

REPUBLIC OF BOTSWANA

KEY FEATURES OF THE 2023/2024 BUDGET

Ministry of Finance
Website: www.finance.gov.bw
6th February 2023

KEY FEATURES

- What Guides the Country's Development Agenda?

Vision 2036

**NDP 11
(2017- 2023)**

Mid-Term Review of NDP 11

**ERTP (Adendum to MTR of
NDP 11)**

**Transitional National
Development Plan (TNDP)**

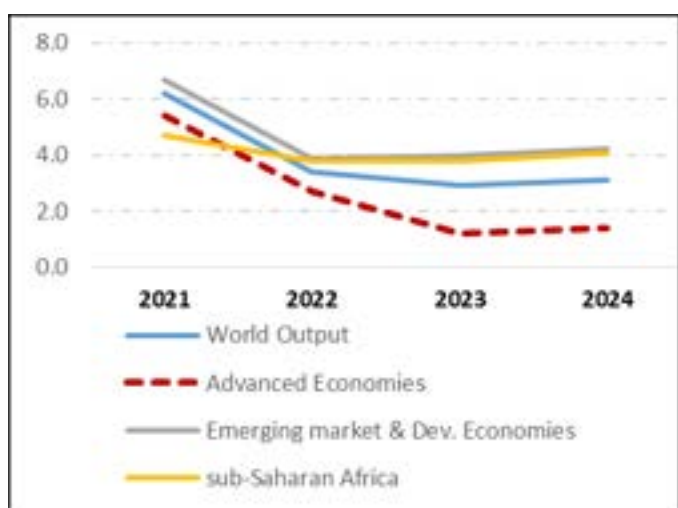
**Annual Budgets 2023/2024
Budget**

National Priorities

- Economic climate under which the 2023/2024 Budget was prepared:



Figure 1: Economic growth trends by region, (%)



Source: IMF, World Economic Outlook, January 2023

Figure 2: GDP Growth Projections, 2020-2022, (%)



Source: MoF, IMF, World Bank 2023

- Table 1: Real GDP Growth Rate, (2021-2024), %

	2021 Actual	2022 Estimate	2023 Projection	2024 Projection
<i>Agriculture, Forestry & Fishing -</i>	1.0	2.7	2.0	2.1
<i>Mining & Quarrying</i>	29.8	8.2	-0.1	5.9
<i>Manufacturing</i>	8.1	6.8	2.1	2.9
<i>Water & Electricity</i>	9.6	39.4	23.6	15.0
<i>Construction</i>	6.5	3.0	4.3	3.7
<i>Wholesale & Retail</i>	14.0	4.0	5.6	4.8
<i>Diamond Traders</i>	85.0	41.8	7.0	4.0
<i>Transport & Storage</i>	5.9	3.6	3.4	3.5
<i>Accommodation & Food Services</i>	-1.5	4.3	4.0	4.5
<i>Information & Communication Technology</i>	4.4	5.6	4.0	4.7
<i>Finance, Insurance & Pension Funding</i>	0.6	2.3	3.4	4.0
<i>Real Estate Activities</i>	7.9	3.4	5.0	5.4
<i>Professional, Scientific & Technical Activities</i>	6.8	2.9	4.9	4.0
<i>Administrative & Support Activities</i>	8.9	3.7	3.0	4.4
<i>Public Administration & Defence</i>	4.5	7.5	6.3	6.1
<i>Education</i>	1.9	2.0	6.3	7.0
<i>Human Health & Social Work</i>	6.2	3.0	4.5	4.0
<i>Other Services</i>	4.6	1.6	1.6	1.5
<i>Total Value Added, Gross</i>	11.9	6.7	4.0	5.1
<i>Adjustments items (Taxes less subsidies)</i>	9.2	6.5	3.8	4.9
<i>Total GDP</i>	11.8	6.7	4.0	5.1
<i>GDP excluding Mining Value added</i>	7.8	6.3	5.1	4.9

National Priorities & Objectives of the 2023/2024 Budget:

