



ADDRESS BY

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TO THE

43RD ANNUAL ACCOUNTANTS' CONFERENCE
"Governance and Sustainable Development"

Abuja – Nigeria
8 October 2013

Salutations

1. When I first received the invitation to address you, I was excited about the chance of visiting Nigeria once more. On the other hand, having taken a cursory glance at who is inviting me and assuming that you wanted me to talk to you on a topic directly related to your profession, I was intimidated by the proposed task. How can a group of accounting experts, members of one of the leading institutes of Chartered Accounts in Africa, expect me, a retired politician and therefore a jack of trades and a master of none, to talk to them about the role of their profession, I asked myself.

2. I was relieved however on reading the letter again to find, that I was only to talk about the issue of governance and sustainability. As I belong to a profession or occupation (politics) whose members claim to know what has to be done in our respective countries, I suppose it is legitimate to want to hear what we have to say about Africa's development.

3. Allow me therefore to start by expressing my sincere thanks to the Council of the Institute of Chartered Accountants of Nigeria, and indeed to the entire Institute membership, for inviting me to this 43rd Annual Accountants' Conference, in this beautiful capital City of Abuja.

4. In 2009 on July 7th I had the honour to address the Honourable members of the State Government of Bayelsa State here in Nigeria. The topic at that time was "*Transformational Leadership' - The Botswana Model*". On the 18th February 2011, I had the honour to deliver the Professor Claude Ake Memorial Lecture on the topic "***Doom to Boom. -Re-engineering the Economy of River State for Citizens Prosperity Lessons from Botswana***". On both occasions, I was invited by fellow politicians so I felt confident as I had tread where they currently were. Today October 2013 I am here in Abuja at your invitation to talk about Governance and sustainability.

5. I therefore do not take these invitations lightly, and do consider myself lucky to be recalled to Nigeria, Africa's largest nation, to share my views and my country's experiences. I am greatly honoured and humbled by these gestures. I wish to express my gratitude to you, the Chartered Accountants of Nigeria, whose technical accounting competence and professional qualifications I cannot hope to equal, let alone surpasses.

6. As I stand before you, I am humbled by the knowledge that for close to fifty (50) years this Institution has been in existence and has hosted so many of the great minds and great debates that have shaped who you are and may yet become. Seemingly, eternal, yet ever evolving, the Institute of Chartered Accountants of Nigeria has been and remains a centre of ideas not just for Nigerians, but also for Africa as a whole and indeed the entire world. As such it is a vibrant part of our global heritage.

7. Before coming here I visited my Oxford Dictionary for the meaning of “Chartered Accountant”. It says that an Accountant is “a professional keeper or inspector of accounts” and that a Chartered Accountant is someone qualified as a member of a professional body of Accountants that has a royal charter. I then asked myself a question *‘gore’*, why do these professional inspectors of accounts want to talk about governance and sustainable development.

8. I then quickly answered myself, that, as citizens of the global village, we share aspirations, knowledge, technology as well as beliefs and history. One institution shapes the world for the other. The relationship between Accountants and Politicians is as close as that between Accountants and Company Directors.

9. This paper presents an opportunity for a fruitful exchange of ideals and experiences on good governance. I will endeavor to share with you Botswana's relative success in achieving steady economic growth with social development and political stability.

10. The question of Botswana's relative success has been debated at length and in many fora by academics and assorted professional experts, along with ordinary individuals who have expressed critical and often contradictory views. However, all observers acknowledge the fact that Botswana's post-independence progress has occurred in the context of an uninterrupted record of multi-party democracy, respect for human rights and the rule of law. There is further consensus that accountable government has been complemented by the prudent and accountable management of our human capital and natural resources. At the very least, this can be seen as an important context for what has been achieved.

11. Ladies and gentlemen, the debate on governance and sustainable development, particularly in Africa, is timely and relevant because positive political trends have been taking place across the continent, with many countries opening their political systems to give people the opportunity to participate in deciding who should govern them.

