL	Development of innovative and healthful marama bean (<i>Tylosema esculentum</i>) products targeting niche markets
COMPETE	Competence Platform on Energy Crop and Agroforestry Systems for Arid and Semi-arid Ecosystems - Africa
CROSCOG	Cross Sectoral Commons Governance in Southern Africa
VGT WORK	VGT work How Space helps to manage ecosystems.

Sustainable development, global change and ecosystems

Project Acronym	Project Title
DESIRE	DESERTIFICATION MITIGATION AND REMEDIATION OF LAND - a global approach for local solutions -

C) CONTRACTS: PARTICIPANTS, STATUS, TIMEFRAME AND AMOUNTS

Project Acronym	Participant Legal Name(Query 4 with FP6DMCUR)	Project Status Detail	Contract Signature	Project Start Date	Project End Date	Project Duration	Project Total Cost	Project EC Contribution
BEANISH	MINISTRY OF COMMUNICATIONS, SCIENCE AND TECHNOLOGY	Consortium Amendment	18-Aug-2005	01-Jan-2005	30-Jun-2007	36	1,179,856.00	800,000.00
LOGO WATER	KALAHARI CONSERVATION SOCIETY	Final Amendment	30-Jun-2005	01-Jan-2005	31-Dec-2007	36	1,148,852.00	1,148,852.00
BAMLINK	BOTSWANA COLLEGE OF AGRICULTURE	Signed Contract	21-Dec-2005	01-Jan-2006	31-Dec-2009	48	1,499,563.00	1,499,563.00
MARAMAIL	UNIVERSITY OF BOTSWANA	Signed Contract	14-Dec-2006	01-Jan-2007	31-Dec-2009	36	1,300,000.00	1,300,000.00
COMPETE	UNIVERSITY OF BOTSWANA	Signed Contract	26-Dec-2006	01-Jan-2007	31-Dec-2009	36	1,497,000.00	1,497,000.00
CROSCOG	UNIVERSITY OF BOTSWANA	Signed Contract	22-Mar-2007	01-Mar-2007	28-Feb-2009	24	538,785.00	538,785.00
VGT WORK	BOTSWANA METEOROLOGICAL SERVICES	Validated Contract		01-Jan-2007	31-Dec-2008	24	357,800.00	357,800.00
DESIRE	UNIVERSITY OF BOTSWANA	Signed Contract	06-Feb-2007	01-Feb-2007	31-Jan-2012	60	9,035,160.00	6,912,000.00
							16,557,016.00	14,054,000.00

D) CONTRACTS: CONTRIBUTIONS

Project Program	Number of Projects	%	Number of Participants from Botswana	%	Project Total Cost	%	Project EC Contribution	%	Participant Total Cost from Botswana	%	Participant EC contribution from Botswana	%	EC contribution to the other participants
INCO	6	75.00 %	6	75.00 %	6,342,000	38.30 %	6,342,000	45.13 %	634,328	62.01 %	634,328	65.42 %	0
IST	1	12.50 %	1	12.50 %	1,179,856	7.13 %	800,000	5.69 %	213,675	20.89 %	160,256	16.53 %	53,419
SUSTDEV	1	12.50 %	1	12.50 %	9,035,160	54.57 %	6,912,000	49.18 %	175,000	17.11 %	175,000	18.05 %	0
Sum:	8		8		16,557,016		14,054,000	Sum:	1,023,003	Sum:	969,584		53,419

VIII. Use of budgetary support / counterpart funds

Botswana benefits from sectoral budget support within the 9th EDF Focal Sector of Human Resource Development through the 9th EDF Education and Training Sector Policy Support Programme. The Financing Agreement was signed in February 2006 for an amount of €50.26M, including €8.06M from FLEX (See Section 2.1 of the Report).

Since no other Donors are involved in the Education Sector, the policy dialogue is exclusively between the Government and the European Commission. The use of the budget support approach is fostering a dialogue much more focused on policy issues rather than implementation aspects like in the past operations. Human Resource Development has again been identified as the single focal sector under 10th EDF and support will be delivered through sectoral budget support but more emphasis will be placed on the responsiveness of the sector to market needs to tackle unemployment.

