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NOTE ON STAKEHOLDER CONSULTATIONS

This note describes the stakeholder consultation process undertaken by the UN Resident Coordinator's Office (RCO) in support of the development of the Botswana UN Country Analysis (CA) 2026. The CA was conceived as a forward-looking document – one that takes stock of Botswana's current development status and needs, but which looks ahead to sketch out pathways for overcoming development deficits and explore the country's possible development trajectories. Consultations were designed to gather evidence-based insights aligned with this dual purpose: understanding where Botswana stands today, and – critically – identifying the conditions and choices that will shape where it can go.

The consultation process engaged three primary stakeholder groups: the Government of Botswana, the private sector, and the UN Country Team (UNCT). All government-facing consultations were facilitated by the UN RCO Economist.

1. Government Consultations

Line Ministries – Gaborone, 19 May 2025

The first round of government consultations brought together senior representatives from the National Planning Commission and key line ministries, including:

- Ministry of Health
- Ministry of Child Welfare and Basic Education
- Ministry of Trade and Entrepreneurship
- Ministry of Youth and Gender Affairs

Discussions centred on Botswana's current development context, with explicit emphasis on a horizon scanning exercise – identifying opportunities that lie ahead rather than solely cataloguing existing challenges. Participants were also engaged on the question of which structural and institutional barriers, if removed, would most effectively unlock sustainable and diversified growth in the country.

SDG Consultations with the National Planning Commission – Kasane, 17–18 December 2025

A two-day consultation on Sustainable Development Goals (SDG) progress and acceleration was convened in Kasane, led by the National Planning Commission. The sessions explored Botswana's SDG trajectory, emerging challenges and opportunities in the development context, and the conditions required to unlock more sustainable and diversified growth pathways. This consultation reinforced the thematic priorities and analytical framing developed in the CA.

2. Private Sector Consultation

Business Botswana – Gaborone, 17 September 2025

A dedicated consultation was held with Business Botswana and representatives from the private sector. The session explored the private sector's perspective on Botswana's development trajectory, including key barriers to investment, market

development challenges, and areas where enhanced public-private partnerships could contribute to economic diversification and job creation.

3. UN Country Team (UNCT) Engagement

Technical Working Level – September to December 2025

Engagement with UNCT technical focal points was continuous over a sustained period from September through December 2025 – approximately three months. Focal points from UN agencies provided direct inputs and substantive text contributions across all relevant thematic areas of the CA. This working-level engagement was iterative, allowing successive rounds of review and refinement as the analytical framework developed.

UNCT Retreat – Manong, 17–19 September 2025

The first draft of the CA was formally presented and discussed with the full UNCT during the annual UNCT Retreat held in Manong from 17 to 19 September 2025. The retreat provided an opportunity for agency heads and technical leads to collectively review the analytical framework, identify gaps, and agree on key development priorities to be reflected in the CA.

UN Agency Head Engagement – October 2025 to February 2026

As the CA progressed from first to second draft, UN agency heads became more directly involved in providing substantive feedback. This senior-level engagement continued through to the final draft, with the completed CA presented to agency heads for final review. Their contributions focused on ensuring analytical rigour, thematic coherence, and that the forward-looking development scenarios and trajectories outlined in the CA were well-grounded in Botswana's specific context.

4. Summary of Consultations

Below is a summary of all consultations undertaken in support of the CA.

19 May 2025 | Government (National Planning Commission & Line Ministries) | Gaborone | UN RCO Economist

17 Sep 2025 | Private Sector – Business Botswana | Gaborone | UN RCO Economist

17–19 Sep 2025 | UNCT Retreat – First Draft CA Discussion | Manong | UN RCO

Sep–Dec 2025 | UNCT Technical Focal Points – Continuous inputs | Various | UN RCO

17–18 Dec 2025 | SDG Consultations – National Planning Commission | Kasane | UN RCO Economist

Oct 2025–Feb 2026 | UN Agency Heads – Draft review & final CA | Various | UN RCO

Methodology note: All government consultations were structured around two core analytical questions: (i) what are the principal challenges and opportunities in Botswana's current development context, with particular emphasis on horizon

scanning and forward-looking opportunities; and (ii) what are the most critical structural barriers that need to be addressed to unlock sustainable and diversified economic growth? Sessions were participatory and facilitated using a structured discussion format to ensure consistency of inputs across consultations.

EXECUTIVE SUMMARY

Purpose and Context

This Country Analysis (CA) provides an integrated, forward-looking assessment of Botswana's development trajectory at a moment of structural transition. Botswana enters the second half of the 2020s facing a convergence of pressures: a sharp contraction in diamond revenues following global market shifts; tightening fiscal space after years of counter-cyclical spending; persistent inequality and high unemployment despite upper-middle-income status; and intensifying climate and water stress. At the same time, the country retains strong fundamentals, including political stability, sound institutions, a history of prudent macroeconomic management, and a clear long-term national vision articulated through Vision 2036, the Botswana Economic Transformation Programme (BETP), and National Development Plan 12 (NDP12).

This CA moves beyond a descriptive assessment of sectoral outcomes to examine Botswana's development as an interconnected system. It combines a system scan of the current state (Horizon 1) with foresight analysis and scenario thinking to explore plausible future pathways toward Vision 2036 (Horizons 2 and 3). The analysis is evidence-based and impartial, drawing on national and international data already embedded in the report, and is intended to inform strategic prioritisation, policy coherence, and collective action.

Botswana's Development System Today (Horizon 1)

Botswana's development model has delivered decades of stability and income growth, anchored in diamond-led growth, effective public administration, and social investments. However, the same model now exhibits clear structural limits.

Economic growth has slowed markedly. Following post-pandemic recovery, real GDP growth weakened sharply as global diamond demand softened. GDP growth in 2024 was negative, and 2025 outcomes reflect continued volatility, underscoring Botswana's exposure to external shocks and the narrowness of its production base. Over the medium term, long-run growth remains constrained at around 3–4 percent, insufficient to meet Vision 2036 ambitions without a serious and sustained structural transformation.

Fiscal space has tightened. After a balanced budget in FY2021/22, large deficits emerged as mineral revenues declined and public investment increased. The FY2024/25 budget deficit reached a high level, while public debt rose to around 30 percent of GDP, still moderate by international standards, but a significant increase relative to Botswana's past. Government cash buffers and foreign reserves have declined, narrowing room for counter-cyclical policy. Inflation, which spiked in 2022 due to global price pressures, has since returned to the Bank of Botswana's target range, allowing cautious monetary easing, but cost-of-living pressures remain salient for households.

Social outcomes remain uneven. Botswana continues to face one of the highest inequality levels globally, with a Gini coefficient above 50. Unemployment remains persistently high, particularly among youth despite substantial public spending on education and training. Poverty has declined over the long term but remains elevated in rural areas and among specific population groups, reflecting spatial and social disparities. These patterns indicate that growth has not translated into broad-based employment or inclusive income gains.

Climate and environmental stress are intensifying. Botswana is highly exposed to droughts, rainfall variability, and water scarcity, which affect agriculture, rural livelihoods, energy security, and ecosystems such as the Okavango Delta. Environmental degradation and climate shocks increasingly intersect poverty, food security, and fiscal risks, reinforcing vulnerabilities across the system.

Institutional capacity and implementation constraints are emerging as binding challenges. While Botswana's governance remains strong by regional standards, the scale and complexity of the transformation required place new demands on public sector coordination, delivery capacity, and data systems. Rising wage bills, pressures from state-owned enterprises, and coordination gaps across institutions risk undermining reform momentum if not addressed.

Cross-Cutting Structural Challenges

Five interlinked challenges cut across Botswana's development system:

1. **A narrow economic base and limited employment creation**, leaving growth and fiscal revenues highly exposed to diamonds and global cycles.
2. **Persistent inequality and social exclusion**, with strong spatial, gender, and intergenerational dimensions that constrain human development, the enjoyment of human rights and social cohesion.
3. **Underutilised human capital**, reflecting skills mismatches and limited absorption of educated youth into productive employment.
4. **Climate stress and environmental fragility**, increasingly shaping economic, social, and fiscal risks.
5. **Institutional and implementation constraints**, including coordination, execution capacity, and data gaps that weaken policy effectiveness.

These challenges are mutually reinforcing and cannot be addressed through isolated sectoral interventions. They require integrated transitions across economic structure, human capital, climate resilience, and governance.

Foresight and Alternative Futures (Horizons 2–3)

Looking ahead (2026-36), Botswana's trajectory can be understood through three stylised scenarios, reflecting different policy choices and external conditions.

Under a **baseline scenario**, Botswana experiences gradual recovery after the mid-decade shock, with growth rebounding modestly as diamond markets stabilise and public investment resumes. Growth converges toward its long-run potential of around 3–4 percent after 2026. Fiscal consolidation proceeds gradually, with deficits narrowing over time and debt stabilizing, while resources are ringfenced for social spending. While macroeconomic stability is preserved, progress toward diversification and inclusive growth remains incremental, leaving *Vision 2036* targets at risk.

An **optimistic scenario** assumes successful implementation of economic transformation reforms, stronger private investment, and diversification into sectors such as renewable energy, tourism, services, and regional trade. Growth accelerates into the 5 - 7 percent range in the late 2020s and early 2030s, unemployment declines, and fiscal balances improve as revenues broaden. In this scenario, Botswana approaches high-income status by the end of the Vision period, supported by productivity gains, digitalisation, and effective climate adaptation.

A **pessimistic scenario** reflects deeper or prolonged decline in diamond revenues, delayed reforms, and adverse external shocks. Growth remains weak or volatile, fiscal deficits persist, debt rises toward unsustainable levels, and social pressures intensify. Climate shocks and water scarcity compound vulnerabilities, risking a prolonged period of low growth and rising inequality - a “lost decade” scenario.

These scenarios highlight that Botswana’s future is not predetermined. Policy choices and implementation effectiveness during Horizon 1 will critically shape whether the country transitions toward the optimistic pathway or remains trapped in structural vulnerability.

Risks and Opportunities on the Path to Vision 2036

Botswana faces material risks to achieving Vision 2036, including continued reliance on a single commodity, fiscal pressures, persistent inequality and unemployment, climate impacts, slow diversification, and public sector capacity constraints. External risks - global recessions, shifts in diamond demand, regional economic conditions, and health shocks - add further uncertainty.

At the same time, the country has significant opportunities. A youthful population presents a potential demographic dividend if matched with relevant skills and jobs. Digitalisation and technological adoption offer pathways for productivity gains and service-led growth. Abundant solar resources position Botswana to advance a green energy transition and attract climate finance. Regional integration through AfCFTA and SADC expands market access and value-chain opportunities. Strong governance, political stability, and national ownership of development strategies remain critical assets.

Transition Logic: From Horizon 1 to Horizon 3

The Three Horizons framework provides a coherent narrative for Botswana's transformation.

- **Horizon 1** focuses on stabilisation and preparation, managing fiscal and macroeconomic pressures, protecting vulnerable populations, and initiating reforms and pilot initiatives.
- **Horizon 2** represents the transition phase, where diversification accelerates, new growth sectors scale up, and institutional reforms deepen. This period requires careful management of tensions between declining legacy sectors and emerging opportunities.
- **Horizon 3** embodies the Vision 2036 outcome: a diversified, inclusive, and climate-resilient high-income economy supported by effective institutions and a skilled population.

Progress across horizons depends on sequencing, coherence, and sustained implementation rather than isolated policy actions.



Figure ES.1 provides a visual synthesis of the Country Analysis, illustrating how Botswana's development transition unfolds across three horizons—from near-term stabilization, through a period of scaling diversification and reform, toward the Vision 2036 end-state of a diversified, inclusive, and resilient high-income economy. It highlights the role of cross-cutting enablers,

including human capital, governance, climate resilience, and digitalization, in supporting progress across all horizons.

Implications and Way Forward

As summarized in Figure ES.1, this CA underscores that Botswana's development challenge is not one of vision, but of transition. The central task is to convert strong fundamentals and long-term aspirations into integrated, system-level change. This requires aligning economic transformation, social inclusion, climate resilience, and governance reforms within a coherent transition pathway.

The analysis provides a shared evidence base to inform strategic prioritisation, policy coherence, and coordination across Government, the UN system, development partners, the private sector, and civil society. By addressing immediate vulnerabilities while investing in future-oriented transitions, Botswana can navigate current shocks and place itself on a sustainable path toward "Prosperity and Peace for All" by 2036.

CHAPTER 1. COUNTRY CONTEXT AND DEVELOPMENT TRAJECTORY

1.1 Botswana's Development Context: From Exceptional Performance to Structural Inflection

Botswana's post-independence development trajectory remains among the most sustained in Africa. Over several decades, the country leveraged diamond resources, macroeconomic prudence, and political stability to expand infrastructure and improve social outcomes. Botswana's population was recorded at about 2.4 million in the 2022 Population and Housing Census, and urbanisation exceeds 70 percent, reflecting long-term rural-urban migration and structural change.

Botswana's 2024 general election produced the first change of governing party since independence in 1966, ending the Botswana Democratic Party's (BDP) 58-year rule. The opposition Umbrella for Democratic Change (UDC), led by Advocate Duma Boko, secured a parliamentary majority, prompting an immediate and peaceful concession from outgoing President Mokgweetsi Masisi. This transition has significant implications for democratic governance, accountability, socio-economic rights, and institutional reform in Botswana.

Botswana is now at a structural inflection point. The historic development model - anchored in diamonds, a comparatively large public sector, and redistribution through public investment and social spending - has delivered prosperity but has also generated vulnerabilities. Growth has become more volatile and less employment-intensive; inequality remains high; and fiscal space has narrowed as mineral revenues face heightened uncertainty. These dynamics have become more pronounced since 2023, pointing to structural stress rather than a purely cyclical slowdown.

This context frames the core development question for the coming decade: ***how to transition from a narrow economic base to diversified, employment-intensive, and resilient, inclusive growth, consistent with Botswana's medium-term strategy under NDP 12 and the Botswana Economic Transformation Programme (BETP)?***

1.2 Macroeconomic Performance and Structural Vulnerability

Botswana's macroeconomic performance has weakened sharply since 2023, reflecting both external shocks and deep-seated structural vulnerabilities. Following a strong post-pandemic rebound in 2021 - 2022, economic growth decelerated markedly in 2023 and contracted through 2024 and 2025 as global diamond demand weakened, and mining output fell. The impact has extended beyond mining, with spillovers to trade, transport, manufacturing, and business services, underscoring interconnectedness across the economy.

Recent evidence points to continued economic underperformance into 2025. The Bank of Botswana notes sustained weakness in the diamond market and material reductions in diamond production guidance for 2025. Debswana's production declined by 43.7 percent in the second quarter of 2025 relative to the corresponding period in 2024, and the company revised its 2025 production target downward. These developments reinforce Botswana's high exposure to external demand shocks given the dominant role of diamonds in exports and fiscal revenues.

The fiscal position has deteriorated in parallel. The budget outturn for 2024/25 indicated a deficit of BWP 11.8 billion (4.4 percent of GDP), lower than the original budget deficit of BWP 24.7 billion (9 percent of GDP) due to expenditure cuts. Total expenditure and net lending fell to BWP 81.7 billion, while total revenue and grants were BWP 69.9 billion. For 2025/26, the Bank of Botswana reports an expansionary expenditure budget of BWP 97.6 billion and projected revenues of BWP 75.5 billion, implying a projected deficit of BWP 22.1 billion (7.6 percent of GDP), with downside risks if diamond revenues underperform.

Inflationary pressures, which peaked in 2022 following global fuel and food price shocks, eased significantly across 2023 - 2024. In 2025, headline inflation increased to 3.7 percent in September and 3.9 percent in October, remaining within the medium-term objective range of 3 to 6 percent. Nonetheless, disinflation has not translated into a robust recovery in growth, reinforcing the structural nature of current constraints and the urgency of diversification and productivity growth in non-mining sectors. Selected recent macroeconomic and fiscal indicators are summarized in Table 1.1.

Table 1.1. Selected Recent Macroeconomic and Fiscal Indicators

Indicator	Most recent figure	Reference
Budget deficit, 2024/25 (preliminary outturn)	BWP 11.8 billion (4.4 percent of GDP)	Bank of Botswana Monetary Policy Report, Oct 2025
Total revenue and grants, 2024/25	BWP 69.9 billion	Bank of Botswana Monetary Policy Report, Oct 2025
Total expenditure and net lending, 2024/25	BWP 81.7 billion	Bank of Botswana Monetary Policy Report, Oct 2025
Projected budget deficit, 2025/26	BWP 22.1 billion (7.6 percent of GDP)	Bank of Botswana Monetary Policy Report, Oct 2025
Headline inflation, Sep 2025	3.7 percent	Bank of Botswana inflation release (Oct 2025)
Headline inflation, Oct 2025	3.9 percent	Bank of Botswana inflation release (Nov 2025)

1.3 Human Development, Labour Markets, and Social Inclusion

Botswana has achieved important human development gains over recent decades, including expanded access to basic services and improvements in key social outcomes. At the same time, these gains have not translated evenly into broad-based economic inclusion. Labour market stress, persistent inequality, and uneven access to opportunities continue to constrain inclusive growth and social cohesion.

