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SECURITY COUNCIL
Thirty-sixth year

Assistance to Botswana

Report of the Secretary-General

1. In its resolution 35/98 of 5 December 1980, the General Assembly requested the Secretary-General, inter alia, to continue his efforts to mobilize the necessary resources for an effective programme of financial, technical and material assistance to Botswana, to keep the situation in Botswana under constant review and to submit a report on the progress achieved in time for the matter to be considered by the Assembly at its thirty-sixth session.
2. In pursuance of the resolution, the Secretary-General arranged for a mission to visit Botswana in March 1981 to consult with the Government. The report of the mission, which is annexed thereto, describes the economic and financial position of the country, summarizes the progress which has been made in implementing the projects included in the special economic assistance programme and the projects and programmes necessary for reconstruction, and reviews the situation of refugees in Botswana and the nature of international support required to assist them.
3. In paragraph 8 of resolution 35/98, the General Assembly invited a number of specialized agencies and other organizations of the United Nations system to bring to the attention of their governing bodies, for their consideration, the assistance they are rendering to Botswana and to report on the results of that assistance and their decisions to the Secretary-General in time for consideration by the Assembly at its thirty-sixth session. The responses of the agencies and organizations will be reproduced in a report of the Secretary-General covering Botswana and the other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes.

* A/36/50.

ANNEX

Report of the review mission to Botswana

(10 to 13 March 1981)

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I. INTRODUCTION

1. In pursuance of Security Council resolution 403 (1977) of 14 January 1977, the Secretary-General dispatched a mission to Botswana in February 1977. In its report a/ the mission recommended a programme of international assistance totalling about \$54 million. Of this sum, nearly \$28 million represented the amount of resources which Botswana would have to divert from normal development purposes in order to undertake unexpected security expenditures required by the rapidly deteriorating situation along its border with Southern Rhodesia. The remainder, about \$26 million, was for specific projects and programmes arising out of the emergency situation.

2. In resolution 406 (1977) of 25 May 1977, the Security Council endorsed the programme recommended by the mission, and the Secretary-General's appeal to States and international organizations, including those of the United Nations system, to help Botswana, materially and financially, in the fields indicated.

3. In response to Economic and Social Council resolution 2095 (LXIII) of 29 July 1977 and General Assembly resolutions 32/97 of 13 December 1977 and 33/130 of 19 December 1978, the Secretary-General submitted reports to the Assembly at its thirty-second (A/32/287-S/12421), thirty-third (A/33/166 and Corr.1) and thirty-fourth (A/34/419-S/13506) sessions which reviewed the economic situation in Botswana and the progress which had been made in implementing the special assistance programme.

4. On 21 December 1979, the Security Council adopted resolution 460 (1979) in which the Council, in paragraph 5, called upon all States Members of the United Nations and the specialized agencies to provide urgent assistance to Southern Rhodesia and the front-line States for reconstruction purposes and to facilitate the repatriation of all refugees or displaced persons to Southern Rhodesia. Further, in paragraph 8, the Council requested the Secretary-General to assist in the implementation of paragraph 5 by organizing, with immediate effect, all forms of financial, technical and material assistance to the States concerned in order to enable them to overcome the economic and social difficulties facing them.

5. In pursuance of Security Council resolution 460 (1979) and General Assembly resolution 34/125 of 14 December 1979, the Secretary-General submitted a report to the Assembly at its thirty-fifth session and to the Security Council (A/35/162-S/13870).

6. On 5 December 1980, the General Assembly adopted resolution 35/98 in which, inter alia, it requested the Secretary-General to arrange for a review of the economic situation in Botswana and the progress made in organizing and implementing

a/ Official Records of the Security Council, Thirty-second Year, Supplement for January, February and March 1977, document S/12307.

the special economic assistance programme for that country in time for the matter to be considered by the Assembly at its thirty-sixth session.

7. In response to General Assembly resolution 35/98, the Secretary-General arranged for a mission, led by the Joint Co-ordinator for Special Economic Assistance Programmes in the Office for Special Political Questions, to visit Botswana from 10 to 13 March 1981.