Tranches were expected to be disbursed as follows:

	Total amount (M€)	Fixed (% tot)	Variable (% tot)
FLEX funds (2005/06)	<u>8.06</u>	100	-
Sectoral budgetary support - Tranches	<u>41.26</u>		
<i>1st, financial year 2005/2006</i>	<i>8.26</i>	<i>100</i>	<i>-</i>
<i>2nd, financial year 2006/2007</i>	<i>11.00</i>	<i>-</i>	<i>100</i>
<i>3rd, financial year 2007/2008</i>	<i>11.00</i>	<i>-</i>	<i>100</i>
<i>4th, financial year 2008/2009</i>	<i>11.00</i>	<i>-</i>	<i>100</i>
Studies, analyses, monitoring	<u>0.30</u>	N/a	N/a
Evaluation	<u>0.10</u>	N/a	N/a
Audit	<u>0.54</u>	N/a	N/a
TOTAL	<u>50.26</u>		

However the programme is one year behind schedule and the first tranche was only disbursed in November 2006, half way through the 2006/07 financial year, due to delays in the Commission's approval process. The second tranche is foreseen to be disbursed before the 2007/08 financial year.

IX. Budget lines

Budget line	Domain	Contract nr	Contract Title	Status	Decision nr	Contract Signing Date	FDI Date	Contracted	Paid	RAL
21.030300	NGO co-financing (PVD)	ONG-PVD/2006/132-160	Skillshare International Block Grant for Various Actions to support capacity building of partner organisations	Ongoing	ONG-PVD/2006/017-214	19/12/2006	30/05/2008	890,182	0	890,182
21.02.06	GENRE - Gender	GENRE/2006/117-222	Silence is Violence (Women Against Rape)	Provisional (€371,145)	GENRE/2006/018-177		31/12/2011	0	0	0
B7-6200/99-19/DEV/ENV	ENV - Environment	ENV/1999/054-131	Harry Oppenheimer Okavango Research Centre	Ongoing	003-583 - BT/1999/2321	10/01/2000	30/05/2008	1,509,600	1,167,104	342,496

X. Indicative time table for commitments (up to end 2007) and disbursements (up to the end of 2008)

EUROPEAID CO-OPERATION OFFICE		BOTSWANA		EDF FORECATS 2007-2008 : NEW GLOBAL Commitments (including individual commitments & Payments).																		(amounts in €)					
ESTIMATED DECISION DATE	PROJECT TITLE (GLOBAL COMMITMENT)	CATEGORY	AMOUNT	FORECASTS 1st SEM 2007						FORECASTS 2nd SEM 2007						FORECASTS 1st SEM 2008						FORECASTS 2nd SEM 2008					
				INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS						
						Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H				
TOTALS on NEW GLOBAL Commitments.			3,650,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,350,000	650,000	0	150,000	500,000	300,000	865,000	0	865,000	0	
05 2007	BW TECHNICAL COOPERATION FACILITY (TCF)	PROJECT	2,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	150,000	0	150,000	0	300,000	250,000	0	250,000	0	
06 2007	EDUCATION AND TRAINING SECTOR POLICY SUPPORT PROGRAMME	RIDER BS	1,150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,150,000	500,000	0	0	500,000	0	615,000	0	615,000	0	

