

11th EDF

National Indicative Programme

(2014 – 2020)

**for co-operation between
the Republic of Botswana
and the European Union**

GENERAL CLAUSES

The Government of The Republic of Botswana and the European Commission hereby agree as follows:

- (1) The Government of The Republic of Botswana and the European Commission, hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2014-2020.

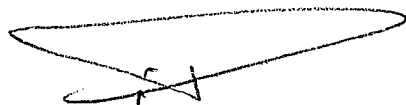
These orientations which are included in the National Indicative Programme, concern the European Union Aid in favour of The Republic of Botswana and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, revised and signed in Luxemburg on 25 June 2005 and revised and signed in Ouagadougou on 22 June 2010.

The National Indicative Programme is annexed to the present document.

- (2) As regards the indicative programmable financial resources which the European Union envisages to make available to The Republic of Botswana for the period 2014-20, an amount of EUR 33 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectorial policies, programmes and projects. The National Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which Republic of Botswana benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation shall be established according to specific mechanisms and procedures and does therefore not constitute a part of the programming.
- (5) Pending the entry into force of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council on the financing of European Union Aid under the multiannual financial framework for the period 2014 to 2020, financing decisions for projects and programmes can be taken by the Commission at the request of the Government of The Republic of Botswana within the limits of the A- and B-allocations referred to in this document under the condition that sufficient financial resources are available in the transitional measures ("Bridging Facility") composed of uncommitted balances from the previous EDFs and from funds de-committed from projects or programmes under those EDFs. The respective projects and programmes shall be implemented according to the rules and procedures of the 10th EDF until the entry into force of the 11th EDF implementing rules and financial regulation.

- (6) The European Investment Bank may contribute to the implementation of the present National Indicative Programme by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2c and 3 of the 11th EDF multi-annual financial framework for the period 2014-2020.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Indicative Programme as well as the A-and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

Done in Nairobi on 19 June 2014 in two originals in English language.



For the Government of the Republic of
Botswana



For the European Commission

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List of Acronyms

| | |
|--------|---|
| ACP | African, Caribbean and Pacific group of States |
| AIDS | Acquired Immunodeficiency Syndrome |
| BEC | Botswana Examinations Council |
| BOCCIM | Botswana Confederation of Commerce Industry and Manpower |
| BQA | Botswana Qualifications Authority |
| DPCF | Development Partners Coordination Forum |
| ECCE | Early Childhood Care and Education |
| EMIS | Education Management Information System |
| ETSSP | Education and Training Strategic Sector Plan |
| EU | European Union |
| GCR | Gross Completion Rate |
| GDP | Gross Domestic Product |
| GGR | Gross Graduation Rate |
| GNI | Gross National Income |
| GPI | Gender Parity Index |
| HDI | Human Development Index |
| HIV | Human Immunodeficiency Virus |
| HRD | Human Resources Development |
| IEA | International Association for the Evaluation of Educational Achievement |
| IMF | International Monetary Fund |
| MDG | Millennium Development Goal |
| MFDP | Ministry of Finance and Development Planning |
| MTEF | Medium-Term Expenditure Framework |
| MTFF | Medium-Term Fiscal Framework |
| MTR | Mid-Term Review |
| NDP | National Development Plan |
| NSA | Non-State Actors |
| PEFA | Public Expenditure and Financial Accountability |
| PFM | Public Finance Management |
| PFMRP | Public Finance Management Reform Programme |
| PSLE | Primary School Leaving Examination |
| SACU | Southern Africa Customs Union |
| SADC | Southern African Development Community |
| TCF | Technical Cooperation Facility |
| TIMSS | Trends in International Mathematics and Science Study |
| TWG | Thematic Working Group |
| TVET | Technical and Vocational Education and Training |
| UMIC | Upper Middle Income Country |
| UNDP | United Nations Development Programme |
| WB | World Bank |

BOTSWANA - 11th EDF National Indicative Programme 2014-2020 – Summary

Botswana has enjoyed many years of political stability and development, largely due to its maturity as an open democracy. Diamond-led growth and sound macroeconomic policies have seen Botswana move from being one of the poorest countries in the world at Independence in 1966 to its present status as UMIC. Botswana's present status does, however, not reflect the substantial medium-term structural economic challenges: more enabling business environment, economic diversification, institutional weaknesses, public finance management and human resources management.

Therefore the strategy for EU-Botswana 11th EDF cooperation will focus on the provision of support towards efforts of the Government of Botswana (GoB) to: develop skilled, efficient, healthy and competitive human resources and public sector reform to achieve greater value for money and quality in the provision of public goods and services. The GoB views the realisation of this objective through both the “right-sizing” of the public service together with the improvement of the efficiency of systems for public sector management and service delivery.

The indicative allocation of the NIP is EUR 33M. Three focal sectors in line with sector choice proposals approved by the Commissioner and clearly aligned to Botswana 10th National Development Plan (NDP10), lessons learned and donor coordination **have been selected:**

| | | |
|--|-----------------|---------------|
| Focal Sector 1: Inclusive and Sustainable Growth – Education sector | EUR 11 M | 33.3% |
| Focal Sector 2: Public Sector Reforms | EUR 11 M | 33.3% |
| Focal Sector 3: Measures in favour of Civil Society | EUR 6 M | 18.2% |
| Cross-cutting: Support measures and NAO Support | EUR 5 M | 15.2% |
| Total | EUR 33 M | 100.0% |

Indications are provided in the NIP on how the EU will seek to mainstream environment and climate change, democracy, human rights and gender issues within the sectors.

In the *Inclusive and Sustainable Growth – Education sector*, the EU will support Botswana in providing an adequate supply of qualified, productive, healthy and competitive human resources appropriate to the demands of the national labour market. It will contribute to improving education service delivery and to raise levels of quality, equity and access to, and completion of, education, through the implementation of system level reforms as expressed in the **Education and Training Strategic Sector Plan (ETSSP to be finalised in 2014)**.

Regarding *Public Sector Reforms (PSR)*, the EU support will contribute to the implementation of the NDPs 10 and 11, through improved public management and public service delivery systems, including all aspects of public finance management such strengthened

planning and budgeting set within a multi-year fiscal framework. **The PSR are currently in the process of being identified.**

Regarding the *Measures in favour of Civil Society (CS)*, the strategies incorporated into NDP 10 and embodied in the Botswana NGO Policy include the establishment of robust partnerships between GoB and CS, with the objective of enabling a situation in which CS can make an effective contribution through advocacy and as a watchdog over GoB policy formulation and implementation. Building on the experiences of 9th and 10th EDF support to Non-State Actors, the 11th EDF programme will focus on continued strengthening of the credibility and competence needed for CS to: effectively engage the public sector in structured dialogue; monitor GoB performance on a range of subjects; raise public awareness on development and governance; and facilitate the establishment of sustainable and independent funding sources for CS.

Wherever available; indicators, baselines and targets have been extracted from NDP10 and existing GoB documents. Where plans and strategies (ETSSP and Public Sector Reforms) are currently in the process of being drafted; indicators, baselines and targets will be selected during the identification and formulation phases of future specific programmes and projects.