Digital Transformation	Business Environment Reforms	Value Chain Development
<p><i>Access to affordable Information and Telecommunications technology (ICT) infrastructure</i></p> <p><i>Accelerating digital connectivity nationwide to close the connectivity gap, moving Government services online, leveraging smart technologies to address food security, and transforming the education sector</i></p> <p><i>574 Village and public facilities to be connected</i></p> <p><i>Proposed budget P2.62 billion</i></p>	<p><i>Government regulation will create an enabling environment for ease of doing business</i></p> <p><i>Passing of the Credit Information and Movable Property Acts by Parliament to improve access to credit by micro, small and medium enterprises (MSMEs)</i></p> <p><i>Amendment of the Transfer Duty Act of 2019 to exempt Special Economic Zone (SEZ) licence holders from paying transfer duty when acquiring immovable property associated with the business</i></p> <p><i>Proposed budget P420.90 million</i></p>	<p><i>Enhance domestic economic benefit from minerals development through beneficiation and local value addition activities</i></p> <p><i>Reviewing key mining legislation, the Mines and Minerals Act</i></p> <p><i>Construction of sunflower oil refinery plant</i></p> <p><i>Proposed budget P540.89 million</i></p>

Infrastructure Development

Expanding fuel storage capacity

Continued implementation of major water and sanitation projects

Implementation of projects through Development Manager Model

Implementation of projects under the Intergrated Resource Plan (IRP) for Electricity Generation

Raising the renewable energy target with a renewables contribution of 30% by 2030 from current 1%

Proposed budget P12.73 billion

Sustaining Livelihoods

Opportunity to participate in mainstream economic activities, while also prioritizing the needs of vulnerable groups

Single Social Registry has been rolled out to all Districts, and will be operational effective from April 2023

Proposed budget P5.35 billion

Climate Change

Develop a long term, low carbon development strategy and support the necessary mitigation and adaptation activities

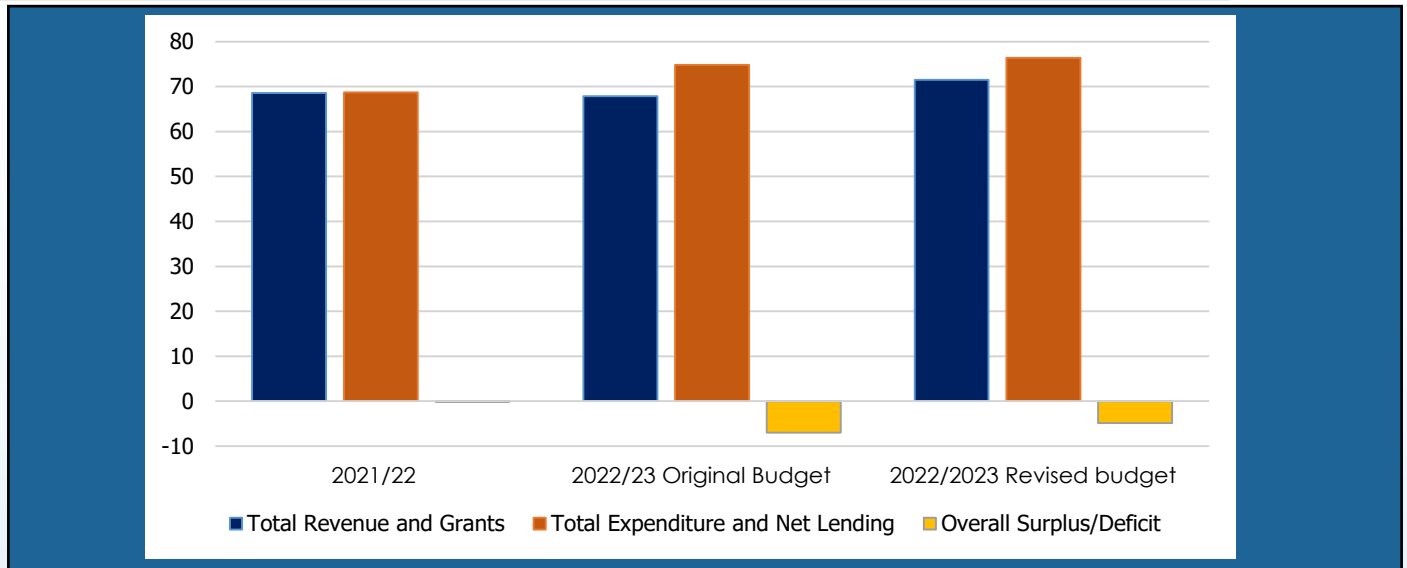
National Climate Change Policy Guidelines for incorporating climate change issues into the Enviromental Act will be finalised

Botswana's portfolio approved through the Green Climate Fund stands at seven (7) projects amounting to USD 81.0 million which will cover adaptation and mitigation objectives