8. The head of the mission was received by His Excellency Dr. Q. K. J. Masire, President of Botswana. In the course of its stay, the mission held meetings with the Minister for External Affairs, the Minister for Finance and with senior officials of the Office of the President and the Ministries of Finance and Development Planning, Agriculture, Commerce and Industry, Works and Communications, and External Affairs.

9. The mission wishes to record its appreciation of the very full co-operation it received from the Government and from the Office of the United Nations Development Programme (UNDP) in all aspects of its work.

II. SUMMARY

A. Special assistance programme

10. Three projects of the original 16 recommended projects remain not yet fully implemented. These are:

- (a) Takeover of the railway system;
- (b) Botswana-Zambia road;
- (c) Airport construction.

However, considerable support has been forthcoming for the establishment of an independent railway system, and - with considerable input of the Government's own resources - the programme is making effective progress. The railway project falls within the regional transportation programme of the Southern Africa Development Co-ordination Conference (SADCC). With regard to the Botswana-Zambia road, negotiations are under way for the final financing requirements, and this is also the case with respect to the new national airport.

11. The oil storage programme is about to be completed as originally envisaged. However, while the quantities involved had represented three to four months' stocks, an upward trend in consumption has given the Government concern regarding the adequacy of the programme. The Government therefore requests donors to consider whether they can provide supplementary support to increase oil storage capacity and also provide finance for additional oil stocks.

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B. Rehabilitation and development needs

12. These projects fall into three broad groups, namely:

- (a) Rehabilitation of rural areas;
- (b) Control of foot-and-mouth disease;
- (c) Transport and communications.

Over-all, there has been excellent progress in implementing the latter two groups of projects. In the last group, the development of telecommunications links with Zimbabwe falls within the regional SADCC communications programme. Progress has been slower in the first group, which is primarily concerned with the areas bordering on Zimbabwe, and the Government is anxious to receive expressions of interest from donors for these projects.

III. GENERAL BACKGROUND

A. Mineral production

13. Economic indicators suggest that, as a result of mineral-led growth - primarily diamond production - the gross domestic product (GDP) of Botswana expanded by about 12 per cent in 1979/80, in line with the Fifth National Development Plan forecast. However, due to a combination of factors, GDP is expected to grow at a much lower rate in 1980/81.

14. The economy of Botswana showed a mixed performance in 1980. Diamond production was more than satisfactory. Not only did the volume of production rise significantly, mainly as a result of the expansion of operations at the Orapa mine, but also the quality of output tended to be better than in the previous years. However, it is believed that diamond production has now peaked until the new mine at Jwaneng comes into operation in mid-1982. Even if production levels from the Orapa and Letlhakane mines can be maintained in 1981, the Government expects that its net revenue from diamond operations will be reduced owing to higher working costs and increased capital expenditure. Moreover, the world market for diamonds has been softening and the outlook for global diamond sales and market prices is surrounded by uncertainty.

15. Production at the copper/nickel mine was less satisfactory. The shutdown of the mine for about two months early in 1980 for periodic maintenance resulted in a 12 per cent fall in copper production and a 16 per cent reduction in nickel production in 1979/80 as compared with the previous year. Although increased production is expected in 1981, the continuation of the economic recession in industrialized countries could adversely affect prices and revenues for Botswana.

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B. Agriculture

1. Crop production

16. The total crop yield in Botswana in 1980/1981 is expected to be considerably improved over the previous year - the gain could be as much as 50 per cent. Between districts, however, yields are expected to vary significantly. The Baralong and Mahalapye East districts are expected to have good yields per acre, whereas conditions are poor in Maun and in the Western region where average yields are expected to be above those of the previous year but still below average.

17. The crop harvest in 1979/1980, although substantially improved over the drought year 1978/79, was well below the annual average of earlier years, with the combined production of sorghum and maize amounting to less than one half the annual average for 1973-1976.

Table 1

	<u>Crop production</u>		
	(In metric tons)		
	<u>1973-1976</u>	<u>1978/1979</u>	<u>1979/1980</u>
Sorghum	53,000	4,300	29,100
Maize	<u>41,000</u>	<u>2,300</u>	<u>11,600</u>
TOTAL	<u>94,000</u>	<u>6,600</u>	<u>40,700</u>

Source: Ministry of Agriculture.

