



Republic of Botswana

**HIGH-LEVEL CONFERENCE ON THE PROMOTION OF GOOD
GOVERNANCE AND FIGHT AGAINST CORRUPTION**

WELCOME ADDRESS

BY

**Honourable Peggy O. Serame
MINISTER OF FINANCE**

13TH JUNE 2022



Director of Ceremonies;

Deputy Managing Director of the International Monetary Fund (IMF), Ms Antonette Sayeh and your delegation;

Your Excellency, Former President of Liberia, Dr Ellen Johnson Sirleaf;

Your Excellency, Deputy Chairperson of the African Union Commission, Dr Monique Nsanzabaganwa;

Executive Director, Africa Group 1 Constituency, IMF, Ms Ita M Mannathoko;

Governors and Deputy Governors;

and Board Members of Bank of Botswana and Other Central Banks;

Your Worship, The Mayor of the City of Gaborone, Honourable Austin Abraham;

Your Excellency's, Members of Diplomatic Corps and Heads of International Organisations;

Senior Government Officials, Head of Parastatals, and Central Bank Officials here present;

Captains of Industry and Representatives of Civil Societies;

Distinguished Moderators and Resource Persons;

Participants;

Media Practitioners;

Distinguished Guests, Ladies and Gentlemen.

Good morning to you all!

1. I am honoured and pleased to welcome you to the beautiful Republic of Botswana, "**Our Pride, Your Destination**". In this regard, I wish to appreciate your choice of Botswana to host the Conference, which I believe takes into account our capabilities, including technological maturity to seamlessly accommodate in-person and virtual hybrid engagements; the entrenchment of health protocols, especially around COVID-19.
2. It is my belief that your choice of Botswana is also a testimony to our record of good governance, relatively low levels of corruption, and related institutional arrangements.
3. **Honoured Guests**, while welcoming you to Botswana, I need to acknowledge the difficult times during which we are meeting. The first challenge was occasioned by the COVID-19 pandemic, now in its third year, which literally stopped global economic growth in its tracks, and dampened prospects for inclusive growth and economic integration. Nevertheless, a positive outcome is the acceleration of digitalisation, which has the potential to foster new economic opportunities and enhanced inclusion.

4. The second challenge relates to the ongoing Russia-Ukraine war, which has disrupted trade and access to essential products, and accelerated inflation, thereby eroding incomes and living standards. In the medium to long term, there are real risks of reversal of the benefits of trade and economic integration, especially for developing and emerging market economies, as the world settles into disparate and segmented economic, trading and currency blocs.

5. **Ladies and Gentlemen**, given the range and expertise of speakers, discussants, and participants in this Conference, I have no doubt you will navigate and explore the relevance of good governance and fight against corruption on economic performance and stability. As my contribution, allow me to project a few aspects that I consider pertinent to the discussions.

6. **First**, there is need for clarity on the bounds and definitions of good governance and corruption. This is because it is often difficult to recognise inappropriate behaviour and unethical conduct under the strict jurisdiction of poor governance or corruption. Nevertheless, I believe good governance at the minimum, should entail; a clear definition of objectives and deliverables; an appropriate leadership, operational and oversight structure for the

purpose; accountability frameworks for performance and remedial measures where objectives are not met.

7. **Honoured Guests**, the **second** aspect is the potential for good institutional governance, to foster effective and impactful delivery of government services, provision of utilities, balanced regulation of various areas of economic activity and business promotion activities.
8. The **third** perspective that needs to be highlighted is that, weak governance and corruption not only constrains service delivery, and therefore, economic activity, but generally raises costs. This affects the government budget given the continuous allocation of resources to, for example, government programmes and utility providers that do not generate the requisite outcomes nor returns.
9. In addition, the cost of procurement can be unreasonably high and prolonged. Moreover, there can be significant claims on government and other institutions associated with un-procedural procurements. Furthermore, the costs of doing business tend to rise, reducing prospects for employment and profitability. Ultimately, weak governance and corruption delays transition from poverty and neutralisation of inequality.

10. **Ladies and Gentlemen, fourth,** an environment of weak governance and corruption also tends to undermine project execution for both businesses and individuals, extending the time between capital allocation and the generation of project cash flows. If this involves borrowed funds, this leads to an increase in loan defaults, which can worsen asset quality of lending institutions and, therefore, threaten financial stability.

11. Lastly, along these lines I need to mention the possibility of weak governance and corruption scaring foreign investors and potential business partners that could support economic expansion and modernisation; or, at worst, attracting the wrong kind, that would perpetuate the bad outcomes for the economy and society.

12. Therefore, **Ladies and Gentlemen**, overall, good governance and the fight against corruption are critical for sustaining the integrity of a whole chain of institutions, including service providers, programme implementing agencies, procurement processes, and regulatory institutions.
13. Alternatively, weaknesses signify failure of policy implementation, ultimately affecting macroeconomic performance and challenging the execution and resilience of macroeconomic policy frameworks. I believe, it is in consideration of this that the International Monetary Fund (IMF) now has in place, as part of its surveillance programmes a New Framework for Enhanced IMF Engagement on Governance and Corruption.
14. For Botswana, we continue to pride ourselves with maintenance of a strong, stable and predictable institutional framework that provides support for enduring macroeconomic stability. This is attested by the rating agencies, Moody's and Standard & Poor's, in their regular ratings review, as well as successive IMF Article IV Surveillance Missions.
15. However, **Honoured Guests**, as I hinted earlier, we should not be resting on our laurels.

This is because the more recent ratings on governance and corruption show a deterioration which we should address decisively. As I said when presenting the Budget in February this year, we will fail to improve service delivery and productivity unless we confront corruption both in the public and private sector.

16. **Ladies and Gentlemen**, once again I wish you fruitful engagements and deliberations and hope for beneficial outcomes and learning points from the Conference; overall entrenching institutional resilience with respect to good governance and shunning of corruption. I also hope that your stay in Botswana will be enjoyable, even as we remain constrained by the need to protect ourselves against COVID-19, and will entail future business opportunities for your corporates back home and for our businesses in your countries, as well as repeat business and tourist visits.

17. Distinguished Ladies and Gentlemen, I, hereby, declare the **High-Level Conference on the Promotion of Good Governance and Fight Against Corruption**, officially open.

18. *Ke a leboga bagaetsho.* I thank you!