Public Sector Management in Botswana

Lessons in Pragmatism

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Public sector management in Botswana rests on two pillars: democracy and pragmatism. The democratic nature of the Government of Botswana allows not only an open dialogue of policy making but ensures a remarkable degree of accountability of the bureaucracy to, and control by, Parliament. Pragmatism reflects a dedication to a profound, yet basically simple, principle that ends should be dictated by realistic means and not by ideological fervor. Commitment to economic and social development is a way of life, not a slogan.

Public sector management is performed in Botswana with commendable attention to detail, discipline and dedication by the civil service. Planning and budgeting remain under the domain of a unified Ministry of Finance and Development Planning ensuring a considerable measure of integration and cohesiveness between them. The National Development Plan is a consensus plan, reflecting different levels of consultations with various constituents. There is a dialogue at all levels both with regard to the plan and the budget until agreement is reached on realistic levels of expenditures. Policies contained in the plan are not immutable although modification of a plan policy or substantial alteration in one of its projects is fully discussed and justified.

Against a generally mixed picture of accomplishment in technical assistance (TA), the example of Botswana stands out as a success. This is not only because Botswana's management of TA reflects an overall good public sector management but also because there is in Botswana a coherent system for handling TA. It consists of a) including TA in national development planning and manpower budgeting so that skill gaps are assessed on a sectoral and macro rather than on a project-by-project basis; b) integrating temporary TA supplied expatriate staff within the structure of the civil service; and c) coordinating and centralizing the planning and administration of TA. Parallel with the utilization of TA, a process of localization takes place under the guidance of a Presidential Commission and the Directorate of Personnel. Through formal studies, training and educational reform, Batswana citizens have taken over systematically since independence the majority of civil service positions. Today expatriate employment has been limited to science-based professional and technical areas for which local skills are still in short supply. The effective use of TA and the development of human resources locally have contributed greatly to Botswana's growth and careful economic management.
La démocratie et le pragmatisme sont les deux principes fondamentaux de la gestion du secteur public au Botswana. Ce pays étant une démocratie, la politique à suivre fait l'objet d'un débat public et l'administration doit rendre des comptes au Parlement qui a un droit de regard sur elle, et ce bien plus que dans beaucoup d'autres pays. Le pragmatisme du Gouvernement témoigne de son attachement à un principe fondamental et pourtant élémentaire, selon lequel les objectifs doivent être dictés par une vision réaliste des choses et non par un quelconque zèle idéologique. L'engagement en faveur du développement économique et social est un acte concret, et non un simple slogan.

La gestion du secteur public au Botswana témoigne d'un souci louable du détail, de la discipline et du dévouement des fonctionnaires. Le plan et le budget restent du domaine d'un seul ministère, le Ministère des finances et de la planification du développement, ce qui assure leur intégration étroite et leur cohésion. Le Plan de développement est l'expression d'un consensus national obtenu par voie de consultation à différents niveaux. Portant aussi bien sur le plan que sur le budget, le dialogue se poursuit à tous les niveaux jusqu'à ce que l'accord se fasse sur un volume de dépenses réaliste. Les mesures énoncées dans le plan ne sont pas irréversibles, mais aucune modification ne peut être apportée et aucun changement substantiel ne peut être introduit dans l'un des projets du plan sans avoir été minutieusement examinés et pleinement justifiés.

Comparé aux résultats généralement inégaux obtenus ailleurs dans le domaine de l'assistance technique, l'exemple du Botswana fait figure de succès. Cela tient, d'une part, à ce que la gestion de l'assistance technique bénéficie de la bonne gestion globale du secteur public et, d'autre part, à ce que cette assistance technique est organisée de façon rationnelle. Premièrement, elle est intégrée dans les plans de développement national et dans les études prévisionnelles de main-d'œuvre de sorte que les besoins en personnel qualifié sont évalués sur une base sectorielle et macroéconomique, et non projet par projet; deuxièmement, les expatriés employés temporairement au titre de l'assistance technique sont incorporés à la fonction publique; et troisièmement, la planification et l'administration de l'assistance technique sont coordonnées et centralisées. Parallèlement à l'assistance technique, se déroule un processus d''indigénisation", guidé par une Commission présidentielle et par la Direction du personnel. Grâce à l'enseignement général et professionnel et à la réforme de l'éducation, la plupart des emplois de la fonction publique sont, depuis l'indépendance, attribués systématiquement à des ressortissants du Botswana. Aujourd'hui, l'emploi d'expatriés se limite aux fonctions d'encadrement et de maîtrise à caractère scientifique, pour lesquelles les spécialistes locaux sont encore rares. L'emploi efficace de l'assistance technique et le développement des ressources humaines locales ont largement contribué à l'expansion du Botswana et à la gestion judicieuse de son économie.
La administración del sector público en Botswana descansa en dos pilares: democracia y pragmatismo. La naturaleza democrática del Gobierno de Botswana no sólo permite un diálogo abierto de elaboración de políticas, sino que también asegura un notable grado de responsabilidad de la burocracia ante el Parlamento, que a su vez la controla. El pragmatismo refleja la dedicación al principio profundo, aunque básicamente sencillo, de que los fines deben ser impuestos por medios realistas y no por el fervor ideológico. La dedicación al desarrollo social y económico es un estilo de vida y no una consigna.

La administración del sector público en Botswana se lleva a cabo con loable atención a los detalles, la disciplina y la dedicación de los funcionarios públicos. La planificación y el presupuesto son de competencia de un Ministerio unificado de Hacienda y Planificación del Desarrollo, lo que garantiza un grado considerable de integración y coherencia entre ellos. El Plan Nacional de Desarrollo es un plan de consenso que refleja diferentes niveles de consulta con diversos segmentos sociales. Hay diálogo en todo nivel con respecto al plan y al presupuesto hasta llegar a un acuerdo sobre niveles realistas de gastos. Las políticas que figuran en el plan no son inmutables, aunque la modificación de una política o las alteraciones considerables en uno de sus proyectos se analizan y se justifican cabalmente.

En un cuadro generalmente variado de realizaciones en materia de asistencia técnica, el ejemplo de Botswana sobresale como un éxito. Esto se debe no sólo a que la administración de la asistencia técnica refleja la eficiente gestión general del sector público sino también a que existe en el país un sistema coherente para abordar la asistencia técnica, que consiste en lo siguiente: a) incluir la asistencia en la planificación nacional del desarrollo y la presupuestación de los recursos humanos a fin de evaluar las deficiencias en capacidades sobre una base sectorial y macroeconómica más bien que por proyectos, b) integrar al personal técnico extranjero suministrado temporalmente dentro de la estructura de la administración pública, y c) coordinar y centralizar la planificación y la administración de la asistencia técnica. En forma paralela a la utilización de la asistencia técnica, tiene lugar un proceso para transferir todos los cargos públicos a botswaneses bajo la orientación de la Comisión Presidencial y la Dirección de Personal. A través de estudios formales, capacitación y reforma educacional, los ciudadanos de Botswana se han hecho cargo, sistemáticamente desde la independencia, de la mayoría de los cargos de la administración pública. Actualmente el empleo de extranjeros se ha limitado a las esferas profesionales y técnicas científicas donde aún hay escasez de capacidades locales. La utilización eficaz de la asistencia técnica y la formación de recursos humanos en el país han contribuido apreciablemente al crecimiento y a la cuidadosa gestión económica de Botswana.
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(Prepared by Mr. Robert Youker)

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PREFACE

i. This report is based on the findings of a World Bank mission which visited Botswana for two weeks between August 29 and September 9, 1983. The mission consisted of Messrs. Nimrod Raphaeli (mission leader and planning adviser), Jacques Roumani (technical assistance), and A. C. MacKellar (consultant on budgeting). Mr. Robert Youker (management development), who was also a member of the mission, prepared Annex I.

ii. Botswana has built an enviable reputation as having one of the most effective public sector managements in Africa, and indeed among developing countries. The mission was undertaken at the World Bank's initiative, but with the Government of Botswana's agreement, to review the institutions and performance of public sector management, identify the factors of success and, if possible, draw lessons of experience. It was recognized, however, that a study of public sector management, if it were to cover all aspects of government performance, would have required a mission of larger membership and longer duration than the one that has undertaken this study. The mission has, therefore, focused on two critical topics in the context of Botswana:

a) planning and budgeting systems, including policy planning;

b) utilization of expatriates and of technical assistance for strengthening the management of the public sector.

iii. The mission also examined briefly the question of training for management development and its preliminary findings are covered in Annex I of this report.

iv. Botswana is a democratic and open society; not only have members of the mission had access to a wide range of public officials, including those in the government and the National Assembly, but also their access to reports, white papers and studies was unhindered. For this reason, a two-week intensive work in Botswana is far more productive than would have been the case in an environment which poses constraints on the access to both officials and documentation.

v. In submitting its report, the mission wishes to extend its gratitude to Messrs. B. Gaolathe, Permanent Secretary of the Ministry of Finance and Development Planning (MFDP), and K. O. Matambo, Director, Economic Affairs in the MFDP, for facilitating the mission's work. The mission is also grateful to Mr. N. Mokgethi, Principal Planning Officer (MFDP), who took care of the mission's needs and whose patience was often put to severe test by members of the mission, and to the many officials in government and in the aid agencies, who agreed to give generously of their time. It must be understood that the Government of Botswana, its officials and agencies and aid agencies which cooperated with the mission, bear no responsibility for the report's findings.
I. SUMMARY

1.1 Public sector management in Botswana is examined in the light of two fundamental qualities that characterize the political process—democracy and pragmatism. The democratic nature of the Government of Botswana and the country's practice of openness of discussion and of encouraging dialogue at all levels pervades the policy-making process. Pragmatism is the other quality of political life. Pragmatism must not be confused with opportunism; it is a dedication to a profound, yet basically simple, principle that ends should be dictated by realistic means and not by ideological fervor.

1.2 Public sector management is performed in Botswana with commendable attention to detail, discipline and dedication by the civil service. It is considered one of the most successful in Africa, if success is measured by the capacity of a system to formulate and implement effectively strategies and programs for economic and social development. This study seeks to identify and analyze the underlying factors that have contributed to the emergence of effective public management in Botswana, to describe how the system operates and to identify the lessons of success and how they could, if at all, be replicated elsewhere.

1.3 Public sector management, broadly defined, covers all phases of management in the government bureaucracy and parastatals. This paper has a modest objective: it seeks to examine the subject through two critical activities in Botswana:

a. planning and budgeting systems; and

b. utilization of expatriate and of technical assistance for strengthening the management of the public sector.

A separate annex (Annex I) addresses management training and career development in Botswana, particularly at senior levels in the public sector and in the parastatals.

Planning and Budgeting

1.4 The economy of Botswana is not a planned economy, strictly speaking. More than 80% of Botswana's GDP is produced by the private sector. The private sector is also involved in the planning process through a variety of advisory committees, notably the Livestock Industry Advisory Board, the National Employment, Manpower and Incomes Advisory Board (NEMIC) and the National Technical Training Advisory Committee. On the other hand, planning is so interwoven with budgeting and, indeed, subordinate to it that it has proven difficult to isolate the analysis of the planning process from the budgeting process.
1.5 Government officials are wont to emphasize that their plan is practical, not just elegant. "It is not intended," stated one official, "to be an abstract economic dissertation." Moreover, changes in the plan are not done arbitrarily; the same care is taken when formulating the plan as when amending it. The successful impact of planning in Botswana in helping to rationalize economic management and to clarify development objectives can be attributed to:

- a strong political commitment to pragmatic planning and economic rationality in government decision-making;
- the close integration of planning, budgeting, and economic policy formulation under a powerful senior minister (who also serves as a Vice President);
- the recruitment of a highly competent economist cadre to staff the planning organization;
- focusing planning effort first and foremost on determining the short- and medium-term public investment program which was closely adhered to by the Cabinet;
- establishing a strong policy analysis capability; and
- the continuous and active involvement of the planning staff in budgetary and economic management decisions. ¹/

The Adequacy of the Organizational Structure

1.6 The leadership of Botswana has demonstrated a remarkable degree of political responsibility and will in addressing the problems and requirements of the country's public sector management. This, in its turn, is supported by a well-thought out and well-tried machinery and a set of comprehensive procedures, many of which have a backing in law. The existence of a strong and well-staffed ministry for both finance and development planning ensures good coordination and a satisfactory compromise between the public sector investment program and the need for a balanced annual budget. It is apparent that in Botswana, the various divisions of MFDP work in close cooperation and this is extended to line ministries in which both the Finance Unit and the Planning Unit are staffed by MFDP personnel.

1.7 The organization in the MFDP and line ministries and extra ministerial departments permits the drafting of well-constructed and reasonably accurate estimates and the effective control of expenditure. This is reinforced by the existence of the Department of Supplies

responsible for the procurement of all government stores and the Central Transport Organization which operates and controls all government transport and mechanical equipment. The centralization of these functions permits a higher quality in estimating their cost and allows the government to take advantage of bulk purchasing and economies of standardization. Moreover, this centralization functions as a means of ensuring efficiency and control of operations while leaving line managers with adequate flexibility in carrying out their responsibilities. This efficiency is further encouraged by the Tenders' Board which operates without influence or political interference.

1.8 The government has shown wisdom in its selection of services which it has chosen to be provided by parastatal organizations. Control over these organizations is exercised by government representation on the Board, all appointments to the Board being made by the minister and the requirement that all parastatal borrowing is subject to the approval of the Ministry of Finance. The absence of political interference in the day-to-day running of these bodies, particularly in the area of pricing policy, has greatly contributed to their continuing viability. While the government is the main source of loan finance for parastatals, it makes no subventions to them; some of them make sizeable contributions to the revenue of the government. For instance, in 1981/82, the Botswana Development Corporation paid P1.8 million in income tax, and the Bank of Botswana, which under its law turns over 90% of its profit to the government, paid a sum slightly in excess of P19 million.

The Adequacy of Procedures

1.9 The Government's approach to finance has generally been characterized by the prudent marshaling of resources. This has meant that the comparatively well-staffed MFDP has not been subjected to undue pressures and has, therefore, been able to devote considerable care to the preparation of the budget and, consequently, few problems involving financial management have arisen. The process of budgetary preparation and control is supported by sets of procedures which impose the discipline necessary for the production of a good budget and for its implementation. The inclusion in the Constitution of financial provisions gives these considerable authority. The Finance and Audit Act imposes legal responsibilities upon the Minister of Finance, his Permanent Secretary and all accounting officers for the proper administration and control of public money and stores. This law also defines with precision the powers, duties and independence of the Auditor General. The accountability of all officers concerned with finance is elaborated in Financial Instructions made under this law and in these instructions officers are required to comply with all directions of the Permanent Secretary MFDP. Enforcement of the rules is assured by the threat of being held "pecuniarily responsible" or being surcharged.

Budget: Preparation and Performance

1.10 The preparation of the two parts of the Annual Budget is carried out in accordance with a strict timetable. It is perhaps unduly protracted, thereby reducing the accuracy of the estimates produced. On the other hand, the greater time allowed and the absence of haste permit a
more careful calculation of the figures and allow adequate dialogue with the ministries and MFDP. The close involvement of the Macro Policy Unit and the Directorate of Personnel in the determination of the level of manpower in the civil service avoids the creation of excessive posts, although vacancies in some areas are high. Despite this, the annual appropriations for the Personnel Emolument is realistic: in 1981/82 from an estimated provision of P90.9 million, P86.3 million was actually spent. The non-Personnel Emolument expenditure was less accurate and actual exceeded the approved estimate by about P29 million, although P25.4 million of this was an additional appropriation to the Development Fund. On the whole, the forecasting of recurrent expenditure is good although there may be discrepancies within a head of expenditure. Estimating could be improved by the use of the zero budgeting technique as, in many cases, recurrent items have been raised by an acceptable percentage each year with little reference to actual need. If the application of this technique to the whole budget in one year is likely to be impractical, it can be applied annually to selected items or selected departments until the whole budget has been subjected to this appraisal.

1.11 Expenditure control will not be affected by program performance budgeting which exists to some extent in the Government's Fundamental Classification of Expenditures. It is suggested that the categories in this classification be extended to provide a tool for more efficient planning. Recurrent budget planning and monitoring could also be improved if the monthly financial statements which the Cash Flow Unit produces were to appear monthly and were compiled on a finance data base. This would involve the creation of a system of reporting from accounting officers of both expenditure and liabilities incurred. It would provide a useful supplement to the quality and annual reports compiled from the Government's accounts.

1.12 The need in 1981/82 to supplement the original appropriation from revenue to the Development Fund serves to show the difficulty in drawing up the Development Fund Estimates. The government, as a matter of policy, has declared that as far as it is consistent with the proper care and management of public money, the implementation of the Development Plan must not be impeded by financial procedures. For this reason, the Development Fund Estimates are indicative rather than firm and their approval does not imply the availability of funds. These factors tend to reduce their effectiveness. At the preparation stage of the Plan, this is not of great importance as the constraint is manpower rather than money. At the execution stage, however, it means that the monitoring of progress by purely financial data may be inaccurate. This is recognized by the authorities and, in an attempt to overcome it, a weekly meeting of Planning Officers is held when physical progress on projects is reviewed. There is, however, no formal, periodical reporting except where a project is donor-funded and the donor requires such a report.

Relationship Between the Recurrent and Development Budgets

1.13 A basic weakness in many developing countries is the lack of effective integration between the recurrent and the development budgets. While continuing efforts are being made in Botswana to improve the linkage between the two estimates, creditable progress has already been made. The
crucial relationship is appreciated in MFDP and this was one of the main reasons for remerging the planning function with finance in 1970. The question is, of course, not critical in Botswana while the constraint is trained manpower. Nevertheless, the National Development Plan V (NDPV) recognizes that the laying down of recurrent budget ceilings can assist in the achievement of the required priorities in the development program as well as the proper allocation of resources between consumption and investment. From this prime allocation each year in the light of up-to-date data, a revision is undertaken and an annual ceiling set to achieve the dual objectives of a reasonably balanced budget and an attempt to impose a discipline for the development priorities.

Relations with Donors

1.14 One of the important lessons to be drawn from the Botswana experience is that relationships with donors should be made to reinforce, rather than distort, a country's priorities. In many developing countries, some donors have displayed a tendency to impose upon the recipient their own priorities or preferences which may not always be compatible with the recipient's development needs. In Botswana, given its track record and its ability to articulate and stand by its own national priorities, the donors appear to make every possible effort to harmonize their preferences with those of the country's. There is, at work, a process of mutual reinforcement of rational and non-arbitrary approach to the financing of development projects.

Technical Assistance and the Process of Localization

1.15 Botswana's human resources at the time of independence in 1966 included very few of the skills necessary to manage its economy. Through effective use of expatriate technical assistance (TA) and steady development of local capabilities, the country has achieved a remarkable record of economic planning and management. Despite rapid economic expansion (averaging an annual 13% of real growth during the 1970s), overall expatriate employment in the public sector has been reduced from 8.5% a decade or so ago to 6% in 1982. In the higher levels of the central government, 75% of the staff are nationals as opposed to 76% expatriate at the time of independence, although in the professional and technical cadres expatriates are still required in large numbers, 51% and 29%, respectively. Botswana's effective use of various types of TA (including a substantial volunteer component) and its progress in localizing the majority of its public service staff are the result of a deliberate and systematic effort.

Technical Assistance Objectives and Strategy

1.16 Recognizing the acute constraint in human resources, the political leadership of Botswana has shared similar perceptions about the need for TA and a willingness to substitute expatriates for absent local capabilities. As a result, a consensus has emerged about the objectives of TA and a strategy to use it for improving institutional effectiveness. The main element of this approach, as it evolved over the years, are to:

2/ See Table I and subsequent paragraph, and Table IID (1983 Actuals).
a. identify TA in terms of development and manpower requirements for the economy as a whole or for specific sectors, rather than on a project-by-project basis. This is intended to assure continuity of implementation capacity while building local capabilities for the long term. Staffing needs are thus readily met for most projects from a mix of local and expatriate expertise available in most ministries through regular TA supply and the output of localization programs. Trade-offs between project complexity and implementation capacity do not normally arise and there is no need to create specially staffed project units;

b. use expatriates in line rather than in advisory positions and deploy them mainly in middle level management for professional and technical assignments. In this way, the work gets done to the general satisfaction of both the Government and its expatriate employees, and Batswana senior civil servants are able to delegate effectively and avoid the mid-level bottlenecks that often delay implementation; and

c. push for early localization of top management positions in order to ensure that key decision-making in economic management is transferred to Batswana citizens as soon as possible. For other positions, localization was designed to proceed gradually and systematically, replacing expatriates only when locals have acquired the qualifications and experience necessary to do the job. Localization efforts are not allowed to interfere with expatriate recruitment or deployment where expatriates are needed. The twin objectives of localization and implementation are thus pursued through parallel but separate channels in order to reduce potential conflicts between them.

1.17 Botswana's experience has shown that the main disadvantages of this approach are: the cost of expatriates (since most are only partly funded from TA donors), insufficient exploitation of their training potential, and slower localization than desirable. But so far, the benefits for Botswana have outweighed the costs.

1.18 In the context of the above TA strategy, the following factors have contributed to an effective cooperative relationship between donor agencies and the Government:

a. full utilization of aid funds by Botswana;

b. early harmonization of donor agencies' preferences with Botswana's development priorities, facilitated
by the availability of operational national plans focused on sectoral and project objectives;

c. specialization and concentration on the part of aid agencies on sectoral or functional areas of TA. For example, Canadian aid has been for the mining industry and Scandinavian aid in rural development and water supply; and

d. periodic bilateral reviews of TA objectives, ongoing programs and future needs.

The Management of Technical Assistance and Expatriates

1.19 Technical assistance in Botswana has benefitted from good overall public sector management. TA is managed and coordinated between the Ministry of Finance and Development Planning (MFDP) and the Directorate of Personnel (DOP). The MFDP is responsible for the planning and overall coordination of TA, and the DOP takes over its administration from the stage of recruitment through the process of localizing expatriate-held positions. Several important features distinguish Botswana's systematic management of TA from unstructured or cumbersome procedures elsewhere.

1.20 First, the assessment of TA needs is part of the planning/budgeting process. It begins broadly with the preparation of the National Development Plan and becomes more detailed with manpower budgeting, an exercise that is updated annually and thoroughly analyzed during the mid-term review of the plan by individual ministries, by the MFDP and the DOP. Through the manpower budget, overall ceilings are established for the various categories of staff, detailed allocations are made for each ministry and department and growth rates are projected for the Plan period. Specific skill gaps are identified on an annual basis as well as for the entire plan period and TA agencies are approached early in the exercise to plan jointly expatriate assistance to fill these gaps. Most TA-filled positions are thus budgeted regular civil service positions that are expected to be sustained permanently by the Government after TA becomes unnecessary. Botswana's method of assessing TA requirements is improving further as a manpower planning system is refined.