NATIONAL INDICATIVE PROGRAMME

1 EU RESPONSE

1.1 STRATEGIC OBJECTIVES OF THE EU'S RELATIONSHIP WITH THE PARTNER COUNTRY

The strategic objectives for EU-Botswana cooperation 2014 – 2020 are guided by the development policies defined in the European Commission's *Communication on the Agenda for Change (2011)*. These objectives are confirmed by Article 1 of the revised ACP-EU Partnership Agreement, signed in Luxembourg on 25th June 2005, and are summarised as giving emphasis to reducing and eventually eradicating poverty within the framework of the development strategies of the individual ACP State. Within this context the specific objective for EU development cooperation in Botswana is sustainable development, taking into account the principle of ownership, as promulgated by the *Paris Declaration on Aid Effectiveness (2005)*, the *Accra Agenda for Action (2008)* and the Outcome Document of the *High Level Forum on aid effectiveness in Busan, Korea (2011)*,

In its *Communication on the Agenda for Change* the European Commission (EC) states that in achieving the strategic objectives for cooperation, the focus should be on those areas where EU assistance can have the greatest impact. This is seen in the *Agenda* as concentrating EU resources in support of: human rights, democracy and other elements of good governance, while focusing on inclusive and sustainable growth for human development.

With respect to governance, the *Agenda for Change* indicates that EU support to good governance, in its political, economic, social and environmental dimensions, should be a more prominent feature in its programmes with partner countries. The *Agenda* also emphasises that where possible the programmes implemented should include results-oriented reforms that meet the demands and needs of a country's population. For cooperation with Botswana under the 11th EDF this would mean that consideration should be given to measures that strengthen the Government's capacities and systems for delivering public services in an effective and efficient manner and which, whilst reducing poverty and inequalities in terms of access and opportunity, will foster the growth of the private sector and economic diversification.

In the area of inclusive and sustainable growth for human development, the *Agenda for Change* foresees that cooperation should take a comprehensive approach. In Botswana's case this involves pursuing measures that address the country's overall objective of a healthy, educated and informed population that has the blend of skills needed to accelerate social and economic development and raise Botswana's competitiveness with respect to both regional and global markets.

Botswana is classified as an Upper Middle Income Country (UMIC) and is one of the more stable and prosperous countries in Sub-Saharan Africa. However, this status does not reflect a number of challenges, not least substantial inequalities in terms of the distribution of wealth and access to employment; the effects of the HIV and AIDS pandemic; and the medium- to long-term structural difficulties associated with the predicted reduction in diamond revenues. Economic diversification therefore remains a central theme, and linked to that, trade liberalization and investment promotion remain key elements of Botswana's trade policy framework and of future development plans.

The objectives set out in the *Agenda for Change* and challenges and broad measures proposed for addressing them, form the basis for the sectors selected for cooperation under the 11th EDF.

1.2 CHOICE OF SECTORS

Botswana has enjoyed many years of political stability and development, largely due to its maturity as an open democracy with a strongly traditional basis. Diamond-led growth and sound macroeconomic policies have seen Botswana move from being one of the poorest countries in the world at Independence in 1966 to its present status as a UMIC.

Botswana's present UMIC status does, however, not reflect the substantial medium-term structural economic challenges. Of particular importance are the country's narrow resource base and its heavy reliance on a single commodity – diamonds – which accounts for a significant part of government revenues. It is expected that, following exhaustion of existing diamond mines, as of 2020 a progressively significant fall in government revenues will become a reality. Given Government's prominence as a main driver of the economy, a significant reduction in revenues would impact negatively on the wider economy and could threaten the country's acquired development level and its aspirations for the future. Therefore a further shift of focus from government spending to private sector development as a stimulus for growth is essential, and Government remains committed to creating a more enabling business environment. Trade policy, supported by other national policies and strategies can play a role in propelling the private sector to diversify, expand production and become more competitive.

Similarly, in spite of substantial socio-economic progress over the last decades and the achievement of a number of MDGs, structural challenges remain, the majority of which are related to poverty. These are the markedly uneven distribution of wealth, a significant mismatch in the labour market and the HIV/AIDS pandemic, where Botswana has the 2nd highest prevalence rate in the world.

There is a strong inter-relationship between the quality of the public sector, economic growth and poverty reduction. Botswana's international governance indicators are generally better than most Sub-Saharan Africa countries. However, public sector management and capacity has not evolved concurrently with the rapid expansion of the public sector following strong economic growth. International indicators of Botswana's performance in terms of the government effectiveness, the regulatory environment and competitiveness have either remained static or fallen over the past fifteen years and compare negatively with countries with a similar GDP per capita. Botswana has a relative weakness in terms of institutional effectiveness. Furthermore, system level reforms in other ministries, e.g. education, can only take fully effect if the public sector reforms, led by improved public finance and human resources management are put in place.

The analysis of Botswana's development framework, as captured in the Tenth National Development Plan (NDP 10) and the mid-term review of NDP 10, confirm the relevance of Government's approach to address its development challenges. Botswana seeks to address the vulnerability of its land-locked economy, heavily reliant on a single commodity, through accelerated economic diversification, improved effectiveness of public spending, public service delivery and human resources development.

The 11th EDF programming proposal is building on the country and programme level evaluations of EU assistance to Botswana under the 9th and 10th EDF that pointed to the importance of support to Government's strategies for progress in general public sector reform and to sector level system reforms in education.

Therefore, given the synergy that exists between national development aspirations, the current NDP 10 policies and ongoing EU support, the strategy for EU-Botswana 11th EDF cooperation will focus on the provision of support towards government's efforts to:

- develop skilled, efficient, healthy and competitive human resources, appropriate to the demands of the national labour market;
- public sector reform to achieve greater value for money and quality in the provision of public goods and service, including all aspects of public finance and expenditure management.

Sector 1 – Inclusive and Sustainable Growth – Education

Botswana's "Vision 2016", the Mid-term Review of NDP10 and the 2013 Budget speech all emphasize the importance of education as the main driver of economic diversification and development, and as a means to address unemployment, which is high in Botswana. It is recognized at national and international level that development of human resources through better education is a key factor for the development of the private sector and better access by educated and trained citizens to access the labour market.

Although the education sector has made important strides forward in the past, especially regarding access, major challenges remain such as the quality provided and issues related to equity. Over the last five years results in national exams have generally shown a decline in performance, especially in subject areas such as English, Maths and Science, and almost 20% of students starting Standard One do not complete the seven year primary cycle. Learners from remote areas and from socially and economically disadvantaged backgrounds are the most affected. Some of the factors contributing to poor performance especially at primary level are: an outdated curriculum, lack of use of mother tongues as a medium of instruction, absence of a compulsory remedial programme and very limited access to ECCE (Early Childhood Care and Education) and pre-primary education, as that is currently only provided by the private sector and NGOs.

While the sector is generously funded with government expenditure on education at an average of 8% of GDP over the last five years, there is a discrepancy between the sub-sectors in the allocation of resources. In a comparison with other UMICs (using data for years 2007-2010), such as Malaysia, Mauritius, Namibia, Chile, and South Africa, Botswana spends less per student in primary education than most countries, while spending more than all the compared countries in both secondary and tertiary. As issues of low performance nonetheless remain problematic in both secondary and tertiary, reform of the education system as a whole is paramount in order for government to achieve better educational outcomes and value for the money invested.

To meet the challenge posed by the education system and its potential impact on competitiveness and private sector-led diversification, Government has given the highest priority to reforms in the education sector, including a realignment of the sector's core service delivery and support structures. The EU is a long standing partner in the education sector and has made a significant contribution in facilitating the initiation of system level reforms in the sector. The Mid Term Review (MTR) of the 10th EDF education programme identified weaknesses in the current implementation framework of policies in the ministry and proposed possible improvements. Therefore Ministry of Education and Skills Development (MoESD) embarked on the process of developing a results based medium-term sector plan, based on in-depth analyses of the core services to be delivered and the related requirements on the level of data, structures, processes, materials and human resources. As the systemic problems identified

in the MoESD proved to be common to other ministries as well, the need for support to a more general public sector reform programme focusing on such reforms also became evident.