12. We all know that Africa has gone through painful experiences since independence in the 1960's. Some African countries experienced the most despotic and brutal regimes that violated fundamental human rights, and adopted political and economic policies that were generally misguided and unsustainable. That fostered instability, civil strife and unconstitutional seizures of power.

13. Corruption became endemic, lack of accountability and transparency, and the absence of good governance became the order of the day.

The riches from the continent's natural resources benefited the few and corrupt, condemning millions of their fellow citizens to poverty and hunger. Lack of accountable governance attracted negative media that only concentrated on the negative instead of also harping on the success stories.

14. However, things are changing for the better. New positive trends are becoming common in the continent. Free and fair elections are being conducted under domestic and international observation and supervision. African institutions are also monitoring the conduct of elections in other African countries. More countries are exploring better and transparent ways of utilizing the wealth from their natural resources for social and economic development. There are in some instances economic growth and political and religious tolerance. Over all, there are concerted efforts by a majority of governments across the continent to embrace good political and corporate governance.

15. In my own region, the Southern African Development Community (SADC), member states have adopted Principles and Guidelines governing Democratic Elections. There is also the SADC Electoral Commissions Forum of 1998 which was set up to consolidate democracy in the region, and the SADC Parliamentary Forum which is a grouping of the regions' national Parliaments. The SADC Parliamentary Forum, consisting as it does, of back-bench MP's of both ruling and opposition parties, is the most credible elections observer institution in the region. They are fearless and forth-right as they are not responsible for the bilateral relations between any two countries.

16. In my own country, Botswana, at the centre of our contemporary democratic dispensation is our constitution, which has, with occasional amendments, become the law of the land for close to five decades now. It has thus remained as the ultimate guarantor of the civil liberties and fundamental freedoms of all of our citizens.

Adherence to the Constitution has, moreover, insured that there are genuine limits, as well as separation, in the exercise of power by each of the three arms of government, that is the Executive, Legislature and Judiciary.

17. This then brings me to what I have been invited here to talk about, governance and sustainable development. The question is what is good governance?

18. Good governance is about adherence to a legitimate constitution, upholding the rule of law as well as broad based participation of the people in the way they are governed. Gender equity and providing for the needs of vulnerable groups is also paramount.

19. Good governance is about establishing clear rules and procedures that facilitate speedy and timely

decision-making. It is about a system of checks and balances to ensure that the various arms of government operate within clearly delineated limits of authority. It is about being accountable to the people. It is about respect for human rights and rule of law.

20. On the other hand, poor governance can manifest itself in many forms, such as abuse of state power, violation of human rights and basic freedoms, such as freedom of association, freedom of expression, the right to development, collapse of state apparatus, over centralization of power, as well as undefined systems and procedures in public policy formulation and execution.

21. Such conditions result in unstable socio-economic and political environment which engender poor service delivery, corruption and lack of certainty about the future.

Under such circumstances, the process of development and enjoyment of fundamental human freedoms is seriously compromised and frustrated.

22. At this juncture I wish to stress very strongly, that the role of government in governance is manifested largely through government's exercise of power and authority, including in the creation of a conducive policy and regulatory environment for business sector development and operation. This includes, among other things, establishing a legal system that protects and enforces the constitution, laws and regulations and also provides short to long term strategic guidance.

23. Ladies and gentlemen, a particular aspect of governance of major interest to me, is the management of natural resources. It is known all over the world that Africa is endowed with natural resources, such as oil, gas, minerals, wildlife and forests, but because of poor governance, the wealth accruing from these resources does not benefit millions of our people.

Our people remain poor and susceptible to diseases while few of their compatriots live high lives. As an oil-rich country, I would like to believe that you are also interested in the proper management of natural resources.

24. In my country, Botswana, we decided at independence to reaffirm the principle that all natural resources of Botswana are a common heritage regardless of the area and/or land where they are found. Therefore, Botswana owes its advances in development to the exploitation of minerals, especially diamonds.

25. All mining rights are vested in the State, and revenues consisting of taxes and royalties and where appropriate, through direct shareholding, accrue to national coffers. These are resources that we have used to develop schools, health facilities and physical infrastructure and sustain the costs associated with the HIV/AIDS pandemic.