1.21 Other features are the centralization of TA administration in the DOP and the integration of expatriates into the civil service for the duration of their assignment. As the agency responsible for human resources development, the DOP has the primary responsibility for identifying vacancies for expatriates, for supplying job descriptions drawn in consultation with the line ministries, for the recruitment, deployment, promotion and termination of expatriate staff in accordance with Botswana's civil service regulations. The experience of the DOP suggests that the following factors contribute to effective utilization of expatriate skills and to mutually satisfactory relations: a) recruitment of individuals, rather than firms, directly or through recruiting agents; b) requirement of a contract between the expatriate appointee and the Government, separate from other contractual arrangements between the TA agency and the appointee. The Government contract sets out the specific terms of
employment within the framework of the civil service and the specific cadre
to which the expatriate has been appointed; c) careful deployment of
expatriates in science-based technical areas and in selected management
tasks; and d) remuneration of expatriates is commonly based on a TA
supplement to basic government salary. This TA "topping" of salary uses
the British Overseas Aid Supplementation Scheme (OSAS) as standard
reference which reduces discrepancies in compensation packages among the
various sources of TA. Most other administrative procedures relating to
expatriates are also handled by the DOP which enables individual ministries
to concentrate on the performance and guidance of their expatriate staff,
who are accountable to them and to the DOP (as all other civil servants)
and not to the donor agency.

The Process of Localization

1.22 Botswana's progress in localizing the public sector has been
impressive despite rising demands for skilled manpower. Clerical and lower
level administrative positions were fully localized fairly quickly, as well
as most top level positions (Table V). In the middle levels, localization
for professional staff rose from 18% in 1972 to 48% in 1983 and for
technical staff, it increased from 62% in 1979 to 71% in 1983. The key
aspects of Botswana's localization effort can be summarized in terms of
strategy, process and institutional machinery.

1.23 Three elements of strategy stand out in addition to the decision
to localize, as a matter of priority, the highest and the lowest
positions. First, although expatriates are expected to contribute
on-the-job training, localization was designed to be independent of any
major expatriate role. Counterpart arrangements are used selectively when
both expatriate and local staff appear to be ready for their respective
assignments. Second, it was soon recognized that effective localization in
an expanding economy depends on many factors such as education, training,
experience, career development and personnel policies. This has led the
Government to pursue localization gradually, avoiding the temptation to
proceed too fast at the risk of losing experience, efficiency and quality
of economic management. Third, for a long time the Government has
virtually monopolized the absorption of university graduates giving
priority to early localization of the public over the private sector (which
includes the parastatals).

1.24 The process of localization starts in theory with "shadowing"
TA-filled positions with pre-selected local candidates. In practice, for
most positions, local candidates are identified as they complete their
studies or training. They are then placed to fill current vacancies in
different ministries or they return to the ministries which originally
sponsored their training. Recent improvements are intended to further
systematize the localization process through a) long-range manpower
planning to establish the relative priorities for localization of different
ministries and departments; b) careful review and upgrading of training for
each ministry, as well as for the central government as a whole in line
with manpower planning; and c) increased quantity and quality of in-service
training programs through specialized local courses and selected overseas
study. Furthermore, the educational system, which is the long-term
foundation for successful localization, is undergoing reforms designed to
strengthen the mathematics and science-related curriculum in both secondary and primary schools, and to expand technical and vocational training for practical skills.

1.25 As the pace of localization has been somewhat slow and uneven in the professional and middle management levels, it appears unlikely that the skills gap between local supply and demand can be substantially reduced by the end of the next plan (NDP-VI) around 1990. A number of factors have contributed to slow progress, some of them perhaps inherent in the systematic approach adopted, such as a tendency to overemphasize academic credentials and to retain personnel policies that are not sufficiently flexible to make better use of trained staff and to promote staff development. Without risking a decline in efficiency, localization might be generally achieved more rapidly by improving and expanding short-term specialized training (to enhance the qualifications for entry and mobility in the civil service) and by focusing personnel policies on staff development. In the area of management, the time has come for more structured training programs to form part of the career development of younger local staff with management potential.

1.26 Botswana's commitment to effective public sector management and its ability to fully utilize technical assistance for such purpose may be exceptional. But Botswana's pragmatic approach to TA may be the key to success. It suggests that TA may be best viewed as the acquisition with the aid of donor agencies of specialized skills on the international market, much like the exchange of expertise among developed as well as developing countries. The question then becomes one of assessing needs accurately, of knowing where and how to acquire needed skills, and of putting them to good use.
II. INTRODUCTION

"(1) Commitment (go ikgolega), meaning literally to inspan oneself to a task; (2) planning and cunning (go rulugany ka bothhale); (3) patience (pelo le tele); and (4) well-grounded purposive action (boitlhomo jwu boikaelelo), which means literally 'the well-foundedness of one's purpose or goal'."

2.1 Public sector management in Botswana must be examined in the light of two fundamental qualities that characterize the political process—democracy and pragmatism. The democratic nature of the Government of Botswana and the country's practice of openness of discussion and of encouraging the interaction of professional analysts, senior civil servants and politicians pervades the policy-making process. Pragmatism is the other quality of political life. But pragmatism should not be confused with opportunism; pragmatism is a dedication to a profound, yet basically simple, principle that ends should be dictated by realistic means, and not by ideological fervor.

2.2 Botswana's system of public management is rightly considered one of the most successful in Africa, if success is measured by the capacity of a system to formulate and implement effectively strategies and programs for economic and social development. This study seeks to identify and analyze the underlying factors that have contributed to the emergence of effective public management in Botswana, to describe how the system operates, to identify the lessons of success and to determine how these lessons could, if at all, be replicated elsewhere.

2.3 Public management is a product of historical, political, social and economic forces. As a field of human endeavor, it can be conceptualized, but it cannot be studied, let alone fathomed, independently from the total environment of which it is a product and with which it interacts. While still a developing country, Botswana stands out in many respects—it has a functioning democratic system, the lines of authority are clearly defined, the civil servants are accountable to parliament, control over financial management is enforced, plans and planning are taken seriously, technical assistance is utilized effectively, parastatals are managed on sound commercial principles and are not a drain on the national budget and, by and large, there are order, logic, efficiency, probity and rhythm in the conduct of government business.

3/ These are the qualities of the people of Botswana as described by Hoyt Alverson, Mind in the Heart of Darkness. Yale University Press, 1978, p. 135.
The Environment of Public Management in Botswana

2.4 Botswana lies in the center of the southern African plateau. A large portion of the country—approximately 69 percent of its 600,000 km$^2$—is covered by the Kalahari sand desert whose gently undulating sand mantle is thinly covered by bush and grass. Areas of the far south-west are devoid of ground cover altogether and bare sands prevail. Along the eastern border, and roughly following the line of rail, the topography changes as the land rises above 4,000 feet and then gradually slopes away to the Limpopo Valley, until at the confluence of the Limpopo and Shashe Rivers the altitude drops to 1,700 feet. The average rainfall is less than 475 mm per annum. In the desert conditions of the extreme south-west, this figure is approximately 250 mm per annum, whereas in the north-east it exceeds 650 mm per annum. More than 90 percent of the rain falls in the summer months between November and April, but there is significant variation from one year to another. Botswana is prone to periods of severe drought often extending over a number of years, and making the ecological environment of the country fragile. At the time of this mission, Botswana was suffering from two consecutive rainless seasons. The shortage of water may serve as the biggest brake on developmental efforts. Some officials go as far as warning, and not lightly, that Gaborone, the capital of Botswana, may become the first modern capital to limit its growth for lack of water.4/

Colonial Legacy and Political Development

2.5 Botswana was never, at any time, a colony but rather a protectorate; an arrangement between the Tswana Chiefs, who feared Boer encroachment on their lands, and the British, who wished to protect their rail link with colonies to the north. The protectorate status had the advantage of leaving the land, for the most part, in the hands of the Tswana and other indigenous people. Britain showed little interest in the protectorate because it was convinced that the country had no natural resources of consequence which would justify the establishment of a permanent administration. It was also not attractive for capital investment and for the setting up of industries. Planning for independence was correspondingly modest and envisaged continued, deep dependence on South Africa and Southern Rhodesia. In many respects, therefore, the decolonization of Botswana was painful neither to Britain nor to Botswana. Independence, which was achieved in 1966, climaxed a peaceful, almost uneventful, nationalist movement which began in the early 1960's. The arm's length colonialism practiced by Britain has been a factor in shaping Botswana's attitude toward outside assistance. As a protectorate, rather than a colony, and with no settler-focused conflict, Botswana has been less traumatized by colonialism than most countries in Africa, certainly far less than countries like Zaire, Zimbabwe, Kenya or even Nigeria. In these countries, the lack of indigenous bureaucratic institutions obviously heightened the impact of colonial rule in many ways which affected subsequent administrative behavior. The sense of being exploited, for

4/ According to the Mid-Term Review of the National Development Plan V (draft of July 7, 1983): "In certain areas of Botswana, water, rather than either finance or skilled manpower, may turn out to be the effective constraint to further development."
example, is still reflected in the policies and attitudes of many African
governments, and manifests itself in an unwillingness to seek or accept
advice or assistance from foreign sources on institutional as well as
policy issues. Aversion to invest in management systems and a
determination to promote African values and a respect for African customs
may have fulfilled nationalist aspirations but have not necessarily brought
about administrative efficiency.

2.6 Furthermore, in most African countries nationalist movements were
galvanized in a struggle against colonialism. In the Bechuanaland
Protectorate (later to become Botswana), colonialism was more symbolic than
real; Britain's presence in the territory was minimal and, consequently, no
effective colonial machinery was introduced in the territory. Nationalism
in Botswana, as in most of southern Africa, emerged as much as a resistance
to South Africa as a movement for independence. For this reason, the
nationalist movement in Botswana was late to emerge, and its practical
application only began to take shape in the late 1950s or perhaps in the
early 1960s. Even then, the central characteristic of the movement, which
colors the Government of Botswana's development policies to the present
day, is its conservative and reformist orientation. Conservatism reflects
perhaps the symbiotic relationship between the emerging intelligentsia and
the traditional leaders of the Botswana Democratic Party (the country's
ruling but not the only party in the country), and the realization of both
groups that their interests lay in "a controlled modification of the
existing indigenous political system and its gradual assimilation into the
Western political system."5/ The reformist basis of development and
nation-building in Botswana, including the gradual decline of the power of
the chiefs and the emergence of a vigorous, Western style Botswana
Democratic Party, was initiated by Khama the Great, followed by Tshekedi
Khama and later consolidated by his nephew, Sir Seretse Khama, the first
President of Botswana (1966-1980). The process of nation-building has been
also uniquely non-ideological. "Distinct ideologies," says a Batswana
political scientist, "do not seem to have played any major role in the
formation of nationalist movements in Botswana."6/

2.7 While in other countries the old guard of colonial administrators
was replaced by young indigenous people, many of whom were politically
militant, in Botswana, the old guard was replaced by young expatriates who
were given freedom to work and to whom Botswana became known as a good
place to work. This is, of course, likely to change. As urbanization
continues its rapid pace (for example, the population of Gaborone has
increased from 17,713 in 1971 to 59,657 in 1981, an increase of 237
percent7/) politics could become more of a profession rather than an
avocation, and the pressures for government jobs may become irresistible.

5/ R. Nengwekhulu, "Some Findings on the Origins of Political Parties in
Botswana," Pula (Botswana Journal of African Studies), Vol. 1, No. 2
(June 1979), p. 71.


7/ Statistical Bulletin, Vol. 8, No. 1 (March 1983), Table 1.
The country may already be witnessing the emergence of new social and political forces among the rapidly growing urbanized population which could dictate profound changes in the manner in which Botswana has managed its public sector until now.

2.8 The lack of ideological fervor and personality cult is seen in the conduct of economic policies and, indeed, throughout the political culture of the country. Slogans are absent and a matter-of-fact style is evident in the government's documents and statements and in the way government business is conducted. Not having reached independence through a sustained period of agitation, struggle or violence the politics of development lacks the radical militancy which characterizes many nationalist movements and national politics in most of Africa. This state of affairs is well reflected in a statement made to the mission by a member of parliament:

We did not fight for our independence. We survived on our wits. We asked for British protection and when time was right we asked to be left alone. Since we did not fight for independence, our politics of development was not the politics of ideology.\(^8\)/

To the extent that an ideology was articulated in the post-independence era, its main features have been democracy and non-racialism, commitment to the development of opportunities for citizens, increased self-reliance, and a high degree of honesty and prudence in the conduct of all public financial affairs.

Cultural Traditions

2.9 Democracy in Botswana has its roots in the traditional institution of the Kgotla. In principle, the Kgotla is the general assembly of a village and each male villager is expected to attend its meetings. At the Kgotla, decisions are taken on a wide variety of activities affecting village life. The Kgotla was described as:

at once a place, an institution and the people who participate. They may deal with specific issues of customary law or general issues of community decisions, or they may serve as simple information dissemination devices for government agencies ... (at the Kgotla) there is both a place and an institution to handle any significant issue publicly and at the most appropriate level for the continued smooth functioning of society. While the Kgotla is the place where headmen and chiefs adjudicate issues and discipline violators of

\(^8\)/ Interview with Mr. G. Mosinyi, Member of Parliament and Chairman of the Public Accounts Committee of the National Assembly, Gaborone, September 5, 1983.
community roles, it is also the place where any adult can stand up and offer his or her views.\(^9\)

2.10 With the detribalization of politics after independence, the introduction of modern state institutions to the villages, and the migration of young people to cities and the mines in South Africa, the Kgotala has lost considerable ground as a representative body but the democratic traditions which it has fostered for so long remain embedded in the political culture of the country. The tradition of expressing one's views freely and without penalty appears to have survived.

2.11 The democratic traditions of the Tswana people are reinforced by the twin desires for peace and the respect for the law. Professor Alverson, an anthropologist who spent two years among the Tsawanas and produced an exceptional book on their cultural traditions and values, points out that for almost every Motswana, peace is second only to food and family.\(^10\) Keeping the law is one of the most fundamental aspects of community life among the Tswana. Many Batswana interviewed by Alverson observed that "success and achievement in the ideal life, and in their own lives, come from being one who abides in the law." Keeping the law also means following guidelines and precedents. "... when nothing is clearly prescribed he (Tswana) may not know what to do, in which case he will often revert to the traditional approach in the face of uncertainty and seek guidelines from those with authority or a record of past success. The traditional Tswana would stop and think, seek advice, or look to copy a proven course of action. This behavior leads many naive observers to see the Tsawana in Western settings as reticent and hypercautious, fearful of new situations, cowed by tradition, insecure, and filled with inferiority feelings ... this is a mistaken account."\(^11\) The mission was indeed impressed by the attitudes of the civil servants for the orderly conduct of government business, their adherence to legal authority and their ability to seek and use advice. Nowhere is such behavior more manifest than in the strict manner in which public funds are accounted for.\(^12\) Most importantly, the Kgotala tradition of openness of discussion, deliberations and consensual decisions have been very much adapted to, and preserved in, the modern Government of Botswana.

**Economic Situation**

2.12 When Botswana began its nationhood in 1966 it was suffering from the effects of eighty years of colonial neglect and one of the severest droughts of its history. GDP per capita was one of the lowest in the world

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\(^11\)/ Ibid. pp. 142-144.

\(^12\)/ In a letter dated August 18, 1983 from the MFDP to the Resident Representative, UNDP, Gaborone, the Ministry sought an explanation why in a reimbursement claim for P121,695, the sum of P14 had been disallowed.
and the country was grouped among the least developed countries. It is a common belief in Botswana that the drought and poverty which prevailed at the time of independence still continue to weigh heavily in the minds of the country's leaders and they provide a constant incentive and drive for the efficient marshalling of national resources and a brake against ostentatious or irresponsible spending of public resources.

2.13 With independence, the government immediately set off on a course of economic and social development initiated earlier by the Khamas. The new government assumed not only the powers of the British administrators but most of those of the chiefs. It created an infrastructure which included a new capital, roads, electric power plants, public schools, hospitals, a civil service, a police force and, some years later, a defense force. In 1975, the Bank of Botswana was established to overcome some of the disadvantages from Botswana's continued use of the South African Rand as its currency. While this avoided balance of payment problems and gave Botswana a stable and internationally-recognized currency, it left the country at the mercies of South Africa's monetary and credit policies. In 1976, Botswana left the Rand Monetary Area and issued its own currency. The outcome of all these initiatives has been to create a new separate cash-fuelled, private sector which has dealt serious blows to an already weakening traditional economic society. At the same time, the Youth Brigade system was created to provide craft and artisan training to the young for employment within and outside the formal sector. This program has been successful for community development in rural areas as well as in its training objectives.

2.14 The stated objectives of Botswana's development policy are rapid economic growth, economic independence, sustained development and social justice. Considerable achievements have been made in terms of economic growth, as Botswana moved quickly from a traditional economy, based on cattle rearing, to a dualistic one led by a small but vigorous modern sector. Shifts in the pattern of domestic production, and in the sources and levels of income since independence, have been dramatic, although domestic production is strongly dominated by minerals and the economy is heavily dependent on trade. The capital intensive nature of mineral production and of the modern sector generally has not provided as much new employment as was hoped for. A large proportion of Botswana's population continues to depend on rural incomes and many rural Batswana are estimated to live at or near absolute poverty. In times of severe drought, as in recent years, about half of the population receives food supplies through the World Food Program. Thus, the impressive level and benefits of economic growth have not changed fundamentally the life of most of the rural population. The point should be conceded, however, that the scope for redistributive policies is restrained by the nature of the economy, dependent so much on exports. Another point that should be stressed is that Botswana made very effective use of its mineral blessing through pragmatic and careful economic planning which produced remarkable budget and balance of payment stability over the years, as well as extensive development of the infrastructure and social services. These achievements are important for widening the productive base of the economy and for creating new employment.
2.15 The government has shown and continues to show prudence in all its financial dealings. Having gone into independence still heavily dependent on substantial grants to cover the budget deficit, with no reserves and an infrastructure totally inadequate for any significant economic growth, the government was compelled, as a Member of the National Assembly was earlier quoted, "to adopt the politics of development and not the politics of ideology." This meant the careful husbanding of revenue, the limitation of expenditure to essentials and a deliberate, concentrated effort to carry only projects essential to capital growth. The civil service salary bill has been held to reasonable levels: in 1981/1982 it was 26.9% of actual recurrent revenue. The public debt has been managed responsibly and the government guarantees amount to a paltry sum. Most of the trappings of post-independence in developing countries have been shunned. Ministers and senior civil servants drive in pick-up trucks and modest cars. Total expenditure on the Department of External Affairs, which included overseas representation, was in 1981/82 only P1.9 million or less than 0.6% of recurrent revenue, while in the same year P6,000 was voted for Official Hospitality of which only P5,440 was spent. Care and caution have been the watchwords in the planning process, only worthwhile projects being accepted and, as a consequence, Botswana has none of the grandiose, white elephant schemes which could lay an intolerable and constant burden upon the recurrent budget.

2.16 The government has shown considerable courage when unfavorable circumstances have arisen or even appeared likely to arise. When the Vice President presented his 1982/83 budget, he announced:

This past year we have seen a rapidly changing international situation affecting our budget. If we had known in August what we know now, I would be presenting different figures to this Honourable House. Because of larger uncertainties which face us and because of the substantial deterioration in the international and our domestic situation, following approval of the budget, my ministry will only warrant authority to spend 80% of the amounts given in the estimates.

After a full review, however, it was only necessary to impose an overall 9% cut. The courage with which the government has consistently faced financial problems as they arose is undoubtedly one of the major factors in the able management of its public finances.

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13/ Exchange rate vis-a-vis the US dollar in 1981/82 was $1.15 per 1 Pula.
III. THE PLANNING AND BUDGETING PROCESS

A. INTRODUCTION

3.1 Botswana has a well-ordered and effective system for the formulation, preparation and execution of its annual budget. Prepared with considerable care, it is presented to the National Assembly for approval before the fiscal year begins: it has never been necessary for the President to invoke his constitutional power to approve a provisional budget. Once funds are voted, their spending is controlled and wastage and loss are minimal. Both the planning and the budgetary processes are carried out by the Ministry of Finance and Development Planning (MFDP).

Historical Background

3.2 Economic planning was introduced into Botswana just before independence. Until then, the budgetary process was concerned with containing recurrent expenditure as far as possible and restricting capital expenditure to the barest minimum. At independence, the country was dependent upon external assistance for almost half of the sum needed to balance the current account and all its public sector investment program finance. The immediate political aim was to reduce this economic dependence. There was, therefore, an urgent need for a rapid exploitation of local revenue sources and their allocation and spending by full resource planning. Some modification was needed in the machinery for the preparation of the recurrent budget but it was necessary to create an organization to determine the level of resources available and their allocation between consumption and investment by means of a Development Plan. This urgent need was eloquently expressed by Sir Seretse Khama, the country's first President, in his Foreword to the Transitional Plan, the country's first development plan:

Botswana's need for sound economic planning is great. Our country is beyond doubt one of the poorest nations in Africa. There are unique problems: the lack of independent access to the sea, the presence of powerful neighbors whose racial policies differ greatly from those of Botswana, the lack of a national currency, the inability to impose customs tariffs, and so on. In these circumstances direction and impetus must be given to the economy ... My Government is aware, too, that planning by itself is not enough, that efficient implementation of the Plan is even more important and pledges itself to this task ... The energies of the nation must now be devoted to the economic and social development of the country. The Transitional Plan sets out in much detail what has to be done.14/

3.3 To draw up the Transitional Plan in time for independence, a small Economic Planning Unit in which there were two professional economists was set up in the Ministry of Finance in 1965. Soon afterwards, a Central Statistics Office responsible to that Unit was created. To ensure the maximum coordination in the formulation of economic policy, an Economic Committee made up of all the Cabinet ministers was established and it was serviced by the Economic Planning Unit. To secure adequate communication with the non-government sector, a National Economic Advisory Council was also appointed. This body met twice a year and it enabled the government to draw upon private sector experience through such organizations as the Livestock Advisory Board, the Technical Training Advisory Committee, the Medical Advisory Board, and the Town and Country Planning Board, all of which had representatives on it.

3.4 The Transitional Plan was followed by a more comprehensive National Development Plan for the period 1968-73. From the outset, recognizing Botswana's extreme dependence on external circumstances, the Government decided that rather than regard the five-year plan as a rigid program of action in an inflexible timetable, the strategy should be that of constant review, in-depth study and, if necessary, revision of the time scale. The plan thus became a rolling one. This was the practice until the current Plan. The National Development Plan V is from 1979 to 1985, a six year programme which was reviewed after 3 years of operation in the mid-term review. The first such review was carried out and completed in August 1983.

3.5 The placing of the Economic Planning Unit in the Ministry of Finance soon appeared inadequate for the development challenge posed by independence. In 1967, therefore, a new Ministry of Development Planning was created with the Vice President, who was also the Minister of Finance, as its Minister. As its name implied, it was charged with responsibility for the development plan and, in close consultation with the Ministry of Finance, drafting the annual development estimates. Its duties also included the negotiation of foreign grants and loans and the supervision of the National Development Bank. By 1970, however, it was felt that the placing of the planning and development process in a separate ministry did not permit the necessary close collaboration and coordination with the Ministry of Finance which was essential if the optimum use was to be made of Botswana's scarce professional manpower and financial resources. The financial and planning processes were, therefore, again combined in a Ministry of Finance and Development Planning (MFDP). This Ministry was made responsible for:

- Developing sound fiscal and economic policies and the oversight of their implementation,
- Monitoring the national and the international economic scene,
- Mobilizing funds from internal and external sources,
- Maintaining a system for the effective control and management of all public finance, and
- Providing economic and financial statistics and data processing.
Thus policy, objectives, strategy, implementation, funding, coordination and control of planning and budgeting were brought under one organization.