The process adopted for the reforms has entailed a review of the sector and the development of a medium-term Education and Training Strategic Sector Plan (ETSSP). The development of the ETSSP, which is assisted through the 10th EDF NIP, has followed a cohesive system-based approach that will culminate in a results oriented integrated and costed sector development plan. The plan will provide the basis for a consistent means of delivering high quality education and skills development, in which those involved in the provision of these services are held accountable.

Sector 2 – Public Sector Reform

The choice of Public Sector Reform for better management systems and service delivery is justified by the strong correlation between the quality of the public sector services, economic growth and poverty reduction. How the public sector machinery works determines the extent to which government is able to provide quality services; create productive infrastructure and other capital investments; stimulate private sector development and trade; manage and protect its natural resources; or produce the regulation and policies necessary for sustainable economic growth. Botswana's framework for development, as contained in Vision 2016, NDP 10 and the Mid-Term Review of NDP 10, recognises that improvements in public service delivery, through public service management reforms, are fundamental to the realisation of economic and social aspirations.

Botswana disposes of a well-developed policy framework, but encounters a challenge regarding its efficient and effective implementation. The public service management reforms focus on a strengthening of the systems that link the policy level with the actions implemented on the ground, by fortifying the cycle of national planning, sector programming and budgeting, as well as by improving monitoring and evaluation of programme execution, which is often not complete. The approach is therefore rather generic than sector specific.

For public service management reforms to be effective, it is widely acknowledged that Public Finance Management (PFM) is one of the main areas to be addressed. While it is possible to rewrite financial regulations and design systems for budgeting and financial control, PFM reform can contribute to change throughout the whole gamut of public sector management practice including: improved planning; more effective monitoring and evaluation; more efficient resource allocation and utilisation; the establishment of clear lines of authority; and greater individual responsibility.

A number of public sector management reform initiatives are currently ongoing at different levels and sectors such as at Ministry of Finance and Development Planning (MFDP), Ministry of Education and Skills Development (MoESD), Ministry of Local Government and Rural Development (MLGRD) and Department of Public Service Management (DPSM). At the same time, there are broader horizontal initiatives, such as E-government and improvement of the economic environment (red tape reduction) which also require overarching steering and coordination. There is a need to do a situation analysis to identify the ongoing reform efforts, establish reform priorities, and to coordinate and sequence their implementation. Important areas of reform may need to be added, such as the role of parastatals and decentralization.

The EU is since several years supporting public sector management reform at the MFDP and the MoESD and can build on these experiences to support Government in core reforms of the public sector as regards:

- Public Finance Management (legal and institutional framework, budget planning and budget formulation; budget execution; budget control and oversight; external scrutiny and audit; revenue management);
- Strengthening the link between national planning, ministerial programmes and budget execution;
Identification and sequenced implementation of public sector reforms in the field of PFM, sector level reforms at line ministry level and broader overarching reform initiatives

Based on the extensive and varied nature of the support required for facilitating and assisting Government's public sector reform agenda, it is proposed that the project approach should be the preferred means of implementation.

During formulation of actions under all sectors of the NIP, parties will, whenever appropriate, investigate climate mainstreaming possibilities.

During implementation of the NIP, parties will focus on reinforcing the quality of the statistics that will be used in the Monitoring and Evaluation Frameworks of the actions.

Finally, taking into account the importance of the Information and Communication Technologies (ICT) and their applications as proven drivers of inclusive and sustainable growth, innovation and entrepreneurship in the developing world, in designing interventions throughout the selected focal sectors of Botswana's Indicative Programme as well as support measures, particular attention will be paid to the deployment of these technologies and the full exploitation of their potential in providing or facilitating viable solutions in all sectors of the programme.

2 FINANCIAL OVERVIEW (Indicative amounts)

A number of instruments will be used to finance the implementation of the EU response to Botswana's development objectives and strategies. The indicative allocation for the 11th EDF envelope of EUR 33 M will support interventions within the sectors identified:

| | | | |
|------------------|--|-----------------|--------------------|
| Sector 1 | Inclusive and Sustainable Growth - Education | EUR 11 M | 33 % of allocation |
| Sector 2 | Public Sector Reform | EUR 11 M | 33 % of allocation |
| Other measures | Support to Civil Society Organisations | EUR 6 M | 18 % of allocation |
| Support measures | Technical Cooperation Facility | EUR 5 M | 15 % of allocation |
| Total | | EUR 33 M | |

Apart from the above and subject to Government's statutory limits for fiscal debt, the resources managed by the European Investment Bank (EIB) may be accessed to support government investments in economic infrastructure. In addition, EU facilities (EU-Africa Infrastructure Trust Fund; EU-ACP Energy Facility), SADC Regional Integration funds and EC budget lines could be used to finance specific operations, in particular those for regional integration, governance, environmental and natural resources conservation, climate change, human rights and Non State Actors.

3 EU SUPPORT PER SECTOR

3.1 INCLUSIVE AND SUSTAINABLE GROWTH - EDUCATION

(Indicative Amount: EUR 11 M)

3.1.1 Overall and specific objectives pursued

The EU's response to inclusive and sustainable growth through education will support Botswana's development goal of "*a prosperous, productive and innovative society*". This is articulated in National Development Plan (NDP) 10 as having the overall objective of providing an adequate supply of qualified, productive, healthy and competitive human resources appropriate to the demands of the national labour market.

To reach this objective the major challenges will be issues related to the quality provided and to the equity of the education system. As Botswana's infrastructure does not require large investments, increased focus on improved planning and management of the education sector can significantly increase the quality of and access to education, as well as tackle the critical need of better value-for-money in the sector.

The education sector is therefore in the process of developing a results based medium-term sector plan. The sequenced implementation of this sector plan, the Education and Training Strategic Sector Plan (ETSSP), represents a large system level reform and a major shift in how the ministry is run, and will require substantial support. One probable development will be the introduction of School Operating Budgets at all levels of education, enabling schools to respond to the priorities and needs of the local community they serve and increasing local discretion and accountability over improving school and student performance. These planned system level reforms also include introducing public provision of two year pre-primary education and an improved Technical and Vocational Education and Training (TVET) equivalent to Senior Secondary level, which will facilitate access to the labor market for students wanting to focus on practical subjects. The ETSSP that is scheduled to be finalized by July 2014 will be the basis for 11th EDF dialogue and EU support in the education sector.

The preparations for above system-level reforms were started with support from the 10th EDF and it is expected that first results of this major shift in how the MoESD is operating can be yielded in terms of improved service delivery output in the coming 3-5 years. The most explicit need of the ministry is the transfer of skills and knowledge on how to put in place improved systems and how to plan for new initiatives and reforms to be implemented in a sequenced and systematic manner. It is expected that the support under 11th EDF will follow through the reforms started and guide these towards sustainability, where the MoESD is comfortable keeping up the execution and implementation on its own.

The specific objective for 11th EDF support to the education sector shall be: Improved education service delivery and raised levels of quality, equity and access to, and completion of, education, through the implementation of system level reforms as expressed in the ETSSP.

3.1.2 Main expected results and indicators

In achieving the specific objective the main results expected focus on system changes and sector and sub-sector outputs at all levels of education. These outputs will include: increasing the numbers of graduates, higher quality and relevance of their education and training, and the improved equity of service provision with respect to poverty, gender, geographic location and special needs. The Ministry is at the moment developing Key Performance Indicators (KPIs)

for their own annual performance measuring, and these will also form the basis of the Performance Assessment Framework of the 11th EDF education programme.

As the 11th EDF programme will focus on long-term systemic reforms, such as increased accountability for results at all levels of education service delivery coupled with improving the foundation of the education system, foremost in terms of quality and equity, the reforms will only be measurable as outputs many years after their implementation, as students are passing through a reformed system. It is therefore important to include some process indicators, which will take stock of decisions and process milestones that are instrumental for the needed systemic changes to be implemented in practice.