EUROPEAID CO-OPERATION OFFICE		BOTSWANA		EDF FORECASTS 2007-2008: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.																		(amounts in €)						
YEAR GLOB. COMMIT.	ACCOUNTING NUMBER	TITLE INDIVIDUAL COMMITMENT	INDIVID. COMMIT.	PAYMENTS	FORECASTS 1st SEM 2007						FORECASTS 2nd SEM 2007						FORECASTS 1st SEM 2008						FORECASTS 2nd SEM 2008					
					INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS						
							Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H				
TOTALS on NEW INDIVIDUAL Commitments			14,809,146	3,246,234	1,099,000	2,147,234	0	3,947,000	3,785,312	1,973,879	1,811,433	0	2,180,000	9,791,679	6,006,979	224,700	3,560,000	3,610,000	3,818,145	1,793,445	1,184,700	840,000	0	0	0	0	0	
2001	8ACP BT10	Infrastructure	5,458,667	2,147,234	0	2,147,234	0	0	1,811,433	0	1,811,433	0	0	1,500,000	500,000	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT10	Satellite system	138,840	0	0	0	0	0	138,840	138,840	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2001	8ACP BT10	Evaluation	20,000	0	0	0	0	0	20,000	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2002	8ACP BT13	Addendum	5,000,000	0	0	0	0	0	0	0	0	0	0	5,000,000	3,000,000	0	2,000,000	0	0	0	0	0	0	0	0	0	0	
2002	8ACP BT13	MTR	118,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2002	8ACP BT13	Audit	47,639	0	0	0	0	0	47,639	47,639	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2002	8ACP BT13	Study on mine closure	0	0	0	0	0	500,000	100,000	100,000	0	0	0	300,000	300,000	0	0	0	0	100,000	100,000	0	0	0	0	0	0	
2002	8ACP BT13	Study on housing and facilities disposal	0	0	0	0	0	0	0	0	0	0	200,000	200,000	200,000	0	0	0	0	0	0	0	0	0	0	0	0	
2003	8ACP BT14	2 Augm. GTC works	2,887,000	0	0	0	0	0	1,178,000	1,178,000	0	0	0	766,979	766,979	0	0	0	0	678,445	678,445	0	0	0	0	0	0	
2003	8ACP BT14	2 Augm. GTC supply	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	770,000	770,000	770,000	0	0	0	0	0	0	0	
2003	8ACP BT14	2 Augm. GTC audit, eval.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	120,000	120,000	0	0	0	0	0	0	0	
2003	9ACP BT2	Evaluation	0	0	0	0	0	0	0	0	0	0	30,000	30,000	30,000	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	Anticorruption	92,000	92,000	92,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	PE 3 incl. 3x NAO train.&database	200,000	200,000	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	LMO	55,000	55,000	55,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	Tracer study (evaluation)	195,000	195,000	195,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	Procurement board	150,000	150,000	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	Training on the job 12 m	200,000	200,000	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	MDG	115,000	115,000	115,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	9ACP BT3	Other study	32,000	32,000	32,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2005	9ACP BT4	MTR	100,000	60,000	60,000	0	0	0	40,000	40,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2006	9ACP BT6	1 TA	0	0	0	0	0	0	0	0	0	0	1,250,000	250,000	250,000	0	0	0	125,000	125,000	0	0	0	0	0	0	0	
2006	9ACP BT6	2 PE 1	0	0	0	0	0	0	0	0	0	0	700,000	560,000	0	560,000	700,000	840,000	0	0	840,000	0	0	0	0	0		
2006	9ACP BT6	3 PE 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	700,000	0	0	0	0	0	0	0	0	0	0	
2006	9ACP BT6	4 PE 1 audit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	0	0	
2006	9ACP BT7	1 TA	0	0	0	0	0	2,247,000	449,400	449,400	0	0	0	224,700	0	224,700	0	0	224,700	0	224,700	0	0	224,700	0	0	0	
2006	9ACP BT7	2 PE 1	0	0	0	0	1,200,000	0	0	0	0	0	0	960,000	960,000	0	0	0	0	0	0	0	0	0	0	0	0	
2006	9ACP BT7	3 PE 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,200,000	960,000	0	960,000	0	0	960,000	0	0	0	0	
2006	9ACP BT7	4 PE 1 audit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	0	0	



BOTSWANA

EDF FORECASTS 2007 - 2008: PAYMENTS on ONGOING PROJECTS.