3.6 In 1973/4, planning capacity was improved by the creation of Planning Units in each of the key ministries concerned with development—Agriculture, Education, Works and Communications and the then Ministry of Commerce, Industry and Water Affairs. Unlike Finance Units, which had been created when ministries were first set-up and staffed by finance officers posted from the MFDP, the Planning Units had their own planning officers. The planning organization in the Districts was also built up at this time and planning officers were posted to districts as District Officers (Development) and to act as secretaries to District Development Committees which, since their inception in 1967, had functioned ineffectually mainly due to a lack of qualified staff.

3.7 The MFDP remains in this form today except that in 1982, all planning officers were absorbed into a Planning Officer Cadre under the control of MFDP which posts them to ministries in the same way as finance officers.\(^{15/}\) The link of the Plan to budgetary control in Botswana is crucial. The fact that the recurrent budgets (which are usually the province of finance) and the development budgets (which are often the province of planning) are under one roof, and that they are linked through ceilings specified in the development plan and are the point of departure for the annual budget exercise, are all important to how well the system works in Botswana. The experience in Botswana suggests that a joint ministry approach is an efficient way in harmonizing the development and recurrent budgets although other organizational variations may be as appropriate for other countries.

Organizational Structure of MFDP

3.8 Currently, the Vice President is Minister of Finance and Development Planning and his ministry is headed by a Permanent Secretary who is assisted by:

- An Administrative Secretary who controls the Budget Administration Unit (BAU) and it is to him that the Accountant General, the Director of Supplies and Manager of the Computer Bureau are responsible.

- A Director of Financial Affairs whose responsibilities include the government's financial relationship with the parastatals, internal audit, the Department of Taxes and the Department of Customs and Excise which together account for almost half the government revenue.

\(^{15/}\) It is interesting to mention the evolution of the common cadre concept in Botswana whereby categories of professionals (e.g., economists, finance officers, accountants, etc.) are centrally organized and controlled but posted out to ministries and departments.
A Director of Economic Affairs who controls the Macro Policy Unit and the Projects Unit, both of which are headed by chief economists. The Government Statistician reports to the Director of Economic Affairs as well.

A Coordinator of Rural Development who has responsibility for attempting to ensure that ministries allocate the proper priority to rural development projects and the rural aspects of composite projects in the Estimates.

There is an adequate, approved establishment for each of the divisions and, mainly due to the government's policy which allows the recruitment of expatriates, almost all the posts are filled. A breakdown of the approved staffing level is given in Appendix A. An organizational chart for the ministry is at Appendix B, that for the Division of Economic Affairs at Appendix C, and the Budget Administration Unit (BAU) at Appendix D.

B. THE PLANNING PROCESS

3.9 The objective of the planning process is the preparation and efficient implementation of Botswana's Development Plan. Botswana's practice of openness of discussion and of encouraging the interaction of professional analysts, senior civil servants, and politicians is an essential component in understanding the nature of development planning in Botswana. For example, the Economic Committee of Cabinet which is composed of the entire Cabinet, all Permanent Secretaries, the Governor of the Bank of Botswana, the Commander of the Defense Force and the Commissioner of Police, meets from time to time to review major economic policy issues and choices. The National Development Plans proceed through a series of such meetings, generally starting with a full day discussing a "keynote" policy paper on overall strategy, constraints and objectives, and later, two full days discussing the key issues papers prepared by each Ministry, with comments received prior to the meetings from all the District governments. The Economic Committee of Cabinet is a consultative body, with Cabinet itself making the necessary decisions. This mechanism assures interaction of professionals, civil servants, and politicians at the Government level. Parliament, too, is brought into contact with professionals and technicians. The practice of having a caucus of the Members of Parliament from all parties at which senior officials and professionals can discuss key issues, whether or not there is an immediate requirement for parliamentary action, assures that politicians are exposed to the analysis of professionals, and the constraints and opportunities the nation faces, and the professionals and civil servants can hear the concerns and constraints expressed at the representative political level. Topics for these caucuses have included tax policy and legislation, the 1982 budgetary/balance of payments difficulties, the Financial Assistance Policy, drought and Foot and Mouth Disease relief programmes, the National Development Plans, etc. The consultation process is not limited to the Central Government, it starts at the village level (the Kgotla meeting and the Village Development Committees) and is also present at the District level (District Councils and District Development Committees), and substantial efforts are made to ensure that the consultation process is
integrated from village through district to Central Government, and back again.

3.10 The genesis of the Plan is the preparation of sector policy papers by those ministries concerned with development. While this is being done, the Macro Policy Unit of MFDP undertakes an economic review, estimates resource availability, foreign aid, allocations between current and investment expenditures during the Plan period and, within the latter provisional sector ceilings. The production of the key-note paper on sector strategy provides the initial opportunity for a dialogue between the executing Ministry and the MFDP. When it is complete, MFDP prepares a submission to the Cabinet setting out the development options. Within this policy framework directive from the Cabinet, the Development Plan parameters are set. As a first step in the production of the Plan, Ministries are required to draw up a list of projects for the realization of their sector policies and targets. Each project is presented in a summary form by means of a thumb-nail sketch as it is known. The summary contains a description of the project, its purpose and the cost, both capital and recurrent, during the Plan period. Again, there is a close dialogue between the Ministry concerned and MFDP. It is pertinent to observe that at this point, the availability of finance is of small concern unless the project is unlikely to qualify for external aid and manpower, both for implementation and subsequent operation, is given little weight. These summaries with the Government's proposed economic objectives, strategies and the means whereby these goals will be achieved are presented to the National Assembly as a draft National Development Plan for approval.

3.11 While no expenditure may be incurred on a project which is not in the approved Development Plan, this does not mean that inclusion in the plan guarantees funding. As the Government has indicated in the guidelines to accounting officers, such a project:

has to compete for funds with an abundance of worthwhile projects; it may be included in, or replaced by, another project; it may be dropped if the initial estimates of costs and benefits are proved wrong. Before a final decision is taken a thumb-nail sketch must be expanded into a comprehensive project memorandum.

3.12 The project memorandum is a detailed plan for the implementation of the project, the basis for its final evaluation and a prospectus for obtaining funds. The project memorandum is prepared by the executing department and evaluated by the Planning Unit of the ministry to which the department belongs and it is then sent to MFDP. Here, it is examined in

16/ It is a project outline about what the project would do at what cost. If the project outline seems in principle worthwhile, it is incorporated in the plan. Until a thumb-nail sketch is approved by Parliament, there is no legal authority for expenditure to be incurred. It should also be noted that cost estimates in some thumb-nail sketches are particularly rough with a downward bias to weaken the MFDP's resistance to many new projects.
great detail and carefully evaluated. The examination involves consultation with BAU and dialogue with the ministry and department whose project it is. It is at this stage that the decision is taken how the project will be financed--from Domestic Development Funds (DDF), grant or loan. Also, careful consideration is given to its manpower implications. Once the project memorandum is approved, the project is qualified for inclusion in the Development Fund Estimates and if it is to be financed from loans or grant, this is the point where MFDP will initiate negotiations to secure funds. Without an approved project memorandum, the MFDP will neither evaluate a project nor find funds for it. On the other hand, a carefully, well-prepared project memorandum will be processed through what is described as "a fast lane." 17/

C. THE BUDGETARY PROCESS

(a) The Legal Framework

3.13 The legal framework for the formulation and preparation of the Budget and financial management in Botswana is very similar to that which exists in many ex-British territories. The financial provisions in the Constitution of Botswana provide for the creation of a Consolidated Fund, specify how sums may be drawn from it, require the minister responsible for finance to present annual estimates of revenue and expenditure to the National Assembly, lay down the special circumstances in which expenditure may be made in advance of appropriation, and provide for a Contingencies Fund and for statutory expenditure. They also confer wide and independent powers upon the Auditor General.

3.14 The financial responsibilities and functions in the Constitution are elaborated in the Finance and Audit Act which was enacted in 1976 and provides for:

a) The control and management of public money and stores. It places the prime responsibility for these on the Minister of Finance and requires him, when he presents the annual estimates of revenue and expenditure to the National Assembly, to designate the public officer who will be responsible for the collection of each source of revenue and the spending of each head of expenditure.

b) The withdrawal of sums from the Consolidated Fund by means of a system of warrants, the paying for

17/ The directives for preparing a project memorandum (PM) are themselves comprehensive. They highlight important points and warn against others. The guidelines call for a PM that is comprehensive both in terms of technical and economic justification. The PM must be intelligible to the desk officer of the donor agency and the writer's "colleagues and their successors" who will have to evaluate and implement the project. The directives warn against "ill-written document with typing errors, poor layout and bad English."
urgent and unforeseen needs by means of the Contingency Fund, the reallocation of funds within a head of expenditure, advances, losses and government guarantees.

c) The administration and operation of the Development Fund into which all resources, domestic and foreign to be used for development purposes, are credited.

d) The power and duties of the Auditor General and the legal obligation upon the Accountant General to see that annual accounts are produced and sent to the finance within four months of the end of the financial year to which they relate and which the Auditor General in turn must audit and report to the minister within 12 months from the end of that financial year. The minister is required to lay the Auditor General's report, together with the annual accounts, upon the Table of the National Assembly within 30 days of its receipt: if the minister fails to do so, the Auditor General must send a copy direct to the Speaker of the National Assembly (see Chart 1).

e) The power of the Permanent Secretary in the Ministry for Finance to surcharge accounting officers where they have been found guilty of mismanagement or loss of public money or stores. To this end and for the better general control and management of public monies, the minister is empowered to issue Financial Instructions which have legal force.

3.15 The latest edition of Financial Instructions was issued in 1977 although it has subsequently been amended on a number of occasions. These instructions spell out in detail the financial responsibilities of government officers who deal with public money or stores, define and describe expenditure authorities, the system of warrants, the methods of payments, imprests, revenue collection procedures, the control and use of official receipts, ministry accounts, the safe custody of cash and stores, when a bank account may be opened, procedures in the event of loss and finally, detailed instructions for the procurement of stores and services including the system for the receipt, consideration and award of tenders.

(b) Budget Formulation

3.16 One of the main factors for the formulation of sound, financial policy is the availability of pertinent accurate financial and economic data. It is not enough that the machinery for the collection of adequate data exists but it must also work well. In Botswana, annual accounts are prepared, submitted for audit, and reported to the National Assembly within the time limits prescribed by the Constitution, the Finance and Audit Act
and instructions made under the authority of this Act. Each month, the Accountant General produces a statement of the government's actual revenue and expenditure, and the Cash Flow Unit a summary of the overall financial position. Relevant economic data is compiled by the Central Statistics Office and this is supplemented by information from the research section of the Bank of Botswana. When the government has to take a financial decision, there is, therefore, a data base which is better than in many countries at a similar stage of development. This is particularly important when the Development Plan is being drawn up and, annually, when recurrent manpower and financial limits have to be set and the expenditure ceiling for the Development Fund budget is laid down.

3.17 A second factor in sound policymaking is the availability of skilled advice to assist the politician to formulate a sector policy. At the same time, there must be in place machinery which is sufficiently powerful to ensure that the vested enthusiasms of the sectors are properly coordinated into an effective, national policy. In most countries, the best advice on any subject is likely to be found in the ministry responsible for that subject or, if it lacks this, it is in the best position to know where it can be obtained. In Botswana, the Development Plan has its genesis in the ministries mainly concerned with development. Each of these draws up a keynote paper recommending policy in the field of activity for which it is responsible. This is done in consultation with other ministries upon whose responsibilities they might impinge and, perhaps more importantly, in the closest cooperation with the MFDP which not only has the expertise but the authority to insist upon any necessary modifications to ensure conformity to national policy and objectives.

3.18 While information and expert advice are vitally important to the decision-making process, they do not in themselves produce decisions. Judgment is the function of the political authority which must not only exercise wisdom but, often, courage. The Botswana Government has displayed both these qualities. It has, since independence, consistently pursued a policy of deliberate caution in all its financial affairs and has had as its prime goal the reduction in the country's dependence on outside assistance. From a position in 1966 where the country had no reserves, where it was heavily dependent upon external financial aid, and where the infrastructure was totally inadequate, it is today financially sound and has substantial capital assets in the form of roads, hospitals, schools, water, electricity and telecommunications networks. At the end of the fiscal year 1982/83, the Accumulated Revenue Balance was P67.3 million and this would have been much larger but for the severe slump in the world price of diamonds which resulted in a shortfall of P37.9 million from this revenue source in 1981/82, and also from the fact that each year, large sums are appropriated from revenue for the Public Debt Service Fund. At the 31st, March 1982, this Fund had a balance of P102.1 million, most of which has been lent to the parastatals and, as a consequence, the country's foreign loan requirement has been small. The public debt, for a country of this size and at the present stage of development, stood at P198 million on June 30, 1983. This was 47.8% of estimated revenue 1983/84. There are contingent liabilities of P20 million but it is most unlikely that the government will ever be called to meet any of these guarantees.
3.19 It should be acknowledged that what kept Botswana's external debt low is the fact that much of the aid has, in the past, come in the form of grants. Furthermore, Botswana benefited from the cancellation of loans by several donors in the later 1970's. These factors have helped to keep the debt service burden low. It is also important to mention that Botswana has tried to be prudent in the management of its external sector generally, as for example, not taken advantage of the offers which some other creditworthy countries have had as well as substantial amounts of short-term commercial borrowing. Botswana's view on the Public Debt Service Fund is that it is a useful way of financing parastatals by both making sure they face a relatively realistic cost of funds and assuring a flow of interest and principal payments back to government which will help fund external debt repayments. It is perhaps also relevant that the source of the funds is under the control of the Minister of Finance, not the Minister responsible for the parastatal itself.

3.20 The purpose of the budget is to provide the range and required standard of government services and carry out the government's capital program as efficiently and economically as possible. The decision as to the number of divisions or units needed to run government services is seldom a difficult one as circumstances tend to maintain the number at the level just necessary to operate these services. The number of ministries, however, is usually determined by political considerations rather than those of efficiency. In Botswana, the number of ministries has been restricted to one for each major field of government activity—-Finance and Development Planning, Home Affairs, Agriculture, Education, Commerce and Industry, Local Government and Lands, Works and Communications, Mineral Resources and Water Affairs, and Health.

3.21 The size of each unit of government, its internal organization and the grouping of units into ministries all affect efficiency and cost. To a large extent, the quality and levels of manpower are a function of this organization and the civil service salary bill is a major expenditure item. There is an optimum size for a civil service and the greater its efficiency, the greater the saving in cost and in skilled manpower. The service of the government, including project implementation, can be provided either directly by a government department or indirectly by a parastatal: generally, services which are paid for from general taxes are best carried out by the former. Botswana has given internal and external telecommunications, electricity, water and housing to parastatals which enables these services to be operated on viable lines. It is especially pertinent that the government does not interfere in the day-to-day activities of the parastatals and does not exert undue influence upon them when deciding pricing policies. These factors, combined with the fact that the government compensates a parastatal for any loss it incurs on an uneconomic service which the government requires, means that the parastatals require no subventions from the recurrent budget and are, in many cases, contributors to revenue.

(c) **Budget Preparation**

3.22 The Annual Budget consists of two parts: the Estimates of Recurrent Revenue and Expenditure paid for from the Consolidated Fund, and the Development Fund Estimates which, as their name implies, are paid for from the Development Fund.
(i) The Recurrent Estimates

3.23 The financial year is from April 1 until the following March 31. In May each year, the BAU and the Directorate of Personnel ask ministries to indicate what new posts they require in the following year, what posts in the current establishment remain unfilled, what posts can be surrendered, and to prepare a list of trainees expected to return before and during the year under consideration. The Macro Policy Unit and the Directorate of Personnel discuss these bids with the applicant ministries and tentative ceilings are put to the Cabinet. When approved, these are then communicated back to the ministries. After the Macro Policy Unit, the Directorate of Personnel and the BAU have considered any subsequent representations ministers may make, a further submission to Cabinet is prepared to fix a firm ceiling for each department. While this is taking place, the Macro Policy Unit, BAU and the Cash Flow Unit calculate total estimated revenue and, for each ministry, a recurrent expenditure ceiling for the forthcoming year. Simultaneously, the Macro Unit works out what it considers should be the overall development expenditure ceiling. All these proposals—departmental manpower, recurrent expenditure and total development expenditure—are combined in a single submission to the Cabinet about mid-September. Meanwhile, the ministries have begun work on their draft estimates of revenue and expenditure for the recurrent budget. After the setting of ceilings by the Cabinet, their proposals are discussed in detail with the BAU, and the draft budget, within the limits laid down, is produced. This process takes about two months and when completed, the draft goes to the Estimates Committee which consists of the Permanent Secretary of MFDP as Chairman, the Administrative Secretary in the President's office, the Director of Personnel and the Chief Economist (Project Unit). Accounting officers are required to appear before this Committee to defend their submissions.

(ii) Development Fund Estimates

3.24 Each July, Ministries are requested to complete by mid-September the "Project Review" for each ongoing project and each new project which they wish to include in the next fiscal year's Development Fund Estimates. This is primarily a financial review and the form has space for a report on physical progress but this is often left blank or is deficient. On the basis of these reports, the Projects Unit and BAU (Development) decide the composition of the draft development budget. At this stage, the sole constraint is the ceiling of development expenditure which the Cabinet has laid down at the time it fixed levels for departmental manpower and recurrent expenditure. The availability of funds is a factor but not an overriding one. Considerable attention, however, is paid to the availability of executive capacity for the project's construction and subsequent operation. Provision in the draft Development Fund Estimates are, however, indicative of the level of expenditure expected to take place rather than firm programs expressed in figures. Once approved in the Budget, it is still necessary for the executing Ministry to seek specific approval to spend. For this reason, the accuracy which is insisted upon for recurrent budget purposes is not attempted in these estimates. Furthermore, to minimize under-performance, projects or phases of projects for which finance may still have to be arranged are not excluded. The
draft Development Fund Estimates are also examined by the Estimate Committee. They are then merged with the Recurrent Estimates and sent for printing. After printing, the draft Budget goes to the Cabinet about the middle of January.

(d) Control and Monitoring

3.25 The care devoted to the preparation of the Annual Estimates is also taken to ensure that the money voted is economically and properly spent. This is achieved by the careful issue of funds, tight control of spending and good financial management. The control of budgeted funds is of course greatly improved by the preparation of a realistic budget as this minimizes the need for variation during its lifetime. Also, when the budget is passed before the beginning of the year to which it relates, funds can be issued in accordance with disciplined procedures and they are known sufficiently well in advance for recipients to give their spending careful and due consideration. The continual contact with BAU while the form of the draft estimates for presentation to the Cabinet is being determined means that ministries are fully aware of the current state of their submissions. Since changes after acceptance by the Estimates Committee are unlikely to be significant, ministries know almost four months before the funds are released what amounts will be approved. This is adequate to reconsider any changes in spending plans if original bids are modified and, because these plans are in place before the financial year begins, their better deployment and more economical use is possible.

(i) Issue of Funds (Chart 2)

3.26 The Finance and Audit Act provides that no money can be withdrawn from the Consolidated Fund other than on the authority of a warrant signed by the minister responsible for finance. When a budget is passed and comes into force the Minister signs a General Warrant and a Statutory Expenditure Warrant which authorize his Permanent Secretary to spend the various amounts shown in the Estimates. The Minister may, however, if he deems it financially prudent, withhold some of these monies. On receipt of these warrants the Permanent Secretary of MFDP conveys to each of the accounting officers by means of a Finance Warrant how much and on what services they may spend their allocations and again, the Permanent Secretary may withhold part of these monies. Accounting officers, in turn, by means of a sub-warrant, issue such monies as may be required to the public officers who will actually spend. However, the prime responsibility for the proper spending of such warrants remains with the holder of the Finance Warrant, i.e., the accounting officer and it is he who is accountable to the National Assembly.

3.27 The procedure for the withdrawal of amounts from the Development Fund differs slightly from that for the issue of money from the Consolidated Fund. Again, the Minister issues a General Warrant to his Permanent Secretary but the Permanent Secretary does not immediately issue Finance Warrants. Instead accounting officers must apply on a "Request for Finance Warrant" form to MFDP for the release of funds under each sub-head in the Development Fund Estimates. This caution is dictated by the need to ensure the availability of funds many of which largely originate from donors.
Chart 2
ISSUE OF FUNDS

Budget

Minister MFDP

Signs General Warrant & Statutory Expenditure Warrant

Permanent Secretary

Conveys Amt. of Exp. Via Finance Warrant or Receives Requests for Development Fund $

Accounting Officers*

Issue Sub-Warrants

Public Officers

Spend $  

*Held accountable by the National Assembly
3.28 The system of warrants for the release of funds which may appear unnecessarily cumbersome is, in fact, efficient. The General Warrant is the precise shorthand by which the Minister conveys to his Permanent Secretary that the Appropriation Act has been passed by the National Assembly and the limit of expenditure which it has set for a particular purpose. However, this Warrant need not necessarily be for the whole amount in the Act, a circumstance which happened in Botswana in 1982 and which demonstrated admirably the political will of its leaders. It is best described in the following extract from the speech of the Vice President in his capacity as the minister responsible for finance when he presented the 1982/83 Budget to the National Assembly:

Budget preparation is a long process beginning in August for an April 1st fiscal year. Many decisions are taken, first on overall ceilings, then ministerial ceilings, followed by departmental ceilings and finally individual items are approved by the Estimates Committee, Cabinet and finally Parliament. This past year we have seen a rapidly changing international situation affecting our budget. If we had known in August what we know now I would be presenting different figures to this Honorable House. Because of larger uncertainties which face us and because of substantial deterioration in the international and our domestic situation, following approval of the budget, my ministry will only warrant authority to spend 80% of the amounts given in the estimates.

The warrant system also permits the Permanent Secretary of MFDP to withhold funds while sub-warrants allow accounting officers to retain precautionary reserves in their votes and thereby minimize instances of over expenditure; or they get sufficiently early warning that funds may be inadequate and, before they are exhausted, an application for additional provision can be made or the spending program tailored to the limit of money which is available.

(ii) Expenditure Control

3.29 Once funds have been issued, an efficient budget process must ensure their full but economical spending. In each Ministry in Botswana, there is a Finance Unit whose function is to assist the accounting officer in the discharge of his responsibilities for revenue collection and expenditure management and control. This unit maintains vote books in which are recorded, under the correct expenditure vote, actual payments made, liabilities for goods and services ordered and sums sub-warranted. The accounting officer has, at his immediate disposal, a record of the state of each allocation of expenditure for which he is responsible. The Accountant General, who is charged with the responsibility to produce the Government accounts, issues monthly statements of expenditure which, despite computer bookkeeping, are about six weeks in arrears. However, considering the communication factors involved, this is not an unreasonable delay. The relevant section of the monthly account are sent to each Ministry together with a Monthly Over-Expenditure report and these have to
be reconciled with the vote books. The system provides adequate checks to minimize the possibility of over-expenditure, and since all payments are made by the Accountant General, there is a pre-payment audit.

