

Boko Duma responds to 2016 budget!

THE RHETORIC: A POLICY BASED APPROACH TO THE BEYOND BUDGET.

OVERVIEW

1. Madam Speaker, this year represents a significant point in the history of our country. It is a time for honest reflection and careful assessment. We must reflect on what has been achieved and the challenges that remain.

2. The conclusion of the Vision period could not have come at a worst time. The last five years have been seen low growth for the world economy. What is however interesting is that other countries have put in place tangible measures to address their country specific challenges. While we have maintained our rankings internationally, both on the governance and income rankings, ours has remained a divided country on income distribution. The benefits of economic growth and wealth accumulation have been enjoyed by a few and we have not seen serious interventions to ensure that the levels of poverty and unemployment are reigned in. The self-congratulatory budget speech we heard from the Minister celebrates the last fifty years without offering any concrete hope for the future.

ACCOUNTABILITY FOR RESULTS

3. Of note, the current budget closes several significant epochs (NDP 10, Vision 2016, and the Millennium Development Goals (MDGs) and takes us into three others, viz., NDP 11, Vision 2036 and the Sustainable Development Goals (SDGs). This being the final budget of NDP 10 and Vision 2016, the Minister should have provided a comprehensive and candid account of the country's progress or lack thereof, against the Vision 2016 targets.

4. We plan/budget for the development of people, not to achieve macro-economic targets as an end result. That we expect to achieve an average real GDP growth rate of 4.5% over the NDP 10 period compared to a planned target of 3.3%, or a deficit of 3.1% of GDP compared to a forecast of 16.4% means nothing to the 20% of the labour force who are jobless, the 19.3% of the population who subsist below the poverty line, workers who endure declining real incomes, the generation of young people who are being failed by a mismanaged education system, farmers facing a hostile climate and declining yields, and a population that endures a declining quality of public services.

5. Vision 2016 obliged the government to shepherd the nation towards high incomes, full employment, zero poverty, good health and, in summative terms, prosperity for all. This is the time for government to account for progress or lack thereof against these goals. Perhaps it is the gulf between the reality of the socioeconomic conditions in Botswana and what was envisaged by Vision 2016 that motivates the government to evade accounting for results. But there is a more tragic reason. The government simply does not have systems in place to monitor, measure, evaluate and report on, the performance of its initiatives and progress against priority results. We have no metrics for measuring the performance of our budgets and plans. This is serious dereliction of duty by the executive.

6. We ask the minister to urge the government to move expeditiously to institutionalise monitoring and evaluation and project management in its totality if they are serious about achieving results and transforming the lives of Batswana.

ACCOUNTABILITY FOR RESOURCES

7. The NDP 10 era and the reign of President Khama will be remembered as a period of fiscal profligacy, unprecedented corruption and impunity, as well as a generalised deterioration in government efficiency and effectiveness. As we begin the NDP 11 and 2016 chapters, periods during which good governance enjoyed universal acceptance as a necessary condition for development, and the strain on the fiscus is growing, we are treated to a budget speech that is oblivious to the urgent need to institutionalise and operationalise value for money principles in the management of public resources. Under your watch, Honourable Minister, this government runs a slew of costly initiatives for which performance criteria are not defined and monitoring and evaluation systems do not exist, and there is evidence of wanton waste. These include:

- The Poverty Eradication Framework, an expensive political adventure that consumes several hundreds of millions of Pula each year with no tangible results to show. The flagship initiative under this programme is backyard gardening, a poorly conceived and exceedingly wasteful initiative.

It should shame this government that the high levels of waste under this programme occurred under the direct supervision of his Honour the Vice President, who incidentally has failed to produce a Poverty Eradication Strategy/Policy that he promised parliament more than twice. Such a strategy, especially if developed as a national, as opposed to a government strategy, may have provided the necessary performance criteria for the charge against poverty. Also shameful is the lack of monitoring and evaluation that per chance could have saved the nation the hundreds of millions that this programme has cost the nation with nothing to show by way of results.

- The Integrated Support Programme for Arable Agricultural Development (ISPAAD), another expensive political adventure without performance criteria. ISPAAD has had no impact on productivity in arable agriculture and yet, even in years of acute drought, the government injects millions of Pula into ISPAAD, distorting farmers' decisions at great cost to the nation.

8. Beyond wasteful programmes, we have also witnessed gross mismanagement of mega projects and shocking indifference by this government to the extensive waste and corruption associated with these projects. We have had Morupule B, Botswana Meat Commission, the Palapye Glass Project, and the Airport project, amongst others. These four alone cost Batswana billions of Pula in pure waste and corruption for which no one has to date been held to account.

THE ECONOMIC STIMULUS PROGRAMME (ESP)

9. I would like to commend the Minister for breaking ranks with his principals and boisterous cheerleaders within the governing party who have hitherto sold the ESP as a bold programme to stimulate the economy and bring the good days back. It is naïve in the

extreme to think that an injection of cash into a stagnating economy could somehow engineer an economic boom. It is sad when no less an authority than the Vice President leads disinformation on this scale.

10. From the times of John Maynard Keynes, the towering economist of the nineteenth century, to this day, economic stimuli have served one purpose only, to mitigate the impact of an economic slump, help troubled firms avoid closure and save jobs. They do not generate economic booms. So we were shocked as ministers, legislators, councillors and party operatives went around the country urging Botswana to register firms in preparation for the ESP. This is cruel, irresponsible and fraudulent.