(amounts in €)



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YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat*	SITUATION END 2006			FORECASTS on PAYMENTS 1st SEM 2007				FORECASTS on PAYMENTS 2nd SEM 2007				FORECAST PAYMENTS 1st SEM 2008				FORECAST PAYMENTS 1st SEM 2008			
					GLOBAL COMMIT.	INDIV. COMMIT.	RAC	ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR			
								AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP	1st SEMESTER	Low L	Medium M	High H	2nd SEMESTER	Low L	Medium M	High H	1st SEMESTER	Low L	Medium M	High H	2nd SEMESTER
TOTAL ON ONGOING GLOBAL COMMITMENTS					164,335,000	133,602,360	30,732,640																
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS					130,596,061	82,080,982	48,515,079	13,458,185	13,154,456	62,493	241,236	16,923,982	12,257,922	1,161,606	3,504,456	3,275,039	3,240,986	0	34,053	8,401,917	370,969	8,000,000	30,948
1996	7ACP BT44	0	BW ASSISTANCE TO THE BASE METAL MINING INDUSTRY (NICU-CO)	1999030	33,700,000	33,700,000	0																
1996	7ACP BT44	1	BW GOVERNMENT OF BOTSWANA (T.A. TO THE BASE METAL)	19990531	1,200,000	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996	7ACP BT44	2	BW GOVERNMENT OF BOTSWANA (ON-LENDING AGREEMENT WITH BCL LTD	19990601	32,458,446	32,451,463	6,983	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996	7ACP BT44	Total	Individual Commitment		33,658,446	33,651,463	6,983																
1997	7ACP BT51	0	BW SECOND MICROPROJECTS PROGRAMME	19980715	500,000	500,000	0																
1997	7ACP BT51	1	BW SECOND MICROPROJECTS PROGRAMME	20000630	498,105	492,667	5,438	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997	7ACP BT51	Total	Individual Commitment		498,105	492,667	5,438																
2000	8ACP BT3	0	BW FRANCISTOWN CTVE/VTC VOCATIONAL TRAINING PROGRAMME	20081231	15,000,000	14,507,556	492,444																
2000	8ACP BT3	2	BW C&H SISK FRANCISTOWN VOCATIONAL TRAINING CENTRE	20061109	12,180,000	8,677,441	3,502,559	2,381,782	2,381,782	0	0	0	0	0	1,024,565	1,024,565	0	0	0	0	0	0	
2000	8ACP BT3	3	+ AARHUS TECHNICAL COLLEGE AND SCOT	20081231	2,163,000	279,558	1,883,442	670,000	670,000	0	0	350,000	350,000	0	0	350,000	350,000	0	0	240,000	240,000	0	0
2000	8ACP BT3	Total	Individual Commitment		14,343,000	8,957,000	5,386,000																
2000	8ACP BT4	0	BW 3RD MICROPROJECTS PROGRAMME	20041031	2,500,000	2,348,428	151,572																
2000	8ACP BT4	3	BW THIRD MULTI-ANNUAL MPR	20041130	2,000,000	1,700,479	299,521	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000	8ACP BT4	6	BW WP	20030228	25,400	24,382	1,018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000	8ACP BT4	Total	Individual Commitment		2,025,400	1,724,861	300,539																
2001	8ACP BT9	0	BW TECHNICAL ASSISTANCE TO NAO'S OFFICE	20051001	1,400,000	1,280,429	119,571																
2001	8ACP BT9	4	BW WP 2003 - SUPPORT TO MINISTRY OF FINANCE & DVLP/PLANNING	20031231	72,800	71,943	857	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT9	8	BW WP 2004 - SUPPORT TO MINISTRY OF FINANCE & DVLP/PLANNING	20050731	290,000	216,709	73,291	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT9	10	PARTICIP GMBH- TRAINING COURSE ON PROJECT MONITORING AND EVA	20050531	25,600	21,522	4,078	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT9	Total	Individual Commitment		388,400	310,174	78,226																
2001	8ACP BT10	0	BW WILDLIFE CONSERVATION AND MANAGEMENT PROGRAMME	20071231	14,000,000	6,324,345	7,675,655																
2001	8ACP BT10	2	BW DARUDEEC	20061130	3,551,100	3,094,122	456,978	84,000	84,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
2001	8ACP BT10	8	BW WORKPROGRAMME 1 22/5/2003-31/12/2003	20040531	286,000	147,831	138,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT10	9	BW SECOND ANNUAL WORK PROGRAMME 01/06/2004 - 31/05/2005	20051130	398,967	224,063	174,904	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT10	10	BW NATURAL RESOURCES PROJECT MNGT. LTD MID-TERM REVIEW	20050330	184,000	119,913	64,087	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT10	11	PROGRAMME ESTIMATE NO 3 01/03/1006 - 31/08/2006	20061031	393,000	336,986	56,014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP BT10	12	PROGRAMME ESTIMATE NO.4 STARTING 01 NOVEMBER 2006 TO 31 DECE	20071231	841,000	154,579	686,421	343,210	137,284	0	205,926	343,211	0	171,606	171,607	0	0	0	0	0	0	0	0
2001	8ACP BT10	Total	Individual Commitment		5,654,067	4,077,496	1,576,571																
2002	8ACP BT12	0	BW 9TH EDF PREPARATORY ACTIVITIES-SUPPORT TO MIN OF FINANCE	20041230	1,960,000	1,114,360	845,640																
2002	8ACP BT12	2	BW WORK PROGRAMME 1/8/03-31/7/04-IMPLEMENTATION OF STUDY VIS	20041229	273,000	181,832	91,168	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	8ACP BT12	Total	Individual Commitment		273,000	181,832	91,168																