EU is supporting Botswana's Green Transformation initiatives amounting to Euro 3 million

In addition to donor funds, proposed budget of P1.36 billion

Figure 3: The 2021/2022 Budget Outturn & 2022/2023 Revised Budget Estimates



-Restoring Fiscal Sustainability

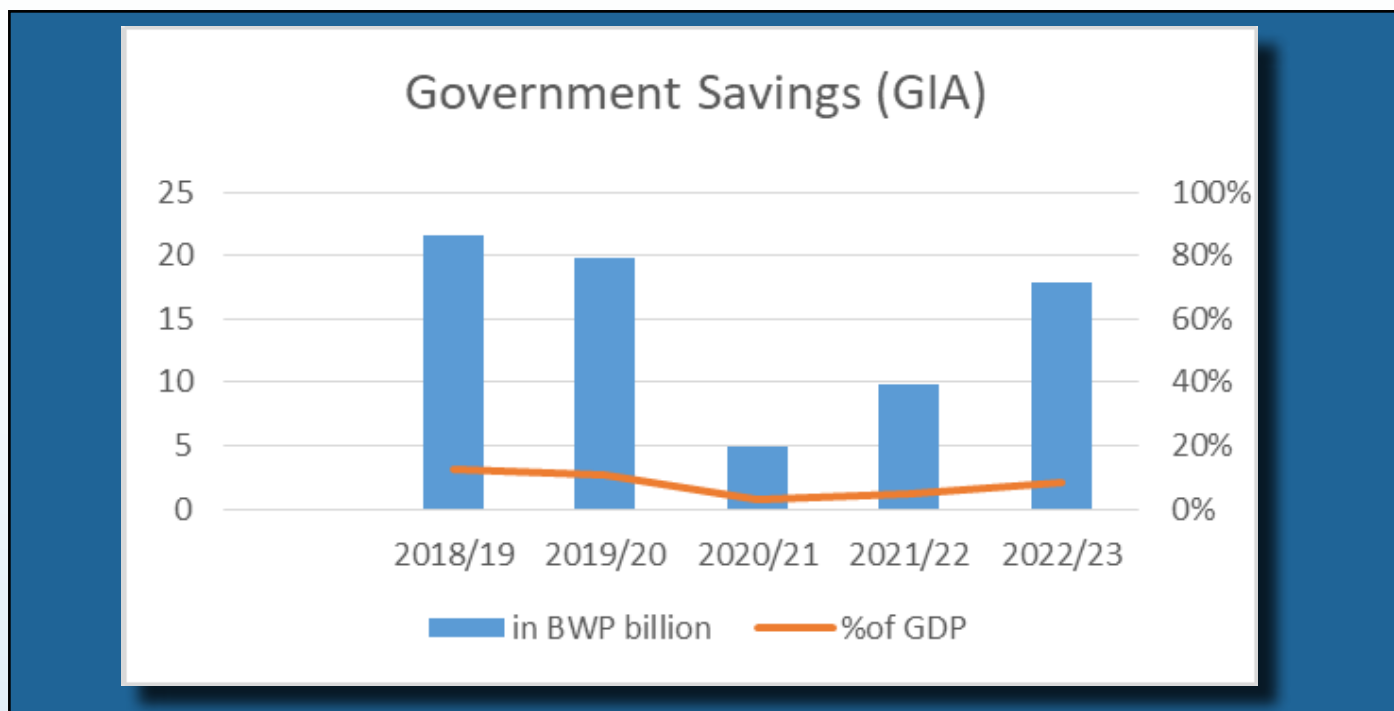
Revenue Mobilisation

- Diversify and expand the fiscal revenue base
- Botswana Unified Revenue Services (BURS), continues to put measures in place to improve tax revenue collection
- BURS will complete a number of initiatives, including introduction of electronic billing/invoicing platforms to improve VAT compliance
- Introduction of a digital marking and tracking solution for excisable goods to ensure that legitimate duties and taxes are paid on imported and manufactured products
- Enhanced capacity in the use of non-intrusive equipment (scanners) to curb cases of noncompliance by importers at ports of entry
- Implementation of the Debt Recovery Strategy and strengthening of the Tax Audit function and the capacity of the Large Taxpayers Unit
- Improving taxpayer compliance and border security
- Strengthening trade facilitation
- Enhancing the revenue-raising capacity of Councils and Land boards