11. We still do not know how much the government intends to spend on the ESP, and how many jobs it expects to save or create. We find this arrogant, disrespectful to parliament and the people, and completely at odds with responsible governance.

12. We will not create enough jobs fast enough to absorb the growing pool of skilled and unskilled youths unless we accept that unemployment in Botswana is structural. Piece meal initiatives skirt the problem. What we need is a serious dialogue on the direction of the economy and on jobs. But the first step in the process is liberating enterprise. I suggest you pay attention to the following:

a) Efficient regulation: As I said in my contribution to the 2015, SONA, more than money, business requires an efficient environment: unencumbered rule of law, efficient licensing as well as permit procedures, efficient contract enforcement mechanisms and efficient institutions.

b) Local Economic Development and Decentralisation: I agree that LEDD is an essential and potentially rewarding initiative. This is a matter on which there is global consensus. I worry though that the budget speech betrays a superficial understanding of LEDD and a lack of commitment to empowering local government. It is simply not possible to be serious about LEDD and be slow on decentralisation. And so I join Botswana's Mayors and Council Chair Persons in calling for urgent action on decentralisation and LEDD to energise the economy from below, give national priorities expression at the local level, encourage innovative development solutions for localities and accord sub-national jurisdictions economic sovereignty.

c) Infrastructure Development: Yes, we must attend to service infrastructure urgently. Our highest priority should be high speed internet connectivity to level the playing ground between local economic agents and their international competitors and shorten the distance to markets and suppliers.

d) Access to opportunity and resources: One cannot escape the impression that our economy is rigged against the little man and those who express discomfort with the direction of the economy. We have had decades of the systematic transfer of land from the people (government) to relatively well-off citizens at great discounts relative to market value. The privileged set the rules and they benefited from them. Opportunity is tightly managed in this country. We must also limit the involvement of the Office of the President in the award of contracts across government. It is a serious affront on justice and fairness and a constraint on development.

SKILLS, TRAINING AND HUMAN RESOURCE DEVELOPMENT

13. The much-talked about Education and Training Sector Strategic Plan (ETSSP) is yet to be costed and implemented. Given the competing demands for government finances, is the ETSSP really going to be a priority? Institutions (such as UB) that will be critical for the success of the ETSSP seem not to be aware of their roles in this project. Has the rolling-out of the program been thought out clearly?

14. Training (i.e. vocational and technical education), that branch of the education system with a direct link to the labour force, continues to be neglected. All we hear about its importance is mere rhetoric. Private providers of vocational and technical education are just interested in profit and care less about the quality of training they provide. In fact, some of them claim funds from the Training Levy for student attachments when they do not have such attachment programs. This is fraudulent behavior. And yet government turns a blind eye to all this. It has been said several times over the years that public technical and vocational institutions are mis-aligned with labour market needs. Nothing is being done about it.

15. We note with alarm, as the UDC, that under the current administration, education has become an agent of social division and entrenched inequality. Yet education must promote social justice, national unity and cohesion. Education should provide hope for young people across the entire country and enable those born into poverty and disadvantage to escape these cloying circumstances of their birth. Education should be, as we got to know when we were growing up, the only sure escape from poverty by all. Most of us in this House and many in public service are living testimony of the empowering and liberating role of education. Except for a few who inherited prestige and privilege, most Batswana come from humble backgrounds. Education used to enable them to overcome poverty. This, sadly, is no longer the case.

16. The funding that has gone into education has failed and failed miserably to improve the quality of our education at all levels. We need early childhood learning. We need properly equipped schools. We need schools that teach. The unstinted millions that we have poured into education have gone to fund a bloated bureaucracy and failed to transform the classroom and the learning environment positively. The more we have increased funding the worse the results have become. We cannot develop this country without a great public education system. It comes as no wonder then that none of my colleagues on the opposite side of the aisle send their children to public schools. It is a searing indictment of your education system.

17. Let me tell you what the UDC proposes. The starting point is to review the working conditions of teachers. We must repair the damaged relationship between Government and the teacher trade unions to foster a partnership that conduces to the best learning environment for our children. It is a source of great shame, that in the capital city, Gaborone, as indeed in many places across the country, we still have students being taught under trees. Where any classrooms exist at all they mock any legal fictions that rank these poor children as enjoying the same rights as the children of the rich. We will provide not just classrooms but state of the art learning facilities that enable our public schools to compete

with the very best in the world. We will provide fully equipped laboratories. We will provide well stocked libraries supported by e-learning and the very best that technology has to offer. We will restore the learner and the teacher to the center of education where they belong. We will allocate and distribute education funding in a manner that is efficient, equitable and transparent. Ours, as you can see is a results oriented approach. It is an approach that questions all the decisions that got us where we are today. Our Government shall facilitate the provision of kindergarten and pre-primary school facilities in full appreciation of the available research showing that children exposed to pre-primary school learning have a greater advantage in the cognitive and communication skills later on in their learning years.