BOTSWANA

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EDF FORECASTS 2007 - 2008: PAYMENTS on ONGOING PROJECTS.

(amounts in €)

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat*	SITUATION END 2006			FORECASTS on PAYMENTS 1st SEM 2007				FORECASTS on PAYMENTS 2nd SEM 2007				FORECAST PAYMENTS 1st SEM 2008				FORECAST PAYMENTS 1st SEM 2008			
					GLOBAL COMMIT.	INDIV. COMMIT	RAC	ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR				ESTIMATION of RISK FACTOR			
								AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP	1st SEMESTER	Low L	Medium M	High H	2nd SEMESTER	Low L	Medium M	High H	1st SEMESTER	Low L	Medium M	High H	2nd SEMESTER
TOTAL ON ONGOING GLOBAL COMMITMENTS					164,335,000	133,602,360	30,732,640																
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS					130,596,061	82,080,982	48,515,079	13,458,185	13,154,456	62,493	241,236	16,923,982	12,257,922	1,161,606	3,504,456	3,275,039	3,240,986	0	34,053	8,401,917	370,969	8,000,000	30,948
2002	8ACP BT13	0	BW ECONOMIC DIVERSIFICATION OF THE MINING SECTOR	20091231	30,000,000	23,644,800	6,355,200																
2002	8ACP BT13	1	BW IMC GROUP - TA - ECONOMIC DIVERSIFICATION IN THE MINING S	20080131	1,548,500	715,338	833,162	141,240	105,930	0	35,310	131,396	98,547	0	32,849	136,211	102,158	0	34,053	123,792	92,844	0	30,948
2002	8ACP BT13	2	BW GOV OF BOTSWANA (ON-LENDING AGREEMENT WITH BCL LTD	20091231	20,000,000	13,279,737	6,720,263	0	0	0	0	5,017,375	5,017,375	0	0	1,664,763	1,664,763	0	0	38,125	38,125	0	0
2002	8ACP BT13	3	GOVERNMENT OF BOTSWANA (ON LENDING AGREEMENT WITH TATI NICKL	20091231	2,000,000	1,885,750	114,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	8ACP BT13	4	CSA GROUP LIMITED - ECONOMIC DIVERSIFICATION OF SELEBI-PHIKWE	20060708	96,300	90,028	6,272	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	8ACP BT13	Total	Individual Commitment		23,644,800	15,970,853	7,673,947																
2003	8ACP BT14	0	BW AUGMENTATION OF GABS TECHNICAL COLLEGE AND AUTOMOTIV	20090831	3,880,000	23,100	3,856,900																
2003	8ACP BT14	1	BW START UP WORK PROGRAMME	20040131	23,100	21,249	1,851	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	8ACP BT14	Total	Individual Commitment		23,100	21,249	1,851																