Improving Efficiency of Public Expenditure

- Ensure that PFM reforms are enforced
- Zero based budgeting (ZBB) approach
- Streamlining internal operational processes to contain costs and to improve efficiency in public spending

Figure 4: GOVERNMENT INVESTMENT ACCOUNT (GIA)



2023/2024 BUDGET PROPOSALS

- Total revenues and grants for the 2023/2024 financial year amount to seventy-nine billion, seven hundred and ninety million Pula (P79.79 billion)
- Total Expenditure and Net Lending for the 2023/2024 financial year is projected at eightyseven billion, three hundred and sixty million Pula (P87.36 billion)
- Overall Budget deficit P7.59

Figure 5: 2023/2024 Estimated Revenue by Source, BWP Billion

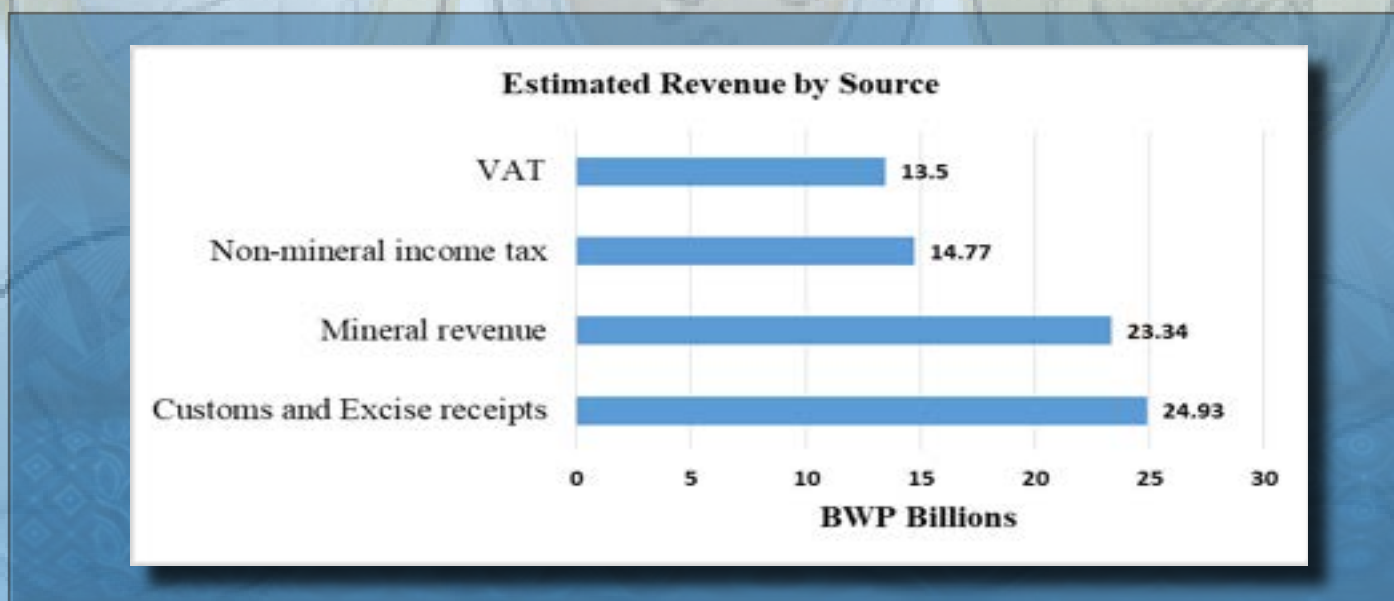
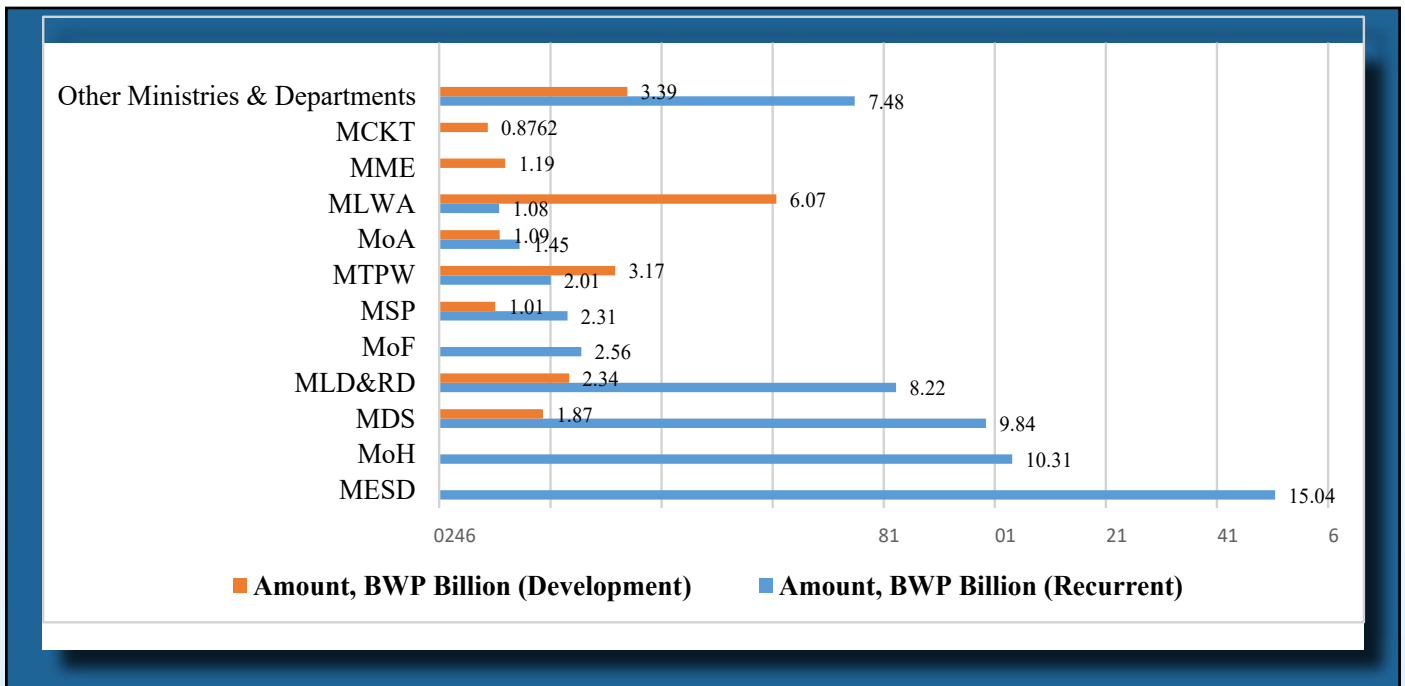