18. Based on our firm realization of the centrality of information technology to learning, the UDC pledges and undertakes to provide a laptop or tablet to every senior secondary school student as a starting point. This will apply to all public schools. This initiative seeks to use education linked with technology to release the full potential of our young people and cement them in the unfolding digital world. We want to make them true digital natives. This way they will be able to compete with their European, Asian and American counterparts.

19. We reject the impression being aggressively cultivated and reinforced, that children in the regions stretching from the southern tip of Kgalagadi to the northern tip of the Okavango are poor performers. Their situation is man-made. It is the underinvestment and capital misallocation of the current government that have condemned the children of these areas to a life and future of hopelessness. The UDC Government will correct this by allocating disproportionately higher education investments in these parts of the country.

20. Ours will be a just and equitable intervention that will ultimately improve national unity and cohesion. We will also create conditions to attract more experienced and talented teachers to these areas. We will also obtain input from retired educationists to fast track the catching up process by these regions. This is a strategic investment of national resources for nation building, not just budget allocation.

ENERGY

21. Madam Speaker, energy continues to play a vital role in the lives of Batswana and the performance of the national economy. The effectiveness of service delivery, the competitiveness of our mining sector, the sustainability of the tourism sector, the performance of the agricultural sector, the performance of the education sector, the health sector and the creation of new employment opportunities, or at least protection of the available jobs are some of the examples.

22. We must live with the understanding that the availability of reliable, sustainable, clean energy sources is the prudent way to propel our economy and improve the lives of Batswana. For this reason, we must avoid short cuts and trial and error. The energy industry deserves a clearly defined vision, driven by policy and supported by research and development.

23. In considering the strategic importance of electricity we must therefore note that:

a. Gone are the days when it used to be thought that electrical energy was a privilege reserved for certain groups of the community. I must, however, state that we acknowledge and appreciate efforts to develop the national grid infrastructure. The first concern is access. Electricity must be made accessible to all through affordable connection packages.

b. It is not only risky but rather an unpardonable offence to continue to subject the country to dependency on power imports at exorbitant costs while we have abundant resources to build our own capacity.

c. Accelerate the participation of Independent Power Producers (IPP) in the power supply mix. Government must consider urgent restructuring of the BPC and its operations as well as learn to share the risks associated with power generation.

d. According to the 200MW Solar Plant pre-feasibility study undertaken by Fitchner Solar on behalf of BPC in 2008, Botswana has an excellent solar power potential. It must also be noted that the lead times for the construction of such a plant do not exceed 24 months. In addition, such renewable energy projects are labour intensive, providing a potential for employment creation.

24. The abundance of coal in Botswana is not questionable. It is becoming apparent that dependency on imported petroleum products cannot support a full delivery of our national plans and programmes. It is in this spirit that the UDC finds it prudent to introduce an accelerated programme on coal beneficiation, such as Coal to Liquid Plants (CTL), the benefits of which will include:

a. Indigenous production of key economic drivers such as; diesel, paraffin, petrol, tar, chemicals, fertilizers, lubricants, detergents, waxes and LPG and kerosene;

b. We must note with appreciation that the majority of the by-products can be used in local industries as raw materials;

c. There is also a huge potential for exporting by-products to manufacturing companies in the neighbouring states;

d. Direct and indirect employment creation through such initiatives is massive;

e. Possibility to augment the power supply by incorporating power generation in CTL plants;

25. At the last summit on Global Warming and Climate Change, experts' advice indicated that the biggest culprit in production of greenhouse gases (GHG) is human activity, i.e. production of energy from fossil fuel sources. Notwithstanding that Botswana is blessed with prolonged sunshine hours Government must intensify the efforts to develop and disseminate other renewable energy technologies such as biomass, geothermal and wind energy.

26. I do acknowledge that the Energy Affairs Department is making some effort to introduce the different types of RE technologies. It is critical that such efforts be guided by policy, with

clear goals, objectives and achievable targets. This is the reason we advocate for a Research and Development Unit which could inform decisive actions to meet the goals.

27. It is high time the office of the Energy Regulator is introduced. This, I hope, would oversee regulatory matters such as price controls, tariff structure developments, applications of the Feed in Tariffs for RE programmes. This will help define roles and responsibilities while reducing the burden on the BPC and EAD.

28. Faced with the increasing demand and peak control challenges, the Energy Affairs Department and BPC must implement measures to introduce energy efficiency and reduced peak demand. These programmes of Demand Side Management and Energy Efficiency, if properly implemented, could achieve energy consumption and demand savings, and ultimately cost savings for the clients and the utility.

WATER AND SANITATION

29. Adequate supplies of clean water are vital for human livelihood and development. Water scarcity is a major challenge towards economic growth stimulation in the country. Shortage of water is posing a great challenge as most households especially in Greater Gaborone recently went for months without water. As a result, most companies find it difficult to operate in the country. We are, however, made to believe that the government has set targets aimed at stimulating the country's economic growth in all sectors. Without proper water management strategies, it is always going to be a challenge to stimulate growth of the economy in most sectors.

30. Madam Speaker, in the last budget, 25.7 percent of the Development budget was allocated to the Ministry of Minerals, Energy and Water Resources which was to be used for the improvement of the physical infrastructure such as the North South Carrier 2 and reticulation of various villages, among others. However, with the country's water demand for various sectors of the economy standing at 221 million cubic metres per annum and only 218 million cubic metres per annum currently committed for use, these projects madam speaker will increase the demand even further. The construction of sewerage infrastructure without enough water will only make things worse.