18. Because of the improved crop production in 1980, it was not necessary for the Government to draw down its strategic reserve of 6,000 tons of sorghum.

2. Livestock

19. Recurring outbreaks of foot-and-mouth disease have seriously disrupted Botswana's traditional export of beef to European and other world markets over the past three and a half years. A new outbreak of foot-and-mouth disease occurred in Botswana in February 1980. By September 1980, the country was declared free of the disease.

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20. The outbreak, however, has been costly to the country. Beef exports to profitable markets in countries of the European Economic Community (EEC) were halted. The total turnover of the Botswana Meat Commission fell drastically with only 139,000 head of cattle slaughtered in 1980 as compared to 290,000 in 1979. The Commission's income and profits declined in consequence. Exports of beef carcasses and boneless beef were reduced from about 31,000 tons in 1979 to 16,000 tons in 1980, while earnings from these exports fell from approximately P69.0 million to P31.8 million b/ between the two years.

21. However, agreement was reached with EEC for resumption of beef exports in June 1981 from the southern regions. Exports to Europe from the hard hit northern regions continued to be banned.

22. The Government is continuing to take measures to assure the protection of the national herds against further outbreaks of the disease through the construction of additional veterinary cordon fences and the strengthening of existing ones and by carrying out an intensive programme of animal vaccination. Details of these measures are given in paragraphs 56 to 59.

3. Agricultural policy

23. Within the framework of the Fifth National Development Plan and, in particular, within the Arable Lands Development Programme, the Government is aiming to create adequate income for those engaged in the agricultural sector, to increase employment opportunities in rural areas to meet the demands of its expanding labour force - about 16,000 to 17,000 new entrants each year - and to reverse the trends of rising unemployment and urban migration. The policy measures are also directed to raising the value of agricultural production and productivity and to assure greater self-sufficiency in food production in the long run.

24. The Government's policies are being reinforced by the activities of the parastatal organizations. In 1980/1981, for the first time, prices for both maize and sorghum set by the Botswana Agricultural Marketing Board were announced at the beginning of the planting season, thus enabling farmers to plan their operations with the minimum of uncertainty. During the year, the Board expanded its marketing network through the construction of six additional outlets. Its purchase of 6,000 tons of sorghum was the highest in the life of the Board.

25. The National Development Bank has recently embarked on a decentralization process which is expected to increase the availability of financial resources to rural areas.

b/ At the time of the mission's visit, the pula/dollar rate of exchange was P1.00 = \$1.2930 (see paras. 33-35).

C. Government budget

26. The outcome of the 1979/1980 budget, the Government's estimates for 1980/1981 and projections for 1981/1982 are shown in table 2. Of the total development expenditure of P98.3 million for 1979/1980, P37.5 million or 38 per cent was financed from the Domestic Development Fund and the remainder from foreign loans and grants.

27. As a result mainly of increases in mineral revenues and customs and tax receipts, Consolidated Fund revenues are expected to increase in 1980/1981 to P265.4 million. Expenditure, however, are expected to rise to P271.6 million as a result of expenses associated with the outbreak of foot-and-mouth disease, increases in the costs of fuel, the public service salary revision and an additional appropriation to finance the Government's share of the cost of the Jwaneng diamond mine.

28. Of the P162 million appropriations for the 1981/1982 development budget, the biggest proportion, P40.7 million, is allocated to works and communications, principally for road infrastructure, the railway and civil aviation.

Table 2

Government budget

	<u>Outcome</u> <u>1979/80</u>	<u>Estimates</u> <u>1980/81</u>	<u>Projections</u> <u>1981/82</u>
	(In millions of pula)		
Consolidated Fund revenues	213.4	265.4	274.6
Expenditures,	156.9	271.6	326.6
of which:			
Public Debt Service Fund	4.0	30.0	20.0
Domestic Development Fund	27.5	70.0	50.1
Revenue Stabilization Fund	12.4	7.4	-
Development expenditure	98.3	108.0 <u>a/</u>	162.0 <u>b/</u> 142.0 <u>c/</u>

a/ Excluding equity in the diamond mine at Jwaneng which is included in the over-all budget.

b/ Appropriation.

c/ Expected out-turn.