A central challenge is the weak translation of economic growth into sufficient, productive and inclusive employment. Unemployment remains persistently high, with young people particularly affected, pointing to a structural disconnect between growth and job creation in an economy still heavily shaped by capital-intensive mining and a relatively narrow private sector base. These pressures are compounded by limited formal sector absorption and persistent barriers to labour market entry for many jobseekers. Recent labour market trends are summarised in Table 1.2 and examined in greater detail in Section 2.2.

Social and spatial inequalities further deepen these labour market pressures. Despite its upper-middle-income status, Botswana continues to face high levels of inequality, with poverty and deprivation concentrated among rural and remote communities and among households with limited access to productive assets, quality services, and sustainable livelihood opportunities. These patterns highlight the importance of applying a rights-based and “leaving no one behind” lens to national transformation efforts, with particular attention to youth, women, persons with disabilities, and other groups facing structural barriers to economic and social inclusion.

Gender inequality remains a cross-cutting constraint within this broader picture. In particular, gender-based violence (GBV) continues to represent a serious human rights, social protection, and public health challenge. While Botswana has taken important steps through legislation, specialised courts, and national response mechanisms, the persistence of GBV points to deeper structural and institutional gaps in prevention, protection, access to justice, service delivery, and data systems. This underlines the need for a more integrated response that addresses both immediate protection needs and the underlying social norms and inequalities that sustain violence.

Overall, Botswana’s development trajectory reflects a paradox of strong social progress alongside persistent exclusion from decent work, security, and opportunity for significant parts of the population. Addressing these interlinked challenges will be central to advancing a more inclusive, resilient, and rights-based model of development.

Table 1.2. Labour Market Indicators (QMTS, Q1 2024)

Indicator	Figure	References
Unemployment rate	27.6 percent	Bank of Botswana Monetary Policy Report, Oct 2025 (citing Stats Botswana QMTS Q1 2024)
Youth unemployment rate	38.2 percent	Bank of Botswana Monetary Policy Report, Oct 2025 (citing Stats Botswana QMTS Q1 2024)
Formal sector employment	504,738	Bank of Botswana Monetary Policy Report, Oct 2025 (citing Stats Botswana QMTS Q1 2024)
Government share of formal employment (public administration)	30.3 percent	Bank of Botswana Monetary Policy Report, Oct 2025

1.4 Climate, Environment, and Energy Context

Climate stress and environmental fragility are increasingly shaping Botswana's development prospects. As a semi-arid country, Botswana faces recurrent drought, water scarcity, and rising temperatures that affect agriculture, ecosystems, and livelihoods. These pressures intersect with socio-economic vulnerability, particularly among rural communities, indigenous peoples², women, and persons with disabilities, while also placing growing strain on infrastructure and service delivery in urban and peri-urban areas.

Energy is central to Botswana's development transition. The current energy mix remains carbon-intensive, even as policy direction increasingly emphasizes renewable energy expansion and improved energy security. The United Nations Special Rapporteur on human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment has highlighted Botswana's potential to emerge as a solar "superpower".³ At the same time, the energy transition is closely linked to the broader diversification agenda through its implications for new industries and services, household welfare through energy affordability, and climate adaptation through water-energy systems. Subsequent chapters therefore treat climate and

² United Nations Special Rapporteur on the Rights of Indigenous Peoples, Official Country Visit to Botswana: End of Mission Statement (2025).

³ See United Nations Special Rapporteur on human rights and the environment, *Report of the Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment on his visit to Botswana* (2023) A/HRC/55/43/Add.2 para 36.

energy not as standalone themes, but as cross-cutting dimensions of Botswana's development system and its pathways for transition.

1.5 Governance, Institutions, and Data for Development

Botswana's institutional performance and political stability have long been important enablers of development. In 2024, the country underwent a historic political transition following general elections that ended decades of uninterrupted rule by the Botswana Democratic Party and brought a new governing coalition to power. This marked a significant moment in Botswana's democratic trajectory, with potentially far-reaching implications for governance, accountability, socio-economic rights, public trust, and institutional reform. At the same time, a more constrained macroeconomic environment—characterized by weaker growth, fiscal pressures, and elevated unemployment—has increased demands on state institutions to sustain service delivery and advance reforms at the pace required for structural transformation. Persistent institutional fragmentation and capacity gaps also continue to affect policy coherence and implementation effectiveness.

Institutional accountability remains an important dimension of this broader governance landscape. SDG 16 Target 16.a calls for strengthening relevant national institutions, including through the existence of independent national human rights institutions in compliance with the Paris Principles. In 2023, the Office of the Ombudsman was granted a human rights mandate and now serves as Botswana's National Human Rights Institution (NHRI). However, the institution is not yet aligned with, or accredited under, the Paris Principles, pointing to an unfinished agenda of institutional strengthening.

Botswana has ratified six of the nine core United Nations human rights treaties,⁴ but has not yet acceded to the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, or the International Convention for the Protection of All Persons from Enforced Disappearance. Recent recommendations from United Nations human rights mechanisms have repeatedly highlighted issues relating to the independence of the Ombudsman as NHRI, the death penalty, corporal punishment, the treatment of migrants, refugees and asylum seekers, and conditions of detention. During its 2023 Universal Periodic Review, Botswana also received recommendations concerning accession to the ICESCR, some of which it supported.

⁴ International Covenant on Civil and Political Rights; Convention on the Rights of the Child; Convention on the Elimination of All Forms of Discrimination against Women; International Convention on the Elimination of All Forms of Racial Discrimination; Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment; and the Convention on the Rights of Persons with Disabilities.

Data and statistical capacity constitute a critical enabling function for development planning and accountability. Recent discontinuities in the publication of Statistics Botswana's QMTS labour force reports, linked to operational and financial constraints, have created important gaps in labour market analysis. More broadly, strengthening the national data ecosystem—including timely national accounts, labour market statistics, poverty measurement, and disaggregated indicators—will be essential for evidence-based policymaking and for credible monitoring of national priorities, including NDP 12.

1.6 Framing the Country Analysis: Systems Thinking and Foresight

This Country Analysis applies systems thinking and strategic foresight to support an integrated diagnosis of Botswana's development context and to inform credible pathways for transition. Rather than treating economic, social, environmental, and governance issues as separate policy silos, a systems approach focuses on how these dimensions interact and reinforce one another over time. In Botswana's case, this means examining, for example, how a narrow economic base shapes fiscal space; how fiscal constraints affect investments in human capital, infrastructure, and social protection; how labour market outcomes interact with inequality, social cohesion, and public trust; and how climate and energy pressures increasingly influence livelihoods, competitiveness, and resilience.

This approach is particularly important in a context where development constraints are not isolated, but mutually reinforcing. Weak employment creation affects poverty and inequality; inequality and exclusion can in turn weaken social cohesion and reduce the effectiveness of growth; governance and institutional capacity shape implementation outcomes across all sectors; and environmental stress interacts with both livelihoods and infrastructure systems. A systems lens therefore helps identify not only sector-level challenges, but also the deeper bottlenecks, feedback loops, and transition opportunities that cut across the national development landscape.

The report also uses a strategic foresight perspective, recognizing that Botswana is navigating a period of structural change shaped by uncertainty in global commodity markets, climate pressures, demographic shifts, technological change, and evolving political and institutional dynamics. To organize this analysis, the report draws on a Three Horizons framing, which distinguishes between present structural constraints, emerging transition dynamics, and longer-term transformation possibilities. The full transition logic and synthesis are presented in Section 4.5.

Vision 2036, NDP 12, and the Botswana Economic Transformation Programme (BETP) provide the broader national strategic context for the country's development trajectory. At the same time, this Country Analysis remains independent, evidence-based, and candid in assessing constraints, risks, and opportunities. The chapters that follow deepen the integrated system scan, identify cross-cutting development challenges, and outline possible transition pathways consistent with the revised UN Country Analysis guidance.

CHAPTER 2. PEOPLE, HUMAN DEVELOPMENT, EMPLOYMENT, AND SOCIAL INCLUSION

This chapter examines Botswana's human development and social inclusion landscape through a systems lens, with particular attention to the reinforcing links between employment outcomes, household welfare, inequality, and the quality of service delivery. It identifies key development bottlenecks and emerging risks that could slow progress toward Vision 2036, the National Development Plan 12 (NDP 12), and the Botswana Economic Transformation Programme (BETP), while highlighting leverage points for a more inclusive and accelerated transition. The chapter also considers the social dimension of sustainable development, including patterns of exclusion and selected human rights concerns such as gender-based violence and violence against children.

2.1 System snapshot: a reinforcing employment–poverty–inequality–human capital nexus

Botswana's development trajectory is marked by the coexistence of upper-middle-income status and persistent household vulnerability. A central feature of this landscape is a reinforcing employment-poverty-inequality-human capital nexus: weak private-sector job creation contributes to high unemployment and underemployment, which depress household incomes, sustain poverty, and deepen inequality. These conditions, in turn, constrain human capital accumulation, weaken productivity, and reduce the economy's capacity to generate higher-quality and more inclusive employment. The result is a self-reinforcing cycle that slows structural transformation.

This nexus is intensified by spatial disparities, gender gaps in economic opportunities and outcomes,⁵ and persistent constraints in service quality and the labour-market relevance of skills. Fiscal pressures further heighten the risk that social protection and public services may come under strain at a time when vulnerability remains high.

Key reinforcing dynamics include the following:

- High unemployment and underemployment constrain household incomes and increase reliance on public transfers and informal livelihoods.
- Poverty and inequality undermine educational attainment, health outcomes, and skills accumulation, lowering productivity and employability.
- Weak skills matching and limited labour demand in higher-productivity sectors sustain joblessness and reinforce exclusion.
- Fiscal pressures and service delivery constraints risk weakening the effectiveness of social protection precisely when needs are rising.

⁵ See further CEDAW/C/BWA/CO/5 (CEDAW 2025).

2.2 Employment and livelihoods: persistent joblessness, high NEET, and structural mismatches

Employment and livelihoods remain at the centre of Botswana's inclusive development challenge. Recent labour market data point to persistently high unemployment, particularly among young people, alongside significant barriers to labour market entry, weak demand for labour in dynamic sectors, and continuing mismatches between qualifications and available opportunities.

As of the first quarter of 2024, the unemployment rate stood at 27.6 percent, while youth unemployment among those aged 15–35 was approximately 38 percent. Labour market exclusion is also reflected in the very high share of young people not in education, employment, or training (NEET), which reached 41.3 percent in Q1 2024, equivalent to 342,809 young people. Young women accounted for 51.3 percent of this total. Together, these trends point to a large cohort of young people facing prolonged detachment from productive economic participation, with implications for income security, social cohesion, and longer-term human capital development.

Employment challenges also reflect structural mismatches between the education system and labour demand. The Human Resource Development Council (HRDC) reported that graduate unemployment rose from 59,000 in 2023 to 70,000 in 2024, attributing the increase to sluggish growth, limited job creation, and an oversupply of graduates in non-technical disciplines. This suggests that labour market stress is not only a question of insufficient jobs, but also of the type of skills being produced relative to the structure and absorptive capacity of the economy.

Gender disparities remain an important feature of the labour market. In 2023, labour force participation among women aged 15 and above stood at 63.4 percent, compared with 73.2 percent for men. Although this represents an improvement from the wider gender gap recorded in 2020, women's economic participation continues to be shaped by unequal access to productive assets, unpaid care burdens, occupational segmentation, and concentration in lower-paying sectors.⁶ These constraints affect not only women's income security, but also the broader inclusiveness and productivity of the labour market.

Informality remains an important livelihood reality, particularly in rural districts, and appears to have a distinct gender dimension, with especially high levels of female-dominated informal activity in several districts. This reflects the limited reach of formal employment opportunities beyond urban centres, the concentration of public-sector and corporate employment in a small number of locations, and continuing barriers to enterprise formalization. In this context, informal activity serves as both a coping mechanism and a sign of structural weakness in the labour market. Selected labour market indicators are summarized in Table 2.1.

⁶ [CEDAW/C/BWA/CO/5 \(CEDAW 2025\)](#) para 36.

Table 2.1. Selected labour market indicators

Indicator		Latest value	Period	Source
Unemployment (total)	rate	27.6%	Q1 2024	Statistics Botswana, QMTS: Labour Force Module (2024)
Youth unemployment (15–35)		38.0%	Q1 2024	Statistics Botswana, QMTS: Labour Force Module (2024)
Youth NEET rate		41.3%	Q1 2024	Statistics Botswana, QMTS: Labour Force Module (2024)
Female labour force participation (15+)		63.4%	2023	World Bank (2025), Botswana gender equality trends
Male labour force participation (15+)		73.2%	2023	World Bank (2025), Botswana gender equality trends
Graduate unemployment		70,000	2024	HRDC (2024), as cited in UN

2.3 Poverty, inequality and multidimensional deprivation: high vulnerability despite upper-middle-income status

Botswana has achieved substantial poverty reduction over the longer term, but since around 2010 progress has slowed and high levels of household vulnerability have persisted beneath upper-middle-income status. Using the national poverty datum line (PDL), poverty was estimated at 14 percent in 2022, while multidimensional poverty reached 17.2 percent in 2023. However, when assessed against the poverty line applicable to upper-middle-income countries, the estimated poverty rate rises sharply to 61.2 percent of the population, underscoring the extent to which aggregate income status can mask persistent household vulnerability and unmet needs.

Inequality remains a defining feature of Botswana’s development landscape. With an estimated Gini coefficient of 53.3, Botswana remains among the most unequal countries globally. Labour market exclusion is a major driver of this pattern, particularly where unemployment, underemployment, and weak access to productive opportunities limit income generation across large parts of the population. These inequalities are further reinforced by unequal access to skills development, higher

education, assets, and quality services, contributing to intergenerational disadvantage and uneven life chances.

Child deprivation remains especially acute. According to UNICEF, 63 percent of children experienced multidimensional poverty in 2024, with sanitation deprivation particularly widespread. Poverty also has a strong gender dimension: although female-headed households account for 47 percent of all households, they represent 57 percent of the poor. These patterns point to the need for poverty reduction strategies that go beyond income measures alone and more directly address the intersecting disadvantages affecting children, women, and other vulnerable groups. Selected poverty and inequality indicators are summarized in Table 2.2.

Table 2.2. Selected poverty and inequality indicators

Indicator	Value	Period
National poverty rate (PDL)	14%	2022
Multidimensional poverty (population)	17.2%	2023
Poverty rate using UMIC poverty line	61.2%	Latest cited
Extreme poverty rate	13.5%	2023
Rural poverty rate	25.4%	2022
Gini coefficient	53.3	Latest cited (2015)
Children in multidimensional poverty	63%	2024

2.4 Human development outcomes and service delivery: high spending, mixed results

Botswana has attained high human development status, with the Human Development Index (HDI) rising from 0.587 in 1990 to 0.731 in 2023 (UNDP). The country also devotes substantial public resources to human development and the realization of economic and social rights. In 2023, public expenditure was estimated at 4.8 percent of GDP on health, 7.1 percent on education, and 2.6 percent on social protection.

Despite this level of spending, outcomes remain uneven and, in some areas, below what might be expected. Botswana's Human Capital Index stood at 0.41 in 2020, pointing to significant losses in future productivity relative to the level that could be achieved under conditions of full health and quality education. Inequality-adjusted human development is also markedly lower than the headline HDI, underscoring the

extent to which aggregate progress continues to mask disparities in income, education, and health outcomes.

Education indicators reflect a mixed picture of access, progression, quality, and relevance. Adult literacy was estimated at 87.7 percent in 2014, secondary enrolment at around 72 percent in 2022, and tertiary enrolment at 21 percent in 2024, the latter remaining below typical upper-middle-income benchmarks. Concerns persist regarding the quality of learning outcomes and the alignment of education and training with labour market demand, as reflected in graduate unemployment trends and skills gaps.

More broadly, the gap between public spending and development outcomes points to the importance of not only the level of investment, but also the quality, equity, and efficiency of service delivery. This includes the capacity of health, education, and social protection systems to reach vulnerable populations effectively and to translate expenditure into stronger human capabilities over the life course.

2.5 Social inclusion and human rights

Social inclusion outcomes in Botswana continue to be shaped by gender inequality, unequal access to services and opportunities, and persistent rights-related challenges. Significant disparities remain in income, health, participation, and personal security, limiting the extent to which development gains are shared equitably across the population.

Gender inequality remains a visible feature of this landscape. Estimated GNI per capita is substantially lower for women than for men, at USD15,531 compared with USD18,444, highlighting enduring gaps in access to employment, earnings, and productive opportunities. Women also remain underrepresented in political decision-making, holding six of sixty-nine parliamentary seats—around 9 percent in 2025. These patterns point to continued structural barriers to women’s economic, social, and civic participation.

Health outcomes also reflect persistent gender-based disparities. Botswana’s Gender Inequality Index is estimated at 0.490, and maternal mortality remains high. In 2025, the Committee on the Elimination of Discrimination against Women (CEDAW) noted with concern that Botswana’s maternal mortality ratio was more than twice the average for upper-middle-income countries. It also highlighted inadequately equipped birth clinics, limited availability of skilled birth attendants, and continuing gaps in sexual and reproductive health and rights. Despite progress in reducing mother-to-child transmission of HIV, women continue to be disproportionately affected by HIV,

while comprehensive and age-appropriate education on sexual and reproductive health and rights remains insufficient.⁷

Gender-based violence (GBV) remains a severe and persistent human rights, social protection, and public health challenge. Despite the introduction of progressive legislation, specialised GBV courts, and ongoing national strategies, reported incidents remain high, with spikes observed during festive periods. Authorities, civil society organisations, and international partners have consistently signalled that GBV is widespread, deeply rooted, and requires more systemic action across prevention, protection, access to justice, survivor support, and accountability. Crime statistics underscore the seriousness of the problem. For example, between 19 December 2024 and 2 January 2025, the police recorded 93 rapes and 10 murders of women, accounting for 61 percent of all crimes reported during that period.