31. We therefore believe that there is need to finance "Demand Management Strategies" that will reduce demand without disturbing the supply. Rationing water has proved to be unsustainable and is affecting economic growth in most sectors especially the construction and agricultural sectors.

32. Madam speaker, when the water sector reforms project was implemented, we were made to believe that, its aim was to improve water supply service delivery in the country. The service delivery has deteriorated since the implementation of the project. This was due, among other things, to poor planning for the transition which resulted in WUC not being able to cope with pressure since it is always difficult to move a semi-decentralised system to a centralised system.

33. Madam Speaker, the continued failure by government to adequately address these issues is affecting Batswana and investors alike.

PERFORMANCE OF THE PUBLIC SECTOR, LABOUR RELATIONS

34. The public sector in general is the vehicle through which government takes development to the people. This sector, therefore, occupies a crucial role in our economy. However, performance of the public sector remains a concern. There are many reasons why this is the case. Chief among them is the failure on the part of Government to recognise the unique position our public sector occupies in our economy. As much as we envisage a private sector led economy, where we are at the moment, the public sector remains the largest employer in the economy. Not only that, the public sector also has greater influence in the general economy – with the private sector, to a large extent, depending on it as well. Unfortunately, the public sector has become a hindrance rather than facilitator in developing growth in our economy.

35. There is obviously need to embrace Public Sector Reforms if the performance of this sector is to improve. Within the civil service, morale is at an all-time low. Labour relations are poisoned. The protracted legal cases between the employer and trade unions do not help the situation. The paralysis at the Bargaining Council continues, with employees being the victims as much by design as by unintended effect.

36. We suggest that Government normalise relations with trade unions. Importantly, we need to professionalise the way we manage our public service to ensure that merit takes priority.

PERFORMANCE OF PUBLIC ENTERPRISES

37. Madam Speaker, public enterprises play a central role in our economy by taking service to all corners of this country. Parastatals also provide much needed jobs to our people. Government has, however, allowed these institutions' position in our economy to decline over the years. The Minister in his last address before this House assured the nation that they will devise mechanisms to enhance monitoring of the operations of parastatals to ensure that they achieve their objectives of economic growth and employment creation. This has not been done. We therefore doubt that Government appreciates the strategic importance of these institutions to our economy.

38. Government has to give priority to the position of parastatals as a unique strategic sector in the economy by, among others, developing a clear action plan with overarching strategic objectives for parastatals, with an ability to respond to developmental challenges faced by our country.

39. We currently witness the following in terms of public enterprise management:

- Government is embarking on proliferation of parastatals without according them clear mandates. We doubt that proliferation (without clear mandates) will benefit Batswana. It is our considered view that increasing parastatals in the face of general poor performance by

these organizations is not a solution but a cause for their persistent failure to meet their primary objectives. Proliferation also adds to duplication, hence the confusion in the delivery of services by these institutions. Instead, reforms, particularly those meant to reduce the size and scope of parastatals ought to be implemented as a matter of urgency, so that the remaining ones will have operational focus and add value to our economy.

- Parastatals are experiencing outrageous levels of corruption and mismanagement. Political interference, for example, in the running of these institutions has denied them the required levels of professionalism and accountability by those in charge. As a result, parastatals have become sources of linkages in government, where billions of pula go to waste with little or no accountability.

40. Within this context, we are not surprised at the poor overall performance of parastatals. Very few parastatals have performed satisfactorily. The rest continue to record operational and financial losses. Parastatals such as BMC, WUC, Air Botswana and BPC recorded losses.

41. Government invested huge amounts of money to rescue these institutions but, due to a variety of factors, nothing concrete has been achieved. Rather, we continue to pump more funds, without implementing the much needed reforms, with the hope that things will somehow improve in terms of service delivery. The consequences of the poor performance of these institutions are costly for our economy, especially the current water and power cuts that affect many of our citizens across the country.

42. The performance of parastatals depends on a variety of factors. Key amongst them is the clarity of their mandate. As I have already indicated, rather than reforming our parastatals Government has opted for proliferation. This will not help in realizing value creation by parastatals. Instead, we witness duplication of responsibilities because entities are set up with no clearly defined agenda. Not only that, service delivery has deteriorated. Mismanagement and corruption, the twin evils afflicting parastatals, need to be addressed as a matter of urgency through the adoption of good governance practices.

43. As a way of empowering Botswana, Government has proceeded with privatization of parastatals, with BTCL shares currently on the market. We do not have a problem with the restructuring of parastatals; in fact, we are for a more wholesome, comprehensive and systematic restructuring of the entire system of state-owned enterprises. If done properly, it can help resuscitate ailing entities. We are also aware that privatization is a word used broadly, and can take different forms. Our approach to the restructuring of parastatals is one that seeks to clarify mandates, grant institutions operational autonomy and inculcate a culture of merit and excellence without necessarily transferring, unduly, any existing strategic assets.

44. In the current listing of BTCL shares we hope ordinary Botswana will be able to take part. As much as we try to be positive we doubt that this will materialize. Certainly, the minimum P1000 shares is way above what an ordinary Botswana can afford. Particularly for those in rural areas, that amount is too much for them to raise given that the majority of them are not in any form of paid employment. Those employed are also unlikely to take part in the sale of BTCL because what they receive is not sufficient enough to allow them to do so.