26. The revenues earned from diamond are a matter of public knowledge and are reported in published government's accounts. We have done relatively better in transforming the wealth from our minerals into social development and economic growth. We managed because we developed transparent policies and a regulatory framework which enforced accountability.

27. Ladies and gentlemen, allow me to reiterate as a point of emphasis that for democracy to be said to be working, it is necessary that the continent's natural resources be managed in a transparent and accountable manner. People should benefit from these resources because they belong to them. Secondly, for democracy to grow roots on the African continent, leaders should commit to handing over power, after the expiration of their term of office.

28. In Botswana, we have demonstrated that it is possible to be transparent and accountable. It only takes good policies, commitment and accepting that natural resources do not belong to leaders and their families and friends, but are a common heritage for present and future generations. What we have achieved can be achieved by other African states.

29. Earlier on I talked about the role of government in governance. One aspect or part of the government which is equally crucial is the Public Service, i.e. Civil Servants. Without the Public Service, both the government and business cannot deliver according to expectation. This necessarily calls for capacity building of the Public Service, including inter alia, provision of skills, institutional reforms and reviews, and strengthening of laws, regulations and procedures, and so on. Capacity-building in this regard, is meant to ensure that government is able to meet its share of governance responsibility. Here you need a small but efficient Public Service. (And the word small is relative to the population of the country in question).

30. Perhaps illustrative of the importance of such capacity building, is the fact that weak institutions tend to have greater potential for corruption. Corruption, in addition to being costly, cripples development, by, among other things, undermining the rule of law, the institutional foundation on which economic growth and development rely.

31. Strong, efficient and transparent government institutions are fundamental to economic growth and sustainable development. As former United Nations Secretary General Kofi Annan has said “good governance is the single most important factor in eradicating poverty and promoting development”. Yes, a fundamental change in the governance of African countries is the key to all other changes.

32. Ladies and gentlemen, let me now briefly outline the governance experience of my country, Botswana. Botswana has been a multi-party democracy since independence in 1966, and will be going to its eleventh general election next year. A fundamental tenet of Botswana's democracy is broad based inclusivity and participation.

33. Botswana's democratic norms are rooted in our society's long standing tradition of decision-making through public consultation. Since time immemorial, local authorities have consulted their people in open fora known as "*Kgotla*" (Village Square) where participants were free to express personal opinions without fear. This practice is consistent with such Setswana sayings as "*mmualebe o bua la gagwe*" (every person is entitled to his opinion however unpopular) and "*mafoko a Kgotla a mantle otlhe*" (all statements made at the Kgotla are permissible).

34. Today, our modern representative democracy still recognizes the need to hold itself accountable to ordinary people assembled in Kgotla, as well as in additional settings of the private sector, civil society and, of course, the citizenry as a whole through the ballot box.

35. Since independence, we have had peaceful and smooth transitions of power from the first President Sir Seretse Khama to Sir Ketumile Masire in 1980, and from Sir Ketumile Masire to me, Sir nobody in 1998, and from me to Seretse Khama Ian Khama in 2008, a General. In more recent times, we have amended our constitution to limit the Presidential term of office to the equivalent of two-five year terms, and I was the first President to retire under this constitutional requirement. I gladly retired on 31st March 2008 and did not amend the constitution to seek a third term. (Respect for Law). We hope the democratically elected soldier that succeeded me will do the same, come the end of 10 years.

36. To broaden citizen participation in elections we amended our electoral laws to reduce the voting age from 21 to 18 years, and extended the franchise to our citizens residing outside the country – a very expensive exercise for a small country. Elections are now overseen by an Independent Electoral Commission presided over by a Judge of the High Court, with the Chief Justice of the country as the Returning Officer for Presidential elections.

37. The Judiciary and Legislature are independent, and each has performed its oversight functions over the Executive adequately. In addition, Botswana like Nigeria has a robust, vibrant and independent media and civil society. Openness to public scrutiny and transparency has reinforced accountability. No one is spared from scrutiny by the media. We were able to practice the rule of law, by among others hiring Nigerian and Ghanaian lawyers as Magistrates and Judges. The late Akinola Aguda was Chief Justice of Botswana in the seventies, left and came back 20 years later as member of the Court of Appeal and died as its President.