The results expected will be (targets are in Annex 3):

- a. Introduction of results-based management at all levels within the education sector, supported by an information system providing accurate and qualitative data on a timely basis.
- b. Important components of the ETSSP will be the sector's annual reporting on its own performance and the development of a robust and accurate Education Management Information System (EMIS) that can be used in introducing effective results-based management to the sector. Efforts are already on-going to put in place improved performance monitoring structures in order to enable better informed decision-making and timely responses to problems.
- c. Improved primary education performance, as witnessed by an improvement in the quality and number of students graduating from primary education. An increased number of students sitting the national primary school leavers' examination (PSLE), as well as an improvement in the grades in the examination results are expected.
- d. An efficient education and training system of life-long-learning established, that recognises and tracks all learning achievements (formal, informal and non-formal) and provides recognition nationally and across borders for qualifications acquired in Botswana. Increased responsiveness by the qualifications offered in Botswana to the economic and social development needs of the country.
- e. This result will be measuring the performance of the newly established Botswana Qualifications Authority (BQA), whose set-up has been supported under previous EU education programmes. As the introduction of a National Credit and Qualifications Framework is a big change to any education system, the BQA will continue to be supported to ensure that the system becomes operation as smoothly as possible.
- f. Improved equity in respect to gender, special education needs (SEN) and geographic location in the quality of the education services.
- g. Improved equity and sustainability with regard to the financing of the different education sub-sectors
- h. Over the years, in-depth analyses have taken place regarding the financing of the different education sub-sectors (for example Education Public Expenditure Review 2007). Primary education in Botswana is underfunded by international comparison in contrast to the secondary and tertiary sub-sectors. In addition, the current grant-loan system for tertiary education students is universally agreed to be unsustainable. The status of different tertiary education institutions also needs to be clarified in respect to their government financing. A working group with the aim of looking into alternatives to the current systems is being established. As this is a complex issue, reforms will have to be carefully crafted. Therefore major shifts cannot be expected in the short-term.

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Attachment 3. Targets are also in Annex 3)

3.1.3 Donor coordination and policy dialogue

The relatively low volume of external assistance to Botswana means that many of the issues related to aid harmonisation may not be applicable. Within the education sector, the EU has been the major donor in recent years, and a division of labour exists with the other two larger partners, namely UNICEF, involved mainly with out-of-school education, and Germany through GIZ, engaged in the Technical and Vocational Education and Training Sector). Within the framework of the ongoing budget support programme dialogue channels have been established with the key partners. Regular dialogue takes place with the respective Minister and senior officials. EU coordination takes place in the form of regular meetings between the resident Heads of Mission of the Member States and the EU Delegation. For the purpose of coordination with the wider donor community the MFDP has established the Development Partners' Forum (DPF). The Forum meets at least twice a year and provides an opportunity for information sharing on government policies, aid modalities and aid coordination in general.

3.1.4 The Government's financial and policy commitments

The Government of Botswana considers the development of human resources as being critical to Botswana's future progress. The role of the education sector in facilitating economic diversification has been accorded particular significance in the Mid-term Review of NDP 10 and in recent Budget Speeches. In addition to the development of a medium-term sector plan Government is to establish two authorities, the Botswana Qualifications Authority to advise on national credit and qualification frameworks and the Human Resource Development Council, which will have a responsibility for national human resource development planning. Within the recurrent and development budgets education receives one of the largest sector provisions, as demonstrated by the allocation of 25% and 17% of the 2013/14 recurrent budget and development budget.

3.1.5 The overall risk assessment of the sector intervention

The overall risk assessment of an intervention in the education sector suggests that the most significant risk concerns the political economy context, which is critical both for the initial development and the subsequent sustainability of the education reform programme. Any uncertainty in the political will to pursue current policy and other reforms could result in implementation challenges. Although the risks associated with political economy will continue, the actions of Government in placing education as a priority in its development agenda and the assignment of additional resources to lead reforms in education should mitigate this particular risk.

Outside of the political risk the most significant risk is that of human and institutional capacities. The reforms foreseen for the ETSSP include the decentralisation of responsibility and accountability away from the central authorities. The risks associated with this move will be dependent on capacities at the decentralised level, and the extent to which the move involves either a simple transfer of administrative tasks or a full transfer of authority from central units to district and individual schools.

3.2 PUBLIC SECTOR REFORM

(Indicative Amount: EUR 11 M)

3.2.1 Overall and specific objectives pursued

Botswana's development framework asserts that the effective and efficient management of the public sector has a strategic role in shaping the sustainable economic and social growth and success of the nation. As such the overall objective for Public Sector Management Reform will be the reform of the public sector to achieve greater value for money and quality in the provision of public goods and services. The Government views the realisation of this objective through both the "right-sizing" of the public service together with the improvement of systems for public sector management and service delivery.

The specific objective of support to Public Sector Reform shall be: Improved implementation of the National Development Plan, through strengthened planning and budgeting set within a multi-year fiscal framework, and through improved systems for public service delivery.

The attainment of the first part of the objective will require a range of core public finance management changes and amended practices, together with clear lines of authority and accountability and greater individual responsibility. This would also require the continued implementation of the Botswana PFM reform plan, which is monitored using the PEFA methodology.

Strengthening the systems linking national planning, ministerial programmes and budget execution will require the identification, prioritization and sequenced implementation of public sector reforms in the field of public finance management, sector level reforms at line ministry level and broader overarching reform initiatives. As the programme evolves, implementation can be prioritized in ministries and agencies which deal with issues of common interest to the Government of Botswana and the EU, such as private sector development, trade, environment and climate change.

3.2.2 Main expected results and indicators

In achieving the specific objectives the main results expected focus on the improved implementation of government strategies and, consequently, improved policy outcomes.

The results expected will be :

- i. An improved budgetary process that constitutes a more effective and efficient tool, leading to improvements in fiscal discipline; a more effective targeting of resource allocations; improved levels of operational cost efficiency; and the delivery of services that are governed by effective results-oriented management.**
- j. Increased credibility, accountability and transparency of public expenditure.**
- k. Improved public service delivery, through enhanced public service management.**

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Attachment 3. Targets are also in Annex 3)

3.2.3 Donor coordination and policy dialogue

As indicated above (3.1.3), the volume of external assistance received by Botswana means that the harmonisation and coordination of aid are not major issues. The 10th EDF focus on budget support added the dimension of public sector reform to EU-Botswana dialogue, particularly with regard to public finance management. EU Member States and the DPF are informed on initiatives supported and progress made. Close coordination on PFM reform is maintained with the IMF, who is a development partner in the PFM reform process.

3.2.4 The Government's financial and policy commitments

Although NDP 10 recognises the need for improving public sector performance through comprehensive public administration reform, including business process re-engineering; organisational restructuring; decentralisation; personnel performance management; public finance reform; and regulatory reform, the focus has been largely on human resources. This focus is confirmed in the NDP 10 MTR which identifies the priority of providing quality human resources for a productive and competitive public service. However, there is evidence, supported by the appointment of senior officials as leaders of reform in sector Ministries and growing concern at Botswana's lack of competitiveness, that increasing emphasis is being given to more holistic reforms of the public sector. The backing of this initiative will provide a major part of the intervention supported by the 11th EDF and could be a prominent feature in the successor to NDP 10 and future longer term government strategies.