45. Furthermore, the motive on the part of Government to privatize parastatals was that these entities were a hindrance to the development of the economy; they were a drain on Government funds. Consequently, the priority was to privatize loss making entities. We are surprised at the move to privatize BTCL, an entity that has shown remarkable turnaround over the past few years. And we know why this entity managed to reinvent itself: it addressed managerial inadequacies which had plagued the organization for many years. The message from BTCL is simple: the problem with parastatals is that of leadership and governance. Hence, good governance and leadership should be prioritized if parastatals are to achieve their mandate.

FOOD SECURITY AND CLIMATE CHANGE

46. We are in a severe drought. Food prices will go up and many households that subsist at the margin of poverty and those that depend on agriculture for their livelihoods will slip into even more grinding poverty. Yet, in this budget speech, this regular shock to the economy and rural livelihoods did not even merit mention despite its devastating consequences for the welfare of significant sections of our society. Does this mean we have no plans to deal with the drought or that we consider it inconsequential?

47. We need to know how the government plans to deal with the challenges of this drought. We, further, also need to know how the government intends to help farmers to adapt to climate change

THE AGENDA SHOULD BE ABOUT CHANGE

48. I am certain you all listened with interest to the budget presentation by Minister Matambo on Monday. You listened with keen interest because each and every one of you is trying to establish what this budget means to you and your constituents as well as other stakeholders. I listened with keen interest too. I was left with not the slightest doubt in my mind that this country needs change and it needs it urgently. The whole nation must embrace change. Change is what will usher in a new approach to the national discourse on growth and development. Change is what is required to meet your expectations.

49. What we heard from the Minister on Monday is simply a budget allocation of resources that has remained the same over the years. The Minister offers no hope and option for the future for the great majority of our people. His speech does not present any concrete options to set the country on a growth path to reclaim its glory days. It fails to account for how last year's allocation of financial resources has contributed to all the macro variables that were reported. In a very big way the Minister's speech has failed to tell us how the various Ministerial allocations have impacted on economic growth.

50. As usual, we were treated to a distribution of funds between the various Ministries without a report back on the impact of the allocations that were made in the last financial year. Resultantly, the budget speech falls short of expectation on three critical counts: candour, analysis, and inspiration. I am not entirely surprised because the tone for how the executive responds to national issues was set in the SONA of 04/11/2015. And so, much like

the SONA, this budget betrays an unhealthy obliviousness to the urgent task of transforming the economy and our institutions to ramp up productivity and competitiveness, energise investment, create quality jobs, eradicate poverty, reduce inequality, give hope to the country's cohort of despairing youths, build the economy's resilience to shocks and achieve inclusive or shared prosperity.

51. This budget speech closes the era of vision 2016 and the Millennium Development Goals (MDGs), and takes us into a possible successor national vision and the era of the Sustainable Development Goals (SDGs). The speech fails to provide a candid account of the country's progress or lack thereof, against the Visions 2016 targets. The Minister has elected to evade tough obligations.

52. I am concerned about the analytical basis of this budget speech because I see much in it that defies logic: the strong endorsement of an ill-conceived and still ill-defined Economic Stimulus Package, the weak profiling of risks the economy faces, the superficial treatment of key issues such as poverty, inequality and sustainable development, the disconnect from global thinking on development ... I could go on.

53. I worry about inspiration because the budget speech, in both structure and tone, has mechanically stuck to the bland routine we are accustomed to at this time in the national calendar. It does not provide any cogent advocacy for a change of course, nor does it give any hint of innovative thinking on policy and strategy. I appreciate that you talk about inclusive growth, productivity, competitiveness, youth unemployment, poverty, inequality and other imperatives. But your speech, Honourable Minister, charts no path to a resolution of these issues. These issues pepper and litter your speech as concepts without a cogent case regarding how we address them.

54. For the UDC this speech is not about budget allocations so much as it is about the state of our nation. It is about what are viewed to be priority areas for expenditure and key areas for intervention to revive the economy and give hope to the hundreds of thousands of young people who are without jobs, and businesses that do not understand what Government requires of them when the policy stance is so against them. It is about ensuring a nation that is secure and not fearful of its leadership. The greatest threat to our country is not foreign competition but the absence of tangible domestic opportunities.

55. We, at the UDC, aim to create those opportunities and ensure that they are open and available to our people.

56. The dictates of the Finance and Audit Act impel the Minister of Finance and Development Planning to acknowledge that the core of our problem consists, in the main, of an acute deficit of leadership (political and administrative) and weak and still weakening institutions.

57. The combination of self-aggrandising leaders who lack foresight and managerial competence and institutions that are inefficient and decaying has stood in the way of the nation's dream of a high-energy, diversified and competitive economy that meets the aspirations of its people and is resilient to shocks. Today, we look to you, Honourable

Minister, to show the way out of this morass. You cannot do so if you evade the root causes of the problem. It was never a hostile global market or defective labour that put to waste the glorious platform for accelerated development that God gifted us with in the form of a bounty of minerals. The problem has always been one of a leadership lacking the foresight to see the possibilities and the conviction and courage to act on them.