3.30 The budgeting system contains many features which achieve economy and value for money spent. Mention has already been made of the greater efficiency obtained by the division of function between government and the parastatals and greater economy is brought about by the small number of ministries. The efficient working of the Tenders Boards furthers that goods and services are supplied at the most economical rates. The operation of the Department of Supplies rationalizes, with consequent savings in money and manpower, stores procurement and the Central Transport Organization, which operates all government vehicles and mechanical equipment, eliminates unnecessary duplication, facilitates standardization and the better utilization of the transport and equipment. This saves money both on purchases and on operating costs.

3.31 However, the ultimate and probably the most important reason for effective expenditure control is because accounting officers are held personally responsible for the correctness of expenditure. This, however, is wholly dependent upon this principle being enforced. This is done by the timely production of accounts, their prompt and efficient audit and reporting by the Minister to the National Assembly (which, should he fail, the Auditor General has direct access to the Speaker (Chart 3 illustrates the process)). To ensure a proper examination of the accounts, the Assembly has established the Public Accounts Committee. This consists of eight members of the majority party in the Assembly (one of whom is Chairman) and the Leader of the Opposition. It wields considerable power and is held in the highest respect by all accounting and other officers.

(iii) Monitoring of Expenditure

3.32 The adequacy of the country's financial management is attested by the measured and steady improvement which has taken place in its overall financial position since it became independent. An important feature in the system of management is the constant monitoring of revenue, expenditure and borrowing which is carried out by the Cash Flow Unit in the Ministry of Finance and Development Planning. This unit produces monthly and quarterly "Financial Report" which is distributed to all who are concerned in financial decision making. The report shows:

1. Central Government Cash Flow Summary
2. Central Government Cash Flow by function using the IMF classification
3. Functional Classification of Expenditure and Net Lending
4. Position of each loan made from the Public Debt Service Fund and the Revenue Stabilization Fund
5. External and Internal debt position
Chart 3
EXPENDITURE: MONITORING AND CONTROL

Ministry Accounting Officer → Accountant General → Monthly Accounts → Annual Accounts
Minister of Finance → National Assembly
Public Accounts Committee
Auditor-General
Speaker of the National Assembly
6. An estimate of changes in the balance of payments

7. A monetary survey

8. A summary of Outstanding Loans and Grants showing for each drawdowns and the balance available

The report is prepared with great care and is of a high standard.

3.33 The value of the Financial Report could, however, be increased if it were produced monthly and used financial, as opposed to accounting data. Indeed, policy execution might be improved by a relaxation of the pre-occupation with accounting detail. Financial Instruction 306 which states:

All officers responsible for expenditure must exercise due economy. Funds must not be spent merely because they have been voted...

works against the most efficient expenditure of public money. It should not be forgotten that it is almost as grievous to under-spend as it is to over-spend although the consequences of the former may appear less severe. Under-spending means that the extent and standard of services as laid down by the parliamentary authority are not being achieved or, if they are, then the financial provision has been over-estimated, and there has been an unnecessary diversion of funds which might have been better spent. The full expenditure of votes, provided it does not involve waste, must always be attempted.

3.34 The monitoring of the Development Fund Estimates deserves special mention. As with the recurrent budget, these funds are controlled by the accounting officers assisted, at least in the main ministries, by Planning Units which work in close collaboration with the Finance Unit in the same ministry. The Planning Unit is responsible to the accounting officer for the implementation of the ministry's projects and for monitoring both their financial and physical progress. Again the main emphasis appears to be upon avoiding over-expenditure but where there is a building element in any project, control over progress is reasonably effective and expeditious. Most of this work is done by contract and part payments require a certificate from the Chief Architect and the contractor's concern for the earliest payment provides an adequate spur to the Chief Architect to make frequent inspections. A problem, however, arises with projects or those parts of projects in which there is no building element. Physical checks are carried out by officers in the executing ministry but these appear to be haphazard and at irregular intervals. At the MFDP level, there is no formal system of financial reporting except possible quarterly reports of aid funded projects if these are required by the donor. The Projects Unit of MFDP carries out a cursory examination of the monthly accounts but assessment of progress seems to depend upon verbal reports given by planning officers at the weekly meeting, a somewhat informal procedure and one which could easily break down. MFDP's only real monitoring tool is the annual Project Review which is comprehensive and efficient but its effectiveness would be considerably increased if reviews were carried out at more frequent intervals. The implementation of the Development Plan
must always be the main objective but the projects, in nearly every case, involve very large sums of money and it would be wasteful to disregard financial discipline. To this end the formulation of a more realistic budget and a tighter, more formalized, system of reporting both financial and physical progress should achieve a speedier and more effective realization of national objectives and goals.

(e) Variation of the Approved Estimates

3.35 Variation in budgets are almost inevitable and are more likely in Botswana where the final form of the budget is complete almost three months before it comes into force. Good financial management requires strict scrutiny and control on changes in the approved budget. The system for variations in Botswana are:

(i) Recurrent Estimates

3.36 When it is necessary to incur expenditure in excess of the amounts provided in the recurrent estimates and, provided equivalent savings can be found from another item in the same sub-head, the accounting officer may authorize reallocation by means of a Virement Warrant. If the reallocation involves a transfer between sub-heads (other than the Personal Emoluments Sub-Head), this requires the approval of the Permanent Secretary of MFDP. All other reallocations and increased provisions can only be made by the presentation of a supplementary estimate to the National Assembly. In the circumstances, however, where there is an urgent and unforeseen need for expenditure, the President may allow issues from the Contingency Fund subject to the provision that there is money in this fund. At the earliest opportunity after such emergency expenditure has been authorized, a supplementary estimate must be sent to the National Assembly for retrospective approval and, when this is given, the issue from the Contingency Fund is replaced. These procedures provide flexibility in fiscal management without loss of control.

(ii) Development Fund Estimates

3.37 In the Development Plan, the National Assembly approves indicative figures for the total cost and annual sums needed for each project. When the project memorandum has been finalized, it is likely that these figures will change. In these circumstances, the Permanent Secretary of MFDP is authorized to issue funds in excess of the sum shown under a sub-head of the Development Fund Estimates provided:

a) the overall amount appropriated for the Fund in that year is not exceeded; and

b) the total estimated cost (t.e.c.) of the projects as shown in the estimates is not exceeded.

If however:

a) the approved t.e.c. is insufficient to enable a project to proceed or, in the opinion of the
Permanent Secretary of MFDP, is likely to be exceeded by 25%; or

b) the total appropriation in the Development Fund in one year is insufficient; or

c) it is necessary to begin a project not in the Development Fund Estimates; or

d) the amount appropriated for a project is insufficient and cannot be postponed,

the President may authorize the minister responsible for finance to issue a Special Warrant for this expenditure. The minister is then required to obtain approval for this action at the next meeting of the National Assembly by means of a supplementary estimate.

(f) Relationship Between the Recurrent and the Development Budgets

3.38 A basic weakness in many developing countries is the lack of effective integration of the two components of the annual budget: the recurrent budget and the development budget. Much of the increase in the rate of recurrent expenditure is directly attributable to the operation of new projects. It is, therefore, essential that the recurrent budget implications of any project are assessed as accurately as possible at its preparation stage. The crucial relationship between the two sections of the budget are appreciated in Botswana and this was a major factor in the remerging of the planning function with finance in 1970. While the critical constraint upon development is the lack of trained manpower, the National Development Plan recognizes that the fixing of recurrent expenditure ceilings can assist in the achievement of the required development priorities, as well as the proper allocation of financial resources between consumption and investment. The initial allocation set in the Plan are adjusted annually in the light of more up-to-date data and annual ceilings are fixed to achieve the dual objectives of producing a balanced budget and imposing a financial discipline for the better implementation of development priorities. The government is acutely aware that the integration is still far from complete and has indicated that it requires ministries to pay greater attention to the forecasting of recurrent costs in any project.

Parastatals

3.39 Although outside the normal budgetary process, these organizations can, and in many countries do, have serious and far reaching implications for the national budget. Unlike many LDCs, Botswana has avoided establishing a multitude of state enterprises, control boards and other parastatals, and concentrated on making a small, manageable number function properly. The policies and operation of the parastatals are of considerable importance to the government in carrying out its policies, and they are major executors of much of its development strategy. It is, therefore, of importance that the government exercises effective control over them. This the Government of Botswana has done, and none of these organizations are a drain upon the government's revenue and, indeed, some
of them make significant contributions to it. Control is achieved by vesting in the minister responsible for the parastatal the power to appoint all members to its Board and a legal requirement that its borrowing must be approved by the Minister of Finance. It is, however, equally important that the government is content with these controls and does not interfere in the day-to-day operations which includes the fixing of charges, and if it wants the provision of an uneconomic service from a parastatal, it pays a subsidy for it. Although on most Boards there is a minority of government directors, they are briefed by the Division of Economic Affairs particularly in matters relating to the parastatal's investment program. Each parastatal is responsible to a minister and, in its law, there is a requirement that the minister must present its Annual Report and Accounts to the National Assembly.

(g) Conclusion

3.40 The system for the preparation of the recurrent budget has remained relatively unchanged since before independence. The Development Fund Estimates which begin with the national Development Plan are, however, the product of the post-independence era. While obviously improvements can be made, the Botswana budget is conscientiously and carefully prepared and has made a major contribution to Botswana's current financial soundness. Other and equally significant contributions have been the extremely responsible fiscal policies of the government, a restriction of political influence and a well-manned and industrious civil service in which financial discipline is maintained by strict accountability and for which the words "can be held pecuniarily responsible" have a real meaning. The warrant, sub-warrant and virement system enables the Government to trace the misuse of public funds to the officer ultimately responsible. There is also an unfettered and independent audit which reports to the National Assembly which is genuinely concerned that public money should be properly used.
IV. MANAGEMENT OF TECHNICAL ASSISTANCE AND USE OF EXPATRIATES

A. INTRODUCTION

4.1 The political leadership of Botswana has been committed, since independence, to the notion that competent management of the economy depends on the quality of the public service. The Government knew that quality required, in turn, a range of professional skills which were either too scarce or not available at all in the country. Government policy was, therefore, oriented towards acquiring the necessary skills as soon as possible to achieve effective economic management. This approach was translated into a number of policy decisions for the development and management of the public sector in Botswana:

First, efficiency and effectiveness were made the overriding goals of institutional development. This meant staffing the public sector with competent personnel and adhering to simple and clear rules and procedures to guide all administrative actions and management decision-making.

Second, priority was given to building a strong cadre of national top and middle level managers, in order to set economic policies and their management on a sound course as early as possible after independence.

Third, the government had no hesitation to fill the skills gap with expatriates and, to this end, it sought technical assistance from donor agencies in the form of human resources. The government was also able to create an environment in the public service which enabled it to attract and retain the expatriate staff that was needed.

Fourth, at the same time, the government was committed to train and prepare national staff to replace expatriates as soon as it became feasible to do so. But it chose to pursue "localization" systematically through adequate training and by making every effort to match skills with needs. Above all, Government policy was against localization for its own sake and it had resisted premature substitution of expatriates by local staff.

Fifth, government policy in this area, as in others, was heavily imbued by the realization of scarcity, i.e., that chronic shortages of human and management resources necessitated prudent, pragmatic and even frugal policies designed to eliminate redundancy and to pursue objectives as economically as possible, keeping costs down and concentrating on the essential.
4.2 Botswana's efforts in this direction have met with a remarkable degree of success, as evidenced by the effectiveness of its economic policies generally, of its planning and budgeting system as described earlier in this report, and of its localization efforts.

4.3 In this part of the report, the focus is on the lessons that can be drawn from Botswana's experience in managing technical assistance (TA), and in utilizing expatriates to strengthen public sector management. Accordingly, this part is divided into two sections, the first describes the technical assistance system in use in Botswana and the second section discusses the process and prospects of localization.

B. EVOLUTION OF AID ASSISTANCE AND TA STRATEGY

4.4 Much of the technical assistance received by Botswana since independence has been used to finance expatriate personnel, the costs being shared in varying proportions between the donor agencies and the government. The reasons for the emphasis on human resources can be gathered from a glance at the manpower picture on the eve of independence. Thus, in October 1964, public sector staffing at the senior and middle levels was as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>No. of Posts</th>
<th>Local Staff(%)</th>
<th>Expatriate Staff(%)</th>
<th>Vacancies(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior (superscale)</td>
<td>33</td>
<td>1 (3)</td>
<td>31 (94)</td>
<td>1 (3)</td>
</tr>
<tr>
<td>Professional &amp; Executive</td>
<td>149</td>
<td>20 (13.5)</td>
<td>100 (67)</td>
<td>29 (19.5)</td>
</tr>
<tr>
<td>Technical</td>
<td>535</td>
<td>114 (21.5)</td>
<td>307 (57)</td>
<td>114 (21.5)</td>
</tr>
<tr>
<td>Total</td>
<td>717</td>
<td>135 (19)</td>
<td>438 (61)</td>
<td>144 (20)</td>
</tr>
</tbody>
</table>

4.5 It is worth noting that only one Motswana held a superscale position in 1964. Of all higher level positions authorized, 61% were filled by expatriate against 19% by local staff. When actual posts filled are compared, the picture was: 76% expatriate against 24% local staff. When the lower levels are included, the total picture for the public service (central government) was better, with only 31% of filled positions occupied by expatriates and the rest (68%) by locals. At the clerical levels, Batswana nationals filled 70% of the available positions, the remaining 30% were either vacant or occupied by expatriates. The prospects for improved supply of qualified graduates was not encouraging: of the 66,000 primary school children enrolled in 1965, only 1,439 or about 2.5% were barely qualified for secondary school. There was no post

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19/ Ibid, p. 17.
secondary school education in Botswana in 1965 but 66 students were attending technical colleges or universities abroad.\textsuperscript{20/}

4.6 In the first years of independence, most aid assistance came from the U.K., reaching a peak of $9.30 million equivalent in 1969/70.\textsuperscript{21/} Since then, the amount of British aid declined and other aid from diversified sources increased considerably reaching over $50 million in 1979/80\textsuperscript{22/} and around $104 million in 1982/83.\textsuperscript{23/} The increasing amount of aid reflected in part an excellent working relationship between the Government of Botswana and the donor agencies. Three principal factors contributed to such cooperation: a) full utilization of aid funds by Botswana, committed to break out of colonial underdevelopment as early as possible; b) early harmonization of the preferences of the donor agencies with Botswana's development priorities, facilitated to a large extent by the availability of comprehensive and operational national development plans which specified sectoral and project priorities for the aid agencies to choose from; and c) evolution of simplified procedures on procurement and other aspects related to the processing of grants and loans.\textsuperscript{24/}

4.7 The growth of aid funds, coupled with substantial financial surpluses generated by a booming mining industry, made it clear that the main bottleneck in development was no longer finance but implementation capacity. As argued by a participant, and later observer, of the Botswana scene, the country "in the first decade of independence had no alternative but to expand considerably the number of expatriate staff in the public

\textsuperscript{20/} Ibid, pp. 42-47.

\textsuperscript{21/} Source: IBRD, Botswana Basic Economic Report, Vol. 1, May 15, 1975. Table 5.3. (This is an internal document with restricted circulation).

\textsuperscript{22/} Source: IBRD, Economic Memorandum on Botswana, July 21, 1982. Table 5.1. (This is an internal document with restricted circulation).

\textsuperscript{23/} USAID, Country Development Strategy Statement, Botswana, September, 1983, Table 1, page 5.

\textsuperscript{24/} See, Michael Steven's "Aid Management in Botswana: From One to Many Donors", in Papers on The Economy of Botswana, edited by Charles Harvey, Heinemann Books, Ltd. 1981.
sector."\textsuperscript{25} Even today, the government is fully cognizant that "most of the crucial development issues come back to the shortage of skilled manpower ... whether or not the financial picture brightens considerably during NDP VI (the next National Development Plan), as is now expected, the shortage of skilled manpower will be the major constraint to economic and social development."\textsuperscript{26}

4.8 In light of the above, the government's approach has been, since independence, to link development strategy with technical assistance (mainly for non-engineering activities) designed to improve absorptive capacity. In rural development and district administration, the government's effective use of technical assistance, mostly through volunteers, enabled it to launch a number of critical rural programs and to lay the basis for a sound district and local administrative systems.\textsuperscript{27}

The principal elements of the government's approach are:

a) sectoral specialization and concentration on the part of aid agencies;

b) manpower and training assistance to substitute for local capabilities in the short-term and to help develop them for the long-term;

c) emphasis on execution rather than on advisory or planning capabilities.

4.9 The main types and sources of technical assistance can be briefly summarized as follows:\textsuperscript{28}

a) Human Resources Development. The United Kingdom (ODA) and the US (USAID) are the leading contributors in this field, which includes training and education as well as expatriate assistance. In 1981, the UK was still the largest among bilateral donors, providing 33\% of total bilateral aid, and most of its TA (67\%) in

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\textsuperscript{25} Ibid, p. 173.


\textsuperscript{28} Unless otherwise indicated, this section is based on data on bilateral aid to Botswana, derived from the UNDP's report on Development Assistance for 1981, dated October 1982, Gaborone, Botswana, from documentation provided by individual aid agencies in Gaborone, and through interviews.
the form of manpower and training. The overall level of UK manpower assistance in 1982/1983 was at 292 officers provided under various schemes, representing the largest single group of expatriates (37% of the total) supplied by a donor agency. The UK also provides the bulk of expatriate teachers to fill Botswana's primary and secondary education needs. Other sectors of UK aid are in economic management and development planning and agriculture. U.S. aid has evolved since 1970 into the second largest source of technical assistance after the UK ($9 million or 31% of the total). The aim of USAID technical assistance has been to promote Botswana's manpower development, to provide training and to improve the country's primary school education. In terms of personnel, USAID's contribution has increased from 10 contract officers in 1975 to between 30 and 40 long-term and short-term operational experts (OPEXers) in the last two years.

b) Mining and the Social Sectors. Canadian aid (CIDA) has been mainly in mining, to enable Botswana to gain control over the development of the sector and to build up an efficient Department of Mines. CIDA's aid from 1974 (soon after the creation of the Ministry of Mineral Resources and Water Affairs) to 1982 totalled about $12.00 million and

29/ In 1981, TA amounted to $9.8 million out of a total of $14.6 million. The manpower component of UK technical assistance rose gradually but steadily from 8.2% in 1969 to 34.2% in 1975 to the present estimated levels of between 70% and 80%. On earlier aid composition see Table 1, page 11 in Aspects of British Technical Cooperation (Botswana and Mauritius) An Evaluation, April 1977, ODA Evaluation Unit.

30/ Yet, this number represents a sharp decline from a peak of about 450 reached in 1976. The reasons for this decline are due to the progress of localization, to the increased diversification of technical assistance sources, and to cost cutting and the retrenchment of British aid generally. See Table IV p. 21, in ibid. Other information provided through interviews and documentation supplied by the British High Commission in Botswana.

31/ Over 400 participants have received advanced level training in the U.S. since the inception of USAID programs. (USAID has also supported five important projects in this area: the Southern Africa Development Personnel and Training project of 1973, the Southern Africa Academic and Skills Training Project of 1978, the Southern Africa Manpower Development and the Primary Education Improvement projects of 1981 and the Work Force and Skills Training Project of 1982). The World Bank has also been active in education with three projects thus far, but these have been mainly capital intensive projects.
consisted of technical assistance to staff the Department of Mines and the Department of Geological Survey, and to provide long-term training scholarships for Batswana. Another $5.0 million grant was approved in 1981 to continue assistance to the University College of Botswana in order to help expand the national pool of graduates in technical, administrative and management areas. Other CIDA assistance was extended for transport coordination and for a sites and service project. Swedish (SIDA) overall assistance has been focussed primarily on rural development and its technical assistance, though fairly recent, has been increasing and it is expected to rise from $1.7 million in 1981/82 to approximately $3.9 million for 1983/84. At present, there are 40 experts from Sweden detached to Botswana, half of whom are assisting the Department of Water Affairs, another 6 are architects with the Town and Regional Planning Department of the Ministry of Local Government and Lands and the others distributed among various ministries.

4.10 Other Sources of Aid (NORAD, EEC and the Federal Republic of Germany and NGOs). Norwegian aid (NORAD) in Botswana started in 1974 and concentrated on rural health, rural roads and village development. At present, Norway has detached 40 experts and 10 volunteers to Botswana to assist in the implementation of NORAD's assistance. The aid of the European Economic Community (EEC) has been more diversified sectorally than that from other donors. Under Lome I Convention (1975-1980), special training and technical assistance components accounted for about 7% of total aid (19 million EUA) but most other projects also included TA and consulting services. Under Lome II (1981-85), 15% of the Indicative Program (totalling between 22 and 25 million EUA) is devoted to training and manpower development, 40% to rural development and the rest allocated between small scale industrial development in rural areas, trade promotion, energy and minerals. Technical assistance is included in these programs, totalling about 237 person-months. German aid has provided about 20 experts per year since it started in 1977, deployed in accordance with the wishes of the Botswana Government. Another important source of aid has been volunteers sponsored by various North American (Peace Corps, CUSO) and European NGOs. In May 1975, over 300 volunteers were working in Botswana, of which about half in the districts, (ODA 1977 Evaluation, op. cit., Table 2c and L. Picard (1979). Although much reduced, the volunteer program continues to provide useful support in rural industries, community development and related programs.

C. ORGANIZATION AND MANAGEMENT OF TECHNICAL ASSISTANCE AND EXPATRIATES: THE CENTRAL GOVERNMENT AND THE PARASTATALS

4.11 The management of technical assistance for human resources development in Botswana has been very effective, when one considers the expansion of the economy, the growth of the public sector and of expatriate employment. A glance at the figures in Table II below illustrates the size
of the management challenge: public sector employment (including local government and teachers) is estimated to have grown by about 10% annually between 1972 and 1982 (Table IIa). The Central Government (where most expatriates are concentrated) has also grown considerably in recent years: 29% between 1979 and 1983 and 7% per annum nominally, or 20% and 5% per annum in terms of actual positions filled (Table IIc). In 1980, expatriates constituted 6% of public sector employment, a decrease of 2.5% since 1972 relative to the overall growth of the sector, but nevertheless an important component in the civil service, representing a ratio of 2 expatriates in public service per 1000 inhabitants.\(^3\) The proportion of expatriates in the Group A category of higher level staff has declined considerably from independence days but it has increased between 1972 and 1982 from 19% to over 23% due to economic expansion (Table IIb). The percentage of expatriates is still fairly high today in the professional and technical cadres; 53% and 31% respectively in 1982, declining somewhat to 51% and 29% in 1983 (Table IIId). Botswana's management of TA personnel is based on an orderly process of identification, recruitment and deployment that can be encapsulated in four sequential but distinct stages.