Taken together, these patterns suggest that progress in human development has not been matched by equivalent progress in social inclusion, gender equality, and freedom from violence. Strengthening inclusive institutions, improving access to quality services, and addressing the structural drivers of exclusion and abuse will be essential to a more rights-based and equitable development pathway. Selected human development and service delivery indicators are summarized in Table 2.3.

A dimension of social inclusion that requires explicit attention is the **risk of social intolerance and 'othering'** at the community and local level. Botswana's national narrative emphasises unity, tolerance, and the concept of *Botho* – collective humanity and mutual respect. However, evidence from Afrobarometer surveys and community-level reporting points to persistent tensions centred on ethnicity, nationality, and perceived access to resources. Migrants and foreign nationals – particularly from neighbouring countries – are at times subject to hostility and discrimination that can undermine social cohesion and deter the labour mobility that economic diversification will require. Similarly, indigenous communities, LGBTQ+ individuals, and persons with disabilities can face exclusion and stigma that national statistics do not fully capture. These dynamics are not merely social in nature: where 'othering' intersects with resource scarcity – particularly land, water, and employment – it carries the potential to escalate into more significant social instability. A forward-looking CA should treat social cohesion as a public good requiring active investment: through education, community dialogue, accountability for discrimination, and the consistent application of Botswana's human rights treaty obligations to all persons within its territory regardless of nationality or status.

⁷ CEDAW/C/BWA/CO/5 (CEDAW 2025) para 38.

Table 2.3. Selected human development and service indicators

Indicator	Value	Period
Human Development Index (HDI)	0.731	2023
Human Capital Index (HCI)	0.41	2020
Govt. expenditure on health (% of GDP)	4.8%	2023
Govt. expenditure on education (% of GDP)	7.1%	2023
Govt. expenditure on social protection (% of GDP)	2.6%	2023
Adult literacy rate	87.7%	2014
Secondary enrollment (gross)	72%	2022
Tertiary enrollment (gross)	21%	2024

2.6 Social protection and vulnerability to shocks: coverage strengths, sustainability risks

Botswana has an established social protection architecture, including programmes targeting vulnerable groups, school feeding, support for orphans, tertiary sponsorships, public works through Ipelegeng, assistance for persons with disabilities, and old-age pensions. These interventions have played an important role in reducing poverty, supporting household welfare, and sustaining social cohesion. At the same time, the system is coming under increasing pressure from fiscal tightening, operational bottlenecks, and growing demand.

Recent budgetary strains have exposed important vulnerabilities in delivery. In 2025, budget shortfalls affected the Primary School Feeding Programme, which provides meals to approximately 330,000 children in government primary and secondary schools. Fiscal constraints have also contributed to delayed payments under the Ipelegeng Programme, which had 113,040 beneficiaries as of December 2024. These pressures carry direct implications for child welfare, school attendance, learning outcomes, and household coping capacity, particularly in poorer and more spatially isolated communities.

Household vulnerability is further intensified by climate variability and other shocks. This is especially the case in remote settlements, including Remote Area Dweller Settlements (RADS) and Community-Based Natural Resource Management villages, where livelihoods are often climate-sensitive and access to services remains constrained. Strengthening the responsiveness, reliability, and sustainability of social protection will therefore be central not only to poverty reduction, but also to resilience-building in the face of climate and economic stress.

2.7 Data gaps and implications for evidence-based policy

Botswana's statistical system has strengthened its capacity for SDG monitoring in recent years, but significant data gaps remain that limit precise targeting, effective performance management, and the ability to fully track who is being left behind. The Domesticated Indicator Framework contains 209 indicators, of which data are currently available for 131, while overall statistical capacity to produce SDG data with full disaggregation is estimated at 62.7 percent.

Priority gaps remain in several areas that are particularly important for inclusive development planning. These include more frequent and disaggregated measurement of poverty and multidimensional deprivation; stronger integration of administrative data across health, education, and social protection systems; better labour market intelligence on skills demand, underemployment, and informality; and improved subnational climate risk and vulnerability data to inform targeted resilience investments. Addressing these constraints would strengthen accountability, improve targeting under NDP 12 and BETP implementation, and enhance the monitoring of LNOB outcomes.

Given the cross-cutting importance of the data ecosystem, these issues are revisited in greater detail in Chapter 6. In the context of human development and social inclusion, however, the key implication is clear: without more timely, granular, and interoperable data, it will remain difficult to design and adapt policies that respond effectively to differentiated forms of vulnerability.

2.8 Pathways and leverage points for transition

Addressing Botswana's human development and social inclusion challenges requires integrated action across employment creation, human capital development, service delivery, and protection against shocks. Several leverage points emerge from the analysis in this chapter.

First, more employment-centred growth will be essential to reducing household vulnerability and widening access to economic opportunity, particularly for young people and women. This includes supporting labour-absorbing sectors through a more enabling business environment, more competitive markets, and targeted industrial and services pathways.

Second, stronger alignment between skills systems and labour market demand is needed to address structural mismatches. This will require greater relevance in TVET and tertiary curricula, stronger work-based learning pathways, and better labour market intelligence to inform both training provision and career guidance.

Third, the quality, equity, and reach of public services will matter as much as levels of spending. Improving the effectiveness of health, education, and social protection systems will require stronger performance management, more reliable procurement and financing flows, and better last-mile delivery, especially in remote and underserved areas.

Fourth, a more explicit gender-responsive and rights-based approach is needed to tackle persistent inequalities in economic participation, representation, health, and personal security. This includes reducing barriers to women's labour force participation, expanding women's leadership opportunities, addressing adolescent pregnancy risks, and strengthening the prevention of and response to gender-based violence.

Fifth, social protection systems will need to become more shock-responsive, scalable, and administratively resilient in the face of climate and economic disruptions. This includes strengthening payment systems, beneficiary registries, and adaptive delivery mechanisms.

Finally, stronger data and digital public infrastructure will be essential to support disaggregated monitoring, adaptive policymaking, and better coordination across sectors. This includes investment in interoperable registries and administrative systems that can support more responsive and evidence-based programming.

These leverage points align with Botswana's long-term aspirations under Vision 2036 for a high-income and inclusive society. Their effective implementation, however, will depend on sustained fiscal space, stronger institutional coordination, and continuous monitoring grounded in improved data availability.

CHAPTER 3. CROSS-CUTTING DEVELOPMENT CHALLENGES

This chapter synthesizes Botswana's most binding cross-cutting development challenges and their root causes. It applies a systems lens, emphasizing how structural economic vulnerabilities, employment constraints, inequality, skills gaps, climate and water stress, and governance and institutional performance interact and reinforce one another. The chapter provides an integrated baseline for the pathway-oriented chapters that follow.

3.1 Narrow Economic Base and Limited Employment Creation

Botswana's economy remains heavily reliant on a narrow base of mineral extraction, particularly diamonds, which continues to dominate exports and a large share of government revenue. This dependence heightens exposure to external shocks and slows progress on diversification. The recent downturn associated with weaker diamond demand and production disruptions has underscored the risks of a narrow economic base and the volatility it can transmit to public finances, the private sector, and household welfare.

The structure of growth is weakly employment intensive. Capital intensive mining generates limited direct employment, while non-mining tradables and higher-productivity services remain too small to absorb labour on a scale. The result is a jobs inclusion constraint that feeds directly into poverty and inequality (Section 3.2) and places pressure on social protection and fiscal resources (see labour market evidence in Section 2.2 and Table 2.1).

Broadening the economic base and strengthening private sector dynamism remain central to generating employment at the scale required to deliver Vision 2036 aspirations. This includes accelerating productivity growth in non-mining sectors and deepening the pipeline of viable labour-absorbing activities, particularly in value-adding services, tourism, agri-food systems, and emerging green and digital markets.

3.2 Persistent Inequality and Social Exclusion (Leaving No One Behind)

Botswana's upper-middle-income status masks persistent household vulnerability and among the highest inequality levels globally. While inequality has declined over time, it remains elevated. Poverty has also fallen over the long term, but progress has slowed in recent years, with shocks periodically reversing gains, especially in rural and remote areas.

The World Health Organization (WHO) has highlighted that rising non-communicable diseases and climate sensitive health risks increasingly constrain human capital and

productivity in upper-middle income countries, reinforcing existing social and spatial inequalities.

A leaving-no-one-behind and human rights-based lens highlights the uneven distribution of outcomes and opportunities across space and groups. Rural communities and remote settlements often experience weaker service access and higher vulnerability. Women and youth are disproportionately affected through discrimination, labour market exclusion and constrained economic opportunities. Children face high deprivation burdens in multidimensional terms, reflecting gaps in sanitation and other essential services. Women; youth; children; Indigenous Peoples; persons with disabilities; refugees, asylum seekers and migrants; and LGBTI persons all face marginalization and exclusion.

The interaction of high inequality, high unemployment, and pockets of persistent poverty creates a risk to social cohesion and undermines the pace and sustainability of progress toward the SDGs. Addressing inequality and social exclusion therefore requires an integrated approach that combines employment pathways, effective and shock-responsive social protection, and targeted investments in lagging communities. At the same time, horizontal inequalities and discrimination should be addressed. For example, GBV and violence against children require urgent attention.

3.3 Skills Mismatch and Under-utilized Human Capital

Botswana has invested heavily in education and human development, yet outcomes have not translated sufficiently into productive employment and innovation. A central constraint is the mismatch between the skills produced by the education and TVET system and those demanded by a changing economy. This is reflected in elevated graduate unemployment and employer-reported shortages in technical, vocational, and STEM-relevant skills, noting that women and girls face barriers in accessing STEM fields of study.⁸

Human capital outcomes are mixed relative to Botswana's income level. The Human Capital Index (HCI) has been cited at 0.41 (2020), indicating significant losses in productivity potential due to health and education outcomes. Beyond unemployment, underemployment is a concern: many individuals are in low-productivity or informal activities that do not fully utilize skills, limiting aggregate productivity and slowing diversification.

Closing skills gaps requires improving education quality, addressing gender barriers in education, expanding market-relevant technical and vocational pathways, strengthening work-based learning and apprenticeships, and building labour market intelligence that can better align training supply with emerging demand, particularly in sectors targeted under national transformation strategies.

⁸ CEDAW/C/BWA/CO/5 (CEDAW 2025) paras 34-35.

3.4 Climate Stress, Water Scarcity, and Environmental Fragility

Climate stress and environmental fragility represent cross-cutting risks that can undermine livelihoods, water and food security, infrastructure reliability, and macro-fiscal stability. Botswana's semi-arid conditions and high climate variability translate into recurrent drought risk, compounded by rising temperatures. These hazards interact with poverty and inequality by disproportionately affecting climate-sensitive livelihoods and remote communities. Droughts and rainfall variability affect agriculture, livestock, and food prices, reinforcing household vulnerability and increasing demands on social protection. Water scarcity remains a chronic constraint, with rising demand from urbanisation and industry adding pressure. Environmental fragility - through land degradation, wildfire risk, and ecosystem stress - also carries economic implications for tourism and biodiversity-linked livelihoods.

The Food and Agriculture Organization (FAO) has consistently identified water scarcity, recurrent droughts, and climate variability as key risks to food security and rural livelihoods in semi-arid contexts, with implications for poverty, nutrition, and fiscal resilience.

A systems response requires mainstreaming climate adaptation and water security across development planning, accelerating climate-smart investments in rural livelihoods, improving water infrastructure and demand management, and strengthening early warning and risk financing mechanisms to reduce the welfare and fiscal impacts of shocks.

Underlying these environmental pressures are significant **power dynamics in land, water, and conservation governance** that the CA's systems lens must acknowledge. Access to land and natural resources in Botswana remains shaped by historical patterns of exclusion, particularly for San/Basarwa communities and Remote Area Dwellers, who occupy some of the most ecologically sensitive areas but exercise limited formal control over land use and conservation decisions. The 2006 High Court ruling recognising Basarwa rights of return to the Central Kalahari Game Reserve marked a significant legal milestone, but implementation has remained contested and the broader question of indigenous peoples' free, prior, and informed consent in conservation and land allocation decisions remains live. Water allocation – as a scarce and increasingly contested resource – similarly reflects governance imbalances between commercial users, communal farmers, wildlife management areas, and households in remote settlements. Community-Based Natural Resource Management (CBNRM) frameworks offer a rights-based pathway toward more equitable resource governance, but their reach and effectiveness depend on genuine power-sharing rather than consultative form. Duty-bearers – at national and local government levels – have obligations to ensure that marginalised communities are not further disadvantaged by conservation or development decisions, and that grievance mechanisms are accessible and effective.

3.5 Governance, Institutional Capacity, Service Delivery, and Trust Deficits

Botswana's long-standing strengths in governance and stability remain an asset; however, implementation capacity and service delivery performance are increasingly central constraints. Gaps between policy intent and execution, delays in delivery, and uneven service quality can weaken development impact, particularly for those furthest behind.

Perceptions of governance and trust are also relevant to delivery and reform. The impact of the historic change in government in 2024, and progress in delivering on socio-economic reforms, is still manifesting in Botswana, although the current debates around establishment of a Constitutional Court demonstrate persistent trust issues. Prior to the political transition in 2024, civil society noted the shrinking of civic space and allegations of executive overreach by the office of the President. Public confidence can also be eroded when service improvements do not keep pace with expectations, or when citizens perceive rising corruption or weak accountability. Following the change in government, it remains to be seen whether service improvements match electoral promises, whereas the transition has had a positive impact on perceptions of accountability. Strengthening delivery institutions, improving public sector performance management, and enhancing transparency and citizen engagement are important for sustaining reform momentum and social cohesion. These institutional challenges are cross-cutting: they affect the effectiveness of education and skills reforms (Section 3.3), the efficiency of social protection and LNOB targeting (Section 3.2), and the capacity to implement diversification and climate adaptation pathways (Sections 3.1 and 3.4). Addressing them is therefore central to an integrated pathway approach. Table 3.1 consolidates selected cross-cutting indicators referenced across the analysis.

Table 3.1. Selected Cross-Cutting Indicators (for reference)

Indicator	Most recent figure cited	Period	Primary source
Unemployment rate	27.6 percent	Q1 2024	Statistics Botswana, QMTS
Youth unemployment	38 percent	Q1 2024	Statistics Botswana, QMTS
Human Capital Index (HCI)	0.41	2020	World Bank (HCI), as cited in CA/CCA materials

CHAPTER 4. HORIZON SCAN AND FUTURE OUTLOOK (2025–2036)

4.1 Global, Regional, and National Megatrends

Global Megatrends: The coming decade will be shaped by several powerful global forces. **Economic shifts** are underway as global growth moderates and uncertainty rises – the IMF projects world output growth to hover around 3.1–3.3% in the mid-2020s. High inflation in 2022–2023 prompted aggressive monetary tightening worldwide, and while price pressures are easing, interest rates remain elevated in many countries, dampening investment. **Geopolitical realignments** and trade tensions are contributing to a more fragmented trade environment, impacting export-led economies. At the same time, the **digital and technological revolution** is accelerating: advances in artificial intelligence, fintech, and automation are transforming industries, offering new growth avenues but also disrupting labor markets.

The **climate crisis** has become an ever-present global threat – increasingly frequent extreme weather events and long-term warming trends are forcing economies to adapt. By 2030, climate change could push an additional 40 million people in Africa into extreme poverty under a business-as-usual scenario, illustrating the profound human and economic toll if global action falters. In sum, the external context for Botswana through 2036 is one of slower global growth, rapid technological change, and intensifying climate and geopolitical risks – calling for resilience and agility in national planning.

Regional (African/Southern African) Megatrends: Africa's role in the world is expanding amid its own transformation. The continent's population is the fastest-growing globally, expected to reach 1.7 billion by 2030 and over 2.5 billion by 2050, raising Africa's share of world population from 17% today to nearly 28% by mid-century. This **demographic boom** is especially marked by youth: by 2030, 42% of the world's youth will be African, offering a potential demographic dividend if education and jobs keep pace. The flip side is the challenge of youth unemployment and social inclusion on a huge scale.

Urbanization is another defining trend – Africa's urban population is expected to increase by an additional 350 million people by 2030, straining infrastructure but also creating dynamic city markets. In Southern Africa, growth has been uneven; commodity dependence and fiscal strains are common. Many Southern African economies face **debt vulnerabilities** and constrained budgets post-COVID.

Regional integration efforts are accelerating through the African Continental Free Trade Area (AfCFTA) and long-standing blocs (SADC, SACU). These open opportunities for Botswana to access larger markets and diversify trade. Deeper integration could allow Botswana to export more processed goods and services within the region, leveraging its proximity to South Africa and others. However, competition will also increase as neighbors industrialize.