3.2.5 The overall risk assessment of the sector intervention

Risk and uncertainty are inherent to public sector reform, particularly as it is one of the most challenging areas for changing how governments operate and manage their business. Effective reform involves not only changing government's operating systems, but could also require that many thousands of public service employees change their behaviour and work practices. In addition there are significant risks that could arise from political economy as the delivery of public service can be affected by vested interests – influential elites or public sector unions' elites. Although these intrinsic risks can be mitigated through reform programmes that use self-assessments as the basis for addressing issues of management, process and transparency, it may be necessary on occasion to weigh the risk of reform failure against the costs of inaction.

Public sector reform, defined as producing a measurable improvement in services, is a lengthy process during which progress may not be immediately apparent and the risks involved can only be effectively mitigated through the widespread involvement of officers in both central and sector Ministries and through regular feedback from those championing and directing the reforms. **A risk management plan would be an essential element of an 11th EDF programme.**

4 MEASURES IN FAVOR OF CIVIL SOCIETY

(Indicative Amount: EUR 6 M)

An indicative amount of EUR 6 million may be set aside for support to civil society organisations. The strategies incorporated into NDP 10 and embodied in the *Botswana NGO Policy* include the establishment of robust partnerships between Government and Civil Society, with the objective of enabling a situation in which civil society can make an effective contribution through advocacy and as a watchdog over Government policy formulation and implementation. In line with the EU Communication *Roots of Democracy and Sustainable Development, Europe's Engagement with Civil Society* and building on the experiences of 9th and 10th EDF support to Non-State Actors (NSA) the 11th EDF programme would focus on continued strengthening of the credibility and competence needed for Civil Society to: effectively engage the public sector in structured dialogue; monitor Government performance on a range of subjects (e.g. gender, human rights, climate change and the environment, public expenditure and reform); raise public awareness on development and governance; and facilitate the establishment of sustainable and independent funding sources for Civil Society. The funding for activities would be complemented by targeted capacity development that would provide civil society organizations with opportunities for greater sustainability. Measures to be supported could include: institutional assessments of Civil Society organizations' structures both at the level of apex organisations and individual bodies, so as to identify capacity

weaknesses and the means of their resolution; technical assistance to develop capacity inside these organisations; twinning and the exchange of best practices. These measures are furthermore deemed to be complementary to the implementation of programmes under the EIDHR as several organizations that are benefitting from capacity building measures also will be implementing programmes under that instrument.

5 SUPPORT MEASURES

(Indicative Amount: EUR 5 M)

5.1 MEASURES TO SUPPORT OR ACCOMPANY THE PROGRAMMING, PREPARATION OR IMPLEMENTATION OF ACTIONS

An indicative amount of maximum EUR 5 M will be set aside for support to measures relating to the identification and formulation of actions to be implemented through the 11th EDF NIP. Assistance could also be provided in response to expressed Government needs in respect of analytical advisory services and policy advice on key strategic issues. It is expected that this opportunity could be of particular relevance in the context of carrying forward the diversification agenda and the preparation of successor frameworks to Vision 2016 and NDP 10. To meet this requirement and to examine the opportunities for regional cooperation, North-South and South-South “twinning” arrangements, and greater private sector involvement, 11th EDF funds would be made available through the Technical Cooperation Facility (TCF).

5.2 SUPPORT TO THE NATIONAL AUTHORISING OFFICER

Part of the above mentioned measures, could also, if requested, cover support to the National Authorising Officer.

6 IMPLEMENTATION MODALITIES

With a reduced envelope and a programme with significant components of Technical Assistance, the budget support modality is no longer the obvious option for implementation. Targeted interventions and competency strengthening in a number of areas will be necessary and for these a project approach would be appropriate. That said, budget support is a functional and well established method for co-operation in Botswana, which has shown its merits in structuring the dialogue between Government and the Delegation and facilitating the definition of objectives, expected results and indicators. The Public Sector Reform programme is still evolving, and it is therefore premature to determine which modality is the most appropriate for that component. A combination of project support for Technical Assistance and budget support, perhaps across focal sectors, could be contemplated. Therefore a decision on the exact modalities should be made at the identification stage, closer to the start of implementation.

7 COMPLEMENTARITY WITH OTHER INSTRUMENTS

The NIP is developed adhering to the principles of aid effectiveness and sector focus, but it will not be implemented in isolation from actions funded from other EDF or European Commission Budget sources, be they thematic or regional. There are several possible avenues to explore together with the Government of Botswana under the new regional envelopes, where e.g. the nexus of tourism and the sustainable use of Botswana's natural resources have clear regional ramifications as does the use of water resources. Facilitation and promotion of intra-regional trade in goods and services is another one.

In terms of thematic complementarity with the European Commission Budget the EIDHR can purposefully complement the efforts undertaken as regards public sector reform where a competent Civil Society can serve as an important counter-balance to Government.

8 ATTACHMENTS

1. Botswana at a glance
2. Botswana Donor Matrix
3. Sector intervention framework and performance indicators
4. Indicative timetable for commitments
5. Schedule of activities

ATTACHMENT 1 - BOTSWANA AT A GLANCE

| General Information | | | | | |
|---|---|-------------|-------------|-------------|-------------|
| Area (Sq. Km) | 581,730 | | | | |
| Climate | Semi-arid | | | | |
| Land Use | Arable 0.65% ; Permanent crops 0.01%; Other 99.34% | | | | |
| Natural Hazards | Periodic Drought | | | | |
| Environment – current issues | Overgrazing, desertification; limited freshwater resources | | | | |
| Age structure (2012) ³ | 0 – 14 years 33.8% | | | | |
| | 15 – 64 years 62.7% | | | | |
| | >65 years 3.6 % | | | | |
| Population growth rate (2012) ³ | 0.9 % | | | | |
| Urban population (% of total) (2012) ³ | 62% | | | | |
| Rate of urbanisation | 2.3% | | | | |
| Health Expenditure, public (% of GDP) (2009) ³ | 3.5% | | | | |
| Education Expenditure, public (% of GDP) (2009) ³ | 9.5% | | | | |
| Government type | Parliamentary republic | | | | |
| Legal system | Mixed legal system of civil law influenced by Roman-Dutch model and also customary and common law | | | | |
| International law participation | Accepts compulsory International Court of Justice jurisdiction with reservations; accepts International Criminal Court jurisdiction | | | | |
| Suffrage | 18 years of age; universal | | | | |
| Macroeconomic Indicators | 2008 | 2009 | 2010 | 2011 | 2012 |
| Population (millions) ¹ | 1.95 | 1.98 | 2.00 | 2.03 | 2.05 |
| GDP current prices (US \$ billions) ¹ | 11.18 | 10.16 | 13.76 | 15.33 | 14.43 |
| Annual per cent change in GDP, constant prices ¹ | 3.9 | - 7.8 | 8.6 | 6.1 | 4.2 |
| GDP per capita, current prices (US\$) ¹ | 5,728 | 5,125 | 6,854 | 7,551 | 7,020 |
| Aid as % GNI (2010) ² | 5.6 | 2.4 | 1.1 | | |
| Annual per cent change in Consumer Prices ¹ | 12.7 | 5.8 | 7.4 | 9.2 | 7.4 |
| Current account balance (US\$ billions) ¹ | 0.04 | - 1.04 | -0.74 | -0.04 | -0.70 |
| Current Account balance as % of GDP ¹ | 0.35 | - 10.25 | -5.41 | -0.24 | -4.87 |
| General government Revenue as % of GDP ¹ | 39.4 | 37.4 | 32.5 | 36.4 | 35.9 |
| General government total Expenditure as % of GDP ¹ | 46.9 | 50.9 | 39.9 | 36.5 | 35.7 |
| Foreign reserves (US\$ bns– March each year) ⁵ | 10.2 | 8.1 | 8.3 | 8.37 | 8.06 |
| Mining Sector as % of GDP ⁵ | 41.2 | 25.9 | 30.8 | 30.3 | 20.3 |
| Governance Indicators³ * | 1996 | 2000 | 2005 | 2012 | |
| Voice and accountability | 75 | 67 | 66 | 64 | |
| Political Stability – No Violence | 77 | 79 | 84 | 89 | |
| Government Effectiveness | 68 | 71 | 72 | 67 | |