4.12 **Manpower Budgeting.** The first stage is associated with the preparation of the five (or six) year National Development Plan and involves manpower budgeting, an exercise which is updated annually and reviewed during the mid-term review of the plan by individual ministries and by the MFDP. Manpower budgeting is included in the plan to complement the ceilings on recurrent expenditures. The annual manpower budget, prepared in consultation between the MFDP, the Directorate of Personnel (DOP) and the individual ministries and departments, allocates available personnel roughly between the public and private sectors but more precisely among the government agencies on the basis of development priorities.\(^3\) Ceilings are established and detailed allocations made for each ministry and department and published annually in the Establishment Register. Growth rates established in the Plan are then projected for the various categories of staff in each ministry. Personnel is divided into Group A and B: the latter group comprises lower level staff and Group A involves administrative, professional and technical positions requiring degree or diploma qualifications, where skilled personnel is scarcest. It is in this group that supply gaps are identified and TA agencies are approached to fill them. Theoretically, every new position should have a guaranteed source of supply from the domestic or external market. In practice,

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32/ Overall expatriate employment in the formal sector (public and private) in 1980 was estimated at 4,643, or 5.6% of total employment estimated at 83,386. This represents a ratio of about five expatriates per 1000 inhabitants, on the basis of 941,000 population.

### Public Sector Employment

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Growth p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>13550</td>
<td>10</td>
</tr>
<tr>
<td>1980</td>
<td>30746</td>
<td>11</td>
</tr>
<tr>
<td>1982</td>
<td>33,903</td>
<td>6</td>
</tr>
</tbody>
</table>

### Growth of Central Government: Group “A” Staff

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Growth p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>16,087</td>
<td>29</td>
</tr>
<tr>
<td>1980</td>
<td>16,856</td>
<td>7</td>
</tr>
<tr>
<td>1982</td>
<td>18,324</td>
<td>5</td>
</tr>
</tbody>
</table>

### Recent Growth of Central Government (FY1979-83): Total Establishment

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Growth p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979/80</td>
<td>20,754</td>
<td>29</td>
</tr>
<tr>
<td>1980/81</td>
<td>20,755</td>
<td>20</td>
</tr>
<tr>
<td>1981/82</td>
<td>20,756</td>
<td>20</td>
</tr>
<tr>
<td>1982/83</td>
<td>20,757</td>
<td>20</td>
</tr>
<tr>
<td>1983/84</td>
<td>20,758</td>
<td>20</td>
</tr>
</tbody>
</table>

### Central Government: Group “A” by Category of Staff

#### 1964 Authorized

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Nationals</th>
<th>Expatriates</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A (Senior and Middle Level Staff)</td>
<td>717</td>
<td>135(19%)</td>
<td>438(61%)</td>
<td>304 (8%)</td>
</tr>
</tbody>
</table>

#### 1982 Authorized

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Nationals</th>
<th>Expatriates</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A (Senior and Middle Level Staff)</td>
<td>3046</td>
<td>1691(55.5%)</td>
<td>713(23.5%)</td>
<td>1,793(5.5%)</td>
</tr>
</tbody>
</table>

#### 1982 Actuals

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Nationals</th>
<th>Expatriates</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A (Senior and Middle Level Staff)</td>
<td>2404</td>
<td>1896(76%)</td>
<td>708(24%)</td>
<td>60 (2%)</td>
</tr>
</tbody>
</table>

#### 1983 Actuals

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Nationals</th>
<th>Expatriates</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A (Senior and Middle Level Staff)</td>
<td>2471</td>
<td>1832(75%)</td>
<td>639(25%)</td>
<td>38 (2%)</td>
</tr>
</tbody>
</table>

### Sources:

1. Table 3.2 in Review of Incomes Policy in Botswana 1972-83. The public sector consists of central and local government and education staff, including those in private schools.
4. Includes 100 Shadow (Trainee) posts and 40 drivers as per Establishment Register (1983-84) p. 139.
7. Technical Cadre (TI-3) and Technical Instructor Cadre (TI-3) combined.
however, the overall level of vacancies remains high\(^{34}\) (see Tables IIc and IID above), the consequences of a continuing manpower shortage, of insufficient localization, and of a tendency to make do with available resources.

4.13 **Bilateral TA Cooperation and Agreements.** Most aid agencies cooperate with the Government of Botswana through two basic instruments: (a) a general framework of aid assistance setting the level of donor commitment for 3 to 5 years; and b) bi-annual agreements or major reviews assessing the manpower assistance required to achieve development goals. These are sometimes supplemented by quick annual reviews of ongoing programs and needs (relevant government agencies are consulted when drawing up aid agreements, e.g., the Central Bank, Tax authorities, Customs, etc.).

4.14 **Recruitment and Deployment.** Recruitment of personnel, which has become the main component of TA, falls more or less into two patterns: one set by ODA and the other by CIDA. Both systems are intended to substitute for missing local capabilities and to help develop them. The difference lies in the context and scope of TA, whether it will be an ongoing supply of diverse staff or project-bounded, specialized staff. The former approach, exemplified by British aid, focuses more extensively on human resources development. The other approach, exemplified by CIDA, is intrinsically tied to project components (e.g., to provide support and develop capabilities in mining engineering, investment strategy, etc.) and is contingent upon project financing.

4.15 In the British system, identification of personnel requirements and the distribution of TA personnel in the public sector take place during the Manpower Review Consultation held every two years between the representatives of the UK and the Government of Botswana. As part of the exercise, the government lists all posts and current UK personnel by department, duration of contract and expected date of localization. In addition, each ministry submits through the Directorate of Personnel, its staffing situation, including other donor personnel, existing vacancies, growth projections and training needs. Personnel needs, together with expected recruitment from other TA sources, are discussed among the ODA team, the British High Commissioner, the Directorate of Personnel and representatives of the Ministries concerned, to determine relative priorities. Overall and sectoral ceilings are then established by mutual agreement between the UK team and the Government of Botswana. The agreed sectoral allocations clear the way for the recruitment process to begin.

4.16 This approach is followed in varying degrees by the USAID and the Swedish, Norwegian, and German aid. Its distinguishing feature is the systematic review of manpower requirements of each sector/ministry by department and post, and the setting of agreed levels of assistance. Systematic as it is, this review projects short- to medium-term needs with

\(^{34}\) The Headquarter posts of most ministries are nearly all filled, and so are some of the key divisions of the MFDP Lands, Agriculture, and the Directorate of Personnel. See *The Presidential Commission on Localization and Training—The Botswana Public Service* (1981/82/83 Review).
a view to filling the gaps within the limits of available data. Only recently had this exercise become tied to broader manpower planning studies which are intended to ensure a more rational distribution of skilled manpower throughout the economy, to predict more accurately the needs of the public sector and to plan the supply accordingly.

4.17 The CIDA approach (which also characterizes part of USAID, most of the EEC and UNDP) channels personnel assistance for specific project outcomes, usually to be implemented over a period of five years to fulfill Country Program objectives. Thus, CIDA has provided personnel for its operations in the mining sector and for training Batswana to assume the posts of Mining Engineers, Inspectors and Commissioners. The USAID has provided operational experts for human resource development (in the private as well as in the public sectors), for education, and for organizational development in the Ministry of Agriculture. On a smaller scale, most aid agencies also provide a mixture of the above two approaches, detaching long term personnel for manpower needs as well as for project-related purposes. But the core of TA usually follows one of the above two approaches.

4.18 The recruitment process varies naturally from one aid agency to the other. However, regardless of the source of recruitment, the Directorate of Personnel (DOP) provides the job description to the aid agency and decides on the final selection from a short list prepared by the agency. The Directorate of Personnel, in consultation with the appropriate ministry, maintains a paramount role in the selection process regardless of whether personnel is to be fully or partially funded by the TA source. It is also the DOP which approves, rejects or modifies all personnel contracts, based on information supplied by the TA agency, sometimes supplemented with interviews at Gaborone when distances permit. The DOP (and not the aid agency) also administers the expatriate's contract throughout its tenure. Actual recruitment takes place under three forms:

a) through TA agencies for personnel fully funded by the donor under grant financing;

b) through TA agencies for personnel partly funded by the donor to supplement the basic salary paid by the government; and

c) directly by the government or by a TA agency acting on its behalf.

4.19 The most extensive form of recruitment currently in use is partly funded personnel through TA agencies such as ODA, USAID, SIDA, etc. UK salary supplements are provided through the Overseas Service Aid Scheme (OSAS). OSAS officers are recruited for the Government of Botswana through the Crown Agents, who advertise the posts, draw up the short list, conduct the interviews, indicate suitable candidates and refer the short list to the Directorate of Personnel which, in turn, consults with the appropriate departments about appointments. When a decision is made, the DOP advises the Crown Agents to appoint the candidate on behalf of the Government of Botswana. A similar procedure is followed by the other donor agencies in recruiting staff which is partly funded by them. OPEX officers supplied by USAID are recruited through agents (the Academy for Educational
Development) whereas SIDA, CIDA, and NORAD do their own recruitment. The EEC, Germany and NORAD, provide most of their personnel on a grant basis. All recruitment, except for seconded staff, are drawn from the private market. In addition, expatriate personnel are also hired for specific projects as a consulting team through a contractor (e.g., a university is contracted to provide education staff).

4.20 Conditions of service for recruited staff are normally governed by three sets of documents: first, the general TA agreement between Botswana and the donor includes general provisions regarding the recruitment of personnel, allowances and mutual obligations. Second, a separate document sets out the conditions of employment and full or supplementary salary to be agreed between the TA agency and the candidate. Third, a separate contract between the Government of Botswana and the appointee sets out the duration, government salary and conditions of employment, and other contractual obligations. In addition, upon taking the appointment, the expatriate staff becomes subject to the rules and regulations of the Botswana Civil Service known as the General Orders Governing the Conditions of Service of the Public Service. Separate "Schemes of Service" detail the duties and expectation of the cadre to which the expatriate has been appointed, supplemented by brief terms of reference for the specific position in question. The expatriate's role is thus that of a "performer" rather than that of adviser, and expatriate staff are treated, supervised, evaluated and rewarded like any other Batswana in the public service, in accordance with the scheme of service under which they operate.

4.21 The deployment of expatriates in the central government shows that they are utilized principally in science or engineering areas and in middle or higher level staffing. The distribution of expatriates in post in 1983 was as follows: 40% in the professional cadre, 36% in the technical cadres, 11% specialist advisers/consultants, 7% in the general administration, 6% higher level staff.\(^{35/}\) In the professional cadre, approximately 60% of the expatriates work in science disciplines such as engineering, agronomy, veterinary services, dentistry, medicine, etc., and the other 40% in management related professions. In the technical cadre, as might be expected, close to 75% are deployed in science disciplines and the remaining 25% in management areas.\(^{36/}\) The distribution of expatriates among the ministries reflects a similar pattern of concentrated utilization in the "hard disciplines." The ministries that utilize the largest number of expatriates are also those with the highest number of science-based posts (SBP). They are estimated as follows: Health (28%) (SBP = 71%), Mineral Resources (18%) (SBP = 80%), Education (12%) due to high percentage of post-primary expatriate teachers), Works and Communications (12%) (SBP = 62%), Agriculture (10%) (SBP = 69%), and the Ministry of Finance and Development Planning (10%), the remaining 10% are distributed among the

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\(^{35/}\) Source: Manpower Planning Unit, March 1983 Tables, Directorate of Personnel.

\(^{36/}\) Manpower Planning Unit, 1982 Tables, Directorate of Personnel.
Ministries of Local Government and Lands, Commerce and Industry, State President Offices (including the Directorate of Personnel) and Justice.  

4.22 Remuneration and Allowances. Expatriate remunerations are set according to the TA scheme which governs their recruitment. There are, thus, three basic remuneration packages:

a) externally fully funded personnel are paid in accordance with their status in their own country. The Government of Botswana pays all or part of their housing, in accordance with standards set by the government in consultation with the donor agency. German aid, NORAD's, the EEC, and part of Swedish and British aid fall in this category;  

b) TA funding of salaries to supplement the government's basic salary. This is the most common scheme. The level of supplements varies from one TA agency to another and depending on the position that the incumbent occupies in the public service. Chart 4 below shows the structure of the central Government and salary levels by the various cadres that belong to group "A". Table III which follows shows Government salaries and a sample of the "topping" provided under the British OSAS scheme. The amount of OSAS topping varies by grade and field of specialization. The amounts shown in the table tend to reflect the higher levels of OSAS remuneration but it can be seen that the OSAS supplement often doubles the basic government salary. In addition, other inducements may be provided such as education and housing allowances, annual home leave airfares, and tax benefits. The average cost (to the ODA) per officer under the OSAS scheme is estimated conservatively at Pula 22,000 per annum. Each TA agency has its own policy on supplements and it has been difficult to compare them because of the confidentiality of data and because variations in


38/ The annual cost of expatriates varies considerably but it is roughly estimated to range between $80,000 to $140,000 inclusive of allowances and benefits.

39/ Government salaries and allowances for middle and higher level staff have been rising steadily until 1980, declining thereafter, but they are considered to be reasonably attractive by LDC standards.
### TABLE III

**Sample of Public Service Salaries and OSAS Supplements**

**1983 Salaries - Group "A" Staff**
(Pulas Per Annum)

(US$1 = P0.94)

<table>
<thead>
<tr>
<th>Grade</th>
<th>Basic Govt. Salary 2/</th>
<th>OSAS Supplement 3/</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSI</td>
<td>21,012</td>
<td>n.a.</td>
</tr>
<tr>
<td>SSII</td>
<td>18,984 (22,344)</td>
<td>19,410 (Judge)</td>
</tr>
<tr>
<td>SSIII</td>
<td>17,460</td>
<td>16,242 (Principal Insp. Taxes)</td>
</tr>
<tr>
<td>SSIV</td>
<td>16,428</td>
<td>20,355 (Principal Finance Officer)</td>
</tr>
<tr>
<td>SSV</td>
<td>15,408</td>
<td>15,779 (Electronics Engineer)</td>
</tr>
<tr>
<td>SSVI</td>
<td>14,388</td>
<td>10,168 (Sec. School Teacher)</td>
</tr>
<tr>
<td>PR1</td>
<td>15,552</td>
<td>20,617 (Division Internal Auditor)</td>
</tr>
<tr>
<td>PR2</td>
<td>11,448 (11,452)</td>
<td>18,123 (Senior Vet. Officer)</td>
</tr>
<tr>
<td>PR3</td>
<td>8,376</td>
<td>15,779 (Senior State Officer)</td>
</tr>
<tr>
<td>PR4</td>
<td>6,432</td>
<td>10,168 (Air Traffic Center)</td>
</tr>
<tr>
<td>GA1</td>
<td>10,956</td>
<td>16,091 (Finance Officer)</td>
</tr>
<tr>
<td>GA2</td>
<td>7,848</td>
<td>16,091 (Senior State Officer)</td>
</tr>
<tr>
<td>GA3</td>
<td>5,304 (5,308)</td>
<td>n.a.</td>
</tr>
<tr>
<td>T.1</td>
<td>10,980</td>
<td>20,898 (Senior Technical Officer)</td>
</tr>
<tr>
<td>T.2</td>
<td>7,872</td>
<td>n.a.</td>
</tr>
<tr>
<td>TL.1</td>
<td>5,316</td>
<td>15,588 (Teacher/Education Officer)</td>
</tr>
<tr>
<td>T.2</td>
<td>8,040</td>
<td>13,205 (Teacher/Education Officer)</td>
</tr>
<tr>
<td>TI.3</td>
<td>5,820</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

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1/ For explanation of grades, see bottom of Chart I.

2/ Does not include housing or other allowances, except in brackets.

Source: Establishment Register 1983-84.

3/ Source: British High Commission, Gaborone, Botswana, August 1983.

4/ Secondary Teacher Staff.
benefits, taxes and allowances affect individual net salaries considerably. Hence, these variations sometimes give rise to tensions among expatriate staff. Nevertheless, the basic OSAS Supplement is widely regarded as reasonable and it is often used by other donor agencies as a point of reference for setting expatriate salary supplements. The Government of Botswana guarantees housing (see para. 3.23 below) but charges rent to expatriates as to all public service employees. In exceptional cases, the Government may add a gratuity to the supplement which is paid at the end of the contract;

c) direct recruitment by the Government, which is usually assisted by TA agencies. In this case, a supplement to the basic salary is paid by the Government, in a few cases subsidized by TA agencies, usually consisting of 30% of basic salary plus gratuities to be paid at the end of the contract.

4.23 The government provides housing to expatriates through the Botswana Housing Corporation (BHC), an autonomous parastatal company. A portion of houses build by the BHC (about 40%) is assigned to the public sector, of which an average of about 100 units a year are allocated to expatriates on a first come first serve basis by an Allocations Committee. Due to shortage of serviced land, it takes up to 3 months to find housing for expatriates. However, part of the problem lies in insufficient advance planning which could allow BHC to know when someone is leaving or arriving. Otherwise the BHC runs a well-managed housing service.

The Parastatals

4.24 Although the parastatals are considered in Botswana to belong to the private sector, they have to abide by the Wages and Incomes Policy initiated in 1972 which covers them as well as the public sector. From the point of view of attracting qualified personnel, they are viewed to be in a better position than the central government but they consider themselves to be at a disadvantage when compared with the private sector.

4.25 The parastatals rely on expatriates far more than the central government for middle and senior level staff. They can recruit expatriate staff on their own on the international market as well as through the TA agencies. For example, the Botswana Telecommunications Corporation is operated through a management agreement with Cables and Wireless Ltd. of the UK which provides 23 senior staff who are supplemented by another 19 expatriates from Europe and an additional 50 from Asia. The organization has only 3 Batswana with degrees while 2 more are on training courses. The Botswana Development Corporation employs 12 expatriates, 7 of whom occupy the top positions including that of General Manager (the Deputy General Manager is a Motswana). The Water Corporation also employs 19 expatriates, all above the junior level. A similar pattern is found in the National
Development Bank with 6 expatriate staff and 5 Peace Corps Volunteers. There are 8 expatriates at the Central Bank and some 65 expatriates at the Power Company constituting most of the technicians and professionals.

4.26 In terms of remuneration, the parastatals basic salaries are about 9% higher than corresponding government salaries, as can be seen from Table IV below. Expatriate salaries are either a) fully funded by donor agencies or b) topped either by the donor agencies or by the parastatals themselves in which case they are not allowed to exceed the OSAS ceiling. As shown in Table IV, the OSAS supplement sometimes more than doubles the basic salary. In addition, the OSAS package includes inducements which vary in accordance with scarcity of skills (e.g., accountants, personnel staff) and place of recruitment but which could amount to another 9% of the supplement. Less expensive personnel from non-European markets and a few expatriates with extended contracts who were withdrawn from the OSAS scheme, receive less than the OSAS supplement, sometimes averaging to little more than 30% of their basic salary.

4.27 The parastatals seem to be well-managed and, as indicated in another part of this report, they do not appear to be a drain on the budget. They do compete with government for the recruitment of staff from TA agencies. The government's demands take priority but the parastatals enjoy greater flexibility with respect to both recruitment sources and to remuneration. The OSAS framework and the limits of the Incomes Policy seem to be effective instruments in balancing the requirements of sound commercial management with public responsibility.

D. THE SYSTEM’S STRENGTHS AND WEAKNESSES

Strengths

4.28 There is little doubt that Botswana has the will and the ability to manage its TA effectively, although there is, of course, room for improvement as will be discussed below and in the next section. The effectiveness of the system in use in Botswana is not only borne out by the mission's observations but by other evaluation studies of TA as well, conducted by donor agencies. Thus, for example,

The main findings of the evaluation are overwhelmingly favorable: the project provides concrete evidence of the significant contribution to development that select technical assistance, chosen by the government and screened by AID, can make. (USAID, Southern Africa Manpower Development Project Evaluation - June, 1981. Draft Report.);
There can be no reasonable doubt that this has been a clearly successful project, as judged by its timeliness, its design and implementation. (Evaluation of Ford Foundation Project - 109-0161 Technical Assistance to Southern Africa. June 30, 1981. Draft Report.);

We have reviewed the developmental context of the Project, the place of the project in government's
### TABLE IV

**Sample of Government Salaries Compared With Parastatals and OSAS Supplements to Parastatals**

**1983 Salaries - Group "A" Staff**

(Pulas per annum)

(US$1 = P0.94)

<table>
<thead>
<tr>
<th>Grade 1/</th>
<th>Basic Govt. Salary 2/</th>
<th>Parastatal Salary 3/</th>
<th>OSAS Supplement 4/</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSII (E1)</td>
<td>18,984</td>
<td>20,688</td>
<td>n.a.</td>
</tr>
<tr>
<td>SSIII (2)</td>
<td>17,460</td>
<td>19,020</td>
<td>23,917</td>
</tr>
<tr>
<td>SSIV (E3)</td>
<td>16,428</td>
<td>17,916</td>
<td>22,515</td>
</tr>
<tr>
<td>SSV (E4)</td>
<td>15,408</td>
<td>17,916</td>
<td>21,112</td>
</tr>
<tr>
<td>SSVI</td>
<td>14,388</td>
<td>15,672</td>
<td>20,371</td>
</tr>
<tr>
<td>PR1</td>
<td>15,552</td>
<td>n.a.</td>
<td>21,044</td>
</tr>
<tr>
<td>PR2 (M1,P1,AC1)</td>
<td>11,448</td>
<td>14,616-16,920</td>
<td>15,770</td>
</tr>
<tr>
<td>PR3 (M2,2,AC2)</td>
<td>8,376</td>
<td>11,328-14,628</td>
<td>14,956</td>
</tr>
<tr>
<td>PR4 (P3)</td>
<td>6,432</td>
<td>11,424</td>
<td>n.a.</td>
</tr>
<tr>
<td>GA1</td>
<td>10,956</td>
<td>14,628</td>
<td>15,770</td>
</tr>
<tr>
<td>GA2 (A2,AC3)</td>
<td>7,848</td>
<td>10,848</td>
<td>16,530</td>
</tr>
<tr>
<td>GA3 (A3 AC4)</td>
<td>5,304</td>
<td>7,584</td>
<td>17,670</td>
</tr>
</tbody>
</table>

1/ Brackets indicate parastatal grade equivalency.

2/ Does not include housing or other allowances.

3/ Basic salary without housing or other allowances. Source: Botswana Development Corporation - July 1982 tables.

4/ Maximum supplement (does not include inducements). Exchange rate used L1 = Pula 1.90 as of July 1, 1982.
economic and social goals and the effectiveness and performance of the Department of Mines in promoting strength and credibility to Botswana's management of its mineral economy. We conclude that the project is effectively supporting these goals, and that the country is in control of its mineral sector through the Department of Mines. (Draft Report on the Joint Mid-Project Evaluation of Technical Assistance to the Botswana Department of Mines. Phase II. April, 1983).

4.29 Botswana's experience in the management and utilization of TA offers several lessons on how to handle TA effectively. First, the political environment. The political leadership, in government and opposition, shares an awareness of the need for TA and for expatriates at all levels of economic management. This is not only the result of a benign colonial legacy, but of a pragmatic approach to development, marked by a deeply felt consensus that one must make best use of available resources. The will to "cooperate" with TA is, therefore, strong. The fact that Botswana's political system is vigorously democratic and open enhances TA effectiveness because politicians and executives alike must account to parliament and the country on the use of resources.