Figure 5: Proposed Total Budget by Ministry, BWP Billion



Ministry of Education and Skills Development

- Salaries and Allowances
- Operational Costs for State Owned Enterprises in the Sector
- Tertiary Students Allowances including food and books
- Invigilation costs

BWP 15.04 Billion

Ministry of Health

- Contain COVID-19
- Mitigating of new infections
- Procurement of Drugs
- Operationalise Sir Ketumile Masire Teaching (SKMT) Hospital to full capacity

BWP 10.31 Billion

Ministry of Defence and Security

- Security issues that threaten Botswana's sovereignty and territorial integrity
- Operational Costs for BDF, Botswana Police Service, Botswana Prisons & Rehabilitation Services
- Operations by Botswana contingent under SADC mission in Mozambique
- Replacement of vehicles



BWP 9.84 Billion

Ministry of Local Government and Rural Development

- Revenue support Grant (RSG) to Districts and Urban councils
- Upgrading sub-districts to fully fledged councils
- Payments of different Social benefits
- Procurement of food supplies of primary schools and health facilities



BWP 8.22 Billion

Ministry of Finance

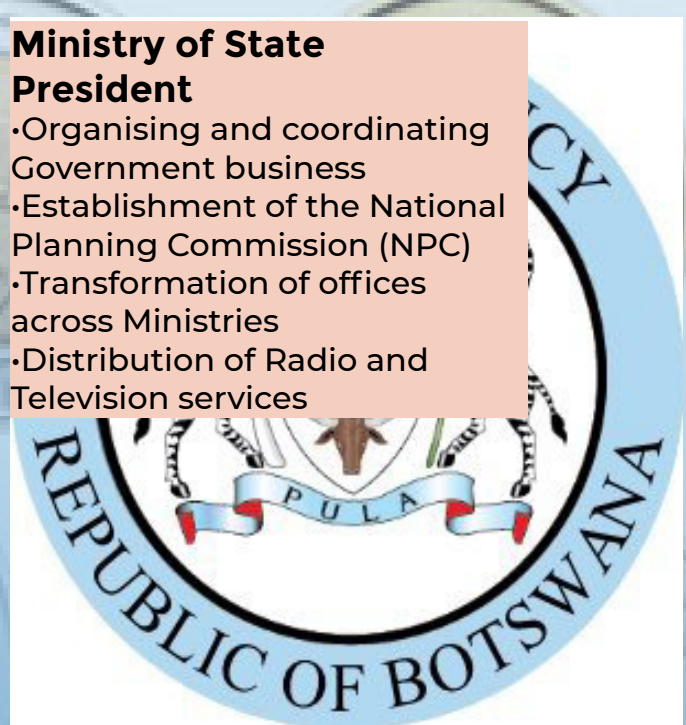
- Tertiary education tuition fees
- Operational Costs
- Grants, subventions and transfers to Parastatals and other organisations under MoF
- Provisions for activities of Eastern and southern Africa Anti-Money Laundering Group
- Setting up of Public Procurement Tribunal