2003	9ACP BT2	0	BW GENERAL T.A. FOR SUPPORT TO TAX ADMINISTRATION REFORM	20101231	750,000	554,150	195,850																
2003	9ACP BT2	1	GRAEME KEAY - TECHNICAL ASSISTANCE - SUPPORT TO TAX	20080331	494,250	224,802	269,448	71,500	71,500	0	0	82,000	82,000	0	0	99,500	99,500	0	0	0	0	0	0
2003	9ACP BT2	2	ECO 3 (FRAME WORK CONTRACT / TA TO BURS IT)	20070714	59,900	35,940	23,960	23,960	23,960	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	9ACP BT2	Total	Individual Commitment		554,150	260,742	293,408																
2004	9ACP BT3	0	BW TECHNICAL COOPERATION FACILITY (TCF)	20101031	1,385,000	285,192	1,099,808																
2004	9ACP BT3	1	PROGRAMME ESTIMATE NO 1 01/04/2005 - 31/12/2005	20051231	55,100	46,080	9,020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	9ACP BT3	4	DELOITTE & TOUCHE - AUDIT OF PE FOR BT	20060615	39,999	39,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	9ACP BT3	5	PROGRAMME ESTIMATE N2 FROM 01/04/2006 - 31/03/2007	20070331	56,000	26,565	29,435	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	9ACP BT3	6	DELOITTE-FINANCIAL AUDIT OF EXPENDITURE UNDER 7 ACP BT 44	20061118	62,493	0	62,493	62,493	0	62,493	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	9ACP BT3	Total	Individual Commitment		213,592	112,645	100,948																
2005	9ACP BT4	0	EDUCATION AND TRAINING SECTOR POLICY SUPPORT PROGRAMME	20111231	42,200,000	41,260,000	940,000																
2005	9ACP BT4	1	EDUCATION AND TRAINING SECTOR SUPPORT PROGRAMME (E&TSPSP)- S	20111231	41,260,000	8,260,000	33,000,000	9,680,000	9,680,000	0	0	11,000,000	6,710,000	990,000	3,300,000	0	0	0	0	8,000,000	0	8,000,000	0
2005	9ACP BT4	Total	Individual Commitment		41,260,000	8,260,000	33,000,000																
2005	9ACP BT5	0	EDUCATION AND TRAINING SECTOR POLICY SUPPORT PROGRAMME	20111231	8,060,000	8,060,000	0																
2005	9ACP BT5	1	DISBURSEMENT OF GENERAL BUDGET SUPPORT (FLEX FUNDS)	20111231	8,060,000	8,060,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	9ACP BT5	Total	Individual Commitment		8,060,000	8,060,000	0																
2006	9ACP BT6	0	STRANGTHENING CAPACITY FOR COMMUNITY DEV. IN MINISTRY OF LO	20131231	3,000,000	0	3,000,000																
2006	9ACP BT7	0	NON-STATE ACTORS CAPACITY BUILDING PROGRAMME	20131231	6,000,000	0	6,000,000																