4.30 Second, Botswana appears to have adopted a fairly unique approach to TA which consists of two key elements:

a) **TA requirements are assessed for the economy as a whole rather than project by project.** The objectives of TA are formulated in terms of both the need to have an adequate implementation capacity to manage the economy and of building local implementation capabilities. But the distinctiveness of Botswana's approach is to pursue both objectives systematically through parallel but essentially separate channels. Long-term localization efforts are not allowed to interfere with current implementation requirements, although use is made of the training contributions of expatriates, to the extent that these are feasible. Thus, the task of building local capabilities is not an additional burden to the implementation capabilities that are required to manage the economy. At the same time, localization can be pursued gradually but continuously rather than depend on the availability of projects;

b) since staffing requirements are developed by ministry and sector, project formulation is freed from the worry to provide adequate staffing for implementation or to create separate project units. Each ministry is equipped with the mix of local and expatriate expertise to implement most components of projects. The usual trade-offs between project complexity and implementation
capacity becomes the exception and not the rule of development aid in Botswana.

4.31 Third, TA is strategically deployed at a crucial juncture of public sector management, namely, at the middle and higher levels, where implementation responsibilities are heaviest. In this sense, Botswana has made the best use of expatriates by solving the endemic problem of the public sector in many developing countries, namely, the weakness of middle level management. A corollary of this strategy is the deployment of the majority of expatriates in executive (line) rather than advisory positions. This has many advantages: first, Botswana gets a high return on the employment of expatriates, at the very least the work gets done; second, the expatriates are satisfied professionally and this contributes to a high morale and motivation among them as well as throughout the departments where they work. The political commitment to make TA succeed is, thus, also translated into a commitment at the technical level; third, the more successful expatriates set the standards both for the content and the routine of the jobs they occupy. In so doing, they help define with reasonable specificity the jobs that will be passed on to Batswana. Yet another aspect of Botswana's TA strategy that merits attention is the allocation of available TA by sectoral specialization. This approach not only exploits the potential comparative advantage among the various sources of TA but it enhances the professional and training contributions of the expatriates.

4.32 Fourth, Botswana's successful management of TA, from identification through implementation, is to a large extent the result of good overall public sector management. This confirms the hypothesis that "the more competent the recipient institution... the more likely good use will be made of TA" (from an internal Bank document). Where in other countries, TA is inhibited by cumbersome administrative procedures or insufficient budgetary support, this is not the case in Botswana. What follows is a brief review of Botswana's distinctive features in administering TA.

4.33 Assessment of TA Needs. This an integral part of the planning/budgeting process and not a haphazard exercise subject to the vagaries of aid opportunities or to ad hoc requirements for project preparation or implementation. The principal mechanism for the systematic TA needs is manpower budgeting. However rudimentary the manpower planning capabilities, Botswana demonstrates that it is crucial to have a good notion of where the gaps in skilled staffing exist and how large they are. The resulting manpower ceilings help to plan TA needs on an annual basis as well as for the entire plan period.

4.34 Early Planning and Participation in Allocating TA Supply. Bi-annual and annual joint reviews between the Government of Botswana and each donor agency are very important vehicles for establishing the type and amount of TA personnel required. The importance of these reviews is enhanced by the fact that they take place in Botswana, they are attended by the donor agency, together with the representatives of the MFDP, DOP and the ministries concerned.
4.35 Centralization of TA Administration. As the agency responsible for human resources development, the DOP is also the chief implementing agency of all TA arrangements. It has the primary responsibility for identifying vacancies for expatriates, for providing job descriptions and TORs, and for the recruitment, deployment, promotion and termination of expatriate staff. The DOP also administers local salaries and assists in settlement and housing matters. What is left for individual ministries is to supervise the performance of expatriates and to ensure that they carry out their terms of reference. Thus, most administrative procedures relating to expatriates are handled by one source, which avoids duplication and waste of time and allows for specialization and proficiency. Expatriates are provided standard contracts governing the terms of their employment, supplemented by normal civil service regulations. The integration of expatriates into the civil service is a key factor explaining the success of the system.

4.36 Recruitment and Remuneration Methods. Recruitment of individuals (rather than consulting firms) and of management teams for twinning type of arrangements (e.g., Cable & Wireless, Ltd. for the Botswana Telecommunications Corporation or Howard University for TA in university education) have, by and large, proven successful in Botswana. Qualified staff have been attracted to Botswana service and they have experienced remarkably few problems in the implementation of their contracts. The use of TA recruitment agencies has also been useful to Botswana because these agents are experienced and in many cases serving their own governments in the same capacity. The use of OSAS "topping" as standard reference for the remuneration of expatriate staff (except those fully funded by the donor agency or by the UNDP) has proven its value, since it has greatly reduced the discrepancies in the remuneration of expatriates. This mitigates the serious tensions that arise among expatriates and between them and local staff over salary and benefits differentials. Above all, the "topping" supplement to the government's basic salary is possibly the best approach to TA funding since it means that the country only creates budgeted positions that it can sustain in the long run and avoids setting a precedent for paying national staff the expatriates' higher salary levels once they leave.

4.37 Rational Allocation of Housing. The extension of the services of the Botswana Housing Corporation to expatriates not only provides a solution to the endemic housing difficulties experienced by expatriate staff in other countries. The BHC concept also reinforces the integration of expatriates into the civil service by reducing the wide differentials in housing standards between them and locals, as well as the time required for expatriates to settle in.

Weaknesses

4.38 There are few complaints surrounding Botswana's administration and utilization of TA and expatriates. There are, nevertheless, a number of problems, some of which are inherent in the approach taken by Botswana, e.g., the emphasis on line responsibilities of expatriates necessarily weakens their training contribution. The relevant authorities are fully aware of these problems which are briefly discussed below to present a balanced picture of the TA system in Botswana.
4.39 **Recruitment.** Although recruitment through TA agencies is faster than direct recruitment by the Government of Botswana, delays occur in both, as evidenced by the high rate of vacancies in the public service. The causes of delay vary but most are due to insufficient advance planning of requirements and to insufficient ordering of priorities. The DOP's manpower planning and consultation with TA agencies take place well in advance of deployment but not early enough to cope with changing market conditions. A lag of 9 to 12 months may be necessary before a qualified expert is recruited; this is often too slow for meeting departmental or ministerial staffing needs, although it is not uncommon in TA recruitment generally. It may be necessary for the DOP to establish a priority system for certain types of specialists so that they can be recruited faster than others. Expediting the filling of vacant posts sometimes affects the quality of expatriates recruited. Although Botswana's overall experience with the quality of expatriates has been good, there is a residual feeling among government officials that often the country has to be content with what is available at the time the recruitment campaign starts, rather than search for the best candidate that could be attracted under the conditions offered in Botswana. The interviewing process could be strengthened to enhance the quality of recruitment, perhaps by devoting more attention to attitudes, motivation and interpersonal skills. For example, NORAD's recruitment includes interviewing the family of the proposed candidate to determine their overall suitability for an overseas assignment. Language facility is sometimes an issue for EEC or Scandinavian TA and it can reduce the effectiveness of the expatriate. Remedies for these recruitment difficulties are also being tried by the government, as most ministries are beginning to do some interviewing while they are travelling on other business, and greater use is being made of the growing network of Botswana's alumni overseas.

4.40 **Terms of Reference and Job Description.** The job performed by expatriates has not always been consistent with the TORs given them at the time of recruitment. Understandably, job requirements may vary over time and the demands of daily work may change from the initial expectations. The problem is not serious because employers and employees have generally been satisfied with job demands and performance. But problems sometimes arose in "soft activities" relating to education, planning and policy work where vague job definitions translate into unclear tasks and responsibilities. In engineering or science-based activities, TORs could be vague without affecting the job's contents, whereas in "soft" sectors, there is a need for more precise TORs and better guidance of expatriates in the actual requirements of their job. The expectations set forth in the "schemes of service" have sometimes been too general to remedy this problem which is inherent in "soft" activities." Periodic reviews of objectives, work programs and of performance may be a better solution.

4.41 **Training and Counterparts.** This is perhaps the weakest aspect of the TA system in Botswana, as will be discussed in the next section. Briefly, although training is formally expected of all expatriates and it is part of their contractual obligation, in practice, it is often treated as a residual task to be done informally, on-the-job. There is little systematic definition of training assignments nor any monitoring of training performance. This is understandable when priority is placed on operational work. A corollary problem is the frequent unavailability of
counterparts to work with expatriates. This is sometimes explained by the severe shortage of skilled manpower but it frustrates the hopes of both the Government and of donor TA. In addition, even when counterparts are available, neither the TA agency nor the DOP has adequate feedback about the effectiveness of expatriate-counterpart relations to provide guidance for future assignments. Part of the reason for the weaknesses in the training-counterpart arrangements lies in the uncertainty surrounding duration of contracts. Expatriate contracts of 2 to 3 years are often extended to 4 or 5 years or even longer, but these extensions are not known sufficiently in advance to plan a systematic training program. A systematic approach to counterpart-expatriate arrangements would require a specific allocation of time and budgets, flexible but organized work relationships, and the selection of expatriate staff with pedagogical abilities.

4.42 Periodic Evaluation of Expatriate Performance. Most TA agencies require only self-evaluation from the staff they provide either under grants or partial funding. Performance evaluation is done annually by the DOP and the staff's superiors. However, this tends to be a general evaluation of whether the terms of the contract are being fulfilled or not. A thorough assessment of performance is done only in case of serious difficulties with the assignment or the expatriate. Since expatriates are not expected to have a permanent career in the Botswana civil service, the DOP may be understandably reluctant to monitor performance too closely. Periodic reviews of work objectives and of progress towards achieving them may, however, bring about a better utilization of expatriates and solve assignment-related problems early in the tenure of the contract.

4.43 Housing, Leave, and Salary/Benefits Differentials. These are the three areas that have created minor nuisances in the management of TA. The housing problem is one of slight delays in settling the expatriate family in permanent housing, as discussed earlier. As to the leave question, Botswana has tended to prefer that expatriates take the bulk of their leave at the end of their contract, so that the government may benefit from a longer net period of service. It seems that the problem has been largely solved now as expatriates are allowed to take a substantial part of their leave entitlement annually. The salary/benefits differentials among TA sources has sometimes been a source of minor tensions and even a cause for expatriate to try to move from one TA contract to another. This problem is, however, largely outside the control of the Botswana Government and it does not disrupt the functioning of the TA system. Batswana staff appear to understand and accept the need for higher paid expatriates but a few seem to be impatient with slow advancement for themselves.

4.44 Costs of Expatriates. Although TA provides much of the funding for expatriate personnel, the latter absorb a disproportionate share of employment earnings. A recent study has estimated for 1980 that in the public sector, expatriates, who constitute 6% of employment, take almost 18% of total earnings. In the private sector, which includes the parastatals, their share of employment is estimated at slightly over 5% (3,367 expatriates over 63,197 total private sector employment) but their share of earnings is almost 31%. Average earnings in the public sector are three to four times higher for expatriates than for Batswana citizens,
whereas in the private sector, they are more than eight times higher.\textsuperscript{40/}
The costs of expatriate wages and benefit to the economy of Botswana are thus high, with perhaps more than one quarter of total wages and salaries in the economy going to about 6\% of the employees. In this light, the case for accelerated localization becomes more urgent. Meanwhile, in the short-term, it might be advantageous for Botswana to continue to diversify its sources of recruitment, particularly in the less expensive Asian markets where skilled personnel are available and qualified to substitute for the more costly Europeans in a number of technical areas.

\textbf{40/} Sources: USAID, Botswana Workforce and Skills Training (BWAST) and Project, 1982, pp. 63-64, and Review of Incomes Policy in Botswana, \textit{op. cit} (in Table II notes).
V. LOCALIZATION

A. THE APPROACH AND STRATEGY

5.1 "Localization" is the term used in Botswana to describe the goal and the process of transferring all public service posts to Batswana citizens. It is yet another example of the country's pragmatist philosophy that other common terms, such as Africanization or Botswanazation, are not used. A technical concept prevails instead. Also, Botswana citizens include former expatriates who chose to adopt Botswana nationality, and they are considered locals. The purpose of this review is not to address the problem of localization in its various facets. This has been done and the subject continues to receive competent and systematic attention by the Government of Botswana through the complexities of manpower planning, training, and education. This is not, therefore, a human resources study. The aim, as in the previous section, is rather to examine how the system works and what are its strengths and weaknesses for building public sector capabilities and for reducing reliance on expatriates.

5.2 Localization has always been a matter of great concern to the government and people of Botswana. The commitment to localization is very strong, as evidenced by the number of studies, and training programs devoted to this goal. But until recently, the Government and the National Assembly have shied away from fixing localization rates and targets in national planning. In part, this is rightly due to the recognition that localization in an expanding economy is necessarily fluid and its progress depends on many complex factors, such as education reform, training, experience, manpower planning, career development, etc. But another reason is the fact that too fast a pace of localization may result in loss of experience and expertise and in a decline in economic management. Thus, the Presidential Commission on Economic Opportunities stated unequivocally in its May 1982 report that:

... the assumption that the most important aspect of "localization" is to reduce the numbers and proportion of expatriates in the economy...is not an assumption we share. In our view the key question is the number of jobs created for Batswana ... we have found no evidence that, in general, localization is being obstructed by expatriates and there is a great deal of evidence that the basic problem is one of education and training .... (pp. 9-10).

5.3 In fact, the story of localization in Botswana is one of evolution from ad hoc training to a more systematic treatment which began

in 1971 with the appointment of the first Presidential Commission on Localization and Training and continues through the multi-pronged approach mentioned earlier. Implicitly or explicitly, this has been a key element of Botswana's strategy in this area. There are five other important elements to this strategy:

a) Although educational qualifications and training have always been the basis for localizing posts, priority has been given to the localization of the top positions. This has enabled Botswana to transfer to its citizens early control of key decision-making positions. At the same time, clerical and other lower level administrative positions were localized fairly quickly.

b) The government has, for a long time, virtually monopolized the absorption of graduates, giving priority to enhancing the quality of the public service over early localization of the parastatals, and the rest of the private sector.

c) Demands for localization have not been allowed to curtail training: insufficient credentials or short-cuts in training were not acceptable and posts are localized when individuals are ready. Appendix E illustrates the academic and training requirements for entry in the civil service.

d) The system of localization has gradually become institutionalized, as it was made less dependent on TA and expatriates. Donor agencies continue to play a catalytic role by identifying methods to improve manpower planning, training and placement, and by assisting in their implementation. USAID leads in this role by far, by insisting on suitable counterpart arrangements within two years for specific project activities, and by helping to coordinate training with designated officials in the ministries concerned. CIDA also has a strong training orientation in its TA. Other expatriate staff are expected to contribute to localization by training counterparts but as explained in para. 3.42, this is not carried out systematically. However, the government has avoided "forcing" expatriate-counterpart arrangements where these proved to be unworkable. Thus, the emphasis on a counterpart training relationship is shifted, whenever TA or the government can afford it, to the period when the local person has taken over line duties. Then, the displaced expatriate is retained as adviser temporarily.
B. THE PROGRESS AND PROCESS OF LOCALIZATION

5.4 Botswana has made impressive achievements in localization. Table V below shows that within the last ten years, all the clerical cadre and virtually all the general administrative cadre has been localized. Between 1972 and 1983, localization for superscale staff jumped from 43% to 77.5%; for professional staff, from 18% to 48%; and for technical staff, from 62% to 71%. The current overall rates of localization for these grades are all the more impressive considering that the public sector in Botswana plays such a preponderant role in the economy and in overall employment in particular, as indicated by the following figures:

<table>
<thead>
<tr>
<th>Number of Government Employees Per 1000 Inhabitants</th>
<th>Botswana* and Elsewhere**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1982)</td>
</tr>
<tr>
<td></td>
<td>Botswana</td>
</tr>
<tr>
<td>Total Public Sector</td>
<td>36</td>
</tr>
<tr>
<td>Central Government</td>
<td>19</td>
</tr>
</tbody>
</table>

**Sources:** Table II figures divided by a population of 941,000.


5.5 The pace of localization, however, has been uneven. It has been slow in the professional and technical cadres, particularly in science-based disciplines. As mentioned in para. 3.21, those ministries and departments where science-based disciplines are most in demand (including education) have been the slowest to localize. Table VI illustrates the point, showing that out of a sample of some 17 departments, five have achieved less than 50% localization in 1982 and another five have achieved more or less 50%. The departments of Water Affairs and of Mines have attained very high levels of localization in difficult disciplines, but mostly at the junior professional levels.

5.6 Of greater concern are the prospects for early localization, given the demands of the economy and the limited output of the educational system and training. The picture is somewhat dramatized by Table VII below which shows that, in science-related areas, the current needs of the central government alone for degree and diploma holders (355 degrees and 284 diplomas) will be far from being met five or six years from now, except for the category of lower level engineering technicians.

5.7 In the professional and technical categories, Table VIII below shows that assuming a manpower growth rate of 6% per annum and aiming to maintain a 50% localization rate, 724 additional Batswana will be needed by the end of the 80s in the professional cadre and an additional 719 in the higher technical cadre. Appendix Tables 1 and 2 detail the requirements
### TABLE V

**Progress in Localization - Group "A" Cadre - Central Government**

Percentage of Batswana in Filled Positions

<table>
<thead>
<tr>
<th></th>
<th>1969¹/</th>
<th>1972¹/</th>
<th>1979²/</th>
<th>1981</th>
<th>1982</th>
<th>1983³/</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group &quot;A&quot; Cadre</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superscale</td>
<td>23%</td>
<td>43%</td>
<td>62%</td>
<td>70%</td>
<td>76%</td>
<td>77.5%</td>
</tr>
<tr>
<td>Professional</td>
<td>13%</td>
<td>18%</td>
<td>45%</td>
<td>42%</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>Technical &amp; Technical Instructor (TI-3) and (TI-1.3)</td>
<td>n.a.</td>
<td>n.a.</td>
<td>62%</td>
<td>65%⁴/</td>
<td>69%</td>
<td>71%</td>
</tr>
<tr>
<td>General Administration</td>
<td>63%</td>
<td>71%</td>
<td>91%⁵/</td>
<td>92%⁵/</td>
<td>93.5%</td>
<td>94%</td>
</tr>
<tr>
<td>Clerical</td>
<td>96.7%</td>
<td>99.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹/ From Table 2.2. Manpower and Employment in Botswana, MFDP, May 1973.


³/ From Table 1/d. These figures are only slightly different from those given in the report of The Presidential Commission on Localization and Training in the Botswana Public Service (1981/82/83) Review p. 171.

⁴/ Technical Cadre only.

⁵/ Estimate.
### TABLE VI

**Localization in Sample Departments and Ministries**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Posts %</td>
<td>Posts %</td>
<td>Posts %</td>
<td>NP Midterm %</td>
</tr>
<tr>
<td></td>
<td>Batswana</td>
<td>Filled</td>
<td>Batswana</td>
<td>Filled</td>
</tr>
<tr>
<td><strong>Directorate of Personnel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture⁵/</td>
<td>138</td>
<td>70</td>
<td>187</td>
<td>81</td>
</tr>
<tr>
<td>(Headquarters)</td>
<td>(50)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td>(Animal Health)</td>
<td>(47)</td>
<td>(60)</td>
<td>(50)</td>
<td></td>
</tr>
<tr>
<td>(Research)</td>
<td>(40)</td>
<td>(28)</td>
<td>(30)</td>
<td></td>
</tr>
<tr>
<td>(Agricultural College)</td>
<td>(40)</td>
<td>(81)</td>
<td>(86)</td>
<td></td>
</tr>
<tr>
<td>MFDP</td>
<td>230</td>
<td>72</td>
<td>283</td>
<td>76</td>
</tr>
<tr>
<td>(Headquarters)</td>
<td>(38)</td>
<td>(100)</td>
<td>(100)</td>
<td></td>
</tr>
<tr>
<td>(Computer Bureau)</td>
<td>(36)</td>
<td>(44)</td>
<td>(60)</td>
<td></td>
</tr>
<tr>
<td>Education⁶/</td>
<td>108</td>
<td>66</td>
<td>124</td>
<td>80</td>
</tr>
<tr>
<td>(Unified Teaching Service)⁷/</td>
<td>(82)</td>
<td>(538)</td>
<td>(55)</td>
<td>879</td>
</tr>
<tr>
<td>(Polithenec)</td>
<td>(20)</td>
<td>(28)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local Government &amp; Lands</strong></td>
<td></td>
<td></td>
<td></td>
<td>71</td>
</tr>
<tr>
<td>(District Administration)</td>
<td>(50)</td>
<td>(66)</td>
<td>(86)</td>
<td></td>
</tr>
<tr>
<td>(Town &amp; Regional Plug)</td>
<td>(0)</td>
<td>(20)</td>
<td>(33)</td>
<td></td>
</tr>
<tr>
<td><strong>Works and Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td>70.6</td>
</tr>
<tr>
<td>(Roads)</td>
<td>(26)</td>
<td>(32)</td>
<td>(54)</td>
<td></td>
</tr>
<tr>
<td><strong>Mineral Resources and Water Affairs</strong></td>
<td></td>
<td></td>
<td></td>
<td>55.4</td>
</tr>
<tr>
<td>(Dept. of Geological Survey)</td>
<td>(22)</td>
<td>(37)</td>
<td>(50)</td>
<td></td>
</tr>
<tr>
<td>(Water Affairs)</td>
<td>(38)</td>
<td>(61)</td>
<td>(84)</td>
<td></td>
</tr>
<tr>
<td>(Mines)</td>
<td>(11)</td>
<td>(33)</td>
<td>(79)</td>
<td></td>
</tr>
<tr>
<td><strong>Administration of Justice</strong></td>
<td></td>
<td></td>
<td></td>
<td>44.6</td>
</tr>
<tr>
<td>(Health Services)</td>
<td>(22)</td>
<td>(42)</td>
<td>(50)</td>
<td></td>
</tr>
<tr>
<td>(Hospitals)</td>
<td>(16)</td>
<td>(0)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>(42)</td>
<td>(34)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


4/ The Directorate of Personnel is actually completely localized except for the post of Senior Planning Officer. However, 4 expatriates have been recruited for specific purposes (and are holding supernumeral posts).

5/ Selected Depts. only: HQs, Planning, Animal Health, Livestock Advisory Centre, Tse-Tse Fly Control, Research, Abbatoir, Veterinary Field Services, Agricultural Field Services (HQ).


7/ Excluding Primary Teacher Staff.

8/ All professional posts in the department are held by expatriates.
### TABLE VII

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Scientists</td>
<td>(Degree)&lt;sup&gt;2/&lt;/sup&gt; 36</td>
<td>1.3</td>
</tr>
<tr>
<td>Related Technicians</td>
<td>(Diploma) 11</td>
<td>8</td>
</tr>
<tr>
<td>Architects</td>
<td>(Degree) 14</td>
<td>3</td>
</tr>
<tr>
<td>Related Technicians</td>
<td>(Diploma) 27</td>
<td>5</td>
</tr>
<tr>
<td>Engineers</td>
<td>(Degree) 135</td>
<td>66</td>
</tr>
<tr>
<td>Engineering Technicians</td>
<td>(Diploma) 194</td>
<td>580&lt;sup&gt;3/&lt;/sup&gt;</td>
</tr>
<tr>
<td>Doctors, Dentists</td>
<td>(Degree) 136</td>
<td>29</td>
</tr>
<tr>
<td>Pharmacists, etc.</td>
<td>(Degree) 136</td>
<td>29</td>
</tr>
<tr>
<td>Medical Lab Technician</td>
<td>(Diploma) 12</td>
<td>5</td>
</tr>
<tr>
<td>Veterinarians</td>
<td>(Degree) 34</td>
<td>6</td>
</tr>
<tr>
<td>Veterinary Lab Technician</td>
<td>(Diploma) 40</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>Degree 355</td>
<td>199</td>
</tr>
<tr>
<td></td>
<td>Diploma 284</td>
<td>603</td>
</tr>
</tbody>
</table>

<sup>1/</sup> Demand means the number of Botswanans it would take to fill existing vacancies and replace expatriates in central government only. Upcoming projects and the demands of other sectors or of the Unified Local Service are not included.