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D. Balance of payments

29. Balance-of-payments estimates indicate that the value of Botswana's exports rose by 19 per cent between 1979 and 1980, while the value of imports rose by over 27 per cent. Thus, visible trade, which had been in equilibrium in 1979, showed a negative balance in 1980. The value of Botswana's principal export - diamonds - increased by almost 29 per cent in 1980 over 1979. On the other hand, export earnings from beef suffered a 60 per cent drop as a result of the loss of profitable European markets following the February 1980 outbreak of foot-and-mouth disease. The current account moved from surplus in 1979 to a deficit of P22 million in 1980. However, compensatory capital inflows put the over-all balance for 1980 into surplus.

30. Considerable uncertainty surrounds balance-of-payments estimates for 1981. However, according to the Government's projections, Botswana's export earnings in 1981 will be about 7 per cent less than in 1980. The reduction will result mainly from a decline in the value of diamond exports - estimated at about 20 per cent - associated with the weakening of world markets for stones of gem quality. Earnings from beef exports in 1981 are expected to recover to their 1979 level assuming the resumption of normal exports to profitable overseas markets lost in 1980 as a result of the outbreak of foot-and-mouth disease.

31. The value of imports is expected to continue its upward trend in 1981 and the deficit on current account is expected to rise sharply from P22 million in 1980 to P113 million in 1981. However, inflows of capital, mostly private, are expected to keep Botswana's over-all balance of payments in surplus in 1981.

Table 3

Balance of payments (adjusted), 1979-1981

	<u>1979</u>	<u>1980 a/</u>	<u>1981 b/</u>
	(In millions of pula)		
<u>Trade balance</u>	<u>-</u>	<u>-30</u>	<u>-130</u>
Exports, f.o.b.	360	429	400
Diamonds	(184)	(237)	(180)
Copper/nickel	(61)	(81)	(95)
Beef	(74)	(30)	(74)
Others	(38)	(36)	(50)
Adjustment	(4)	(40)	(-1)
Imports, c.i.f.	-360	-459	-530
<u>Services (net)</u>	<u>-75</u>	<u>-92</u>	<u>-86</u>
Investment income	-35	-53	-42
Other services	-40	-39	-44
<u>Goods and services</u>	<u>-75</u>	<u>-122</u>	<u>-216</u>
<u>Transfers net</u>	<u>105</u>	<u>100</u>	<u>103</u>
Private	2	-2	-3
Government	103	102	100
<u>Current account balance</u>	<u>30</u>	<u>-22</u>	<u>-113</u>
<u>Capital account</u>	<u>71</u>	<u>106</u>	<u>171</u>
Private	83	94	151
Government	-11	6	20
Others	-2	6	-
<u>Net errors and omissions</u>	<u>-6</u>	<u>-12</u>	<u>-</u>
<u>Over-all balance</u>	<u>94</u>	<u>72</u>	<u>58</u>

Source: Bank of Botswana.

a/ Estimates.

b/ Government projection.

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E. Inflation and currency realignments

1. Inflation

32. Botswana's economy being an unusually open one, it is especially susceptible to imported inflation. The rate of inflation in Botswana has unfortunately increased in recent years as a result of global inflation and price realignments by major trading partners. The cost-of-living index for low-income groups rose by over 20 per cent between January 1980 and January 1981, as compared with a rise of 14 per cent over the previous 12-month period.

2. Currency realignments

33. Because of the continued fluctuations in the value of the United States dollar, to which the pula had been linked since its introduction, the pula/dollar link was severed on 2 June 1980. The pula was then pegged to a basket made up of several foreign currencies in order to dampen the effects of such fluctuations on its value.

34. Moreover, owing to inflationary pressures in southern Africa and currency fluctuations, the pula was revalued by about 5 per cent on 6 November 1980 with no change being made in the new currency basket.

35. As a result of the realignments, the pula/dollar exchange rate stood at P1.00 = \$1.3473 in December 1980 as compared with P1.00 = \$1.2679 in January of that year. At the time of the mission's visit, the rate of exchange was P1.00 = \$1.2930.

F. Refugees

36. Following the Lancaster House Agreement and Zimbabwe's accession to independence, most of the refugees from that country living in Botswana repatriated. At the time of the mission's visit, only a few Zimbabweans remained in Botswana, primarily for medical reasons. However, as a result of influxes from other countries in the region, there are now an estimated 800 to 900 refugees living in Botswana, mostly from South Africa, Angola and Namibia.