Climate impacts are acutely felt in this region – Southern Africa is warming at 1.5 times the global average, leading to more severe droughts and heat waves (medium to high confidence per IPCC). Recurrent drought in the sub-region (e.g. 2015–16, 2019) has hit agricultural output and hydropower, underscoring the need for climate adaptation and cross-border water cooperation. In summary, the region’s megatrends of youth growth, urbanization, integration, and climate stress will heavily influence Botswana’s prospects.

National Megatrends (Botswana): Botswana enters this horizon period with a mix of advantageous trends and structural challenges. Botswana’s population reached 2.35 million in 2022, growing at 1.4% annually (down from 1.9% a decade prior). The population is relatively small and growth is slowing as fertility rates decline. The country is already at an advanced stage of demographic transition – it has a **youthful age structure** (about 35% under 15, but only 5% over 65), meaning a large working-age cohort will be available through the 2025–2036 period. This could yield a demographic dividend if enough jobs are created. By contrast, low fertility and longer life expectancy will gradually raise the median age and the share of elderly beyond 2030, pointing to future aging concerns.

Urbanization has accelerated; nearly 64% of Botswana live in urban areas as of 2017, and that share is likely higher now post-2022 census. The primacy of Gaborone and a few urban centres will continue, with implications for regional inequality and service delivery.

Economic structure: Botswana remains heavily reliant on diamond mining – diamonds contribute approximately 14% of GDP and a large share of exports. This **resource-dependence** is a core structural trend, subjecting the economy to global commodity cycles. In recent years, efforts to diversify have had limited success, leaving growth volatile. For instance, a sharp decline in diamond demand in 2023–2024 slowed GDP growth from 5.5% in 2022 to 2.7% in 2023, and near zero in 2024.

Environmental trends: As a semi-arid country, Botswana is highly vulnerable to climate variability. The past decade saw recurring droughts and erratic rainfall, impacting agriculture (only ~2% of GDP but critical for rural livelihoods). National data show a warming trend with more frequent heatwaves. By mid-century, under intermediate emissions scenarios, Botswana’s average temperatures are projected to rise by 1.5–2.0°C (relative to recent history), reaching mean annual temperatures around 26°C. Rainfall is expected to become even more variable with an overall declining trend in annual precipitation – a worrying outlook for water security in this already water-scarce country. These climate and ecological pressures (including land degradation and biodiversity loss) are intersecting with Botswana’s development path, necessitating climate resilience as a core element of future planning.

Governance and social trends: Botswana has long been noted for good governance and political stability in the region. That stability is an asset that is likely to persist as a megatrend, barring unforeseen shocks. Nevertheless, the historic change in government in 2024 signals dissatisfaction with the status quo in which shrinking civic space and lack of executive accountability were salient concerns. Governance now faces new tests in delivering economic transformation, as is evident from the UDC’s

electoral promises impacting social and economic rights. Public-sector led development has reached its limits; there is growing recognition that a more dynamic private sector is needed for the next stage. Yet the business environment and pace of reforms have lagged peers. For example, Botswana's global competitiveness and ease-of-doing-business rankings have slipped in recent years. Socially, the country has made strides in controlling HIV/AIDS and education access, but inequality and unemployment remain among the highest globally (see Sections 2.2 and 2.3), whereas the Office of the Ombudsman's investigative findings point to a broader health crisis and the systemic violation of the right to health in Botswana. Moreover, GBV is a national emergency that requires urgent and sustained action. These pose risks of social exclusion, especially for youth and women, if not addressed. In summary, Botswana's national landscape in Horizon 2025–2036 will be defined by a youthful but slowly aging population, continued urban concentration, the need to diversify beyond diamonds, climate stresses, and the urgency of translating stable governance into innovative, inclusive growth. These megatrends set the stage for exploring future scenarios in more depth. They are synthesized in Figure 4.1.

Figure 4.1: Megatrends Shaping Botswana's Outlook to 2036



Figure 4.1 synthesizes the global, regional, and national megatrends shaping Botswana's development trajectory over the period to 2036.

4.2 Demographic, Technological, and Climate Scenarios

Demographic Scenarios: Botswana's demographic trajectory to 2036 is relatively well-understood, with uncertainty mainly around migration and the pace of fertility decline. Under the **baseline scenario** (medium fertility), the population will continue modest

growth from 2.35 million (2022) toward perhaps 2.8–3.0 million by 2036. The population growth rate is expected to further slow to around 1% or lower by the 2030s as fertility inches closer to replacement level and the effects of past high HIV mortality wane. This implies a gradually **aging population structure**: the median age (around 24 years in 2022) will rise, and the share of elderly (65+) will expand beyond the current 5%.

In a **high population scenario** (e.g. if fertility stagnates above 3 children per woman or net in-migration increases), Botswana could approach the upper end of that range (~3 million or slightly more by 2036), which would put additional strain on services like education, housing, and healthcare.

Conversely, a **low population scenario** with faster fertility decline and continued emigration might see total population nearer 2.6–2.7 million in 2036 – a smaller workforce but also potentially easier job market absorption. Crucially, **the working-age group (15–64)** will swell in absolute terms for the next decade, peaking around 2030. This offers a time-bound opportunity for a **demographic dividend**: if enough jobs are created and productivity rises, the large working cohort can boost growth and per capita incomes. If not, unemployment and disaffection could grow. Youth (15–24) in particular will remain a large segment; their successful integration via quality education and employment will determine whether Botswana reaps or misses the dividend.

By the 2030s, Botswana will also be dealing with more pronounced **aging** needs (pensions, elderly care) as the post-independence generation moves into old age – a trend to plan for in social protection systems to ensure that older persons are not left behind. Overall, demographic projections are relatively favorable (no dramatic population explosion), but the onus is on policy to harness the youth bulge now and prepare for an aging future.

Technological Futures and Digital Transformation: Technology is a major uncertainty – the next decade could see Botswana either leap ahead through strategic innovation or lag behind if global tech waves pass it by. In a **“tech-forward” scenario**, Botswana aggressively invests in ICT infrastructure, skills, and innovation. The foundations are being laid: the country has established a Botswana Digital & Innovation Hub and Special Economic Zones focused on ICT and financial services. If these efforts bear fruit, by 2030 Botswana could become a regional hub for tech startups or business process outsourcing, capitalizing on its stable environment. High mobile and internet penetration (currently about 95% mobile subscription and 65% internet usage, per 2023 data) would further increase, and emerging technologies (e.g. fintech, e-government, precision agriculture, e-health) would be widely adopted.

This scenario envisions **digital transformation** improving service delivery and creating new private-sector jobs – aligning with Botswana’s Vision 2036 goal of a knowledge-based economy. Automation and AI could also raise productivity in mining and services, albeit with the challenge of reskilling workers. In contrast, a **“tech-stagnation” scenario** sees Botswana struggling to keep pace: inadequate skills and

investment could result in slow adoption of 4IR (Fourth Industrial Revolution) technologies. If the education system does not produce enough STEM graduates or if connectivity remains expensive outside cities, Botswana might remain primarily a technology consumer, not creator. This would risk widening the competitiveness gap.

Additionally, **global technology trends** (like artificial diamonds or new materials) could disrupt key industries – notably the advent of lab-grown diamonds, which already pose a threat to Botswana's natural diamond market. In an adverse scenario, rapid improvement in lab-grown diamond quality and acceptance could severely erode Botswana's core export by the early 2030s, forcing an urgent economic pivot.

On the positive side, technological change also opens opportunities in **green technology** (solar energy storage, green hydrogen) and **service digitalization** (online tourism marketing, remote work hubs) that Botswana can seize with the right policies. The likely outcome will depend on today's decisions: effective implementation of the **Science, Technology and Innovation (STI) Policy** and initiatives like SmartBots (the digitalization drive) would steer Botswana closer to the thriving tech scenario, whereas complacency or underinvestment could lead to the stagnation outcome. Given current signals, a middle path is plausible – some tech progress (e.g. widespread mobile fintech use and e-government services by 2030) but not a full-scale economic transformation without further effort.

Climate Change and Environmental Scenarios: Climate projections for Botswana over 2025–2036 uniformly indicate a hotter and drier future, but the extent depends on global emission pathways. Under a **moderate climate scenario** (aligned with Paris goals and mid-range warming), Botswana will still experience significant changes by 2036: average temperatures are expected to rise about **1.5°C above the late-20th century baseline by 2050** under a low-moderate emissions path (RCP4.5), implying perhaps ~1.0°C by 2036.

Practically, this means more frequent extreme heat days (over 40°C), longer hot spells, and higher evaporation rates. Rainfall patterns will likely become even more erratic – the **mean annual precipitation** is projected to **decrease** slightly, with rains becoming more concentrated in fewer heavy events. Droughts, already common, may increase in frequency or severity (southern Botswana could see drought conditions every 3–5 years). These changes pose risks to water security, agriculture, and hydropower.

Under a **high-emissions scenario** (worst case), warming could reach **2.0°C by 2050** (RCP6.0) or even higher later, putting Botswana in uncharted extreme heat territory; mid-century summer temperatures could routinely exceed historical records, and by 2036 the country could occasionally see conditions approaching those mid-century extremes.

The IPCC warns that the **2°C global threshold** could be reached as soon as the early 2030s if current global emissions trends continue – an alarming prospect for climate-vulnerable regions like Botswana. Thus, even in a global best-case of 1.5°C stabilization, Botswana must prepare for significant climate impacts.

National climate scenario analyses (e.g. Botswana's Third National Communication and First Adaptation Communication) highlight likely **sectoral impacts**: reduced crop yields and grazing due to erratic rainfall; greater water shortages for communities and livestock; infrastructure strain from heat (railway tracks buckling, road maintenance needs); and health impacts from heat stress. Environmental scenarios also factor in **response measures** – if Botswana ramps up adaptation (e.g. drought-resistant crops, water infrastructure, early warning systems) and global mitigation succeeds, the country can avert the worst outcomes.

In a **favorable climate-action scenario**, Botswana by 2036 would be on a path to climate resilience: widespread use of water-saving technologies, a diversified energy mix with more renewables, and protected ecosystems (e.g. sustaining the Okavango Delta).

Conversely, in a **low-action scenario**, climate shocks could become a major drag on the economy – for instance, a multi-year drought in the early 2030s could slash agricultural output and rural incomes, necessitate food imports, and even affect mining operations (through water/power shortages).

An emerging opportunity in the climate space is the global push for **green transition**: Botswana has abundant solar irradiance (~3,000 kWh/m²/year of direct normal solar radiation), making it ideal for solar energy development. The government's energy strategy indeed plans for **1.5 GW of solar capacity by 2030** and a target of **50% renewable energy in the mix by 2036**. If implemented, this could significantly cut carbon emissions (Botswana's emissions are low globally, but high per capita due to coal power) and create green jobs.

Overall, the climate outlook for Botswana is one of rising risks that require proactive adaptation – a decisive factor in all future scenarios will be how effectively the country integrates climate resilience into its development plans during Horizon 1 and 2 (see Section 4.5).

4.3 Macroeconomic and Fiscal Outlook under Alternative Scenarios

Baseline Scenario (Gradual Recovery)

Recent data confirm that Botswana's economy has entered a deep downturn driven by the diamond slump. After real GDP growth of –3.0% in 2024, output is expected to contract again in 2025 (about –1%) before beginning a slow recovery in 2026. Non-mineral activity remains weak, and unemployment is extremely high (about 27–28% of the labor force), jeopardizing enjoyment of the right to work. Inflation has been subdued, running below the 3–6% target range, but is forecast to creep back toward mid-single digits by 2026–27 as the Pula's recent depreciation feeds through. In this baseline path, real GDP growth averages only around 2–3% by the late 2020s, roughly

in line with potential, as exports stabilize and domestic demand recovers gradually. Alternative growth trajectories are illustrated in Figure 4.2.

Figure 4.2: Illustrative Macroeconomic Growth Paths under Alternative Scenarios (2026–2036)

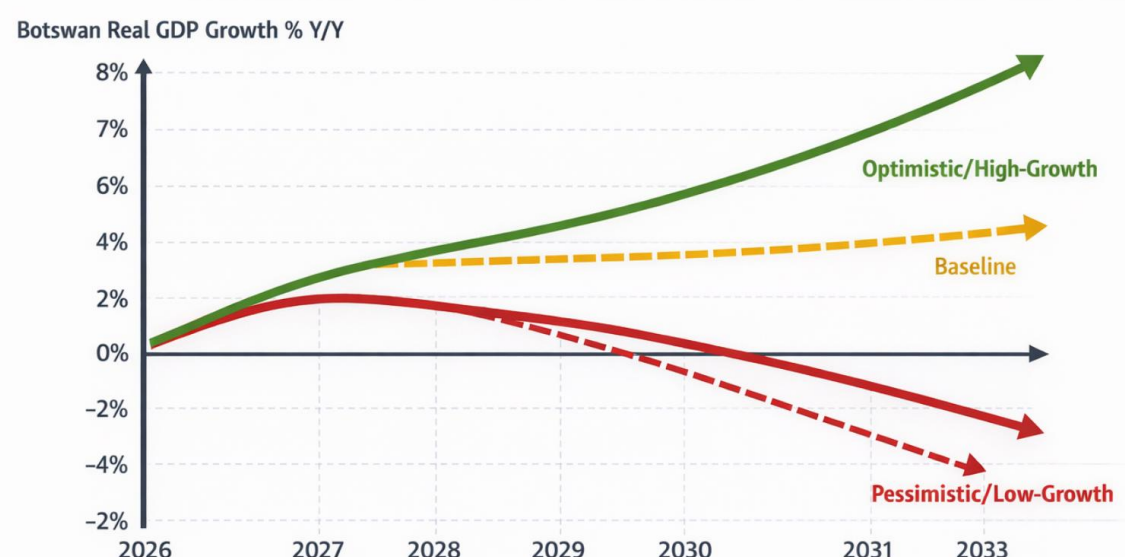


Figure 4.2 illustrates the range of possible macroeconomic growth trajectories under alternative scenarios for the period 2026–2036.

Fiscal strains remain severe in this scenario. Revenue losses from minerals (together with only modest SACU transfers) keep the budget under pressure. The overall fiscal deficit widened to roughly 7–8% of GDP in FY2024/25. Under baseline projections, it is expected to narrow only gradually – on the order of a few tenths of a percentage point each year – to the mid–single digits of GDP by 2030. For example, the World Bank projects the non-mineral primary deficit at about –19.0% of GDP in 2024/25, falling to around –17.3% by 2027 (though still large). Public debt (including guarantees) would continue rising under this path. After the recent increase above 30% of GDP, debt is projected at roughly 38–40% by 2027 and could approach **60% of GDP by 2030** if deficits persist. The IMF notes that “public debt would increase substantially, to near 60 percent of GDP by 2030” under the baseline outlook. In short, fiscal balances improve only slowly, so debt remains on an upward trajectory absent deeper consolidation.

International buffers are already eroding. Foreign reserves have fallen sharply (to about US\$3.5 billion or ~5 months of imports by mid-2025) and, in the baseline, would dwindle to only a few weeks of import cover by 2030. SACU revenue – which spiked in 2024 – is expected to moderate to around 8–9% of GDP in coming years (from about 10.5% in 2024), but remains volatile. Inflation is projected to stay within or near the Bank of Botswana’s 3–6% range, reaching roughly 5–6% by 2026–27 as the currency pass-through and food prices rise. Overall, the baseline is one of very weak growth (low single digits), only gradual fiscal adjustment, rising debt, and limited external

buffers – essentially a gradual recovery from a deep contraction that leaves significant vulnerabilities in place.

Optimistic (High-Growth) Scenario

Under an optimistic scenario, Botswana makes strong progress on reforms and diversification (for example, successfully implementing the Botswana Economic Transformation Plan and catalyzing private investment). In this case, diamond output could stabilize or rebound sooner, and non-mineral sectors would expand more rapidly. Real GDP growth might accelerate into the 4–5% range by the late 2020s. (IMF staff observe that “if the authorities implement ambitious reforms..., growth could recover gradually to more than 4 percent”.) In practical terms, this could mean growth averaging 3–4% in 2026–28 and 4–5% by 2030, well above the baseline. Stronger export performance and higher private investment would lift domestic demand. Inflation could edge up modestly (toward the upper end of the target range) as demand heats up, but it would remain moderate (likely under 6–7%). Unemployment and underemployment would begin to decline meaningfully as new jobs are created in construction, tourism, manufacturing and services.

Budget revenues would improve sharply under higher growth. Higher corporate and personal income tax receipts, revived diamond royalties, and stable SACU transfers would expand the revenue base. Combined with containment of spending, the overall deficit could shrink much faster than under the baseline – for example toward the mid-single digits of GDP by the early 2030s. In effect, a successful adjustment scenario could bring the fiscal deficit down to around 3–5% of GDP by the early 2030s, compared to ~7–8% in the baseline. Public debt would stabilize or even decline slowly under this scenario. In the IMF’s illustrative “resilient” scenario, debt stays below 50% of GDP through 2030 (versus ~60% in the baseline) because large deficits are unwound.

Likewise, external buffers would strengthen. Reserves could be rebuilt toward the traditional benchmark of ~6 months of imports: in the resilient scenario reserves recover to more than 5 months of import cover by 2030. In sum, higher growth and firm reforms would improve confidence, allow more sustainable debt dynamics, and rebuild fiscal and external buffers, marking a substantially stronger outlook than the baseline.