<sup>2/</sup> Does not include agricultural occupations teachers of science and technical subjects, and scientists other than meteorologists and geoscientists.

<sup>3/</sup> Includes output of vocational training and of Botswana Polytechnic.

<sup>4/</sup> New supply refers to personnel potentially available to the entire economy. Central government has to share this supply with other sectors.

**Source:** Manpower Planning Unit, DOP, November, 1982.

Appendix II: Botswana Central Government Demand and Anticipated New Supply for Science-Based Manpower, in Selected Fields.
### Table VIII

**Manpower Projections, Botswana Central Government: Group "A" Staff 1982 Through 1989**

<table>
<thead>
<tr>
<th>September 1982</th>
<th>ANNUAL GROWTH OF MANPOWER: 5% ADDITIONAL BOTSWANA NEEDED BY 1989</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Posts</td>
</tr>
<tr>
<td><strong>SUPERSCALE CADIO PEP, SSI-VI</strong></td>
<td>188</td>
</tr>
<tr>
<td><strong>ADVISORS, EXPERTS, ETC.</strong></td>
<td>118</td>
</tr>
<tr>
<td><strong>PROFESSIONAL (PR) CADIO TOTAL:</strong></td>
<td>298</td>
</tr>
<tr>
<td><strong>TECHNICAL (T) CADIO T1-3:</strong></td>
<td>43</td>
</tr>
<tr>
<td><strong>&quot;A&quot; TOTAL:</strong></td>
<td>3046</td>
</tr>
<tr>
<td><strong>GENERAL ADMINISTRATION CADIO G1-3:</strong></td>
<td>96</td>
</tr>
<tr>
<td><strong>TECHNICAL INSTRUCTOR CADIO T11-3:</strong></td>
<td>55</td>
</tr>
<tr>
<td><strong>EDUCATIONAL REQUIREMENTS:</strong></td>
<td></td>
</tr>
<tr>
<td>DEGREE</td>
<td>SS, ADV, HR</td>
</tr>
<tr>
<td>ADMINISTRATION</td>
<td>G1-3</td>
</tr>
<tr>
<td>CREDENTIAL</td>
<td>DEGREE</td>
</tr>
<tr>
<td></td>
<td>DIPLOMA</td>
</tr>
<tr>
<td></td>
<td>CERTIFICATE</td>
</tr>
<tr>
<td></td>
<td>OTHER</td>
</tr>
<tr>
<td>DIPLOMA</td>
<td>SS, TI-3, T11-3, NI-5</td>
</tr>
<tr>
<td>CERTIFICATE</td>
<td>SS, T4-5, T14-5, S1-4, B6-7</td>
</tr>
<tr>
<td>J.C.</td>
<td>SS, G4-6, B1-7, P1-7</td>
</tr>
</tbody>
</table>

**Explanatory Notes:**

1. No. of posts includes shadow posts and their incumbents.
2. Existing demand is the sum of vacancies and expatriates in post.
3. Educational requirements do not include teachers.
4. Although there were no Batswana dentists, pharmacists, architects, architectural technicians, or advisors/experts in post in September 1982, one token has been shown in each of these categories in order to make the formula for projected needs compute.

*Source: Manpower Planning Unit, Directorate of Personnel, August 1983*
for each cadre. Over 1000 new degree holders will be needed over the same period to achieve a 50% localization in professional and higher level administrative positions. Obviously, greater sharing of manpower with the private sector will further slow down localization.

5.8 In terms of overall formal employment in the economy, the 1982 National Manpower Development Planning Report estimated\(^4\) that in 1981, the shortage of higher level manpower was of the order of 1000 for university degrees and 3600 for Cambridge graduates. The Report concluded that these shortages (supply minus demand but excluding vacancies and expatriates; hence, not taking into account localization goals) will persist through this decade, tapering off to 856 for degrees and 3068 for Cambridge graduates in 1989.\(^4\)

5.9 The output of the University of Botswana is hardly able to meet the demands of the public service. The University's output in 1983 was 71 degrees and 20 certificates. About 25% of the degrees were in the social sciences and the humanities, for which government demand is low. Assuming an annual output of 54 readily marketable degrees, local supply would at best meet 1/3 of the degrees required to achieve 50% localization in 1989 (54 x 6 = 32%).

The Process

5.10 The machinery for localization is relatively simple. It starts with the fact that budgeted positions are permanent regardless who is the incumbent. If the incumbent is expatriate, the position will be due for localization. In that case, ideally, an "understudy" or "shadow" post is created for the local who will be with the expatriate for a number of months to determine his/her professional strengths and preferences in relation to that post. Thereafter, the local person is sent for academic or specialized training, usually for a period of two years. Upon return, the local person spends six months to a year as counterpart to the expatriate while receiving on-the-job training. At the end of that period, the counterpart relationship is reversed and the expatriate becomes an adviser to the local who has taken full responsibilities. In practice, the system is much less organized partly because of the uncertainties of supply and of the availability of educated/trained personnel. Of about 700 Group "A" posts held by expatriates, only about 100 are "shadowed" for localization in the manner just described. More often, potential candidates for localization are identified within the public sector and transferred to specific posts when they are ready and when the posts become vacant. The Directorate of Personnel is apparently moving away now from past practice which identified the particular individuals designated to occupy specific posts. To foster competition and prevent localization from being taken for granted, a group of individuals are identified for potential posts to be localized without disclosing who will occupy which post.

\(^4\) The NDP Mid-term Review considers these figures to be underestimates.

\(^4\) 1982 Manpower Planning Report, Table 20 and para. 4.2.
5.11 The localization process is reviewed every two years by a Presidential Commission on Localization and Training on the basis of plans, prepared by ministries or individual departments. (Appendix F is an example, perhaps the best, of a Training and Localization Plan (1982-1989), prepared by the Department of Town and Regional Planning (D.T.R.P.) in the Ministry of Local Government and Lands). The Commission's membership is composed of the Administrative Secretary, Office of the President, of Permanent Secretaries as well as of representatives of the Botswana Civil Servants Association and, occasionally, from the professional or technical cadres. The last Commission was chaired by the Minister of Public Service and Information. The Commission has become a permanent one since it first met in 1971 and it makes recommendations for localization based on its review of staffing requirements of each Ministry. The recommendations are to be implemented under the supervision of DOP which reviews every expatriate contract that comes up for renewal, to determine whether the post is ready for localization. The Commission monitors implementation and it has published follow-up reports every two years beginning in 1973, detailing progress in localization by Ministry and Division and accounting for changes or deviations from the recommendations it had adopted. Occasionally, Permanent Secretaries appear before the Commission to account for progress or lack of it.

Localization of the Parastatals

5.12 Localization has proceeded at a much slower pace in the parastatals than in the public sector. Two main reasons account for the parastatals' slower rate: one, the quasi-monopolization, until recently, of trained manpower by government; two, the relative lack of pressure on the parastatals to localize fast, given the autonomy of their management and the freedom they have in recruiting. Usually, the management of the parastatal insists on full credentials, training and practical experience before allowing local staff to take over from expatriates. Moreover, although they unequivocally support training, the parastatals tend to view localization as a long-term process tied to improvements in the educational system and, therefore, mainly a matter of government responsibility. In their view, it would be too expensive and potentially disruptive of current operations to embark on a vigorous, full scale localization program for skilled and higher level manpower. As a result, the typical picture in the parastatals is strong or full localization in the junior grades and slow progress in the technical, professional and managerial levels. Nevertheless, all parastatals have training and localization plans which are reviewed and updated periodically, sometimes on an annual basis.

44/ The overall distribution of expatriates in the parastatals/private sector substantiates this picture: In 1980, it was estimated that twenty-four percent of the expatriates occupied managerial positions, another 28% were in higher level professional positions, 35% in charge of production tasks and 13% in other technical areas. (USAID Work Force and Skills Training Project, p. 64.) The current situation can be seen in annual localization reports of individual parastatals.
C. MANPOWER PLANNING, TRAINING AND EDUCATION

5.13 These are the three pillars on which the localization effort is being built in Botswana. Long-term manpower planning began to take shape early in 1981 with new and expanded responsibilities assigned to the Manpower Planning Unit of the Directorate of Personnel and to the Employment Policy Unit in the MFDP. The latter's function is to coordinate manpower planning and employment policy at the national level, while the former's tasks relate specifically to the manpower needs of the public service, manpower budgeting and personnel allocations, and in-service training. These two units have enormous responsibilities since they are the main instruments for managing the supply and distribution of manpower in the economy. Besides regular manpower budgeting, their responsibilities include assessing aggregate government and private sector needs, establishing the relative priorities for localization of different departments, and determining the implications of development projects, and of economic expansion generally, for manpower deficits. In addition, these units have an important say in education policy in so far as the supply of skilled manpower is concerned. These responsibilities are beginning to be addressed systematically as the government moves to remedy existing inadequacies in the system of manpower planning. For example: insufficient data at the departmental level, slow coordination within the public sector and with the private sectors, and the absence of an overall national manpower plan scanning a long term horizon of five to ten years. There is also inadequate monitoring of manpower movements which would be necessary to correct potential imbalances among departments or sectors, and, to prevent the rise of serious discrepancies between projected recurrent expenditures on personnel on the one hand, and actual manpower growth and expenditures on the other, as was revealed during the NDP midterm review. Clearly, the structure for manpower planning is in place and the government is fully aware of the needs and responsibilities of these units. The 1982 and 1983 reports on National Manpower Development Planning, produced by the Employed Policy Unit of the MFDP, are important steps in the right direction. The next steps are to implement the recommendations to make manpower planning the focus and the driving force behind localization.

5.14 There is great consternation in Botswana that trainee output has failed to keep pace with demand. This is in part due to the paucity of trainable candidates but, to a large extent, it is also because until recently, Botswana shared with most developing countries some of the familiar weaknesses of training programs. But progress has been achieved also in this area and further progress can be expected. There are three main sources of training for the public sector in Botswana: a) expatriate training, b) in-service training, c) external training, whether locally or overseas, mostly of the pre-service type. The deficiencies of the first source were discussed earlier in this section. In-service training is provided through departmental initiatives in consultation with the Directorate of Personnel, such as short overseas courses sponsored by donor agencies, or local programs offered at the Institute of Development Management, University College of Botswana, the Botswana Institute of Administration and Commerce, etc., and at more specialized facilities like the Botswana Enterprise Development Unit and Rural Industries Promotion, sponsored by the Ministry of Commerce and Industry. The number of in-service training opportunities are considered either too few or
inadequately utilized and the quality too uneven to satisfy the increasing demands of the higher levels of the public sector. External training is mostly of the academic, degree type done overseas through the Bursaries Department or locally at the University of Botswana. The existing training arrangements served Botswana's needs fairly well to localize lower level posts in the public service and more systematic efforts have begun three years ago to improve the quantity and quality of training for fuller localization of the professional and technical cadre. The USAID Work Force and Skills Training Project of 1982 is designed to help meet long- and short-term training needs in the professional and technical fields and to assist in the development of in-country training courses. Furthermore, the government is aware of the need to improve the organization and management of training to implement its objectives and policies. For example, the training plan for each ministry is to be revised and updated perhaps along the lines of the Ministry of Agriculture, supported by the USAID project; manpower needs will be used more systematically to guide training plans; consideration is being given to the preparation of an overall training plan for the central government to parallel and complement the effort completed recently for the local government service; greater coordination of in-country training programs to serve the needs of key ministries is beginning to take shape under the USAID project; and, above all, greater efforts are being made to evaluate the effectiveness of training to focus courses and programs on the practical needs of public service and on employment generally throughout the economy.

5.15 The quality of the educational system in Botswana is the foundation for attaining full localization. The present situation is characterized by structural obstacles to faster localization. There is a surplus of primary school graduates who are not qualified to join the labor force in the formal sector, while there are large shortages of qualified junior and senior secondary school graduates. The challenge for the government is to create employment opportunities for those primary school graduates in both the formal and informal sectors. At the same time, it will have to strengthen science-related subjects and mathematics in the primary schools and improve the quality of teaching generally. It will also have to increase and strengthen secondary school education in science and practical subjects, in conjunction with technical and vocational training in order to meet the increasing demands for skilled manpower. These considerations were the subject of a major review of educational policy conducted by the National Commission on Education which met in 1977. Many of the recommendations were adopted in the government and were reaffirmed by the Presidential Commission on Economic Opportunities in its 1982 report. Some of the recommendations are being implemented through government programs and projects with the assistance of donor agencies: SIDA, through school construction, teaching aids and curriculum development; the World Bank and the USAID through teaching improvements. So far, these efforts have focused on urgent needs in primary education although it is not clear to what extent they promote curriculum reform on behalf of science-based subjects. Other efforts are planned to focus on junior and senior secondary education.
D. THE CASE FOR ACCELERATED LOCALIZATION

5.16 Localization "can be done successfully only if it is accorded the highest priority. Likewise it must be recognized that so profound a change requires an equally profound reorientation of attitudes, a reexamination of the structure of the service (and its functions) from top to bottom, of the most advanced training and job analysis techniques. A sense of urgency, of emergency even must pervade the atmosphere. Traditional approaches must in many cases be discarded since they are inapplicable ... or will not produce results soon enough."45/

5.17 There is no doubt that localization in Botswana's public sector has been impressive. Its pragmatic, evolutionary approach, and a practical strategy have worked, and a system of localization is in place and functioning. However, the question arises whether the process can be accelerated, perhaps by combining it with the sense of urgency recommended some twenty years ago by the Bechuanaland Administration. If the government decides on an accelerated pace of localization, several aspects of the existing process could be reexamined to obtain faster returns.

5.18 First, while the quality of education and training should not fall below standards, there may be room for shortcuts in training to accelerate the preparation of candidates for localization. At the moment, there is almost awe and obsession with what one study called "credentialism," which demands full and complete academic and training qualifications, before considering a candidate ready to take over from an expatriate. Another approach may be found in specialized courses in various professional and technical areas that can be offered locally or overseas to complement valuable on-the-job experience. According to the latest report of the Commission on Localization and Training, the Division of Financial Affairs of the MFDP made successful use of a diploma course at the Botswana Institute of Administration and Commerce (BIAC) and of a course sponsored by the IMF for senior and middle level management. Other channels of training could be utilized more fully, like courses at the Institute of Development Management, and others offered in regional centers or overseas. Furthermore, qualified expatriates should be mobilized to conduct systematically, and as part of their work program, short specialized training sessions for individuals or groups of Batswana officers outside of direct counterpart arrangement. At lower levels of the public service, greater use can be made of technical and vocational training, modified appropriately to enhance functional skills. Examples of these courses are found at the Roads Training School and at the Department of Town and Regional Planning. The issue of accelerating education and training for localization should perhaps be examined further down in the educational pyramid. A comprehensive education sector study may be the best context for such a review.

5.19 Second, there is considerable room for strengthening training and localization plans for each department and ministry and for monitoring implementation, including the monitoring of the parastatals' performance in

localization. The existing machinery, consisting of the Localization Commission and of the Directorate of Personnel, provides more of an overview of localization progress rather than detailed monitoring. Should localization be deemed a matter of urgency, it might be advisable to appoint a senior civil servant to take charge of the policy and account for its implementation. Under the present arrangement, it is not clear who has ultimate responsibility for localization.

5.20 Third, the utilization and retention of trained personnel requires greater attention than has been given so far, given the increasing number of dropouts during bonding service and of leavers from the public service generally.\textsuperscript{46} When graduates return to Botswana, it has been shown that speedier localization can be achieved when they are received into an organized program of practical training, oriented towards the specific requirements of the posts that they are scheduled to fill. This is particularly important for the period when the graduates are in bonding service. Unless a structured training program is offered, the graduate will tend to look for other options outside the public service. The more able among them will find it easier to have private sector employers pay for their bonding obligations. Once former trainees have joined the service, other factors must be taken into consideration to ensure that "localization" is sustained. For example, existing schemes of service are sometimes too rigid when they set fixed-time requirements at each grade level before promotion can be considered, even for exceptionally qualified people.\textsuperscript{47} This and other aspects of career and staff development require a more dynamic approach on the part of DOP if a faster transition to localization is desired. At the moment, the system of localization seems to be too institutionalized, with the Commission and the Directorate of Personnel administering the regulations rather than actively seeking ways to improve or speed the process. In the parastatals, more active monitoring of localization policies may be necessary to move away from the continuing trend of dual staffing, with locals at the junior levels and mostly expatriates in the higher grades. Other factors that influence localization, such as in-service training, allowances, housing and the Incomes Policy, will also require continuous review to ensure successful implementation of basically sound localization policies and programs.

\textsuperscript{46} According to Dr. Kedikilwe (Education and the Problem of Localization, \textit{op. cit.}, p. 19), during the first half of the plan period, an average of 65 Group "A" officers left government each year for the private sector, a loss rate of 5% a year. This has increased to 7% in 1982/83 or 110 per year.

\textsuperscript{47} The 1982 report on localization noted, for example that "the problem hindering localization ... is shortage of locals ... and progression in the professional cadre is particularly slow ... We do recommend that the proposed scheme of service should be much more attractive in terms of faster progression and remuneration if the Department is to attract locals and be able to retain them for purposes of localization" p. 26. See also the draft report on the Joint Mid-Project Evaluation of Project No. 200/00905, Technical Assistance to the Botswana Department of Mines, Phase II, CIDA, Toronto, Canada, April 1983, pp. 52-54.
5.21 Fourth, management development, i.e., developing mainly recent graduates into effective managers, has been effectively accomplished through on-the-job training. However, as discussed in Annex I, this may no longer be sufficient to enhance localization efforts or to cope with the increasing complexities of managing Botswana's diversifying economy. Formal management training programs are being prepared in several ministries and this is the correct approach, provided that courses are focused on the specific job situation in each ministry. Other complementary measures may be required to establish more systematic management training throughout the public sector, under the leadership of the Directorate of Personnel. These measures could include a) identification of needs (and eventually of candidates), by department; b) development of short orientation courses for new or potential managers as well as periodic skill-upgrading courses for current managers; c) more structured on-the-job training; d) evaluation of training; and e) coordination of management training with career development.

5.22 Accelerated localization carries the risk of promoting under-qualified and relatively inexperienced officials, who may then move on to senior positions and occupy them for a decade or more. This tends to create morale problems and strong pressures for the lateral expansion of the civil service with consequent deterioration in effectiveness. Botswana has so far resisted internal pressures for rapid localization, but the demands of the young, the cost of expatriates and political stirrings are all important factors that will intensify pressures, as happened in many other countries, particularly in Africa. The government is sensitive to these pressures and it has accumulated valuable experience in localization. That is why a gradual, deliberate acceleration of ongoing programs will likely prevent the consequences of rapid or uncontrolled localization.
ANNEX I

MANAGEMENT DEVELOPMENT*

INTRODUCTION

1. This annex will review the government's existing and planned programs for higher level management development and will recommend several actions to accelerate the development of local managers.

2. At the present time the government of Botswana has no formal program of higher level management training in the civil service. There are extensive programs for technical training mainly through the use of overseas graduate education. The government also has a systematic training process for lower level, non-university graduates, based at the Botswana Institute of Administration and Commerce (BIAC), but the only required training program for university graduates is a short orientation course in government procedures when they first join the civil service. There is a local management training institution, the Institute of Development Management (IDM), which will be described below, but attendance at IDM courses is voluntary. There is no method of defining management training needs, nor any process for integrating training and career development nor any formal process for ex-post evaluation of training. However, Botswana has been using management development through on-the-job training (OJT) by qualified supervisors and managers. OJT works well, but it is time consuming. To accelerate the process of management development OJT can be effectively supplemented with formal training.

The Institute of Development Management (IDM)

3. The IDM is responsible for professional level management training in Botswana. The government and the various training institutions have coordinated their activities and have clearly defined IDM as the designated institution for management training. The IDM offers a variety of courses in management, and in 1983, 409 Batswana attended 37 different courses.

4. The Institute offers certificates in the areas of Public Administration and Management, Personnel Administration, Health Administration and Education Administration. In addition, the Institute offers more than 25 short courses of four weeks duration or less in its areas of specialization.

5. IDM, as a regional institution, has been operating in Botswana, Lesotho and Swaziland since 1974. Its main campus is at the University of Botswana with branches in the other two countries. The Institute has a qualified staff and has had a strong localization effort. The IDM's major strength is that it is highly flexible. Its regional standing and its diversified sources of funding remove it from the bureaucratic rigidity which often characterizes government training centers. Its course structure and timetable are set up to allow for quick reaction and adjustment to the needs of its various clientele.

*This Annex was prepared by Mr. Robert B. Youker.
6. IDM Botswana recently financed several new buildings through a World Bank loan. At present IDM has five classrooms and two potential seminar rooms and a library. It is operating at close to capacity but its hostel space (one block with 46 beds) is a major constraining factor. At present, utilizing the small seminar rooms, there is a capacity for 180 people in the classrooms. The hostel space can be supplemented by the off-season use of university dormitories.

7. The IDM is involved in three specialized management training programs for three different ministries. As described below, these and other training programs are carefully oriented to the actual job situation.

Examples of Management Development

8. The following organizations are each preparing new training programs to be financed by World Bank loans:
   - Ministry of Health;
   - Ministry of Education;
   - Unified Local Government; and
   - Water Utilities Corporation.

9. Ministry of Health. The government and the World Bank have proposed a project that will include a reorganization of the Ministry of Health. A training program will be established (partly at IDM — with some external support) to orient managers to their new roles and responsibilities. Extensive training needs analyses are presently being conducted.

10. Ministry of Education. Studies of management problems and training needs analyses in 1982 revealed deficiencies in school administration in Botswana. Effective teachers when promoted into headmasters jobs did not have the required administrative knowledge and skills for their new roles. The Ministry with financial support from USAID asked the IDM to design separate training programs for headmasters and junior administrators. The training is currently underway.

11. Unified Local Government. The central government has requisitioned all university graduates for many years causing other organizations such as Unified Local Government to be short of qualified higher level Batswana staff. A series of studies of the management problems in the local government administration have led to detailed definitions of training needs. Several training programs are underway with assistance of IDM, Sweden, USAID and the World Bank.