38. In addition to the constitutionally entrenched oversight organisations such as the *Auditor General* and the *Directorate of Public Prosecution*, we have established independent organisations such as the *Directorate on Corruption and Economic Crime*, the *Ombudsman* and the *Public Procurement and Asset Disposal Board*. These key anti-corruption and accountability institutions ensure strict adherence to proper financial management practices and good governance.

39. They have strong legal mandates and powers to investigate and report on possible abuses and departures from financial laws and regulations designed to protect the public interest with regard to, among other things, safeguarding of the collection, custody and use of public funds and assets, including land, the security of private property, as well as the freedom to trade anywhere in the country. An independent judiciary underpins these institutions, and we continue to exercise vigilance to ensure that they all adapt to the changing times.

40. In Botswana, we have been committed to the goal of '*zero tolerance*' for corruption. Our resolve has been that corrupt practices must remain a 'high risk low return undertaking'. This has earned Botswana a rating, by Transparency International, as the least corrupt country in Africa and the developing world, and indeed among the best in the world. However, this is not a permanent status, it has to be safeguarded and continually reinforced.

41. Our experience is that one key element of promoting good governance is to have a transparent system that allows interaction among development agents, without unnecessary hindrances to information access. Transparency is promoted more effectively through information flow between government and other stakeholders. This includes creation of formal and informal channels for constant dialogue and consultation between partners. Some such channels include creation and sustenance of inclusive but relevant fora that can accommodate various interests.

42. Allow me to summarise Botswana's position in these words. The principle of public control of natural resources in Botswana for the collective good of all its citizens can thus be seen as, and indeed is, the *foundation stone* of our countries sustained and peaceful process.

43. Once it had been agreed that natural resources would vest in the State. Consensus was canvassed on the national priorities on which revenues from these resources would be spent. Education and training, water supplies and health, i.e. public health and primary health care and physical infrastructure, i.e. roads and electricity were identified as such. It was also decided that natural resources revenues would be used only on development or capital expenditure and not on recurrent expenditures. However, recurrent expenditures on education and training and health were classified as development expenditure.

44. In conclusion, ladies and gentlemen, let me re-emphasise that good governance is all embracing. It is not a menu from which to pick and choose. All elements of governance such as political, economic, social, public sector management, the media and civil society, are equally crucial. But all these have to be underpinned by values of broad based citizen participation, transparency, accountability and fairness.

45. Strong and functioning democratic institutions and values can facilitate economic development, create an environment which encourages individual and group initiatives and equitable distribution of resources.

46. Allow me to conclude by quoting Dr. Mo Ibrahim of the Mo Ibrahim Foundation which focuses on governance in Africa.

Dr. Ibrahim says,

- 'Without good governance, the State's resources cannot be effectively administered to provide education and health-care services, of which acute shortages exist in much of the continent. Potential gains from increased aid and debt relief cannot be as effective as they could be.
- 'Without good governance, laws cannot be justly applied and security upheld. Africa faces high risks of internal insecurity, which can quickly develop into humanitarian crises in the absence of security and the rule of law.
- 'Without good governance, people cannot be fairly represented, and democracy cannot be allowed to flourish. Civil society cannot fulfill its potential to contribute to development in the absence of sound governance.

- 'Without good governance, businesses cannot operate. The private sector is an engine of growth - generating employment, prosperity and tax revenue-but only if it is able to thrive.
- 'Without good governance, international investors will be deterred. Africa is experiencing record flows of FDI, but they are still a small fraction of the global total and must be increased if the continent is to have a chance of achieving the Millennium Development Goals by 2015.'

47. I will gladly take questions because that will enable me to elaborate on some points which are too brief in the speech and explain the importance of practices such as transparency, for instance. Above all, I can be detailed in my answers because I will be confident that I am talking about what is of interest to you as indicated by the question.

I thank you for your attention.