Pessimistic (Low-Growth) Scenario

The pessimistic scenario assumes that external and domestic shocks persist and reform momentum falters. For example, global demand for diamonds could remain weak for longer, regional growth could disappoint (hitting SACU revenue), or fiscal consolidation could be delayed. In this case, real GDP growth would remain very low. Output could decline again in 2025 and show only tepid recovery – on the order of 0–1% annually through 2026–30 – well below trend. Negative or zero growth would exacerbate unemployment and poverty pressures.

Fiscal and debt dynamics would deteriorate markedly in this scenario. With weak growth, revenues would stagnate (or fall further if commodity prices slump), while spending pressures mount (for example from higher interest costs or social needs). The fiscal deficit could widen beyond the 8% of GDP seen in 2024/25, potentially reaching double digits if no corrective measures are taken. By contrast to the optimistic case, debt would climb rapidly: **the IMF warns that under such a “downside risk” path public debt could rise toward or even exceed 50–60% of GDP by 2030.** In practice, with large deficits and weaker GDP, debt ratios could approach or surpass the IMF’s illustrative 60% figure, raising concerns about fiscal sustainability. Credit ratings and investor confidence would suffer in this scenario.

External vulnerabilities would also deepen. A prolonged slump would deplete reserves to critically low levels (perhaps only a month or two of imports by the end of the decade). The current account would remain in deep deficit, since weak exports and flat SACU receipts (despite any modest spending cuts) would not correct the shortfall. In effect, reserves could be nearly exhausted. Inflation might remain subdued in the immediate term (due to lack of demand) but could surge later if the currency weakens further. Overall, the pessimistic outlook is one of stagnation or renewed contraction, with fiscal deficits remaining large, debt escalating toward the statutory limit, and international reserves reaching alarmingly low coverage. Such a scenario would likely prompt urgent fiscal measures, as noted by analysts, to avoid a full-blown crisis. The corresponding fiscal and debt implications are summarized in Figure 4.3.

Figure 4.3: Fiscal and Debt Dynamics under Alternative Macroeconomic Scenarios



Figure 4.3 highlights how different growth and policy trajectories translate into divergent fiscal and debt outcomes over the medium term.

Macroeconomic Management Outlook: Across these scenarios, a few common themes emerge. First, **fiscal sustainability** is a central pivot – Botswana is at a crossroads where choices in the next few years (spending discipline, revenue

diversification, sovereign wealth management) will determine whether it maintains its historically strong fiscal position or slides into debt difficulties.

Second, **external balance** matters – reviving export growth beyond diamonds (through tourism, services, manufacturing) is critical to avoid prolonged current account deficits and reserve erosion. The pula's managed float will continue to adjust; a gradual depreciation is likely in baseline and more in the pessimistic case, which helps competitiveness but raises import costs.

Third, **structural reforms** (in business environment, education, labor market) are the swing factor that can tilt the trajectory toward the optimistic side. For example, accelerated reforms could add a percentage point or two to annual growth by attracting investment outside mining, whereas inaction could conversely subtract growth and magnify vulnerabilities.

Finally, all scenarios will have to contend with **global volatility** – whether it's commodity price swings, climate shocks, or financial market changes – making it imperative that Botswana rebuilds its **buffers** (fiscal savings, contingency funds) during good times. The government's stated medium-term goal of a **1% of GDP fiscal surplus** (to rebuild buffers) is prudent but achieving it will require steadfast commitment amid competing pressures. In conclusion, the macro-fiscal horizon for Botswana ranges from a sustainable recovery with renewed prosperity, to a stagnation with heightened risks. The actual path will likely lie between these extremes, driven by the country's policy responses (fiscal consolidation, diversification) and its resilience to external shocks in the years ahead.

4.4 Risks and Opportunities to Vision 2036

As Botswana navigates toward its Vision 2036 goals ("Achieving Prosperity for All" and attaining high-income status), it faces a landscape of significant risks and promising opportunities. Identifying these is crucial to formulate strategies that mitigate threats and capitalize on strengths during the Horizon 1–3 transition.

Key Risks to Vision 2036

Overreliance on a Single Commodity (Diamonds): The concentration of Botswana's economy and fiscal revenues in diamonds is the foremost structural risk. This leaves the country vulnerable to commodity price cycles and technological disruption. The diamond market contraction and macroeconomic weakening experienced during 2023–2025 exposed this vulnerability, including the sharp downturn in 2024 and continued weakness into 2025. Moreover, the advent of lab-grown diamonds poses an existential threat: as cheaper synthetic gems gain market share, demand for mined diamonds could structurally decline, eroding Botswana's export and fiscal base. Overreliance also creates a "Dutch Disease" effect and crowds out other sectors. If not addressed, this risk could derail the Vision 2036 aspiration of diversified, sustainable growth.

Fiscal and Debt Sustainability Risks: In the Vision 2036 blueprint, maintaining macroeconomic stability is fundamental. However, Botswana's fiscal buffers have been shrinking. Persistent deficits in recent years have nearly doubled public debt (from around 17 percent of GDP to about 30 percent in recent estimates). Under baseline trajectories discussed in Section 4.3, debt could rise toward levels that constrain development financing by the early 2030s if fiscal consolidation is delayed and mineral and SACU revenues remain volatile. A related risk is the "middle-income trap" in financing: as Botswana's income status rises, access to concessional loans and grants falls, yet if domestic revenue mobilization does not pick up, a financing gap emerges. Credit rating downgrades (as signaled by negative outlooks in 2024) would raise borrowing costs. In short, the risk is that fiscal pressures, if unmitigated, undermine the very investments (in human capital and infrastructure) needed for Vision 2036.

Persistent Inequality and Unemployment: Despite historically strong macro management, Botswana continues to face very high inequality and stubbornly high unemployment, with particularly weak labour market outcomes for youth, persons with disabilities and women (see Chapter 2). If these issues persist or worsen, they threaten social cohesion and Vision 2036 goals on inclusive prosperity, including the leave-no-one-behind agenda. Horizontal inequalities such as rural - urban and gender disparities can fuel internal migration and informal settlement growth. Managing inequitable development is therefore a critical risk to address.

Climate Change and Environmental Degradation: Climate risks are material and growing, potentially offsetting development gains. Botswana's high exposure to droughts, variable rainfall, and temperature extremes means climate change can reduce agricultural yields, exacerbate water scarcity, and damage infrastructure. Severe droughts could significantly increase livestock mortality and import bills, hurting rural livelihoods. Environmental degradation (overgrazing, desertification, biodiversity loss) also threatens sectors like tourism (including wildlife-based tourism in the Okavango Delta) and overall resilience. If Botswana does not adapt (through climate-smart agriculture, water conservation, and resilient infrastructure), climate shocks could derail progress toward Vision 2036. Additionally, global climate action carries transition risks for Botswana's coal industry and high-carbon activities, which need careful management (including stranded-asset risks if the world shifts decisively to renewables).

Slow Pace of Economic Diversification and Private Sector Response: Vision 2036 envisages a dynamic, export-led economy beyond minerals. A risk is that diversification efforts continue to lag due to structural constraints: a small domestic market, skills mismatches, regulatory hurdles, and limited FDI outside mining. Non-mining sectors like manufacturing remain underdeveloped (manufacturing is only about 5 percent of GDP). If the business environment remains lukewarm and private investment does not accelerate, Botswana could face the low growth trap discussed earlier. The public sector currently dominates the economy; its capacity to drive transformation is limited, and if the private sector cannot take the baton, Vision 2036 targets may not be met. Relatedly, if governance reforms (anti-corruption and ease of

doing business) stall, investor confidence could wane. Botswana's global rankings in some governance indicators have been slipping, which warrants close attention.

Public Sector Capacity and Policy Implementation Risks: Achieving Vision 2036 requires effective implementation of plans (including NDP12). There is a risk that the public sector's capacity is insufficient for the scale of transformation required. Challenges include bureaucratic delays, skills gaps in the civil service, and coordination issues. If large projects (infrastructure, digitalization, education reform) suffer from weak execution, results will lag. Another risk is policy reversals or inertia: inability to contain the public wage bill or reluctance to restructure loss-making state enterprises could strain budgets (rising wage and SOE subvention costs are cited as fiscal risks). Political economy factors can also slow progress. In sum, a failure to implement tough reforms or deliver public investments effectively would jeopardize the Vision.

External and Regional Risks: Botswana must consider external shocks, including global recessions (which hit diamond sales and tourism), sharp commodity price movements, or financial crises that affect capital flows. Geopolitical tensions can also affect Botswana indirectly. Regionally, instability or slow growth in South Africa (Botswana's largest trading partner) is a risk to exports and SACU revenues. Changes in SACU's revenue-sharing formula or prolonged low transfers could strain Botswana's budget. Health risks like pandemics also remain on the radar. While these are harder to predict, resilience measures (financial buffers, economic diversification, and adaptive systems) remain the best defense.

Risks Associated with Upper-Middle-Income Status and Potential High-Income Graduation. An underexamined but strategically significant risk concerns Botswana's income classification and what further graduation would mean. Botswana is currently classified as an upper-middle-income country (UMIC) – a status that already limits its access to the most concessional development finance. Should the country's per-capita income recover and cross the World Bank's high-income threshold (currently USD 14,005 GNI per capita), it would face a substantial 'graduation cliff': loss of eligibility for IDA concessional lending, reduced access to preferential borrowing terms from multilateral development banks, and potential reclassification that could reduce ODA flows from bilateral donors. For a country with a narrow economic base and significant remaining development deficits – including persistent poverty, inequality, and climate vulnerability – graduation based on aggregate income alone would risk overstating actual development progress. Botswana should proactively engage multilateral institutions on transition frameworks and seek to maintain access to concessional climate finance instruments regardless of income reclassification. Conversely, a sustained downward trajectory in diamond revenues and per-capita income carries its own risk: potential downgrade to lower-middle-income status, which – while expanding some concessional access – would signal a significant reversal of Botswana's development gains and could negatively affect sovereign credit ratings and investor confidence. Both trajectories warrant explicit scenario planning.

Key Opportunities to Leverage for Vision 2036

Demographic Dividend and Human Capital: Botswana's youthful population can be an engine of growth if harnessed. With over a third of citizens under 15 and a median age in the mid-20s, the country has a window where the labour force will grow faster than dependents. This demographic dividend can boost GDP per capita if young people are healthy, educated, and employed in productive jobs. To seize it, investments in education quality and skills training are paramount, aligning curricula with future industry needs (ICT, engineering, green tech) and expanding vocational training. The government's emphasis on human capital (education and training is a Vision 2036 priority) is well-placed. With targeted efforts to empower women and youth (entrepreneurship programmes, innovation hubs), Botswana's young workforce could drive innovation and productivity gains, supporting more rapid and inclusive growth.

Digitalization and Technological Leapfrogging: Technology offers Botswana the chance to leapfrog stages of development and diversify its economy. The ongoing digital transformation (SmartBots initiative) and ICT investments are key enablers. Botswana has relatively good ICT infrastructure and high mobile penetration. By expanding affordable broadband to all districts, Botswana can attract ICT businesses and remote services. The digital economy can become a new growth pole: fintech and mobile banking can deepen financial inclusion; e-commerce can open new markets for local SMEs; and automation can improve efficiency in government and industries. Botswana's political stability and rule of law are assets to attract tech firms or data centres that require predictable environments. The Botswana Innovation Hub and tech-focused SEZs provide a platform. If the country also incentivizes R&D and startup culture, it can nurture home-grown innovations (e-health, e-learning, and AI applications). Successful digital leapfrogging could create high-skilled jobs and export revenue while increasing productivity across sectors, accelerating progress toward the Vision's high-income ambition.

Renewable Energy and Green Transition: Botswana's solar resources present a major opportunity. With abundant sunshine, the country can become a regional leader in solar energy generation. The government's plan to scale solar capacity by 2030 is a strong start. Achieving this would ensure energy security, reduce reliance on imported power and aging coal plants, and create jobs in construction and maintenance. There is potential to develop green industries around this, including solar components and battery storage, and potentially green hydrogen over time. A pivot to renewables aligns with global investment trends and can attract climate finance and impact investors. The green transition also encompasses sustainable tourism and conservation. Botswana's wildlife and ecosystems are valuable natural capital; expanding eco-tourism and community-based natural resource management can provide income while conserving biodiversity.

Regional Integration and Trade Opportunities: AfCFTA and Botswana's membership in SACU and SADC present opportunities to tap larger markets and value chains. Under AfCFTA, Botswana has access to a market of over 1.3 billion people, enabling firms to

scale production beyond a small domestic market. Potential export opportunities include beef and beef products, salt, soda ash, selected manufactures, and services. Botswana's central location in SADC and relatively good infrastructure could support a logistics and trade hub role, including corridor development and improved border processes. Cross-border value chains also offer potential, including expanded diamond beneficiation and agricultural value addition. Government initiatives to streamline border processes and invest in one-stop border posts will further facilitate trade.

Economic Sectors with High Potential: Beyond the broad areas above, several sectors offer high growth potential if nurtured:

- **Tourism and Creative Economy:** Botswana's tourism is a comparative advantage. Developing community tourism, cultural and heritage tourism, alongside wildlife tourism could broaden benefits. Creative industries offer youth employment potential.
- **Agro-business and Food Self-Sufficiency:** Agriculture is currently small, but opportunities exist through irrigation, drought-resistant inputs, and agro-processing (including beef value addition and niche crops).
- **Mining Diversification:** Opportunities exist beyond diamonds, including copper and other minerals aligned with global green technology demand, if managed sustainably.
- **Financial Services and Education Hub:** Botswana's stable financial system could support regional financial services growth, while tertiary education could attract regional students.

Governance and Stability Dividend: Botswana's record of good governance, peace, and low corruption⁹ remains an opportunity in itself. In a world of uncertainty, these are valuable assets to investors and partners. As governance continues to modernize (digitizing public services and strengthening accountability), Botswana can differentiate itself as a predictable destination for investment. This "governance dividend" can amplify all other opportunities by reducing transaction costs and accelerating implementation.

In summary, while the risks to achieving Vision 2036 are non-trivial, Botswana also has considerable opportunities to transform its economy. The balance will depend on

⁹ However, an Afrobarometer study shows that citizens were concerned about corruption, especially in the office of the Presidency. At the time of the survey in August 2024, while President Masisi was in office, Botswana ranked the Presidency as one of the most corrupt institutions the survey asked about. See further <https://www.afrobarometer.org/articles/majority-of-botswana-see-corruption-in-former-president-masisi-office-new-afrobarometer-study-shows/#:~:text=Most%20Botswana%20believe%20that%20former,for%20more%20than%20a%20decade.>

policy choices and implementation across the horizons. Proactive risk mitigation (fiscal prudence, climate adaptation, education reform) combined with pursuit of opportunities (digital, green economy, regional trade) can accelerate progress toward the Vision’s ambition of prosperity for all. These risks and opportunities are summarized in Figure 4.4.

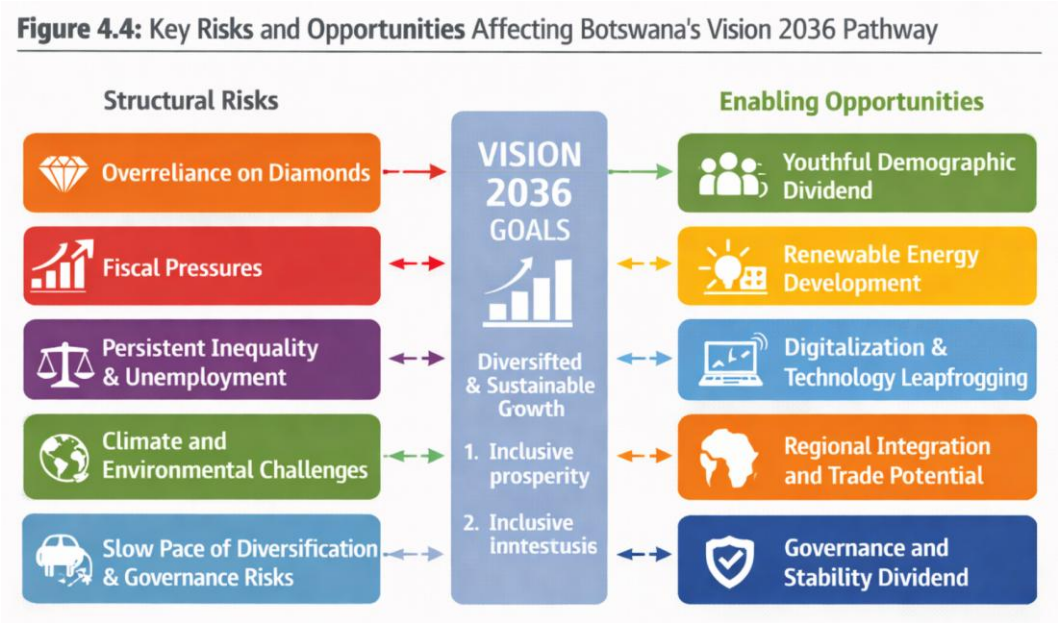


Figure 4.4 summarizes the principal risks and opportunities shaping Botswana’s ability to achieve Vision 2036.