58. There seems to be no realization by the Minister and his Government that the limits of incrementalism have been reached and what is now required is a new thinking that imagines the future state of our country and its people.

59. Given the world's increasingly volatile economy this country must now plot a course through an unfamiliar environment where experience is no longer the key to the future and where familiar goal posts no longer matter. As the UDC we aim to create a new direction for this country where its people and its children are not only beneficiaries but are the drivers of their destiny.

60. We are the party of the future and not of the past. We are the movement and not the establishment. We acknowledge and celebrate the past but will not become its willing hostages. Imagination! Imagination, to the rescue! We imagine a future made possible by changes in technology, lifestyle, work-style, regulation and global geo politics. We also envisage an Africa strategy that places Botswana at the center of the development agenda of the continent. We imagine ours a country that leverages on its international rankings to influence the direction of Africa's governance and development. We do not characterize ourselves as a small country but rather as a strong economy with admirable fundamentals to assist and, better still, influence the continent.

Madam Speaker,

61. The rhetoric and florid exaggerations about our historical performance as an economy will not advance the course of a future in which our children will exploit their full potential. It is a record we will safeguard but not be complacent about. We shall pay tribute to those that served this country and ensured that we reached this stage of our development. But we should not become prisoners of our past however glorious that past might be. The time has come for us to map a new way and hand the stewardship of this country to the new leadership that is within our movement, the Umbrella for Democratic Change. The time has come to embrace change. We are the future.

Madam Speaker,

62. We are adopting a new approach to informing the nation about the budget. The allocation of resources and the macro economic framework that the technocrats and indeed Government have developed over the years are not the subject of the framework that we are adopting to map the future. We are setting up priority areas and advocating for initiatives that redefine the landscape. This is important for the business community, and indeed the nation, to get matchless clarity on the policy stance and fresh direction we are offering the country and its people. I will elaborate on these during the course of my address.

63. The stated approach of the current government is to make budgetary allocations to human capital and physical infrastructure development because of the effect those factors have on productivity and competitiveness. We do not believe that this should be the be-all of the budget discussions because for all the past years that allocations have been done and, in many instances increased by some percentage for both recurrent and development budgets, there have not been any supporting policy initiatives to have the desired effects on productivity and competitiveness.

TECHNOLOGY AND DEVELOPMENT

64. Technology changes and improves lives. It is a positive catalyst for economic investments. The use of technology enhances resilience among citizens and enterprises alike, instilling entrepreneurship and increasing economic efficiency. Technology supports growth and thus creates employment. This much is trite.

65. It is regrettable that not enough has been done to make Botswana a technology based economy. The UDC Government will invest heavily in making high speed internet accessible to all citizens. The internet will not only become faster, it will also become cheaper. This is because the UDC fully appreciates the fact that the internet is a basic necessity in today's economic order. In today's world, access to the internet is directly linked to the levels of literacy. That is why a growing number of countries relate unavailability of the internet to illiteracy. Unfortunately, and tragically, under the BDP Government, access to the internet is still considered a luxury reserved for those with money.

66. The UDC takes the firm view that access to the internet is a basic right of every citizen or inhabitant of Botswana. Our Government will ensure that no family is left outside the internet age simply because they are poor. This entails assuring connectivity to the internet broadband without regard to the economic status of these families or individuals. For the BDP all this might sound utopian. For the UDC all this is achievable not least because we are aware of the enormous potential that access to the internet can unlock among individuals, communities and societies. The only reason many of the companies have their head offices in Johannesburg is the issue of internet connectivity and broad band, and this is a loss to this otherwise relatively safe and comparatively safer country.

67. Providing access to the internet is a basic economic undertaking that the UDC values immensely. We will invest in new broad band across the country as a way of creating more efficient linkages between the urban and rural communities.

68. Under the UDC Government all government officials from Ministers through Permanent Secretaries and senior officers will be required to be IT savvy and to lead the way by embracing technology both at work and in their social roles. This is not the case under the BDP. This has resulted in exorbitant budgets for stationery across Government departments. Reducing such budgets will further release money to be spent on the technology innovations we are proposing.

69. The underlying root of inefficiency inside Government can easily be traced to the fact that there has been capital underinvestment, misallocation and mismanagement on ICT. This Government's failure, refusal or reluctance to embrace technology is one of the reasons it has remained detached from the people. The rest of the world has long accepted that embracing technology brings Governments closer to the people.

70. Talk of e-government under the current administration has merely been empty talk. The huge amounts of money previously allocated toward e-government have been misspent largely through corruption. The result is that Government departments are still run much the same way they were over twenty years ago. It confounds the most elementary understanding as to why, in this day and age payments to Government cannot be done through such facilities as credit cards and mobile technology. This would greatly improve the turnaround time for service delivery.

71. We are aware that these proposals will only be possible after we overhaul the current dysfunctional network that is keeping Botswana away from becoming a modern ICT led economy. The UDC Government will also thoroughly investigate the circumstances surrounding all subventions appropriated to e-government over the years. Any wrongdoing will be severely dealt with. This is not a threat. It is solemn promise and pledge to this country.