| Governance Indicators³ * | 1996 | 2000 | 2005 | 2012 |
|---|-------------|-------------|-------------|-------------|
| Regulatory Quality | 75 | 72 | 70 | 74 |
| Rule of Law | 63 | 65 | 67 | 70 |
| Control of Corruption | 75 | 75 | 83 | 79 |
| Socio economic indicators | | | | |
| Human Development Index (Ranking) ² | 2000 | 2005 | 2011 | 2012 |
| | 126 | 124 | 118 | 119 |
| Poverty related indicators | | | | |
| | 2002/03 | | 2009/10 | |
| % Population on <\$1.25 per day | | | | |
| % Population on <\$1.00 per day | 23.4 | | 6.4 | |
| | 1991 | 2003 | 2011 | |
| % Population with access to improved water source ³ | 93 | 96 | 97 | |
| Adult literacy rate (% ages 15 and above) ³ | 69 | 81 | 85 | |
| Youth Literacy Rate (% ages 15 – 24) ³ | 89 | 94 | 95 | |
| % Net primary enrolment ratio ³ | 1991 | 2003 | 2009 | |
| | 88 | 83 | 84 | |
| Health Related Indicators | | | | |
| Under-five mortality rate per 1,000 live births ⁴ | 1990 | 2005 | 2012 | |
| | 48 | 67 | 53 | |
| Infant mortality rate (0-1 year) per 1,000 live births ² | 1990 | 2005 | 2011 | |
| | 41 | | 20 | |
| Maternal mortality ratio per 100,000 live births ⁴ | 1990 | 2005 | 2010 | |
| | 140 | 330 | 160 | |
| % Children < 5 years under weight for age (1997-2011) ² | 11 | | | |
| | 2009 | 2010 | 2011 | |
| HIV prevalence - % ages 15 – 49 years ³ | 24.1 | 23.7 | 23.4 | |
| Antiretroviral therapy coverage (% of pregnant women living with HIV who received antiretroviral drugs to reduce the risk for mother-to-child transmission (Mid-point) ³ | 88% | 95% | 95% | |
| Antiretroviral therapy coverage (% of people with advanced HIV infection) ^{3,4} | 82% | 85% | 95% | |
| AIDS orphans (one or both parents) ³ | 140,000 | 130,000 | 130,000 | |
| | 2000 | 2010 | 2011 | |
| Tuberculosis per 100,000 people ³ | 720 | 411 | 380 | |
| Tuberculosis treatment success rate under DOTS, percentage ³ | 77 | 81 | 81 | |
| Life expectancy at birth - in years ² | 1990 | 2000 | 2012 | |
| | 64.24 | | 53.2 | |

*P-Rank Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

Source: ¹IMF (World Economic Report October 2013, 2013 Article IV Consultation); ²UNICEF; ³World Bank Data Catalogue; ⁴WHO; UNDP Human Development Report 2013; ⁵Bank of Botswana; Government of Botswana Central Statistics Office website - Botswana Core Welfare Indicator Survey (BCWIS) 2009/10

8.1 ATTACHMENT 2 - BOTSWANA DONOR MATRIX

(Indicative Allocations - EUR millions)

| Donor - Sector | Education and Skills Development | Infrastructure and Communications | Governance | Agriculture and Rural Development | Trade and Tourism | Health | HIV and AIDS | Environment, Wildlife and Natural Resources | Energy and Minerals | Other, including Non-State Actors, Private Sector | Totals |
|----------------------------|----------------------------------|-----------------------------------|------------|-----------------------------------|-------------------|-------------|---------------|---|---------------------|---|---------------|
| Loan Funding | | | | | | | | | | | |
| African Development Bank | 2.24 | | | 84.87 | | | | | 153.8 | | 248.11 |
| OPEC | | 39.68 | | | | | | | | | 39.68 |
| World Bank/IBRD | | 147.5 | | | | | 39.6 | | 300.0 | | 486.8 |
| Total Loan Funding | 2.24 | 187.18 | | 84.87 | | | 39.6 | | 453.8 | | 756.59 |
| Grant Funding | | | | | | | | | | | |
| EUFEDF | 70.50 | | 5.0 | | | 11.6 | | | | | 87.10 |
| Germany | 2012-14: 2.5 2015-17: 2.1 | | | | | | | | | | |
| CEF | | | | | | | | 3.6 | | | 3.6 |
| UN Family | | | | | | | 3.67 | | | | 3.67 |
| Global Fund | | | | | | | 4.71 | | | | 4.71 |
| USA | | | | | | | | | 45.5 | | 45.5 |
| Bill & Melinda Gates Fndn. | | | | | | | 21.3 | | | | 21.3 |
| Total Grant Funding | 70.50 | | 5.0 | | | 11.6 | 75.18 | 3.6 | | | 165.88 |
| Grand Total | 72.74 | 187.18 | 5.0 | 84.87 | | 11.6 | 114.78 | 3.6 | 453.8 | 8.0 | 922.47 |

Note: ADB assistance to Botswana includes USD 1.5 billion general budget support, which has not been included in the table

Only donors with programmes < EUR 2 million have been included

Above figures do not include EU Flex payments and grant towards achievement of MDG 4 and MDG 5 - EUR 11 million

Source: Ministry of Finance and Development Planning (BODAMS, GovB 2012-13 Budget, World Bank, African Development Bank)

82 ATTACHMENT 3 - SECTOR INTERVENTION FRAMEWORK

| EXPECTED RESULTS | INDICATORS | MEANS OF VERIFICATION |
|---|---|--|
| <p>Sector 1 - Human Resources Development – Education</p> | | |
| <p><i>Specific Objective 1 - The improvement of education service delivery and raised levels of quality, equity and access to education through the implementation of system level reforms as expressed in the ETSSP</i></p> | | |
| <p>a) Introduction of results-based management at all levels within the education sector</p> | <p>- Implementation Status of the ETSSP, as expressed for example through: (1) Qualitative education monitoring statistics publicly available within 6 months after the reporting year in question, and; or (2) Annual Sector Performance Report prepared on the Key Performance Indicators of the Sector, by the MoHSD, and disseminated and discussed with key stakeholders</p> <ul style="list-style-type: none"> - ETSSP indicators, baselines and target are currently in the process of being determined. They will be included in the Action documents at the latest. | <p>ETSSP EMIS Annual Sector Performance Report of ETSSP</p> |
| <p>b) Improved primary education performance, as witnessed by an improvement in the quality and number of students graduating from primary education. An increased number of students sitting the national exam, as well as an improvement in the grades in the examinations results.</p> | <ul style="list-style-type: none"> - Status of Early Childhood Care and Education (ECCCE) - Target 2020: introduced as a core component of Government's basic education services, by the approval of a fully costed and sequenced plan for ECCCE accompanied by the commitment of resources in the annual budgets for education - Gross Completion Rate (GCR) measured by the number of students sitting the final exam as a proportion of that age band population - Primary school GCR (Baseline 2010): 96.3%* - Baselines and targets are currently in the process of being determined. They will be included in the Action documents at the latest. - Gross Graduation Rate for primary education (as measured by PSLE), measured by the number of students passing the final exam at grade C or above as a proportion of that age band population - Primary school GCR (Baseline 2011): 61.7%* - Baselines and targets are currently in the process of being determined. They will be included in the Action documents at the latest. - The GCR is derived from the Primary School Leaving Exam Results (PSLE), which is a criterion referenced examination administered to all | <p>Approved plan and budget for ECCCE Government of Botswana budget BEC Annual Report Census</p> |