BWP 2.56 Billion

Ministry of State President

- Organising and coordinating Government business
- Establishment of the National Planning Commission (NPC)
- Transformation of offices across Ministries
- Distribution of Radio and Television services



BWP 2.31 Billion

Ministry of Transport and Public Works

- Develop policies, strategies and Standards
- Infrastructure and maintenance
- Incorporation of Ministry departments



BWP 2.01 Billion

Ministry of Agriculture

- Exploitation of Agricultural Value Chain
- Export development and Import substitution
- Subventions to National Agricultural Research and Development Institute (NARDI)
- Establishment of Meat Industry Regulatory Authority (MIRA)
- Botswana Animal Information and Tracability System (BAITS)



BWP 1.45 Billion

Ministry of Lands and Water Affairs

- Infrastructure development
- Operational Costs for completion of Land Information Centre
- Land and Water administration
- Personnel emoluments for upgrading SubLandboards



BWP 1.08 Billion

Other Ministries

- Re-focussing existing policies, strategies and programmes following re-organization of Ministries and Departments
- Establishment of Ministry of Entrepreneurship
- Empowerment initiatives



BWP 10.87 Billion



CHALLENGES

- Under performance of GDP
- Unemployment
- Global inflation
- Budget deficit

OPPORTUNITIES

- Improvement in Export earnings
- Improved Net cash inflows from diamond export and SACU receipts, AfCTA
- Recovery in the Government Investment Account (GIA)

FINANCING STRATEGY

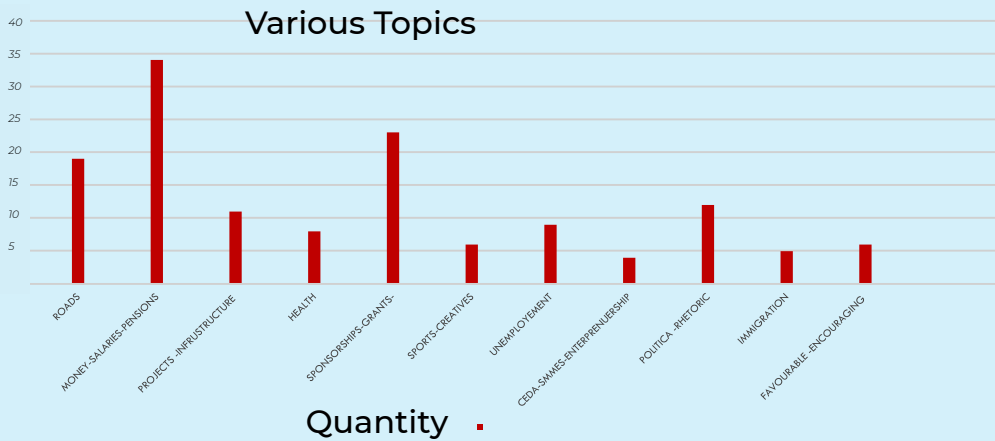
- Fiscal Prudence and Discipline consolidation plan focused on reducing the public sector wage bill and grants and subventions
- Review subventions and grants to State Own Enterprises and Local Authorities with a view to reducing the allocations

BUDGET CYCLE SUMMARY



BUDGET PUBLIC CONTRIBUTIONS

BUDGET TOPICS



PITSO MEDIA PLAN



**RADIO JINGLE- GABZ FM
PLACEMENT OF THE BUDGET PITSO ON
GABZ FM,
30 SECONDS AUDIO JINGLE(AIRING
X10);
SATURDAY 17th (X2),
SUNDAY 18th (X2),
MONDAY 19th SEPTEMBER(X6).**

PRESS RELEASE