OUR PROPOSALS

Government Revenue and Receipts

72. We would vigorously consider other technical partners for the management of Botswana's diamond mines other than the current De-Beers arrangement. We believe that it is necessary to pursue a fair-minded approach that does not unduly defer to DeBeers even where there is a possibility that there are partners that could assist Botswana generate better revenues and profits from our diamond mines. This posture is informed by our view that there have been companies, including one in Russia that have been able to perform admirably despite the global economic slowdown and storm against diamonds.

This should add hundreds of millions of Pula or even billions each year.

73. We would enhance and prioritize SACU negotiations towards the conclusion of the revenue-sharing formula.

The Minister of Finance omitted the mention of the status of the SACU negotiations on, among other things, the revenue-sharing formula despite the fact that SACU is one of the most important contributors to Government revenues. The outcome of these negotiations, if they are still ongoing, has a potentially high impact on the Government fiscus.

This could have a fiscal impact of hundreds of millions of Pula or even billions per year

74. We would significantly enhance Botswana's current investment approach, culture, architecture and infrastructure.

The current investment system may be characterized as an assortment of fragmented investments on behalf of Government by various players including the Bank of Botswana,

Botswana Development Corporation, Public Officers Pension Fund system and a series of public enterprises, many of whose mandates are not clear and some of which Government maintains tight operational control over. Our approach is to pool capital resources and strategic assets, assign clear investment mandates and targets, grant operational autonomy to the satellite of entities and encourage a culture of excellence and merit.

75. These resources, if managed in this way, should bring additional net revenues to Government in the tune of billions per year, although not so in the initial three of four years in which case there will be net costs

76. We would offer tax incentives to companies whose revenues are generated by locally fomented patents

This should cost Government in initial years, but general revenues in the years to come

77. We would significantly expand the Government's long term bond/debt programme and introduce its management as a major cog in the funding of long term Government-sponsored infrastructure projects. This should also lend Monetary authorities a major instrument for the management of monetary policy/interest rates.

It should also enhance optimal Government budgeting, encourage private savings, improve Botswana's attractiveness as an investment destination, improve the implementation of long term infrastructure or major projects and significantly enhance the financial services sector.

78. We would, in partnership with private sector stakeholders, facilitate the introduction of an Agricultural Guarantee Scheme to assist deserving farmers, aspiring farmers and feasible farming projects gain access to agricultural funding from a wider spectrum of financiers than from the wasteful ISPAAD programme.

This should cut wasteful ISPAAD spending and save hundreds of millions of Pula per year.

79. OUTRIGHT EXPENDITURE CUTS

80. We would immediately cancel the order of army aircraft. We would re-direct some of this money away from aircraft and towards a range of high impact uses including more improved equipment and living conditions for the army.

This should save billions of Pula per year, a good portion of which would be re-directed for not only a more professional, equipped and highly motivated army and police forces, but for other development initiatives as well.

EDUCATION, SKILLS AND INNOVATION

81. We would invest more in a performance framework and system to incentivize teachers and school managers on agreed student/school outcomes

This should cost additional tens of millions of Pula.

82. We would put more emphasis on student and school outcomes, by promoting in-the-classroom training for teachers through the use of highly specialized trainers-of-trainers who will assist teachers improve the teaching of their core subjects.

This should cost an additional thirty million Pula in the initial year.

83. We would propose an additional expenditure of a billion Pula this year for spending on the development of vocational training and education in Botswana. This is a proposal we advanced last year, and the logic remains the same.

This programme will finance the training of more than 10 000 citizens for six-month and one year courses to equip unemployed but trainable citizens for semi-skilled and skilled (depending on level) role jobs in the envisaged construction of the trans Kalahari railway, Kazungula bridges, local area Government maintenance work and other community infrastructure projects

84. This project would replace the current Ipelegeng project, and most potential beneficiaries of Ipelegeng, at different levels of education backgrounds and age brackets would instead be tracked through the special vocation and technical training scheme (this means more than P600 million of the P800 million would be re-routed from the current Ipelegeng scheme)

85. We will step up expenditure on vocational training in the Botswana education system from the current levels which are measured to be less than 5% of combined expenditure on higher secondary and tertiary education to about 30% over a five year programme and ideally to about 40% in 10 years. This kind of prioritization on technical and vocational training of citizens is a minimum required to empower citizens to be employable and attain higher paying jobs (and to significantly tackle the chronic unemployment problem in Botswana)

HEALTH SERVICE DELIVERY

86. We would convert the major hospitals into autonomous Trusts, run by qualified boards and strict mandates, and performance management targets. In the current system, hospitals are run from headquarters, and do not even know how much it costs to treat each patient for any particular ailment. We would also ensure standards in clinics are significantly improved through the setting and pursuit of performance starts, and monitoring, and through better incentives for health professionals.

87. This will cost additional tens of millions initially but will result in major savings in years to come

88. We would establish a Health Services Commission that prescribes standards, incentives and makes recommendations to the health sector in Botswana. It would report directly to the Parliamentary Committee on Health.

89. We would establish an independent regulator, to enforce adherence to standards in the health sector.

ECONOMIC INCLUSION

90. We would implement immediately, the abolition of transfer duty for first time home-owners

91. We would introduce tax incentives for companies that embark on broad-based ownership or shareholding schemes.

92. We would significantly accelerate and expand efforts to provide serviced plots at reasonable price, especially for first time property owners. In particular, we would propose an additional P700 million to purchase more land and embark on Public Private Partnerships for the servicing of those land-parcels in-order to make more land available for the housing needs of a large number of Batswana.