| EXPECTED RESULTS | INDICATORS | MEANS OF VERIFICATION | | | | | | | | | | | | | | | | |
|--|---|-------------------------------------|-------|------|------|-----------|-------|-------|-------|---------------|-------|-------|-------|-----------|-------|-------|-------|-------------------|
| <p>c) An efficient education and training system of life-long learning established, that recognises and tracks all learning achievements (formal, informal and non-formal) and provides recognition nationally and across borders for qualifications acquired in Botswana. Increased responsiveness by the qualifications offered in Botswana to the economic and social development needs of the country.</p> | <p>learners who have completed the seven-year primary school programme. The exam results provide an indication of the learner's achievement of important knowledge and skills within the primary education programme.</p> <ul style="list-style-type: none"> - Recent trends (2010-2012) of % of candidates awarded grades A-C at PSLE are (NOTE: total numbers sitting exam, not GGR): <table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>- Overall</td> <td>69.4%</td> <td>64.0%</td> <td>65.0%</td> </tr> <tr> <td>- Mathematics</td> <td>69.7%</td> <td>53.3%</td> <td>55.1%</td> </tr> <tr> <td>- Science</td> <td>53.2%</td> <td>49.4%</td> <td>51.9%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> - The implementation status of the tasks and the mandate foreseen for the Botswana Qualifications Authority, including milestones such as for example: <ul style="list-style-type: none"> - Quality standards met for all qualifications given in Botswana for quality criteria set by the Botswana Qualifications Authority (BQA); - Clear learning pathways established, with progression and articulation between the three subsystems of education (Basic education, Technical and Vocational Education and Training and Higher education), and ability to move with fluid learning between countries, and between for example between vocational education and higher education; - New criteria set by the Botswana Qualifications Authority, steering the development of new and revised qualifications for Botswana's education and training institutions, integrating better the qualifications needed by the country's economy. <p>Baselines and targets are currently in the process of being determined. They will be included in the Action documents at the latest.</p> | | 2010 | 2011 | 2012 | - Overall | 69.4% | 64.0% | 65.0% | - Mathematics | 69.7% | 53.3% | 55.1% | - Science | 53.2% | 49.4% | 51.9% | <p>BQA, MoESD</p> |
| | 2010 | 2011 | 2012 | | | | | | | | | | | | | | | |
| - Overall | 69.4% | 64.0% | 65.0% | | | | | | | | | | | | | | | |
| - Mathematics | 69.7% | 53.3% | 55.1% | | | | | | | | | | | | | | | |
| - Science | 53.2% | 49.4% | 51.9% | | | | | | | | | | | | | | | |
| <p>d) Improved equity/equality in education in respect to gender, special education needs (SEN) and geographic location in the quality of education services</p> | <p>Gender</p> <ul style="list-style-type: none"> - Gender parity index (GPI) for primary and junior secondary GGR (students passing final exam at grade C or above as a proportion of the Age 13 population), measured by the female GGR divided by the male GGR (baseline to be established) - For 2012 (Baseline year) the GPI for Gross Graduation rates for students passing the PSLE, passing at "C" grade and above was 130.4% <p>Special education needs</p> <ul style="list-style-type: none"> - Primary GCR for students with SEN, measured by the number of students with SEN sitting the final exam (PSLE) as a proportion of the Age 13 population with SEN | <p>BEC Annual report Census</p> | | | | | | | | | | | | | | | | |

| EXPECTED RESULTS | INDICATORS | MEANS OF VERIFICATION |
|---|--|--|
| | <p>Geographic location</p> <ul style="list-style-type: none"> - Number of schools (primary and senior secondary) failing to provide an acceptable standard of quality measured by the number of schools with pass rate (at grade C or above) more than 10% below the national average. <p><i>Baselines and targets are currently in the process of being determined - They will be included in the Action documents at the latest.</i></p> | |
| <p>e) Improved equity and sustainability with regard to Tertiary Education Financing</p> | <ul style="list-style-type: none"> - Status of financing scheme/programme in all sub-sectors, addressing the equity and sustainability challenges <ul style="list-style-type: none"> - Target 2020: new Financing scheme/programme in all sub-sectors, addressing the equity and sustainability challenges disaggregated by socio-demographic factors such as age, sex, geography... - Status of implementation of new system <ul style="list-style-type: none"> - Target 2020: Phasing-in of the new system started. | <p>MOESD</p> |
| <p>* These figures are based upon the 2001 census and will be updated in March/April 2013 upon the release of the 2011 census</p> | | |
| <p>Sector 2 - Public Sector Reform</p> | | |
| <p><i>Specific Objective - Improved implementation of National Development Plans, through strengthened planning and budgeting, set within a multi-year fiscal framework, and through improved systems for public service delivery.</i></p> | | |
| <p>a. Improved budgetary process that constitutes a more effective and efficient tool, leading to improvements in fiscal discipline; a more effective targeting of resource allocations; improved levels of operational cost efficiency; and the delivery of services that are governed by effective results-oriented management.</p> | <ul style="list-style-type: none"> - Existence and status of costed and prioritized medium-term strategic plans <ul style="list-style-type: none"> - Target: finalised in 5 major ministries and its financing agreed upon with MFPD - Status of alignment of the budgetary process for recurrent and development budget <ul style="list-style-type: none"> - Target: both budgets process aligned in all line-ministries - Status of Medium Term Expenditure Framework (MTEF) <ul style="list-style-type: none"> - Target 2016: MTEF adopted by financial year 2016/17 - Evolution of budget execution in the 5 largest ministries <ul style="list-style-type: none"> - Target: budget execution reaches and maintains a level of 95% or higher | <p>Government of Botswana Annual Budget and Annual Financial Report.</p> <p>PFM reform implementation schedule</p> |
| <p>b. Increased credibility, accountability and transparency of public expenditure.</p> | <ul style="list-style-type: none"> - PEFA indicators (such as for instance: PI-2 - Composition of Expenditure Out-turn compared to original approved budget, PEFA 2013 Assessment Score-C+; PI-3 - Aggregate revenue out-turn compared to the original approved budget, PEFA 2013 Assessment Score = D; PI-4 - Stock and Monitoring of Expenditure Payment arrears, PEFA 2013 Assessment Score=NR <ul style="list-style-type: none"> - Baseline: PEFA scores 2013 - Target for next PEFA assessment (expected in 2018): Improved scores compared to the ones received in the 2013 PEFA | <p>Government of Botswana Annual Budget and Annual Financial Report.</p> <p>Repeat PEFA Assessment Report</p> |