37. The refugees comprise students and other young people, single adults and families. With the exception of those who are in school or are self-employed, they are accommodated at the refugee settlement at Dukwe.

38. Among the refugees housed at Dukwe are a number of South African student refugees who do not meet the minimum requirements to enter Botswana's educational system. The Government feels that additional facilities are needed at Dukwe to meet the refugees' diverse needs, especially in the area of education. Assistance would be welcomed.

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39. The Government is also concerned about the possibility of an increase in the number of refugees as a result of the failure of the Geneva conference on Namibia, and it feels that there is a need to draw up a contingency plan to deal with any sudden influx which might occur in the near future.

IV. IMPLEMENTATION OF THE SPECIAL ASSISTANCE PROGRAMME

40. As was indicated in the previous report of the Secretary-General (A/35/162-S/13870), most of the projects in the Special Assistance Programme had been implemented by 1980. The mission therefore reviewed those projects which had not yet been fully implemented, viz.:

- (a) Emergency railway operation;
- (b) Oil storage depots;
- (c) Botswana-Zambia road;
- (d) Airport construction.

A. Takeover of railway

41. The Government is now working on a planned and phased takeover of the railway system in Botswana. Although a takeover date has not been set, concrete preparations are under way.

42. The previous report listed Botswana's requirements for establishing its own railway and indicated that the Federal Republic of Germany and the United Kingdom were making funds available. The Federal Republic of Germany's contribution is being used to purchase 12 mainline locomotives and to establish the central facilities at Francistown; the United Kingdom's contribution was used for feasibility studies of a possible emergency takeover and of a planned takeover, as well as for rolling stock. The Federal Republic of Germany's contribution to this project has increased by some \$9.3 million to a total of \$20.6 million, and EEC is contributing 3 million units of account. The Government has purchased two tamping (track maintenance) machines and 13 tank cars with its own funds. Of the additional wagons required, 150 cattle trucks owned by Zimbabwe Railways but operating only within Botswana have been earmarked for purchase. Preparations for the establishment of administrative and maintenance headquarters in Francistown are in hand.

43. Of the EEC contribution, 2 million units of account have been earmarked to support a regional railway training centre to cover the needs of Botswana and Swaziland. These funds will meet the cost of the feasibility study, the physical design of the facilities and the cost of three senior expatriate staff, and any remaining funds will go towards direct support for the initial training courses.

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B. Oil storage

44. Drawing on the grant of \$6.4 million given by the Federal Republic of Germany, construction of the storage tanks was completed in 1980 at a cost of \$4.3 million. The final filling of the tanks is expected to commence in the near future. Some filling began in 1980 at a cost of \$2.4 million in Government and Federal Republic of Germany funds, and the remaining grant funds will be now fully utilized during the 1981 filling programme. Owing to rising oil costs, the Government will likely have to contribute its own funds over and above the grant to complete the filling. As previously reported, the Government's filling programme relates to one third of total tank capacity, and certain oil companies will fill the remaining two thirds.

C. Botswana-Zambia road

45. The total cost of completing the last 300 kms. of the road is now estimated at about \$31.3 million. Towards this cost, as previously reported, the United States provided \$1.4 million for design and supervision and EEC provided \$14.2 million for construction. The initial EEC funding is being utilized for the first phase of construction of 180 kms. costing \$22.3 million. A further \$14.2 million from EEC is under negotiation to finance the completion of the 180 kms., as well as the final sector of 120 kms. costing \$9 million. The balance of \$1.5 million for the completion of the whole 300 km. stretch will be provided by the Government.

46. With the completion of the Botswana-Zambia road, the possibility of a bridge to Zambia, in place of the present pontoon ferry at Kazungula, arises. Discussions are under way with UNDP to fund a feasibility study for a bridge, the eventual construction of which would be a project falling within the SADCC programme.

D. Airport construction

47. There is some delay in the awarding of contracts for the construction of a new national airport at Gaborone as a result of difficulties in concluding negotiations with one of the financing agencies in the consortium. The Government is optimistic that these negotiations will be successfully concluded in the near future.