93. We would simplify process, through legislation, to secure land rights in communal areas.

94. We would significantly increase the old-age pension, by doubling the current figure with a view to approaching an agreed "living wage" in future years.

EFFECTIVE AND EFFICIENT GOVERNMENT

95. We would establish a Public Service Commission, consisting of stakeholders other than just those in Government, responsible for the appointment of key personnel in the Government system, based on merit.

96. We would propose, as we did last year, an additional P10 million to establish a Parliamentary budget office

97. "This is part of our longer term plan to enhance the governance system. A parliamentary budget office plays the neutral role of providing economic forecasts and impact studies on any bill or key bills that are tabled in Parliament. This means the public will also enjoy the benefit of neutral forecasts on the impact on their welfare, of proposed bills. For example, should there have been a Parliamentary budget office, it would have been possible to provide the public with a neutral assessment on whether the economy or economic distribution of income would fare better under our Government-in-waiting proposals or under the current way of doing things."

98. We would transfer more resources and administrative autonomy to councils or local Government. This component will include the deployment of qualified professionals and the training of local government staff in partnership with management schools.

99. We would allocate an additional P20 million for the training of the Police Force as part of significantly enhancing its capabilities and capacity as a professional law enforcement agency.

100. We will insist on a declaration of assets legislation that entails periodical publication of information on declaration by all senior Government office bearers, legislators and

councilors who have secured Government tenders directly or indirectly. The law will have restrictions on the involvement of such officers in Government procurement.

THE ECONOMY AND JOBS

101. We would spend an additional P300 million for further PPP Research and Development, commercialization and joint ventures in potential niche sectors of Botswana such as food (meat recipes, cheeses, chocolates, morula drinks,), medicines, material sciences, coal beneficiation, solar technology.

102. We would invest an additional P800 million in PPPs for water drainage infrastructure/ technologies and solar/bio power technologies to both harvest water and generate power effectively in communities.

103. We would set up a fund for SMMEs to offer grants for technology enhancement and to assist SMMEs access foreign markets and Government procurement opportunities.

104. We would legislate and provide more extensive guidelines on Public Private Partnerships across sectors in the Botswana economy including PPPs for buildings, roads, research centers, power stations, agricultural projects and other initiatives via which the Government wishes to facilitate the development of our economy and social welfare.

105. We would deploy the PPP framework to embark on self-sustaining or profitable special projects which the private sector alone, or the Government alone, or the labour unions alone, cannot successfully achieve.

106. We would legislate guidelines for the use and governance of public sector employee pensions and provide special incentives for investment vehicles that invest in large agriculture and agro-processing projects, as well as in key strategic sectors such as tourism, manufacturing, mineral beneficiation and services.

107. We would repeal the monopoly legislation of the Botswana Meat Commission, and open up (regulated) competition in the beef sector and the establishment of a value chain of meat industries in Botswana, to generate foreign exchange and jobs for Botswana citizens.

108. We would establish a power/water regulator, to make the water and power environment transparent, predictable and attractive for private stakeholders, other than just Government.

109. We would make it possible for all investors, foreign and local, to secure land, licenses and work permits within prescribed time limits, as part of a contract the country will have with potential investors – based on a transparent performance management system that is publicly reported on.

LABOUR AND WORKFORCE

110. We would offer an across the board inflationary adjustment for all public sector employees of 5% -20% for this year with the lower end of employees receiving the higher end of the proposed increase. We need to also enhance the spending power of our public sector employees without jeopardizing financial discipline.

111. We would embark on a special initiative to improve Government's labour relations, and working conditions within and outside the public service.

112. We will legislate the use of monies from special levies such as the alcohol levy, motor-vehicle accident fund fuel levies and cigarette levies for use in targeted areas of our health-care system.

CONCLUSION

113. Botswana faces difficult fiscal and economic circumstances in the years and decades ahead. These circumstances are more than just an outcome of global downturns and realities; they are also an indicator of our own capabilities and determination a nation. I have said before, that we have a choice. We either stick to the traditional ways of doing things or bask in our past glory – or, we opt for a new way of doing things, a creative way, a bold way, a transformative way and an open-minded way. My party, the UDC, has offered the contours of this new way. We offer a way to transform this country, so all its people may live in a land of opportunity, and all its children may become who they truly aspire to become, if they applied themselves diligently and creatively.

114. I have no doubt in my mind that the proposals I have set out today and many times before will come to pass. Our people are catching hell. I speak to you as an emissary of hope. I speak to inspire, to uplift and to challenge this nation. I speak as a prophet, not in the sacerdotal sense of the word. I am a prophet that does not predict. I envisage an accessible future which I see prefigured in aspects of present experience. I view the flawed actual in the light of a better adjacent possible. I offer tangible anticipation of a greater life. I need no optimism – that passive and contemplative attitude- because I have hope which is an impulse to action. The function of hope, as Joe Ehrmann counsels, is to keep present realities open to future possibilities. That is my calling. I remain true to this calling. I know the profound joys and unbearable sorrows that accompany being true to one's calling. My motivation is love. My message is love, that profound and steadfast commitment to the welfare of others. This country deserves so much better. It yearns for a UDC government.

GOD BLESS.