4.5 Summary of Horizon 1 → Horizon 3 Transition Logic

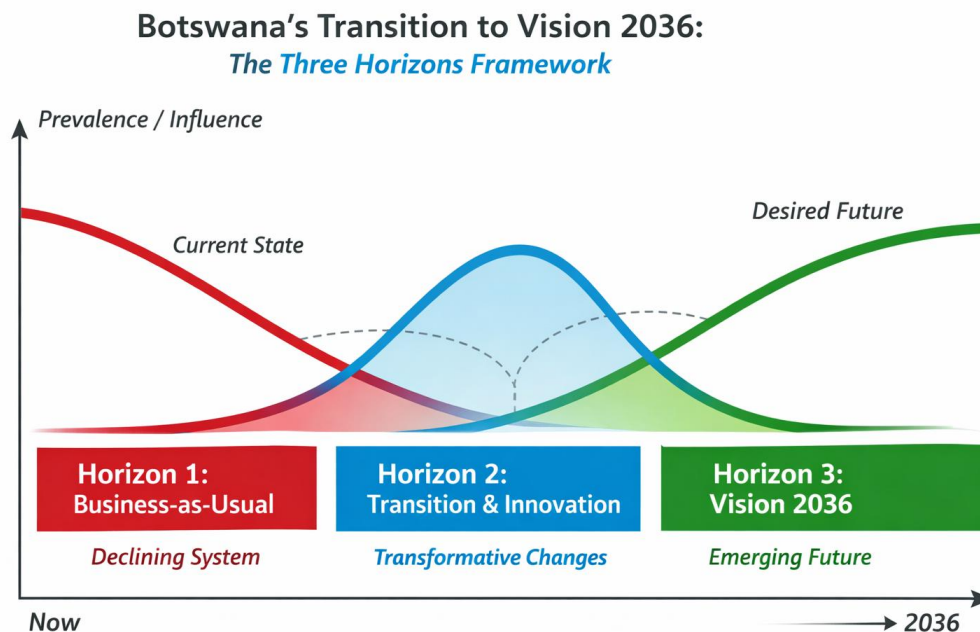


Figure 4.5: Illustration of the “Three Horizons” framework guiding Botswana’s transition. Horizon 1 (red) represents the current dominant system (“business-as-usual”) which is in decline; Horizon 3 (green) represents the emerging future system aligned with Vision 2036; Horizon 2 (blue) represents the transitional innovations and changes bridging the two. The X-axis is time (to 2036), and the Y-axis indicates prevalence or influence of a given paradigm over time.

As illustrated in Figure 4.5, Botswana’s journey to 2036 can be conceptualized in three horizons, each with distinct priorities but overlapping in time. The Three Horizons framework provides a narrative of how the country can shift from its current state (Horizon 1) to the envisioned future (Horizon 3) through a period of transition and innovation (Horizon 2). Below is a summary of this transition logic:

Horizon 1 (Present – Mid 2020s): “Managing the Present while Planting Seeds” – Horizon 1 corresponds to the status quo or business-as-usual, characterized by a mineral-led economy, relatively low diversification, and emerging fiscal strains. In this horizon (roughly 2024 to around 2028), the emphasis is on stabilization and addressing immediate challenges. This involves ensuring macroeconomic stability after the diamond shock through prudent fiscal management and targeted measures to protect the vulnerable. Key Horizon 1 tasks include stabilizing the diamond industry (including marketing and agreements), protecting vulnerable populations (through social safety nets), and initiating critical reforms (business climate improvements, public finance reforms) that lay the groundwork for future change. At the same time, Horizon 1 is about planting seeds of change: investing in pilot projects and innovations that embody the future vision. Pilot solar plants, digital public services, and improved technical education curricula are examples of Horizon 3 seeds planted in Horizon 1.

The logic is to begin shifting resources and attention to these emerging areas before the old model weakens further. Horizon 1 also involves building consensus that the current model must evolve. The end of Horizon 1 should see a more stable macro position and initial successes in new sectors, setting the stage for scaling in Horizon 2.

Horizon 2 (Late 2020s – early 2030s): “Transition and Disruptive Innovations” – Horizon 2 (roughly 2028 to 2032) is the bridge between the old and new. By this time, pressures from Horizon 1 are more acutely felt, creating urgency for change. Horizon 2 is characterized by scaling up innovations and reforms tested in Horizon 1 and introducing new paradigms across sectors. The old system is still present but declining, while elements of the new system rise but are not yet fully mainstream. Horizon 2 may see non-mining sectors (renewables, ICT services, agribusiness) expanding much faster than mining, even as mining remains important. Policies from Horizon 1 start yielding results, private sector confidence improves, and investment beyond diamonds increases. During Horizon 2, disruptive innovations emerge. Some accelerate the transition to Horizon 3, while others may temporarily reinforce Horizon 1. A critical task is managing the tensions between old and new: supporting livelihoods as legacy sectors adjust (reskilling and labour mobility) while ensuring new investments align with Vision 2036 goals. Learning-by-doing is essential, as some initiatives will succeed and others will require redesign. By the end of Horizon 2, Botswana should have tipped toward new growth drivers, with clear signals such as rising non-mineral revenues, a larger share of renewables, and diversified employment creation.

Horizon 3 (Mid-2030s and beyond): “The Botswana We Want in 2036” – Horizon 3 represents the realization of Vision 2036 aspirations: an inclusive, sustainable, high-income country. By this horizon, the attributes of the new system are expected to be fully manifest: a diversified, export-led economy with higher value addition, a skilled workforce supporting a knowledge-based society, and lower poverty and inequality. Earlier reforms and innovations mature. Botswana’s export profile becomes more balanced across mining, agriculture, manufacturing, and services (tourism, finance, ICT), reducing vulnerability to single-sector shocks. Socially, Vision 2036 pillars imply stronger education and health outcomes, better social protection, and a more inclusive growth model. Governance improvements also consolidate, including more efficient and digital public services and stronger accountability. Some strengths of Horizon 1 are retained, including aspects of prudent resource management and effective public programmes, while the economy’s foundations become broader and more resilient. A successful Horizon 3 means Botswana has transitioned to a self-sustaining model aligned with Vision 2036’s prosperity-for-all ambition.

Narrative Framing of the Three Horizons: In Horizon 1, Botswana acknowledges that its current model, though once successful, is reaching its limits, and begins stabilizing while investing in new ideas. In Horizon 2, Botswana scales reforms more boldly; the period is disruptive but creates room for new growth engines to take root. Policymakers manage stability while removing barriers to new systems. In Horizon 3, the new systems have matured: Botswana is more diversified, tech-enabled, equitable,

and resilient. The task across the horizons is to champion transition innovations while responsibly managing the decline of unsustainable elements of the old model.

In conclusion, the Three Horizons framework provides a structured way to ensure continuity and coherence in Botswana's long-term transition. It emphasizes that Horizon 3 will not arrive abruptly; it must be built through deliberate actions in Horizon 1 and Horizon 2. Each horizon has a role: Horizon 1 to stabilize and prepare, Horizon 2 to implement and transition, and Horizon 3 to consolidate and sustain the new paradigm.

CHAPTER 5. STRATEGIC PATHWAYS AND ACCELERATION LEVERS FOR VISION 2036

Botswana's long-term Vision 2036 envisions a high-income, export-driven economy with diversified, inclusive, and sustainable growth underpinned by human and social development, environmental stewardship, and effective governance. Realizing this vision in the face of macro-fiscal and structural constraints requires a multi-horizon strategy that builds on the near-term challenges identified in earlier chapters. In Horizon 1 (present to 2026), the focus is on consolidating fiscal and macroeconomic stability, addressing immediate social needs, and laying the groundwork for structural change. Horizon 2 (the medium term, 2026–2030) targets deliberate transition pathways – for example, accelerating diversification, upgrading skills, and investing in infrastructure – to shift the economy onto a higher-growth trajectory. Horizon 3 (the long term, up to 2036) then aims to achieve the sustained high growth and transformation needed for Vision 2036's goals. This chapter outlines key transformation pathways and cross-cutting levers aligned with that framework, and discusses the policy coherence, financing, and institutional strengthening needed to accelerate progress. It concludes by identifying areas where the UN Country Team can add value in support of Botswana's Vision 2036 agenda.

5.1 Strategic Pathways to Vision 2036

Building on the three-horizon lens, Botswana's strategic pathways should address both the binding constraints of the present and the transformative goals of the future. In the near term (Horizon 1), priority must be given to macro-fiscal consolidation, enhanced resilience, and essential public services. The IMF notes that Botswana's fiscal deficit widened to about 7.1 percent of GDP in FY2024/25 and public debt rose above 30 percent of GDP. This reflects declining mineral revenues and rising spending pressures. The key first step is therefore to restore fiscal balance through efficient public spending (including a prudent wage and pension bill) and strengthened revenue collection, while maintaining critical social safety nets. Promoting inclusive social programs and improving service delivery (education, health, basic infrastructure) will help alleviate poverty and inequality in the short run. Strengthening social protection for vulnerable groups (the poor, women, persons with disabilities, rural households) and expanding labor-intensive public works can also mitigate the impact of unemployment and income shocks. These Horizon 1 actions set the foundation for more ambitious change.

In the medium term (Horizon 2), Botswana can shift into transition mode by pursuing high-impact diversification and productivity pathways. A top priority is to broaden the narrow economic base beyond diamond mining. Diamonds still account for roughly 70 percent of export earnings and nearly one-third of GDP, making growth vulnerable to commodity shocks. Accelerating diversification means developing growth poles in agriculture, manufacturing, services, tourism, and knowledge-intensive industries. For

example, agro-processing and irrigation farming can raise rural incomes and food security; value-added mining (e.g. diamond cutting or other minerals) and light manufacturing can create jobs; and eco-tourism in Botswana's rich natural areas can sustainably leverage heritage and wildlife. The Government's Botswana Economic Transformation Programme and NDP 12 both aim to catalyse such sectors. These efforts should be complemented by supportive infrastructure (roads, power, ICT) and investment in research and technology – for instance, fostering a local R&D ecosystem and start-up culture. Digital innovation (e-commerce, fintech, IoT) can both create new industries and enhance productivity across sectors.

Another key Horizon 2 pathway is human capital and inclusive development. As earlier chapters emphasized, Botswana has made heavy investments in education and health, but skills mismatches and uneven outcomes persist (e.g. a large share of youth with secondary education facing scarce formal job opportunities). Reforming education and training to match labour market needs is crucial. This includes improving primary and secondary school quality, expanding STEM and vocational/technical programs, and strengthening links between industry and training institutions (apprenticeships, on-the-job training). A modernized tertiary and polytechnic sector can supply skills for technology-intensive sectors. Continued focus on health (especially nutrition, maternal/child health, and communicable disease control) will raise productivity and reduce human capital losses. Social inclusion is an integral pathway: reducing high inequality (Botswana is among the world's most unequal countries), empowering women and youth, and ensuring rural and marginalized communities share in growth. This means targeted¹⁰ support for women entrepreneurs and youth employment programs (e.g. capitalizing on UN and private-sector youth initiatives), as well as extending services and infrastructure to remote districts. Emphasizing the principle of *BOTHO* (compassion and collective responsibility) in national campaigns while investing in fundamental human rights can reinforce social cohesion and encourage broad participation in development.

A third strategic pathway is building a green and climate-resilient economy. Botswana faces climate and water stress that threaten livelihoods (drought affects agriculture and livestock, and extreme weather can disrupt power and roads). Achieving Vision 2036's sustainable environment pillar requires mainstreaming sustainability. In practice, this means scaling up renewable energy – Botswana has abundant solar potential¹¹ – to reduce power imports and carbon emissions, while promoting energy access in rural areas. It involves investing in climate-smart agriculture (drought-resistant crops, efficient irrigation) and water management (recycling, storage) to

¹⁰ Regarding the use of "temporary special measures" to advance substantive equality between women and men, see [CEDAW/C/BWA/CO/5 \(CEDAW 2025\)](#) paras 20-21.

¹¹ On Botswana's potential to become a solar "superpower" in Southern Africa, see United Nations Special Rapporteur on human rights and the environment, *Report of the Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment on his visit to Botswana* (2023) A/HRC/55/43/Add.2 para 36.

reduce vulnerability. Preserving natural ecosystems (e.g. the Okavango Delta) through conservation and sustainable tourism not only protects the environment but also generates income. The Government's Sustainable Environment pillar envisages an economy where natural resource use observes ecological limits. Pathways like these also open opportunities in "green jobs" – solar technicians, ecological tourism guides, waste-management specialists – which can absorb labour and youth cohorts.

Finally, strengthening governance, institutions, and the rule of law is a cross-cutting pathway that underpins all Vision 2036 goals. Botswana has a reputation for stability and sound governance, but new challenges (such as managing a more complex economy and evolving citizen expectations) call for reforms. Continued efforts to reduce bureaucratic red tape, improve transparency, and fight corruption (e.g. in procurement and licensing) will boost investor confidence and fiscal efficiency. Decentralization and local government capacity-building can bring services closer to communities, aligning local development with national priorities. Enhancing e-government and digital service platforms can make public services faster and more inclusive. On the legal side, strengthening land tenure systems, and modernizing regulatory frameworks will support private-sector growth and infrastructure development. In these ways, institutional reforms "lubricate the wheels" of economic and social transformation.

These strategic pathways should be pursued in an integrated manner. For instance, expanding rural roads (infrastructure) simultaneously supports agriculture diversification and social inclusion; improving broadband access (digital infrastructure) boosts education, health and private sector innovation; and promoting financial inclusion (through mobile banking, microcredit) empowers women entrepreneurs and small businesses. By linking Vision 2036's four pillars (economic development; human and social development; environment; governance) with the cross-cutting systems identified earlier, Botswana can chart a path that is coherent and mutually reinforcing. For example, growth strategies should be designed to generate decent jobs for youth and women, and resource-based development should be climate-sensitive. The three-horizon framework ensures that short-term stabilization and inclusive recovery (H1) set the stage for longer-term structural change (H2) and eventual high-income transformation (H3).

5.2 Cross-System Levers for Acceleration

In addition to sector-specific pathways, Botswana should mobilize cross-cutting "levers" that accelerate progress across all systems, in addition to integrating the principles of leave no one behind (LNOB), human rights-based approach (HRBA), gender equality and women's empowerment (GEWE), accountability, resilience, and sustainability in all development programming. These levers are interventions or enablers that have spillover effects in multiple sectors, helping to overcome systemic barriers. Key levers include:

- **Digitalisation and Innovation:** Accelerating the digital economy can transform how Botswana works, learns, and governs. Expanding high-speed broadband

and mobile connectivity nationwide enables e-commerce for entrepreneurs, distance learning and telemedicine, and efficient government services. Government initiatives like e-government portals (for tax, licenses, health records, etc.) reduce costs and increase transparency. Encouraging ICT entrepreneurship (via incubators, hackathons, digital skills training) can create new industries. Digital financial services (mobile money, digital banking) extend credit and insurance to underserved populations. For example, digital platforms can be used in agriculture to give farmers price information and weather advisories, improving productivity in a critical sector. By cutting administrative burdens and linking citizens and businesses into the formal economy, digitalisation acts as a force multiplier for growth and inclusion.

- **Human Capital and Social Investment:** Botswana's most important asset is its people. Expanding and deepening investment in education and health yields broad dividends. Improving school quality at all levels – with a focus on STEM, vocational training, and ICT skills – builds a workforce ready for 21st-century industries. Teacher training and curriculum updates (e.g. science labs, coding courses) are crucial here. On-the-job training programs and apprenticeships help youth transition into employment. Strengthening the health system (universal primary care, maternal/child health, HIV prevention) raises labour productivity and life expectancy. Policies promoting gender equality (e.g. mandatory reporting on women's participation, incentives for girls in STEM) ensure that women fully contribute to economic growth. Robust social protection programs – such as cash transfers for the poorest and insurance schemes for informal workers – provide a safety net that allows households to take productive risks (like starting businesses or sending children to school) without fear of destitution. In essence, by developing human capital and social resilience, this lever enriches every pathway, from manufacturing to entrepreneurship to community development.
- **Green Transition and Climate Resilience:** As noted, moving to a green economy is itself a strategic pathway, but it also serves as a cross-cutting lever. Government policies that price carbon (e.g. environmental taxes or trading schemes), incentivize clean energy investment (solar feed-in tariffs, tax breaks for green tech), and enforce sustainable resource use (water permitting, anti-deforestation laws) will change the incentives across sectors. Integrating climate risk assessments into all major projects – from roads to mining to housing – ensures infrastructure lasts under changing conditions. Public investment in green technologies (e.g. a national solar park or electric bus fleet) can demonstrate feasibility and create markets. By leveraging global climate finance (see next section), Botswana can tap grants and loans for these projects. Overall, emphasizing the green transition spurs innovation (e.g. in aggrotech or environmental services) and mitigates long-term vulnerabilities, benefiting the economy and society at large.
- **Finance and Public Investment:** Robust public finances and well-targeted investments are essential levers. Botswana's new Sustainable Financing

Strategy (2023–2030) explicitly aligns public and private financial flows with Vision objectives. This includes mobilizing domestic revenue (improving tax collection, broadening the tax base, curbing evasion) and using budgeting tools like program budgeting to focus spending on high-impact areas. Reforming state-owned enterprises and public investments to be more commercial and transparent (as IMF recommends) frees resources for priority sectors. On the private side, deepening financial markets (e.g. strengthening the stock exchange, microfinance institutions, and credit bureaus) expands credit for businesses and infrastructure. Innovative instruments like green bonds or project bonds can fund major projects (solar farms, highways, hospitals) while involving private investors. Ensuring predictable funding for and adequate investment key social sectors (like education, social protection and health) also encourages long-term planning while promoting a human rights economy that benefits all people in Botswana.¹² In summary, sound fiscal policy and smart investment finance lay the groundwork for all transformation pathways.