12. Water Utilities Corporation. Like the other parastatal corporations, the Water Utilities Corporation faces a severe shortage of mid- and high-level personnel. The water supply training specialist in the World Bank Central Education Division training unit has helped the Water Utilities Corporation to develop a technician training program at the Botswana Polytechnic. This program will train technicians who could later be developed into first line supervisors.
Recommendations

13. The basic management training problem is how to accelerate and improve the process of developing recent university graduates into mid-level managers to accelerate localization in the civil service and parastatal corporations. The mission proposes the following recommendations as solutions for this problem:

i) Institute Manpower Planning and Training Needs Analysis

14. The present system of manpower planning in the Directorate of Personnel only deals with gross numbers at the macro level. Training needs analyses must be prepared at the individual level by matching existing skills with job requirements. The DOP is in the process of instituting a new form for yearly performance evaluation that will include a section on training needs to be completed by both the employee and the supervisor. To make this new evaluation form into a meaningful exercise, the mission recommends an orientation process for personnel officers in training needs analysis. In turn the personnel officers should train managers in the same process.

ii) Emphasis on Local Specialized Training

15. The present conception of higher level training in Botswana is generally oriented toward sending young civil servants overseas for graduate degrees. In technical subject areas such as veterinary medicine, overseas training is essential. In other more general fields, an overseas graduate degree may not be necessary nor even desirable. One of the benefits of detailed and individualized training needs analysis will be the definition of the market for local courses in management that can be offered through the IDM.

iii) Train Expatriates in How to Do On-The-Job Training

16. The more than 700 expatriates in the civil service supervise a much larger number of young civil servants. Some of these expatriates do a better job than others in transferring knowledge and skills to subordinates. The process of OJT or job counselling is a specific skill with a well-defined body of knowledge. It would be helpful to instruct expatriates in the art of OJT.

iv) Specific Training Within Specific Ministries

17. Experience indicates that the closer the training relates to the actual job situation, the more impact the training has on job performance. The Government of Botswana is using the IDM to develop three separate management training programs for the Ministry of Health, the Ministry of Education and Unified Local Government. Each of these three training programs will be based on a detailed analysis of specific training needs (required job skills). Each training program will also be based on careful study of the existing management systems and newly instituted reforms. The

USAID is conducting a similar program for the Ministries of Finance and Development Planning, Agriculture, and Commerce and Industry under the Botswana Workforce and Skills Training Project (BWAST). The mission recommends similar training approaches for other organizations to provide the actual skills required by the work force.

v) Formal Process of Management Training for Civil Service

18. As a young university graduate is promoted into managerial positions the content of his/her job changes from mainly technical to mainly managerial. The specific daily tasks change from "doing the work" to helping subordinates to "do the work." This change in responsibility requires a change in perspective, a change in knowledge and skills and most importantly a change in behavior. To solve this training gap many organizations in both the developed and the developing worlds use a formal system of management training. As a manager is promoted to higher levels he/she participates in a required series of management training courses. This lack of a formal management training process has been identified as a problem by Peter Olsen in his 1983 IDM Report on Management and Productivity in Botswana:

"Particularly in Government, employees progress on the basis of length of service, without receiving special management training prior to promotion to senior positions" (page 10). "Employers, including Government, should insure that management training is a prerequisite to advancement into managerial positions" (page 8).

19. Management training is a useful, but not the only, tool for management development. To accelerate management development the mission recommends that the IDM and the Directorate of Personnel start a process of developing a system of formal management training for career development. The first step might be to identify those eligible for management training. This could be followed by establishing short courses for all young university graduates sometime between their second and fourth years in the civil service. These formal courses should supplement the existing program of on-the-job training and specific programs in different ministries.

vi) Ex-post Evaluation of Training

20. The purpose of training is to improve performance by changing job behaviors. The only way to discover the value of training is to see if behavior has changed and if organizational performance has improved. The IDM and some donors such as USAID have conducted ex-post evaluations of some IDM training programs. In the summer of 1981 USAID conducted a follow-up evaluation of participants financed by AID at IDM. 2/

42 of 46 participants felt the training was relevant to their jobs and 44 of 46 said they benefited from the courses. IDM also conducts normal end-of-course evaluations with questionnaires of participants' reactions to the course. This type of reaction evaluation is easy to collect, but is not as valuable as data from the workplace on whether the training did actually lead to changes in job behavior. The mission recommends the installation of a regular process of ex-post evaluation by an independent observer. Since evaluation is a process of measuring whether training objectives have been accomplished, it is important to develop an integrated system of evaluation starting with pre-training needs analysis.
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

Approved Establishment 1983/84

1 Vice President
1 Assistant Minister

1 Permanent Secretary
1 Administrative Secretary
1 Director of Financial Affairs
1 Director of Economic Affairs

1 Private Secretary to the Vice President
1 Principal Administration Officer
1 Senior Administration Officer
1 Administration Officer
9 Senior Administration Assistant/Administration Assistant
1 Registry Supervisor
4 Senior Personal Secretary/Personal Secretary
1 Supervisor of Typing
8 Shorthand Typist/Senior Typist/Typist

1 Tax Advisor
1 Tribal Grazing Land Policy Officer
1 Economic Consultant

Budget Administration

1 Chief Finance Administrator
3 Principal Finance Officers
23 Finance Officers Grade 1

Financial Administration

1 Chief Finance Administrator
4 Finance Officer Grade 1
1 Secretary Central Tender Board
1 Assistant Secretary Central Tender Board
2 Principal Finance Administrator

Economic Affairs

2 Chief Economists
6 Principal Economist
8 Senior Economist
19 Economist
10 Assistant Economist

Rural Development Unit

1 Rural Development Co-ordinator
1 Assistant Rural Development Co-ordinator
1 Administration Officer (Rural Development)

Employment Policy Unit

1 Employment Co-ordinator
1 Senior Economist
1 Economist
1 Assistant Economist

Internal Audit

1 Chief Internal Auditor
2 Internal Auditor
1 Assistant Internal Auditor
1 Senior Administration Assistant/Administration Assistant
1 Principal Internal Auditor
1 Senior Internal Auditor
REPUBLIC OF BOTSWANA
Division of Economic Affairs

Director of Economic Affairs

Chief Economist (Macro Policy)
  
  Employment Coordinator
    
    Planning Officer VI
    Planning Officer X
    Planning Officer XII
    Planning Officer XIII

  Principal Planning Officer I

Chief Economist (Projects)
  
  Principal Planning Officer II
    
    Planning Officer III
    Planning Officer VII
    Planning Officer IX

  Principal Planning Officer III

  Principal Planning Officer IV
    
    Planning Officer V
    Planning Officer I
    Planning Officer II
    Planning Officer III
Appendix D

REPUBLIC OF BOTSWANA
Budget Administration Unit

Chief Finance Administrator

Principal Finance Officer (Dev.)

Finance Officer D1.
Finance Officer D2.
Finance Officer D3.

Assistant Principal Accountant

Principal Finance Officer (Rec.)

Finance Officer R1.
Finance Officer R2.
Finance Officer R3.

Chief Accountant (Dev.)
### Minimum Education/Training Requirements for Entry into the Public Service of Botswana

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**Entry Levels** (See Chart 4 (after page 69) for grade reference)

*Elementary Teachers Course, Primary Lower, Primary Teachers Course.

**Training allowances are paid during training. Successful trainees are then placed on the first step of the appropriate salary schedule.

Source:

 manpower Planning Unit
 Directorate of Personnel
 May 1983
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### APPENDIX TABLE I

**MANPOWER PROJECTIONS, BOTSWANA CENTRAL GOVERNMENT: PROFESSIONAL CADRE**

1982 THROUGH 1989

---

**ANNUAL GROWTH OF MANPOWER: 6%**

- **ADDITIONAL BATSWANA NEEDED BY 1989 -**

**September 1982**

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**SOURCE:** MANPOWER PLANNING UNIT
DIRECTORATE OF PERSONNEL
AUGUST 1983
APPENDIX TABLE II

MANPOWER PROJECTIONS, BOTSWANA CENTRAL GOVERNMENT: TECHNICAL CADE
1982 THROUGH 1989

ANNUAL GROWTH OF MANPOWER: 6%

- ADDITIONAL BATWANA NEEDED BY 1989 -

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SOURCE: MANPOWER PLANNING UNIT
DIRECTORATE OF PERSONNEL
AUGUST 1983
### APPENDIX TABLE III

1983 Supply and Demand of Graduates from University of Botswana

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<tr>
<th>Degree of Study</th>
<th>No. of Graduates</th>
<th>Available for Allocation</th>
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1/ Self-Allocating.

Source: Manpower Planning Unit
Directorate of Personnel
June 1983
Accelerated Development in Sub-Saharan Africa: An Agenda for Action

In the fall of 1979, the African Governors of the World Bank addressed a memorandum to the Bank's president expressing their alarm at the dim economic prospects for the nations of sub-Saharan Africa and asking the Bank to prepare a "special paper on the economic development problems of these countries" and an appropriate program for helping them. This report, building on the Lagos Plan of Action, is the response to that request.

The report discusses the factors that explain slow economic growth in Africa in the recent past, analyzes policy changes and program orientations needed to promote faster growth, and concludes with a set of recommendations to donors, including the recommendation that aid to Africa should double in real terms to bring about renewed African development and growth in the 1980s. The report's agenda for action is general; it indicates broad policy and program directions, overall priorities for action, and key areas for donor attention. Like the Lagos Plan, the report recognizes that Africa has enormous economic potential, which awaits fuller development.

Stock Nos. BK 9114 (English) and BK 9116 (French). Free.

Decentralization in Developing Countries: A Review of Recent Experience

Dennis A. Rondinelli, John R. Nellis, and G. Shabbir Cheema

Reports on the objectives of decentralization. Notes that many developing countries began decentralization during the last 10 years to find ways of using limited resources more effectively. Examines types of decentralization and conditions and factors affecting the implementation of policies supporting decentralization. Provides information on political commitment, administrative support, effective design and organization of programs, and the need for adequate resources. Annexes look at Indonesia's provincial development strategy, China's "production responsibility" system, and Tunisia's deconcentration program.

Stock No. WP 0581. $5.

Development Strategies in Semi-Industrial Economies

Béla Balassa and Associates

Provides an analysis of development strategies in semi-industrial economies that have established an industrial base. Endavors to quantify the systems of incentives that are applied in six semi-industrial developing economies—Argentina, Colombia, Israel, Korea, Singapore, and Taiwan—and to indicate the effects of these systems on the allocation of resources, international trade, and economic growth.

Stock Nos. JH 2569, $39.95 hardcover; JH 2570, $18.50 paperback.

Economic Reform in Socialist Countries: The Experiences of China, Hungary, Romania, and Yugoslavia

Peter T. Knight

Describes the Soviet-style system of centralized planning as a prelude to an in-depth discussion of reform design as experienced in China, Hungary, Romania, and Yugoslavia. Some lessons from the reform of these countries are noted as possibly relevant to future attempts at improving the efficiency both of socialist economies and state sectors of mixed economies.


The Extent of Poverty in Latin America

Oscar Altimir


Prices subject to change without notice and may vary by country.
The Effects of Corruption on Administrative Performance: Illustrations from Developing Countries
David J. Gould and Jose A. Amaro-Reyes

Analyze the effects of corruption on the administrative performance of developing countries. Examines the political, economic, and social factors that contribute to its incidence. Data from Asia, Africa, and Latin America form the basis for discussion.


First Things First: Meeting Basic Human Needs in the Developing Countries
Paul Streeten, with Shahid Javed Burki, Mahbub ul Haq, Norman Hicks, and Frances Stewart

The basic needs approach to economic development is one way of helping the poor emerge from their poverty. It enables them to earn or obtain the necessities for life—nutrition, housing, water and sanitation, education, and health—and thus to increase their productivity.

This book answers the critics of the basic needs approach, views this approach as a logical step in the evolution of economic analysis and development policy, and presents a clear-sighted interpretation of the issues. Based on the actual experience of various countries—their successes and failures—the book is a distillation of World Bank studies of the operational implications of meeting basic needs. It also discusses the presumed conflict between economic growth and basic needs, the relation between the new International Economic Order and basic needs, and the relation between human rights and basic needs.

Stock Nos. OX 520368, $18.95 hardcover; OX 520369, $8.95 paperback.

The Hungarian Economic Reform, 1968-81
Bela Balassa

Staff Working Paper No. 506. 1982. 31 pages (including references).
Stock No. WP 0506. $3.

Implementing Programs of Human Development
Edited by Peter T. Knight; prepared by Nat J. Colleta, Jacob Meerman, and others.

Stock No. WP 0403. $15.

International Technology Transfer: Issues and Policy Options
Frances Stewart

Stock No. WP 0344. $5.

Managing Project-Related Technical Assistance: The Lessons of Success
Francis Lethem and Lauren Cooper

Practical guidance for technical assistance designers and appraisers based on feedback from aid agencies and technical assistance recipients in Africa, Asia, and the Middle East who participated in successful projects. Planners and practitioners will benefit from the proven advice in this report. Covers identification of need, design of services and administration, implementation and management of technical assistance.


Managing the Public Service in Developing Countries: Issues and Prospects
Selcuk Ozgediz

Identifies better ways to manage human resources to meet escalating demand for improved public services in developing countries, where public service employment is growing four times faster than in developed countries. Resultant problems in personnel management, public service training programs, and the applicability of Western management practices in developing country settings are considered.


Models of Growth and Distribution for Brazil
Lance Taylor, Edmar L. Bacha, Eliana Cardoso, and Frank J. Lysy

Explores the Brazilian experience from the point of view of political economy and computable general equilibrium income distribution models.

Oxford University Press, 1980. 368 pages (including references, appendixes, index).
Stock Nos. OX 520206, $27.50 hardcover; OX 520207, $14.95 paperback.

Patterns of Development, 1950-1970
Holli Chenery and Moises Syrquin

A comprehensive interpretation of the...
structural changes that accompany the growth of developing countries, using cross-section and time-series analysis to study the stability of observed patterns and the nature of time trends.


--- NEW ---

Pioneers in Development
Edited by Gerald M. Meier and Dudley Seers
Some of the pioneers in development economics—Lord Bauer, Colin Clark, Albert O. Hirschman, Sir Arthur Lewis, Gunnar Myrdal, Raul Prebisch, Paul N. Rosenstein-Rodan, W.W. Ros-tow, H. W. Singer, and Jan Tinbergen—offer a retrospective view of the formative decades after World War II when they made their seminal contributions to the subject. In individual papers, the pioneers recapture the intellectual excitement, expectations, and activism of that period and provide rare autobiographical detail and insight into why they said what they did and what they now think about the state of development thought and policy. Commentary is provided by economists of the succeeding generation, who reappraise their ideas with the benefit of hindsight. General overviews of the subject have been written by Gerald Meier and Paul Streeten. Oxford University Press, May 1984. About 400 pages. Hardcover only.

--- NEW ---

Planning in Developing Countries: Lessons of Experience
Ramgopal Agarwala
Reports that, in most developing countries, planning failed to live up to expectations. Outlines steps to remedy this situation. Recommends a general reorientation and emphasis on the most effective areas in the initial formulation of plans. Provides an in-depth review of the experience of planning in developing countries during the post-World War II period. Analyzes problems, successes and failures, emerging trends, and lessons learned.

--- NEW ---

Policies for Strengthening Local Government in Developing Countries
Glynn Cochran
Looks at the ways by which highly centralized governments effectively utilize and improve resources within local governments. The need for strengthening personnel performance at the local level is discussed, including an analysis of useful methodology. Discussion of local revenue sources and patterns of revenue generation provides a framework from which to examine factors affecting government performance at higher levels.

Policy Interventions for Technological Innovation in Developing Countries
Charles Cooper
Stock No. WP 0441. $3.

Poverty and Basic Needs Series
A series of booklets prepared by the staff of the World Bank on the subject of basic needs. The series includes general studies that explore the concept of basic needs, country case studies, and sectoral studies.

Brazil
Peter T. Knight and Ricardo J. Moran
An edited and updated edition of the more detailed publication, Brazil: Human Resources Special Report (see description under Country Studies listing).
1981. 98 pages (including statistical appendix, map). English.
Stock No. BK 9028. $5.

Malnourished People: A Policy View
Alan Berg
Please refer to Food and Nutrition for information.

Meeting Basic Needs: An Overview
Mahbub ul Haq and Shahid Javed Burki
Presents a summary of the main findings of studies undertaken in the World Bank as part of a program for reducing absolute poverty and meeting basic needs.
1980. 28 pages (including 2 annexes).
Stock Nos. BK 9015 (Arabic), BK 9016 (English), BK 9017 (French), BK 9018 (Japanese), BK 9019 (Spanish). $3 paperback.

Shelter
Anthony A. Churchill
Defines the elements that constitute shelter; discusses the difficulties encountered in developing shelter programs for the poor; estimates orders of magnitude of shelter needs for the next twenty years; and proposes a strategy for meeting those needs.
Stock Nos. BK 9020 (Arabic), BK 9021 (English), BK 9022 (French), BK 9023 (Spanish). $3 paperback.

Water Supply and Waste Disposal
Discusses the size of the problem of meeting basic needs in water supply and waste disposal and its significance to development in the context of the International Drinking Water Supply and Sanitation Decade. Examines the Bank's past role in improving water supply and waste disposal facilities in developing countries and draws conclusions for the future.
1980. 46 pages.
Stock Nos. BK 9024 (Arabic), BK 9025 (English), BK 9026 (French), BK 9027 (Spanish). $3 paperback.

Poverty and the Development of Human Resources: Regional Perspective
Willem Bussink, David Davies, Rogergrave, Basil Kavalsky, and Guy P. Pfeffermann
Stock No. WP 0406. $5.

Poverty and Human Development
Paul Isenman and others
Since economic growth alone has not reduced absolute poverty, it has been necessary to consider other strategies. The strategy examined in this study—human development—epitomizes the
idea that poor people should be helped to help themselves. Four chapters provide an overview of alternative strategies; a detailed look at health, education, nutrition, and fertility; lessons from existing programs; and an examination of broader issues in planning.

Oxford University Press. 1982. 96 pages (including statistical appendix).

Reforming the New Economic Mechanism in Hungary
Bela Balassa

Social Infrastructure and Services in Zimbabwe
Rashid Faruqee
Stock No. WP 0495. $5.

Some Temporal Aspects of Development: A Survey
R. S. Eckaus
Identifies, quantifies, and explains factors that lengthen project design and completion. Analyzes changes that take place over time in principal areas that affect economic development—labour supply, social structures and their behavior, government support functions, market organization and efficiency, and capital productivity. Notes that development has proved to be a relatively slow process.

Structural Change and Development Policy
Hollis Chenery
A retrospective look at Chenery's thought and writing over the past two decades and an extension of his work in Redistribution with Growth and Patterns of Development. Develops a set of techniques for analyzing structural changes and applies them to some major problems of developing countries today.
Oxford University Press, 1979; 2nd paperback printing, 1982. 544 pages (including references, index).

Stock Nos. OX 520094, $34.50 hardcover; OX 520095, $12.95 paperback.

Successes and Failures in Meeting the Management Challenge: Strategies and Their Implementation
Milan Kubr and John Wallace
Examines the original nature of key management problems faced by developing countries and outlines proven strategies for improving management competence and performance. Presents approaches to management development recently introduced by enterprises and institutions such as business clinics and self-development programs for management as well as tailored and action-oriented programs.

Tourism—Passport to Development? Perspectives on the Social and Cultural Effects of Tourism in Developing Countries
Emanuel de Kadt, editor
The first serious effort at dealing with the effects of tourism development in a broad sense, concentrating on social and cultural questions.
Stock Nos. OX 520149, $24.95 hardcover; OX 520150, $9.95 paperback.

Training for Public Administration and Management in Developing Countries: A Review
Samuel Paul
Analyzes the results of a survey of the trends, developments, and problems in public administration and management training (PAMT) in developing countries. Highlights various aspects of training and career development programs including the impact of PAMT programs in developing countries during the past 30 years, the reasons for successful programs, and some innovative training designs and methods.

Tribal Peoples and Economic Development: Human Ecologic Considerations
Robert Goodland
At the current time, approximately 200 million tribal people live in all regions of the world and number among the poorest of the poor. This paper describes the problems associated with the development process as it affects tribal peoples; outlines the requisites for meeting the human ecologic needs of tribal peoples; and presents general principles that are designed to assist the Banks staff and project designers in incorporating appropriate procedures to ensure the survival of tribal peoples and to assist with their development.
1982. 118 pages (including 7 annexes, bibliography).

The Tropics and Economic Development: A Provocative Inquiry into the Poverty of Nations
Andrew M. Kamarck
Examines major characteristics of the tropical climates that are significant to economic development.
Stock Nos. JH 1891, $12.50 hardcover; JH 1903, $5 paperback.

Twenty-five Years of Economic Development, 1950 to 1975
David Morawetz
A broad assessment of development efforts shows that, although the developing countries have been remarkably successful in achieving growth, the
distribution of its benefits among and within countries has been less satisfactory.

**World Development Report**

A large-format series of annual studies of 200 or more pages, the World Development Report, since its inception, has been what The Guardian has called "a most remarkable publication. It is the nearest thing to having an annual report on the present state of the planet and the people who live on it." Each issue brings not only an overview of the state of development, but also a detailed analysis of such topics as structural change, the varying experiences of low- and middle-income countries, the relation of poverty and human resource development, global and national adjustment, and agriculture and food stability. Each contains a statistical annex, World Development Indicators, that provides profiles of more than 120 countries in twenty-five multpage tables. The data cover such subjects as demography, industry, trade, energy, finance, and development assistance and such measures of social conditions as education, health, and nutrition.

**World Development Report 1983**


**World Development Report 1982**

(Tackles the principal issues and obstacles in the efforts to improve the performance of world agriculture.)

**World Development Report 1981**

(Discusses adjustment—global and national—to promote sustainable growth in the changing world economy.)

**World Development Report 1980**

(Discusses adjustment and growth in the 1980s and poverty and human development.)

**World Development Report 1979**

(Discusses development prospects and international policy issues, structural change, and country development experience and issues.)

**World Development Report 1978**

(Discusses the development experience, 1950-75, development priorities in the middle-income developing countries, and prospects for alleviating poverty.)

Ordering information for World Development Report. All editions are $8, paperback.

**World Development Report 1983**

Stock Nos. OX 520431 (English) hardcover; OX 520432 (English) paperback.

**World Development Report 1982**

Stock Nos. BK 0086 (Arabic), OX 503225 (English), BK 0087 (Spanish), IB 0607 (French), IB 0606 (Japanese).

**World Development Report 1981**

Stock Nos. IB 0594 (Arabic), OX 502988 (English), IB 0598 (German), IB 0593 (Spanish).

**World Development Report 1980**

Stock Nos. OX 139419 (English), IB 0599 (Spanish).

**World Development Report 1979**

Stock No. OX 502638 (English).

**Management and Development Series**

**Decentralization in Developing Countries: A Review of Recent Experience.** WP 0581. $5. (Development)

**Development Finance Companies, State and Privately Owned: A Review.** WP 0578. $3. (Finance and Debt)

**Economic Reform in Socialist Countries: The Experiences of China, Hungary, Romania, and Yugoslavia.** WP 0579. $5. (Development)

**The Effects of Corruption on Administrative Performance: Illustrations from Developing Countries.** WP 0580. $3. (Development)

**The Japanese and Korean Experiences in Managing Development.** WP 0574. $3. (Development)

**Managing Project-Related Technical Assistance: The Lessons of Success.** WP 0586. $5. (Development)

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