48. The situation with regard to airfield improvements at Francistown, Maun, Kasane and Selebi-Phikwe is as follows. At Francistown, no funds have yet been forthcoming for renovation and extension of the terminal building (\$180,000); however, the Government has been able to considerably strengthen the fire and rescue services available at the airport. At Maun, consultancy studies have been completed and the African Development Bank is at present considering three alternative proposals, ranging from \$3.2 million to \$7.1 million, for an improved

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or new runway. Improvements to the airfield at Kasane have now been assigned relatively lower priority; the possibility of undertaking runway work simultaneously with the completion of the northern end of the Botswana-Zambia road has had to be discarded. At Selebi-Phikwe the Government, drawing on its own resources, has begun work on a terminal building and has provided rescue vehicles and built a fire station.

V. REHABILITATION AND DEVELOPMENT NEEDS

49. The previous report identified projects and programmes for the rehabilitation and development of Botswana in three broad areas, namely: rehabilitation programmes, foot-and-mouth disease control, and the strengthening of transport and communication links with Zimbabwe.

50. Over-all, excellent progress has been made in the implementation of the second and third group of projects, drawing on both Government resources and the assistance of the international community. However, with respect to the first group of projects - the economic rehabilitation of the border areas - progress has been slower than anticipated owing, on the one hand, to the slow return of the population to these areas and, on the other, to a lack of resources to implement several aspects of the projects identified.

A. Rehabilitation programmes

1. Rehabilitation of arable lands in border areas

51. This project concerns preparatory work for land rehabilitation and improved land use in order to help farmers move back to abandoned arable areas. The project had been estimated to require external assistance amounting to \$380,000. The mission was informed that the Government was so far dealing with the special needs of farmers re-establishing themselves in the border areas through its regular rural development programmes. To date, the movement of population back to these areas has been on a modest scale.

2. Forest fire control infrastructure

52. In the context of the Government's drought relief measures in 1980, funds were allotted for labour-intensive firebreak construction and renewal in the Chobe district. This work continues. Funding is still required for the construction of lookout towers and fire-fighting equipment, particularly as the Government is now actively negotiating with private interests for forest utilization contracts in the area.

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3. Fresh fish freezer and ice-making equipment

53. Government funds, amounting to about \$50,000, have been utilized for strengthening an existing co-operative and for the establishment of a new fisheries co-operative along the northern border of Chobe District. However, funds have not yet been forthcoming for fresh fish handling at Kasane, and the Government is anxious to receive assistance for the capital cost, amounting to \$96,000, of the freezer and ice-making equipment.

4. Rehabilitation of tourism

54. The Government has, during the last year, taken two steps to revitalize the country's tourism industry, especially in the Chobe area. A Tourism Advisory Committee, with representatives from both the public and private sectors, has been set up, and a \$260,000 programme has been developed for setting up tourist campsites (together with accommodation for Park staff) in Chobe National Park. The Government expects to enter into discussions with a potential donor to fund this programme.

55. The full rehabilitation of the Chobe tourist area is being hampered in two ways: the continuing delay in reopening the Chobe Game Lodge (which is privately owned), and the lagging revitalization of general economic conditions in the border regions, especially the difficulty of re-establishing traditional small-scale commercial contacts with neighbouring countries.

B. Foot-and-mouth disease control

1. Foot-and-mouth vaccination campaign

56. A country-wide vaccination campaign, including the particularly affected border areas, will be completed in the third quarter of 1981. The total cost of \$1.9 million is being met by the Government. This campaign has utilized vaccines from the temporary facilities of the Botswana Vaccine Institute (see para. 59 below).

57. The outbreak of foot-and-mouth disease in 1980 was brought under control, and Botswana officially declared itself free of the disease in November 1980.

2. Additional cordon fences to control outbreaks of foot-and-mouth disease

58. It was decided to move the location of the cordon fence previously planned to run between Palapye and Makoba to a position slightly to the south, so that it now runs between Makoro (south-east of Palapye) to Malatswai (south-west of Makoba). The fence was scheduled to be completed in April 1981. Thereafter, the old road fence between Serule and Selebi-Phikwe will be upgraded to a cordon fence and extended

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south-eastward to the South African border. Later in 1981 the Francistown-Dukwe road fence will be upgraded to a cordon fence, and the Ramokgwebana-Maitengwe-Tamasanka Pan cordon fence will be built. A cordon fence around the west and south of the Okavango Delta, joining up with the existing Ngamiland fence, is planned for 1982. The Kuwait Fund is providing \$3.2 million for this work, which is being undertaken by the Government's own construction crews.