- **Governance and Regulatory Reform:** Efficient institutions and clear rules enable rapid progress across systems. Botswana should continue to streamline business regulations, cutting red tape and eliminating unnecessary licenses so that entrepreneurs can start and expand firms with minimal delay. Doing business reforms (online registration, single-window permits) reduce costs for companies in agriculture, mining, manufacturing or services. Strengthening the judicial and land titling systems protects investments in agriculture and industry. Anti-corruption measures (e.g. procurement transparency platforms, conflict-of-interest laws) ensure that public resources flow to productive uses, bolstering public trust. Decentralized planning – empowering district councils to develop local economic plans linked to Vision goals – harnesses local knowledge and accountability. Together, these governance reforms speed up implementation of policies across all sectors, making each pathway more effective.
- **Data, Planning, and M&E Systems:** High-quality data and planning processes are foundational levers. Botswana’s statistical system should continue to improve data collection and analysis (e.g. timely labour force surveys, sectoral GDP, environmental indicators) so policymakers can track progress and adjust strategies. Integrating Vision 2036 indicators with the SDG monitoring framework ensures coherence and reduces duplication. A robust monitoring and evaluation (M&E) culture – with regular sector reviews and independent audits of public programs – allows the government to learn what works and scale up successful interventions. Geographic Information Systems (GIS) and citizen feedback mechanisms (mobile surveys, social audits) can improve planning for roads, schools, and clinics. By using data smartly, all development efforts become more targeted and adaptive. Also, by adopting digitization, data

¹²<https://www.ohchr.org/en/sdgs/human-rights-economy-seeding-change-economy-enhances-human-rights>.

can be captured, transmitted, and analyzed seamlessly, while eliminating paper-based reporting.

These cross-system levers should be applied in a coordinated way. For example, a single agricultural zone development project might combine all of the above: deploying solar irrigation pumps (green/finance lever), training farmers in new techniques (human capital lever), using digital extension services (digital lever), providing microloans (finance lever), and being overseen by clear land-use regulations (governance lever). Similarly, an initiative to upgrade secondary education could include e-learning platforms (digital), hiring more qualified teachers (human capital), performance-based budget support (finance), and a regulatory shift to tie curriculum to industry needs (governance). By aligning these enablers with Vision priorities, Botswana can accelerate change across multiple domains simultaneously. These interactions are synthesized in Figure 5.1

Figure 5.1: Strategic Pathways and Acceleration Levers toward Vision 2036



Figure 5.1 provides a systems-level synthesis of the strategic pathways and cross-system levers described above, illustrating how they interact to advance Botswana's transition toward Vision 2036.

The cross-system levers described above map closely onto the United Nations Secretary-General's **Six Transitions** framework – the organising logic for SDG acceleration globally. The Six Transitions identify the systems where transformation is most consequential for achieving the 2030 Agenda: *food systems, energy access and affordable clean energy, digital connectivity, education and learning, jobs and social protection, and climate change, biodiversity loss and pollution*. Botswana's development challenges and strategic opportunities align closely with all six. Economic diversification and skills reform speak directly to the jobs, education, and digital transitions; the renewable energy scale-up and water security agenda address both the energy and climate/biodiversity transitions; and the expansion of social protection and

LNOB-focused service delivery responds to the social protection transition. Explicitly framing Botswana's acceleration pathways through the Six Transitions lens strengthens their coherence with global UN programming and ensures that the forthcoming Cooperation Framework draws on the full breadth of UN system expertise and resources. It also provides a ready-made accountability architecture — each transition carries its own indicator suite — that can complement the KPIs identified in Chapter 7.

5.3 Policy Coherence, Financing, and Institutional Alignment

Effective implementation of the Vision 2036 pathways requires strong coherence and coordination across policies, budgets, and institutions. First, policy coherence is essential. Vision 2036 and its National Transformation Strategy (NTS) are already aligned with Agenda 2063 and the 2030 Agenda. This alignment should cascade into the National Development Plans (NDPs), annual budgets, and sector strategies so that all arms of government work toward common goals. For example, economic policies (e.g. industrial strategy, trade policy) must be coherent with social policies (education, health) and environmental policies (resource management) — a “whole-of-government” approach. Mechanisms such as inter-ministerial task forces or a strengthened National Planning Commission can help reconcile competing priorities and streamline decision-making. Second, financing must be aligned with priorities, including Botswana's human rights commitments.

The government's recent Sustainable Financing Strategy (2023–2030) provides a roadmap to mobilize resources for Vision 2036. Implementation of this strategy means, for instance, earmarking green taxes or fees to climate projects, and structuring debt (currently modest at 30% of GDP) to fund long-term assets. It also implies attracting private and concessionary finance: Botswana can work with international institutions and development finance to tap funds for renewable energy, water infrastructure, and SME credit lines. In practice, this requires a concerted effort to boost domestic resource mobilization (e.g. modernizing tax administration, plugging revenue leaks) in tandem with an improved investment climate. Prudent fiscal management — as advised by the IMF — would include multi-year budgeting, a development budget that targets Vision priorities, and tight control of recurrent costs. A well-aligned financing framework will link each priority sector plan to specific funding sources, reducing the risk that projects stall for lack of money.

Third, institutional alignment and capacity are needed. Botswana's public institutions have traditionally been strong, but achieving Vision 2036 may require new capacities. For instance, the public sector may need more expertise in contract management and public–private partnerships to harness private investment in infrastructure. Local government bodies, if given new mandates for service delivery or investment facilitation, will need training and possibly fiscal decentralization. Civil service reforms — recruiting experts in critical fields (e.g. data analytics, environmental engineering) and improving performance incentives — would boost effectiveness. Coordination between agencies (e.g. environment, tourism, agriculture on land-use planning) should

be formalized through joint procedures or shared databases. Building robust data systems (see above) also requires institutional support: a modern national statistics office, and perhaps an inter-agency data council, to oversee indicators for Vision 2036 and the SDGs.

Finally, coherence with the private sector and civil society is crucial. The government should engage businesses, farmers, NGOs, and communities in planning and implementation. Mechanisms such as business forums, public consultations on policy drafts, and community development committees can help ensure that policies are grounded in on-the-ground realities and enjoy broad buy-in. For example, in 2025, CEDAW observed the lack of a gender perspective in the preparation of a new national development plan and economic diversification strategies and recommended equitable participation by women.¹³ A national coordination platform on women's economic empowerment can ensure that gender considerations are embedded in economic policies (ensuring coherence of the gender agenda across ministries).

Taken together, these measures for policy coherence, financing alignment, and institutional reform will create an integrated foundation for Vision 2036. They will help ensure that strategic pathways and levers identified above are not isolated initiatives but part of a unified national effort.

5.4 Opportunities for UN System Contribution

The United Nations system in Botswana can play a catalytic role in supporting these strategic pathways and levers. The UN Country Team brings technical expertise, global best practices, and convening power that can add unique value in several areas:

- **Data and Monitoring Support:** The UN can bolster Botswana's statistical capacity and M&E systems. Agencies like UNDP, UNAIDS and UNESCO can assist with survey design, SDG indicator tracking, and building geospatial and digital data platforms. This aligns with Vision 2036's own monitoring framework and ensures that progress toward Vision goals (and SDGs) is systematically measured. UNFPA, UNAIDS and UNICEF can support disaggregated data collection on youth, gender, and health, helping to leave no one behind. The Office of the High Commissioner for Human Rights (OHCHR) can support a human rights-based approach to data that uses innovative partnerships to leverage existing socio-economic data. By enhancing national data systems, the UN helps evidence-based policy-making across all sectors.
- **Policy Advice and Capacity Development:** Through its specialized agencies and resident coordinators, the UN can advise on governance reforms, economic planning, and social policy. For example, UNDP and UNDESA have experience in public sector management reforms and national planning processes. The International Labour Organization (ILO) can assist with labor

¹³ See CEDAW/C/BWA/CO/5 (CEDAW 2025) paras 40-41.

market policy and skills development strategies, while WHO can provide health system strengthening and pandemic preparedness guidance. UNDP and OHCHR can continue to support operationalization and strengthening of the Office of the Ombudsman as Botswana's NHRI. The UN can support Botswana's alignment of Vision 2036 with the 2030 Agenda (SDGs) by helping to mainstream SDG thinking in sector ministries, as the Vision itself is framed in the language of Agenda 2063 and SDGs. Trainings, workshops, and exchange visits organized by UN agencies can build the capacity of government planners and statisticians to implement the new pathways effectively.

- **Financing and Resource Mobilization:** The UN can leverage global finance mechanisms to support Vision objectives. For instance, UNDP often assists countries in accessing climate finance (Green Climate Fund, Adaptation Fund) and development financing (Global Environment Facility, SDG Impact Investing). The UN can advise on public–private partnerships and sustainable financing strategies, building on Botswana's own Sustainable Financing Strategy. In addition, the UN's involvement can signal to donors and investors that projects are aligned with development goals, potentially catalyzing co-financing. Agencies like UNCDF can develop local finance solutions for small businesses, and UN Women can pilot gender-responsive budgeting while OHCHR can support human rights budgeting. By coordinating donor support and providing platforms for knowledge-sharing, the UN helps maximize the efficiency of development assistance in areas like renewable energy, water, and social protection.
- **Innovation and Pilot Projects:** The UN can introduce and scale innovative development models. For example, UNIDO might support a clean technology incubator, or UNDP could pilot a smart village in a remote area combining solar power, e-health, and internet access. These pilots demonstrate feasibility, build local skills, and create momentum. In the digital sphere, the UN's expertise (e.g. ITU, UNDP) can help advance e-government and ICT education initiatives. The Food and Agriculture Organization (FAO) can support climate-smart agriculture trials. Through such catalytic interventions, the UN helps Botswana test new approaches at manageable scale before wider rollout.
- **Focus on Youth, Women, and Vulnerable Groups:** Given Botswana's high youth unemployment (38% for ages 15–35) and elevated inequality, the UN's mandate to promote human rights, gender equality and youth empowerment is directly relevant. UN Agencies can back youth entrepreneurship programs (building on initiatives like YouthConnekt) and advocate for youth representation in decision-making. UN Women can partner with government and the Botswana Women Entrepreneurs Association to expand women's access to finance and markets, a key lever for inclusive growth. UNICEF and UNFPA can strengthen youth education and skills programs. OHCHR can continue to support government as duty bearers and the empowerment of rights holders to ensure access to justice and the enjoyment of human rights,

while contributing to the advancement an economy that benefits all people, including those at risk of being left furthest behind in Botswana. In all its work, the UN can ensure that Vision 2036's goal of a tolerant, inclusive society is advanced by addressing the needs of the most vulnerable – including persons with disabilities, migrants, refugees and asylum seekers, women, Indigenous Peoples and the poor – consistent with the “leave no one behind” principle.

- **Global Norms and South-South Exchange:** As an impartial multilateral partner, the UN can share global experience and standards. It can help Botswana frame its policies in line with international norms and standards (e.g. water rights, labor standards, conservation principles), ensuring that domestic reform is on par with best practices. Through South–South cooperation, Botswana can learn from other countries that have achieved rapid structural transformation (for example, linking with UNDP networks in Asia or Latin America). The UN's convening role also allows it to bring together government, private sector, academia, and civil society in dialogue platforms on themes like digital innovation or green growth.
- **Coordination and Partnership:** Finally, the UN system can act as a bridge between Botswana and global actors. It can coordinate UN agencies' support to avoid duplication (aligning the UN's country programme with Vision 2036 priorities). It can facilitate partnerships with multilateral banks (World Bank, African Development Bank) and regional bodies (Southern African Development Community) to support Botswana's strategic projects. The UN's presence in country – through mechanisms like the UN Sustainable Development Partnership Framework – ensures that the wide range of UN expertise is deployed in a way that complements Botswana's national planning and leverages comparative advantages.

In these ways, the UN system can add unique value to Botswana's Vision 2036 journey. By focusing on data and capacity, by connecting national priorities with global resources and best practices, and by championing inclusive, sustainable development, the UN can help Botswana accelerate its strategic pathways. The goal is a synergistic partnership: Botswana drives its Vision with government leadership, private sector dynamism, and citizen engagement, supported by the UN's support on evidence, innovation, and shared learning.

CHAPTER 6: DATA, EVIDENCE, AND KNOWLEDGE ECOSYSTEMS FOR TRANSFORMATION

6.1 Data Availability and Quality for SDG Progress

A robust data and knowledge ecosystem is a critical enabler of Botswana's transformation agenda. At present, the availability and quality of data across many Sustainable Development Goal (SDG) domains remain mixed. Botswana produces regular statistics in certain areas (e.g. national accounts, education and health outputs), but key data are outdated or lacking in others. For example, no official household poverty survey has been completed since 2015/16, leaving a major gap in tracking poverty trends. Important socio-economic indicators – from employment and income to multidimensional poverty – are not always collected or published with the frequency and disaggregation needed for timely policy action. Data that **are** available are often high-level averages, masking disparities among regions and population groups. Strengthening disaggregated data (by district, gender, age, disability, etc.) by adopting a human rights-based approach to data,¹⁴ is essential to ensure no group is left behind in the march toward Vision 2036. Recent progress offers some optimism: the 2022 Population and Housing Census, for instance, included disability-status questions for the first time, enabling disaggregation of outcomes by disability – a milestone toward inclusive data and aligned to Botswana's obligations under the Convention on the Rights of Persons with Disabilities. Overall, however, Botswana's data landscape requires significant enhancement to fully support evidence-based decision-making and SDG monitoring.

6.2 National Statistical System: Statistics Botswana and Administrative Data

Statistics Botswana, as the central national statistical agency, plays a pivotal role in data collection and dissemination. It has delivered important exercises such as decennial censuses, economic surveys, and the Quarterly Multi-Topic Survey (QMTS) covering labour force statistics. However, resource and capacity constraints have led to **gaps** in data production.¹⁵

¹⁴<https://www.ohchr.org/sites/default/files/Documents/Issues/HRIndicators/GuidanceNoteonApproachtoData.pdf>

¹⁵ On leveraging **existing** socio-economic data to leave no one behind, see OHCHR, *An Intersectional Approach to Socio-economic Data in Southern Africa: Leveraging Data to Leave No One Behind* (2023) <<https://www.ohchr.org/sites/default/files/documents/publications/Advocacy-brief-Leveraging-data-to-LNOB.pdf>> and <https://www.ohchr.org/sites/default/files/documents/publications/Infographic_Leveraging-data-to-LNOB.pdf>.

The Bank of Botswana has noted interruptions in the release of labour force survey results due to operational and financial constraints at Statistics Botswana, causing discontinuities in tracking employment trends. Such breaks underscore the vulnerability of core data programs to funding shortfalls. Moreover, administrative data systems – data collected by ministries and agencies through their routine operations – remain underutilized and fragmented.

Until recently, each ministry often maintained its own databases with little interoperability, resulting in duplication and inconsistent standards. Recognizing these challenges, Botswana has embarked on modernizing its National Statistical System (NSS). In 2023, the country joined the global **“Power of Data”** initiative co-led by the UN and World Bank, committing to improve data exchange and digital data collection. Statistics Botswana, in collaboration with the National Planning Commission (NPC), is now working to integrate this data improvement plan with National Development Plan 12, aiming to fill critical data gaps for monitoring **Vision 2036 and the SDGs**.

Efforts include harmonizing data collection tools across ministries, establishing common standards, and rolling out digital survey technologies. Indeed, Statistics Botswana has piloted tablet-based and online data capture (e.g. using the World Bank’s Survey Solutions platform) for surveys such as the QMTS and specialized surveys. These steps are helping to increase efficiency, enable real-time validation, and improve data quality. Administrative records (from health, education, social protection programs, etc.) are also being reviewed for integration into official statistics. Over time, a more unified and digitally enabled NSS will provide decision-makers with faster, more granular insights.

In sum, **investing in Statistics Botswana’s capacity and fostering an integrated data system** are high priorities to ensure that policy is grounded in facts on the ground. The recent approval of a second Botswana Strategy for the Development of Statistics (BSDS II, 2025–2030) reflects government commitment to a coordinated, well-resourced statistical system aligned with Vision 2036 goals.

6.3 Evidence-Based Policymaking and Adaptive Governance

Using data and evidence in policymaking is vital for adaptive governance – the ability to learn and adjust policies in response to what works. In Botswana, there is growing recognition that feedback loops between data analysis and policy decisions must be strengthened. Major national strategies (Vision 2036, NDP 12) set out targets and call for **monitoring and evaluation (M&E)** frameworks, but the implementation of those M&E systems is still maturing. For instance, Botswana has established a national SDG domestication framework and an SDG Roadmap, and it co-chairs (with the UN) an SDGs task team. These mechanisms, alongside the national Vision 2036 Council and related coordination units, create an institutional demand for data to track progress. However, the supply of timely data and the culture of routinely *using* evidence in decision-making remain work in progress.