| EXPECTED RESULTS | INDICATORS | MEANS OF VERIFICATION |
|--|---|--|
| | <ul style="list-style-type: none"> - Open budget survey indicators <ul style="list-style-type: none"> - Baseline: 2013 scores - Target: Improved score on the Open Budget Survey <p><i>The sequenced PFM reform implementation schedule, laying out the transition from year-by-year annual budgeting to a framework of medium-term planning and budgeting. A confirmation of the sequence, with milestones and indicative timelines will be developed by AFED, providing the basis for the targets of the process indicators that will be monitored to assess progress under the EDF II intervention. They will be included in the Action documents at the latest.</i></p> | <p>Annual evaluations of the PFM Reform Plan</p> |
| <p>c. Improved service delivery, through enhanced public service management.</p> | <ul style="list-style-type: none"> - Status/degree of integration of Public Sector Reform in the National Development Plan II <ul style="list-style-type: none"> - Baseline: NDP II, Public Sector Reform Programme - Target: Full integration of prioritized Public Sector Reform elements into NDP II when implementation starts in 2017. - Status of implementation of a prioritized and sequenced medium-term plan for the continuation of Public Sector Reform Programme <ul style="list-style-type: none"> - Baseline and target will be determined during the elaboration process of the Public Sector Reform Programme. They will be included in the Action documents at the latest. - Existence and status of an integrated process of credible medium-term planning, budgeting, implementation and monitoring and evaluation, in 5 major ministries (reform in Education Sector as reference) - (and link between the National Development Plan, ministry programmes and budget execution strengthened) - International Indicators of Strength of Public Management Systems in particular those associated with: Government effectiveness; international competitiveness and civil service reform and National Public Sector Management and Service Delivery Performance indicators <ul style="list-style-type: none"> - Specific indicators, baselines and target will be determined during the elaboration process of the Public Sector Reform Programme currently in the process of being drafted. They will be included in the Action documents at the latest. - (example) World Bank published governance indicators (Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank); in | <p>Reform plans and budgets</p> <p>Office of the President</p> <p>World Bank Data Catalogue World Development Indicators</p> |

| EXPECTED RESULTS | INDICATORS | MEANS OF VERIFICATION |
|--|--|--|
| | <p>2011 : Government Effectiveness = 68; Regulatory Quality = 69; Control of Corruption = 80)</p> | |
| <p>Other Measures - Support to Civil Society Organisations (CSOs)</p> | | |
| <p><i>Specific Objective 1 - To strengthen the credibility of representative and legitimate civil society organizations and develop their ability to effectively engage government in structured dialogue and in particular on issues concerning gender, human rights, climate change and the environment; trade; and public expenditure and public sector reform.</i></p> | | |
| <p>a) The recognition by Government of the role to be played by civil society organisations in advocacy and in the political, economic, social and environmental aspects of governance in Botswana</p> | <p>Status of the institutionalisation of mechanisms for civil society consultation by Government on issues of national and sector policy and its implementation</p> <ul style="list-style-type: none"> - Target 2020 : The mechanisms for civil society consultation by Government on issues of national and sector policy and its implementation have been institutionalised | <p>Official documents and reports NGO Policy Council reports</p> |
| <p>b) Active and sustainable participation by civil society organisations in dialogue with Government on the national development agenda and related issues</p> | <p>Status of the mechanisms set up for NSAs consultation.</p> <ul style="list-style-type: none"> - Target 2020 : The mechanisms set up for NSAs consultation are being adhered to | <p>NGO Policy Council Reports</p> |
| <p>c) Active and sustainable participation and contribution by Botswana civil society organisations in SADC regional integration issues and in issues of international concern</p> | <p>Situation of major apex organisations with regard to other SADC region and international non-governmental organisations</p> <ul style="list-style-type: none"> - By the end of the 11th EDF the major apex organisations will have formed partnerships with other SADC region and international non-governmental organisations | <p>CSO annual reports</p> |
| <p><i>Specific Objective 2 - To develop the capacities of both CSO apex organisations and individual agencies to levels where they are financially sustainable and able to provide their memberships with the required quality services (information sharing, learning, co-ordination and participation in decision-making)</i></p> | | |

| EXPECTED RESULTS | INDICATORS | MEANS OF VERIFICATION |
|---|---|--|
| <p>a) Core of CSO apex bodies and individual CSOs with medium-term plans that reflect their mandates and which are linked to realistic and attainable projections for revenue</p> | <p>Status of CSO apex bodies and individual CSOs</p> <ul style="list-style-type: none"> - Target 2020: By the end of the 11th EDF, major NSM apex organizations will have successfully completed institutional assessments and commenced the implementation of structured capacity development programmes, if applicable. - Target 2020: By the end of the 11th EDF, the major NSM apex organizations will have completed assessments of at least half their memberships and instituted capacity building programmes for those that need a minimum criteria for performance and potential for sustainability. | <p>CSO Annual Reports, Reports of the NGO Policy Council</p> |
| <p>b) A sustainable and independent structure for funding of CSOs that reflects international best practice is put in place.</p> | <p>Status of a sustainable and independent structure for funding of CSOs that reflects international best practice</p> <ul style="list-style-type: none"> - Target: NGO Council adopts a road map with time-bound milestones - Target 2020: By the end of 11th EDF a sustainable structure has been put in place | <p>NGO Policy Council reports</p> |

The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.

8.3 ATTACHMENT 4 - INDICATIVE TIMETABLE FOR COMMITMENTS

(The amounts mentioned in this table are indicative)

| | Indicative allocation (EUR million) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------------------------------|----------|-----------|------|----------|------|------|------|
| SECTOR 1 - Inclusive and Sustainable Growth | 11 | | | | | | | |
| Education | 11 | | 11 | | | | | |
| SECTOR 2 - Public Sector Reform | 11 | | | | | | | |
| Public Sector Reform | 11 | | 11 | | | | | |
| Other measures | 6 | | | | | | | |
| Support to Non-State Actors | 6 | | | | 6 | | | |
| Support measures | 5 | | | | | | | |
| Technical Cooperation Facility | 5 | | 5 | | | | | |
| Total Commitments | 33 | 0 | 27 | | 6 | | | |

ATTACHMENT 5 – SCHEDULE OF ACTIVITIES

| Activity | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|---|----|---------------|----|----|----------|----|----|---------|
| Focal Sector - Education | | | | | | | | |
| End of Operational Period 10 th EDF HRDS/SPF | | | | | Q4 | | | |
| Completion of ETSP planning process | | Q2 | | | | | | |
| Preparation/Submission Education 11th EDF PIF | | Q1 (PIF) | | | | | | |
| Preparation/Submission Education 11th EDF AF | | Q1 (AF) | | | | | | |
| AAP (deadline June) – submission as part of AAP 2015 in March 2015 | | | | X | | | | |
| Commencement Education 11th EDF interventions | | | | Q4 | | | | |
| Focal Sector - Public Sector Reform | | | | | | | | |
| Preparation/Submission of 11th EDF Public Sector Reform Project PIF | | Q2 (PIF) | | | | | | |
| Preparation/Submission of 11th EDF Public Sector Reform AF | | Q4 (AF) | | | | | | |
| AAP (deadline June) – submission as part of AAP 2015 in March 2015 | | | | X | | | | |
| Commencement of 11th EDF Public Sector Reform programme | | | | Q4 | | | | |
| Technical Cooperation Facility | | | | | | | | |
| Commencement/End of 10th EDF BEUC 2 project | Q4 | | | | | | | Q4 |
| Preparation/Submission of 11th EDF TCF PIF + AF (in one normally for TCF) | | Q4 (PIF + AF) | | | | | | |
| AAP (deadline June) – submission as part of AAP 2015 in March 2015 | | | | X | | | | |
| Commencement of 11th EDF TCF programme | | | | | Q1 | | | |
| Non-State Actors | | | | | | | | |
| End operational period 10 th EDF NSA Project | | | | | Q4 | | | |
| MTR and Evaluation of 10 th EDF NSA project | | | | | Q2 | | | |
| Preparation/Submission 11th Non-State Actors Support Project PIF | | | | | Q3 (PIF) | | | |
| Preparation/Submission 11th EDF Non-State Actors Support Project AF | | | | | | | | Q1 (AF) |
| AAP (deadline June) – submission as part of AAP 2016 in June 2016 | | | | | | | X | |
| Commencement 11 th EDF Non-State Actors Support Project | | | | | | | | Q1 |

Assumptions:

1. 11th EDF MIP Review and Appraisal completed in 2013
2. 11th EDF MIP Signature concluded in 2014
3. 11th EDF Financial Protocol approved during 2014

