

Botswana integrated SDG Insights Report

Considering the impact of multiple and interlocking crises facing the world, the 2023 SDG Summit will aim to assess the state of the SDGs and provide high-level political guidance on transformative and accelerated actions leading up to 2030. In his Letter to Member States on the 3rd April 2023 in preparation to 2023 SDG Summit, UN Secretary-General, António Guterres, stated “what is needed now is a surge in commitment from governments and stakeholders to take implementation to the next level... At the Summit, I urge world leaders to convey a National Commitment to SDG Transformation”. In this perspective, UNDP had developed the “Integrated SDG Insights Report” as a tool to be used by Countries to report on progress and identify high level of ambition – and evidence-based pathways to achieve the SDGs. The report utilises innovative methods from data analytics and machine learning, interlinkage mapping and futures scenarios, including national analysis of economic growth pathways and fiscal and financial constraints to providing insights that are grounded in the countries’ realities.

Below are the main findings of Botswana SDGs Integrated Insights report:

1. **SDG Moment:** The pace of Botswana economic growth between 2023-2025 is 35% higher, on average, globally, and aligned to the country’s growth trajectory projected before the pandemic, resulting from prudent macroeconomic policies, robust economic institutions, particularly around managing diamond revenue, and the fast-tracked implementation of the government’s Economic Recovery and Transformation Plan. But in a context of high inequality and structural unemployment, a small domestic private sector focused on non-tradables, poor outcomes on health and education, low rural access to sanitation and electricity, water scarcity and natural resource vulnerability, and medium-term fiscal vulnerabilities, the pace of economic growth in Botswana will continue to be primarily dependent on fossil fuels with limited impact on poverty reduction. The country’s commitment to achieving the SDGs should focus on reducing extreme poverty and on shared prosperity.

2. **SDG trends:** Leveraging on official data (UN Statistics and National Statistics), and organizing the SDG targets according to the 5 Pillars of sustainable development, the assessment of SDG indicators for Botswana is showing: 1) for People, 14.9% of targets are on track, 14.9% for review, and 25.5% are off track; 2) for Planet, 17.4% are on track, 13.0% for review and 19.6% off track; 3) for Prosperity 31.1% are on track, 2.2% for review and 22.2% are off track; 4) for Peace, 41.7% are off track; 5) for Partnership, 21.1% of targets are on track, 10.5% for review and 21.1% are off track.

3. **National priorities:** Using custom-built machine learning to reveal the most prominent SDGs referenced in national policy documents (Reset Agenda, Vision 2036, TNDP, etc.), the report synthesizes the most significant national SDG priorities for Botswana. By priority: **SDG8, SDG16, SDG9, SDG13, SDG7, SDG3 and SDG11.**

4. **SDGs interlinkages:** Through data visualization, this section connects national priorities to the most relevant SDG targets and maps interconnections, aiding countries in considering various pathways. The exercise was conducted for 4 targets:

- **Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors:** Even though economic diversification is a key priority for Botswana for decades, it continues to be elusive as the country remains heavily dependent on diamond

exports which made up 80-85% of export earnings before the COVID-19 pandemic. To promote economic diversification, investments should be prioritized in core infrastructure, energy, telecommunications, transport and logistics that would support diversification into non-resource intensive activities, such as manufacturing and services, as well as cut delays and improve market access. Acknowledging the increasing importance of services in supporting the country's diversification efforts, it would be beneficial for Botswana to develop new "deep trade agreements" covering the whole range of services and digital services (e-services, e-commerce, and others). Such services-oriented trade policies could lead to higher levels of employment and greater labour and overall productivity.

- **Target 16.6: Develop effective, accountable, and transparent institutions at all levels:** Approximately 64.9% of Botswana expresses satisfaction with the public services they receive. By focusing on SDG 16.6, measures (decentralisation policy, etc.), can be implemented to cut across all goals and pillars outlined in the Botswana Vision 2036, where public services are provided. This will offer Botswana the opportunity to set a higher ambition, towards the percentage of the population satisfied with public services received. However, it is crucial to ensure that this ambition is accompanied by safeguards to prevent the deepening of poverty, or of inequalities.
- **Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix:** Access to reliable and secure energy for all is crucial for meaningful progress in Botswana. The pathway shows the need for having time differentiated strategy with focus on significantly increasing the share of renewable energy, including off-grid solutions. When undertaking these investments, it is vital to incorporate safeguards to ensure that the bottom 40% of the population (who reside in rural areas, often with no grid connection) is not left behind. This emphasizes the importance of inclusive approaches that consider the needs and welfare of all segments of society.
- **Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average:** Botswana should tackle issues that contribute to inequality and inhibit shared prosperity by supporting economic diversification and focus on private-sector job creation. Social interventions will need to continue in supporting the most vulnerable members of society. Implementing a full coverage social protection system, based on a life-course approach, as stated in the social protection reform plan will be crucial to significantly reduce inequality on a broadly fiscally neutral basis.

5. **SDG Push:** This is an exploration of futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy, and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators. The result of the exploration indicated that incorporating 'SDG Push' accelerators into development interventions in Botswana can reduce the number of people living in poverty over time.

6. **Fiscal and Financial Constraints:** The evaluation indicated that due to larger fiscal buffers at the start of the pandemic, Botswana faces comparably fewer fiscal constraints than other sub-Saharan African countries, but struggles with structural challenges, continuous negative external shocks, and high unemployment rates.

Boosting human development without raising indebtedness may be achieved by expanding the revenue base, streamlining subsidies, supporting state-owned enterprises, and using the fiscal space created specifically for enhanced SDG attainment. Greater openness for trade and improved SME access to financing would boost employment and further expand the tax base.

Botswana is using an Integrated National Financing Framework to address key fiscal and financial constraints and build a more sustainable financial architecture at the national level. Priority actions have been identified in the areas of domestic revenue mobilization and tax administration; intensifying tax audits focused on the largest sources of revenue; digitalizing the tax administration system to improve efficiency. Identified actions also include the implementation of a national PPP law; establishing sustainable and green financing taxonomies; shifting from non-concessional external public borrowing to the domestic financial market to facilitate the building of a robust yield curve and increased depth in benchmark bond issuance; business environment improvement by simplifying business registration process, improving access to credit, enhancing property registration procedures, fostering efficient contract enforcement, facilitating cross-border trade, and strengthening insolvency frameworks

7. **SDG Stimulus:** Given the projected fiscal and financial challenges faced by Botswana and the derived investments from the identified interlinkages mechanisms for the SDG Stimulus, the report identifies the following financing mechanisms as relevant for the country:) Tax and revenue reform, including reviewing the budget's revenue and expenditure side for more efficiency and conduciveness to SDG attainment, and to reduce the SDG financing gap; ii) Climate finance, including carbon markets; iii) Blended and public-private finance; iv) SDG-aligned business environment and investment; v) Deepening financial markets and expanding insurance; vi) Remittances, philanthropy and faith-based financing.