XI. Measurement of E&T SPSP Indicators – 2006 Joint Annual Appraisal

Indicator (weight in disbursement in brackets for tranche 2)	Achieved/Partially Achieved/Not Achieved	Recommended Weight towards the Disbursement
1. A favourable sustainability ratio of 1 or below in previous year's budget revised estimate (2005 - 2006). (15%)	Achieved: The sustainability ratio for the revised budget estimate for 2005/2006 was 0.77 which achieves the target set for tranche 2.	15%
2. Better targeting of needs and priorities and more effective allocation of financial resources: GoB undertakes an <i>Education Public Expenditure Review</i> (EPER) and the MFDP/MoE make relevant decisions in relation to its findings. (6%)	Achieved: The Tender for the Study was launched on the 6th October 2006 which achieves the target set for tranche 2.	6%
3. More efficient management of resources: Following the recommendations of an <i>Organisation and Management</i> (O&M) review of the Ministry of Education, decisions will be made and implemented (3%)	Achieved: The O & M report was adopted by the MOE in July 2006.	3%
4. Adoption by Government of a Human Resources Development Strategy, reflecting equal opportunities, to use Government resources more efficiently and to avoid fragmentation and duplication (2%)	Achieved: The Inception report for the National HRD Strategy was approved in August 2006.	2%
5. Implementation of an effective <i>Education Management Information System</i> (EMIS) (6%)	Partially Achieved: i) Training for all 19 local staff in the IT Unit have been either upgraded from Diploma to degree level or have received professional training in IT personnel has taken place and is on-going; ii) the incorporation of the SASM situation analysis has not been completed; iii) Inception report based on the implementation experience of EMIS to date has been prepared .	3%
6. Following a review of its extent and nature, the apparent <i>lack of resources</i> , such as infrastructures (school classes in particular) and others (human, equipment, learning materials such as text books, etc) including training for the first and second levels, is redressed through an action plan which prioritises areas currently in greatest need (2%)	Achieved: The Final report was presented by the Team (Appendix II) to the Permanent Secretary, MOE and Local Government in August 2006.	2%
7. Annual increase of 1.0% in Net Enrolment Rate 6-12 years old in primary education (O/O). (9%)	Achieved: NER for 2003 is 90% (Target 90%)	9%

8. Annual increase of 2% in TVET enrolment (O/O). (8%)	Achieved: There were 11,133 students enrolled in the TVET sector in 2003 (Target 11,100)	8%
9. A new Basic Skills Programme is developed and implemented, allowing for the social inclusion of citizens with no qualifications. (8%)	NOT applicable until Tranche 3.	
10. The net dropout rate at primary level (O/O) should remain at a maximum of 1% in each year. (9%)	Achieved: The drop out rate in 2003 was 0.88%	9%
11. The net dropout rate at secondary level (O/O) should remain at a maximum of 2% in each year. (9%)	Achieved: The net dropout rate in 2003 at secondary level was 2.01%.	9%
12. Increase the enrolment of female students across TVET by 2% per year.. (8%)	Partially Achieved: CSO statistics for 2003 indicate A 38.18% enrolment rate of female students while unofficial MOE data presents a rate of 39.71% (Target 40%).	4%
13. Increased opportunities in TVET for students with learning difficulties. (8%)	Not applicable until Tranche 3.	
14. Adoption of a National Qualifications Framework (NQF) (2%)	Achieved: The NQF Inception Report was submitted mid-April 2006.	2%
15. Establishment of a new inspectorate framework (2%)	Achieved: An Action Plan for the implementation of the recommendations to establish a new Inspectorate Framework has been adopted	2%
16. Annual increase of 1% in the proportion candidates achieving grades A-C at PSLE (O/O). (5%)	Not Achieved: In 2005 the number of candidates achieving grades A – C was 79%, which is below the 82% target set for 2005	0%
17. No increase in the proportion of pupils not present for examination and those receiving an unclassified grade at PSLE. (7%)	Achieved: 6.14% of the Standard 7 enrolment were not present for their PSLE in 2005 which is lower than the baseline target of 7%.	7%
18. No decrease in the proportion of grades A-C at BGCSE (5%)	Achieved: Number of candidates achieving grades A* - C in 2005 for all BGCSE subjects was 41.5%.	5%
19. Increase in completion rate at CTVE (0/0) by 5% over two cycles. (9%)	Not applicable until Tranche 4.	
20. Effective provision and integration of HIV/AIDS awareness in curricula provided at primary and secondary levels (2%)	Achieved: All school and college HIV/AIDS coordinators trained in a variety of curriculum initiatives aimed at the provision and integration of HIV/AIDS awareness.	2%
Total Disbursement		88%