3. Botswana Vaccine Institute

59. Using temporary facilities designed to produce 2 million doses annually, the Institute managed in 1980 to produce 8 million doses, thus covering the domestic requirement of 5.6 million doses and allowing a modest amount to be exported. The permanent facility, with a design capacity of 21 million doses, will be completed in the third quarter of 1981. The total cost is now estimated at \$11 million, of which the Arab Bank for Economic Development in Africa (BADEA) is contributing \$2 million, the OPEC Special Fund \$2.2 million, the European Investment Bank \$4.5 million, and the Government the balance of \$2.3 million.

60. With the completion of this facility, the Government expects to move forward with discussions, so far informal, with the Food and Agriculture Organization of the United Nations and EEC, concerning the establishment of a foot-and-mouth vaccine bank for southern and eastern Africa, whereby a certain number of doses will always be in inventory at the Institute for emergency use in the region. When the Institute developed a third vaccine strain (SAT 3) in 1980, it was used with great success, albeit on a limited scale, in export markets.

4. Meat cannery at Maun, Ngamiland

61. Contracts are about to be signed for the construction of a meat cannery at Maun, which will process 15,000 to 20,000 head of cattle per year. The Government is providing a capital grant of \$2.6 million to the Botswana Meat Commission, plus a loan of up to a further \$3.2 million, to cover the construction cost. The cannery will provide a cash sales outlet for cattle owners in the area (sales to the slaughterhouse at Lobatse had been stopped owing to a foot-and-mouth disease in Ngamiland).

C. Strengthening of transport and communication links with Zimbabwe

1. Tarring of the Dumela-Ramokgwebana road

62. This is the last unsurfaced portion between Francistown and Bulawayo of the principal road connecting Botswana and Zimbabwe. Negotiations have been concluded with the World Bank, which is providing \$6.5 million, and the remaining cost, \$3.9 million, will be met by the Government.

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2. Railway track renewal

63. For several years Rhodesia Railways has been unable to maintain adequately the track in Botswana, and the estimated cost of maintaining and upgrading the carrying capacity of the rail bed, by increasing the weight of rails and reconditioning or renewing sleepers, is now substantially above the \$4.6 million per 40 km. previously reported. A total of 640 km. will need to be renewed and, to reduce costs, a mixture of reconditioned steel sleepers (on open track) and new concrete sleepers (in the vicinity of stations) is being examined, rather than concrete sleepers throughout as previously reported. The Government accords high priority to funding this track renewal programme, which has also been presented within the context of SADCC.

3. Civil aviation

64. Scheduled flights have been resumed between Botswana and Zimbabwe, the present service being bi-weekly between Francistown and Bulawayo by Air Botswana.

4. Telecommunications

65. A parastatal organization, the Botswana Telecommunications Corporation (BTC) was created in 1980. The BTC has prepared plans for major upgrading and expansion of telecommunications facilities, both domestically and internationally.

66. Domestically, a programme of over \$130 million has been developed, including upgrading the Lobatse-Francistown link to a microwave system for which a \$25.8 million loan request has been submitted to the African Development Bank. Other domestic links of high priority include Gaberone-Ghanzi and Francistown-Nata-Maun. In addition to external loans, BTC expects to mobilize funds from the domestic commercial banking system.

67. An earth satellite station is now in place and handles international telephone traffic but, owing to capacity limitations, telex traffic continues to be routed through Johannesburg. A new telex exchange has been ordered.

68. The Francistown-Bulawayo microwave link, identified in the previous report of the Secretary-General (A/35/162-S/13870, paras. 97 and 98), and estimated to cost \$380,000 on the Botswana side, has been studied by the Swedish International Development Agency (SIDA) in the context of the SADCC programme. The Government anticipates positive negotiations with SIDA concerning the funding of this link.

APPENDIX
 Map of Botswana