Policymakers often must make decisions with incomplete information, or rely on periodic studies that may be outdated. This underscores the importance of improving not just data collection, but also analytical capacity within government. Encouragingly, Botswana's Government has shown openness to external analyses (e.g. IMF Article IV reports, World Bank assessments, UN analytical reports) and often cites them in strategy documents. To solidify evidence-based governance, the country is adopting new practices: multi-year budgeting linked to performance, results-based management in the public sector, and policy pilots that are evaluated for scalability.

"Adaptive governance" also means being prepared to recalibrate policies when data indicate a shift – for example, adjusting employment programs if youth joblessness remains high, or reallocating resources if poverty reduction stalls. Building such agility requires institutionalizing regular policy reviews informed by data. It also benefits from independent oversight and research. In this regard, empowering entities like the Auditor General's office, parliamentary committees, and civil society watchdogs to use data in evaluating government performance can create constructive feedback loops. In summary, Botswana is taking steps toward a more evidence-driven public sector, but continued effort is needed to embed data use into the DNA of policy processes – from planning to budgeting, implementation, and evaluation.

6.4 Addressing Data Gaps: Real-Time, Subnational, and LNOB Data

Despite improvements, significant data gaps persist. **Real-time data** – or even high-frequency data – is scarce in Botswana's statistical system. Economic indicators like GDP are available quarterly, but social indicators (poverty, employment, health outcomes) are typically updated only via infrequent surveys or administrative reports. The lack of near-real-time data became evident during shocks like the COVID-19 pandemic, when timely information on incomes, prices, and vulnerabilities was limited. Bridging this gap may involve leveraging innovative data sources (mobile phone data, satellite imagery for agriculture and drought monitoring, etc.) and improving administrative data timeliness.

Another challenge is the **subnational granularity** of data. National averages can obscure significant disparities between, say, the capital Gaborone and a rural village in the Kalahari. Many surveys have sample sizes too small for reliable district-level statistics, or they aggregate smaller districts, making it difficult to pinpoint local needs. Strengthening subnational data – through larger sample surveys or by combining survey and administrative data – would enable more **targeted interventions** and resource allocation. It would also empower local authorities with information to plan at the community level.

Crucially, Botswana must enhance data related to the principle of *Leaving No One Behind (LNOB)* by adopting a human rights-based approach to data. This means better tracking of outcomes for traditionally marginalized or vulnerable groups. As noted, the country has made a start by incorporating disability status in the census, but other LNOB dimensions need attention. Data on remote Indigenous communities (such as

the San), people living with HIV (beyond health indicators, looking at socio-economic status), persons with disabilities (beyond just population counts – including schooling and employment outcomes), and gender-disaggregated indicators should be strengthened. Gender data, for instance, is relatively strong on education and health, but less so on economic empowerment – e.g. the full extent of the gender wage gap or female entrepreneurship is not well captured.

Frequency is also an issue for LNOB data. Poverty surveys, as mentioned, have not been updated in nearly a decade, which means policymakers are relying on old poverty rates that may not reflect current reality (especially after economic shocks in 2020–2024). Likewise, detailed inequality data (such as a Gini coefficient from household surveys) are infrequent; the latest official Gini is based on the 2015/16 household survey, estimated around 53 – placing Botswana among the world’s most unequal countries. Without more up-to-date measures, it is hard to tell if inequality has improved or worsened in recent years.

To close these gaps, ongoing initiatives aim to institutionalize **continuous data collection**. For example, the QMTS approach could be expanded beyond labor to cover welfare indicators each year. Administrative systems (schools, hospitals, social programs) can be sources of disaggregated LNOB data if harmonized and shared. The UN system is supporting efforts to build disaggregated databases – UNFPA and UNICEF are helping with data on youth, gender and children, which will improve the evidence base for LNOB policies. In summary, filling these data gaps – in timeliness, local detail, and inclusivity – is vital. It will help Botswana identify who is being left behind and tailor interventions to those populations, thereby managing the social transitions underpinning Vision 2036.

6.5 The Wider Knowledge Ecosystem: Academia, Think Tanks, and Innovation Hubs

Data alone are not enough; a vibrant knowledge ecosystem is needed to interpret evidence, generate new insights, and foster innovation. Botswana’s academic and research institutions, think tanks, and emerging innovation hubs are key parts of this ecosystem. The country boasts a well-established think tank in the Botswana Institute for Development Policy Analysis (BIDPA), which conducts research on economic and social issues. Universities such as the University of Botswana and Botswana International University of Science and Technology (BIUST) also contribute with research centers focusing on topics from sustainable development to public health. However, the interface between research and policymaking could be strengthened. Often, valuable studies and policy analyses by academia or think tanks see limited uptake in government decision-making. Improving this linkage may involve more formal channels for policy dialogue – e.g. regular forums where researchers present findings to senior officials, or inclusion of independent experts on advisory panels for major strategies.

There have been positive steps: for instance, researchers were consulted in the formulation of recent policies like the Economic Transformation Programme and for Vision 2036 itself. Going forward, nurturing a culture of evidence-informed debate – where think tank reports or university studies are widely discussed in media and government – will enrich the policy process.

In addition to traditional research bodies, Botswana's **innovation and entrepreneurial hubs** are contributing to the knowledge ecosystem, especially in technology and business development. The Botswana Innovation Hub, a government-backed science and technology park, is one such platform. It supports start-ups and pilot projects in areas like ICT, fintech, and green technology. These hubs serve as bridges between knowledge creation and practical solutions – for example, incubating a new fintech app that extends financial services to underserved communities, or prototyping solar energy gadgets suitable for rural areas. If harnessed, such innovations can inform and accelerate development programs.

The ongoing **SmartBots** initiative (focused on digital government services) and tech-focused Special Economic Zones show the country's commitment to leveraging technology for development. The Innovation Hub, combined with incentives for research and development (R&D), has the potential to nurture home-grown solutions. Still, challenges remain: funding for research and innovation is relatively modest (R&D expenditure is a small fraction of GDP), and private sector involvement in research is limited.

Strengthening public-private-academic partnerships will be important. For example, mining and agriculture companies could partner with universities on research that boosts diversification; or health research institutes could collaborate with government on epidemiological studies. Knowledge exchange with international institutions also enriches the ecosystem – Botswana has historically benefited from technical assistance by bodies like the UN, World Bank, and IMF (bringing global expertise to local context). By reinforcing networks among **government, academia, think tanks, the private sector, the Office of the Ombudsman as Botswana's NHRI, and civil society**, Botswana can create an inclusive knowledge ecosystem. Such an ecosystem would continuously generate evidence, test innovations, and support the country's ability to navigate complex transitions.

6.6 Implications for Tracking Vision 2036 and Managing Transitions

A well-functioning data and knowledge system is not a luxury – it is a necessity for managing Botswana's transformation toward 2036. Vision 2036 lays out ambitious targets (from high-income status to zero extreme poverty and a diversified economy). To **track progress** toward these goals, the government needs reliable indicators and the capacity to analyze them. Gaps in data could lead to blind spots: for instance, missing an emerging rise in urban poverty or not realizing that a skill development program is falling short until years later. Conversely, robust data can illuminate success stories and allow scaling up what works. By investing in data now, Botswana

will be able to course-correct on the path to 2036, making adjustments in its policies across Horizons 1, 2 and 3. High-quality data underpins the *adaptive management* of these transformation horizons – ensuring that Horizon 1 stabilization efforts are on target, that Horizon 2 diversification initiatives are yielding jobs in the right areas, and that progress is equitable as envisioned in Horizon 3.

Moreover, integrated evidence systems support **policy coherence**. When all ministries draw from a common evidence base (e.g. shared statistics on unemployment or climate vulnerability), it is easier to align economic, social, and environmental policies. Strong monitoring and evaluation also build accountability, helping to maintain public trust in the transformation agenda. Citizens are more likely to buy into tough reforms if they see transparent data on results – for example, seeing unemployment gradually decline or school outcomes improve through published reports. In managing transitions, data can also serve as an early warning system for risks (for instance, tracking water table levels to anticipate drought impacts, or monitoring debt levels to flag fiscal stress).

Finally, as Botswana and the UN design a new Cooperation Framework, this Country Analysis – underpinned by the data and evidence available – provides a baseline. It highlights where data is solid and where it is thin, guiding areas for investment. Strengthening the data and knowledge ecosystem is itself one of the transformation levers for Vision 2036. Simply put, **Botswana will need to “measure to manage”** its development trajectory. Continued improvements in data quality, openness, and usage will equip the nation to navigate uncertainties, seize opportunities, and ensure that by 2036 it can celebrate not just the outcomes (prosperity for all) but also the well-informed journey it undertook to get there.

CHAPTER 7. CONCLUSION AND WAY FORWARD: NAVIGATING BOTSWANA'S DEVELOPMENT TRANSITION

7.1 Botswana at a Development Inflection Point

This Country Analysis has examined Botswana's development trajectory at a moment of structural transition. The evidence presented across the preceding chapters points to a convergence of economic, social, fiscal, and environmental pressures that are testing the limits of a development model that has otherwise delivered decades of stability and progress.

Botswana's diamond-led growth model, strong public institutions, and prudent macroeconomic management have underpinned long-term gains in income and human development. However, recent shocks most notably the contraction in diamond revenues, tightening fiscal space, persistent unemployment and inequality, and intensifying climate and water stress have exposed structural vulnerabilities that can no longer be addressed through incremental or sector-specific responses alone. As highlighted in the system scan (Chapter 2) and the cross-cutting analysis (Chapter 3), these challenges are deeply interconnected and mutually reinforcing.

The central conclusion of this CA is that Botswana's development challenge is not a lack of vision or policy intent, but the need to manage a complex transition from a historically successful model toward a more diversified, inclusive, and resilient system aligned with Vision 2036. The coming decade will be decisive in determining whether the country consolidates its strengths and adapts successfully, or whether structural constraints deepen and constrain future prosperity.

7.2 Integrated Transition Logic: From Stabilisation to Transformation

The evidence assembled across this CA points to a clear – if demanding – transition logic for Botswana. Horizon 1 (present to approximately 2026) centres on stabilisation: restoring fiscal balance, protecting essential social services, and building the institutional and data foundations needed for more ambitious reform. This is not a passive holding phase. Stabilisation must be pursued in a way that actively protects the most vulnerable, maintains human capital investments, and avoids locking in path dependencies that would make later transitions harder.

Horizon 2 (2026–2030) is the critical transition window. This is when diversification must accelerate beyond aspiration into measurable structural change – broadening the economic base, reforming human capital systems, scaling renewable energy, and deepening governance accountability. The reforms identified in Chapter 5 are most consequential in this horizon: delays here risk foreclosing the Horizon 3 outcomes that Vision 2036 envisions.

Horizon 3 (2030–2036) represents the consolidation of transformation: a diversified, inclusive, climate-resilient, and high-income Botswana in which growth generates decent work, reduces inequality, and operates within environmental limits. Progress across all three horizons must be guided by the programming principles of leaving no one behind (LNOB), a human rights-based approach (HRBA), gender equality and women's empowerment (GEWE), accountability, resilience, and sustainability – not as add-ons, but as design criteria built into every pathway from the outset.

7.3 Five Priority Pathways for SDG Acceleration

Drawing on the analysis in Chapters 2–5 and the transition logic above, this CA identifies five priority pathways where focused, coherent action is most likely to catalyse progress across multiple SDGs simultaneously. These pathways are not exhaustive: they are the areas where structural leverage is greatest, where Botswana's current constraints are most binding, and where collective action across government, the private sector, civil society, and the UN system can make a decisive difference.

Priority 1: Economic Diversification and Decent Work Creation Reducing dependence on diamonds is the defining economic challenge of the decade. Non-mineral sectors – agro-processing, digital services, green industries, and tourism – need to grow their combined share of formal employment and export earnings substantially. This requires sustained investment in enabling infrastructure (energy, logistics, broadband), simplification of the business regulatory environment, and targeted support for SMEs and entrepreneurs, especially women and youth. Key indicators to track: non-mineral GDP share; formal employment rate; youth unemployment rate (ages 15–35, currently above 38%); FDI flows into non-mining sectors.

Priority 2: Human Capital Reform and Social Inclusion Botswana's human capital investments have been substantial but their returns remain uneven. Education and training systems need to be reoriented toward 21st-century labour market demand – expanding TVET, strengthening STEM at secondary level, and building industry linkages for work-based learning. Tackling the high NEET rate (youth not in employment, education, or training) and persistent multidimensional poverty requires both supply-side reforms and strengthened social protection for households most at risk of being left behind. GEWE must be embedded structurally: women's access to finance, land, and formal employment is both a rights imperative and an economic efficiency gain. Key indicators: NEET rate; gender parity index in tertiary education; share of population below the national poverty line; proportion of children in multidimensional poverty (currently 63%, UNICEF 2024).

Priority 3: Climate Resilience and Green Transition Botswana faces some of the most severe climate exposure in Southern Africa – intensifying drought, water scarcity, and land degradation – at the same time as it holds significant comparative advantage in solar energy. Accelerating the renewable energy transition, investing in climate-smart agriculture, strengthening water management and recycling, and scaling ecosystem restoration (including the Landscape Restoration Strategy and CBNRM frameworks) are not only environmental imperatives but economic ones. Green jobs and

sustainable natural resource management can generate livelihoods — particularly in rural and marginalised communities — while reducing long-term fiscal exposure to climate shocks. Key indicators: renewable energy share of electricity generation (target: 30% by 2030); area under sustainable land and water management; proportion of districts with operational climate adaptation plans.

Priority 4: Governance, Accountability, and Rights-Based Development Botswana's governance foundations are comparatively strong, but the 2024 political transition has created a genuine opportunity to deepen accountability, reduce corruption risk, and accelerate a rights-based approach across development programming. Strengthening public financial management, decentralising service delivery, operationalising the National Human Rights Institution, and ensuring that gender, disability, and indigeneity are systematically mainstreamed in policy design are all critical. The CEDAW Committee's 2025 observations provide a concrete accountability framework. Trust in institutions — currently tested by perceptions of corruption and uneven service delivery — is itself a development asset that must be actively cultivated. Key indicators: PEFA public financial management score; score on Transparency International Corruption Perceptions Index; proportion of service delivery complaints resolved within statutory timeframes; implementation rate of CEDAW Committee recommendations.

Priority 5: Data, Evidence, and Adaptive Policy Systems Effective navigation of Botswana's development transition depends on a strong evidence base and an adaptive policy culture. Expanding the frequency and coverage of nationally representative household surveys, institutionalising the Quarterly Multi-Topic Survey (QMTS) methodology, and building disaggregated data on marginalised groups — including women, persons with disabilities, indigenous communities, and migrants — are essential to holding all pathways accountable to LNOB commitments. Linking national data systems to SDG and Vision 2036 monitoring frameworks, and investing in a modern, digitally-enabled national statistics infrastructure, will ensure that policy adjustments are based on evidence rather than assumption. Key indicators: SDG indicator data availability rate; number of key welfare indicators disaggregated by sex, age, geography, and disability status; proportion of Vision 2036 targets with defined, funded monitoring plans.

These five priorities are mutually reinforcing. Economic diversification generates the fiscal resources needed for human capital investment; human capital reform supplies the skilled workforce that diversification requires; climate resilience protects the livelihoods and assets on which both depend; governance accountability creates the institutional conditions that make all other reforms feasible; and data systems ensure that all of the above are tracked, adapted, and held to account. Pursuing them in an integrated, rights-based manner — with LNOB as the operating principle — is the most direct path from Botswana's current inflection point toward the Vision 2036 it has set for itself.

7.4 Strategic Implications for Policy Coherence and Collective Action

A central implication of this CA is that Botswana's development transition will require a higher degree of policy coherence and coordination than in the past. Structural challenges such as unemployment, inequality, climate vulnerability, and fiscal pressures cut across traditional sectoral boundaries and demand integrated responses.

This places a premium on aligning economic transformation, human capital development, climate adaptation, and governance reforms within a shared strategic framework. Fragmented interventions, however well designed in isolation - are unlikely to deliver durable results if they are not mutually reinforcing. Strengthening coordination across ministries, improving implementation capacity, and investing in data and learning systems are therefore critical enablers of transformation.

The CA also highlights the importance of collective action. Government leadership remains central, but successful transition will depend on effective partnerships with the private sector, civil society, development partners, and the UN system. The analysis provides a shared evidence base to support dialogue, prioritisation, and alignment around Botswana's development objectives as articulated in Vision 2036, NDP12, and the Botswana Economic Transformation Programme.

7.5 Closing Reflections: An Adaptive Path Forward

This Country Analysis is intended not as an endpoint, but as a living analytical foundation to inform decision-making in a dynamic and uncertain context. Botswana's development trajectory over the coming decade will be shaped by both external conditions and domestic choices, particularly the effectiveness with which reforms are implemented and adapted over time.

The key message emerging from this CA is one of conditional optimism. Botswana retains significant strengths - political stability, institutional credibility, and a clear long-term vision - that provide a solid platform for transition. Realising the promise of Vision 2036 will depend on the country's ability to manage immediate risks while investing decisively in future-oriented transitions that are inclusive, climate-resilient, and economically sustainable.

By grounding policy dialogue in evidence, embracing integrated approaches including a rights-based approach to development, and maintaining an adaptive stance, Botswana can navigate current shocks and lay the foundations for "Prosperity and Peace for All" by 2036. The challenge ahead is not merely to recover, but to transform.

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