Table 1. Botswana Summary Assessment

Phase/Institution			Institutional Strength	Effectiveness	Reforms Priorities
A. Planning	1	**Fiscal rules**	Debt rule: 20% domestic, 20% external, and 40% of GDP. Expenditure 30% of GDP. Capex to recurrent 30/70 ratio.	Debt principle observed, but expenditure principle breached three times during crisis. 30/70 ratio not observed in general.	**Low:** No debt sustainability concerns. Public debt 15.6 percent of GDP.
	2	**National and sectoral planning**	Detailed planning process for NDP including 3-year PIP estimates. Limited monitoring of outputs/outcomes.	The TEC of projects are included in the NDP, which provides a tangible link to the budget and execution processes.	**Low:** Planning process broadly comply with good practices.
	3	**Central-local coordination**	Overdrafts limited to ⅓ of previous revenue excluding grants. All borrowing approved by the MFED and MLG but the MoF does not monitor debt. Detailed estimates per LG in budget book.	No monitoring of debt— but borrowing levels insignificant. Transfers published late in fiscal year.	**Low:** Local governments investment accounts for less than 10 percent of total public investment.
	4	**Public-private partnerships**	PPP strategy complies with good practice but applies to CG and LG only. No monitoring of contingent liabilities.	PPP capital stock 0.5 percent of GDP in 2015. No legal framework in place. PPP unit not always consulted. No dedicated lawyers.	**High: Several** PPP projects in the pipeline, with weak MFED oversight and capacity.
	5	**Regulation of infrastructure companies**	Only telecoms sector is regulated. Energy and water in the future. The Public Enterprises Evaluation and Privatization Agency (PEEPA) report includes some SOEs.	Many loss-making SOEs require transfers, so more competition essential. SOE reporting inadequate.	**Medium:** Growing transfers to SOEs. Many off-track investment projects are managed by SOEs.
B. Allocation	6	**Multiyear budgeting**	Budget contains the TEC for multiyear projects in aggregate.	Budget estimates do not show multi-year indicative allocations for projects.	**High:** Large implications from inappropriate project appraisal.
	7	**Budget comprehensiveness**	Most capital spending is undertaken through the budget including donor financing.	PPP transactions are only partially reported in the budget and are difficult to identify.	**Medium:** Budget implications of rising number of PPP projects currently unknown.
	8	**Budget unity**	Capital and recurrent budgets are prepared separately and the CoA does not make a clear distinction between capital and recurrent budgets.	Planned recurrent estimates are based on rule of thumb. Economic classification not applied to development budget.	**High:** Significant risks of underfunding maintenance. Inability to measure capital stock.
	9	**Project appraisal**	Planning manual contains appraisal guidelines, includes a methodology, and currently being updated.	Guidelines are not uniformly applied and no detailed risk analysis are conducted.	**High:** Cost estimates unrealiable. Aggregate cost increases 60 % higher than plan estimates. Large implications for multi-year budgeting.
	10	**Project selection**	Line ministries prepare a project pipeline as part of the NDP process.	There are no guidelines for project selection.	**High:** Need to ensure that large projects are appraised properly before selected for budget funding.
C. Implementation	11	**Protection of investment**	No virement between development and recurrent budget, and between projects in development budget.	Virements within the ministries' budgets mean some projects are not implemented on time.	**Medium:** Poor costing results in reallocation to priority projects, squeezing funding for other projects.
	12	**Availability of funding**	Cash is released timely and external funding passes through TSA.	The system works well and no cash shortages have been experienced as the Pula Fund provides long-term savings to fund spending.	**Low:** Cash management is effective.
	13	**Transparency of execution**	PPD Act requires transparent procurement for ministries and LGs. SOEs' own policies aligned to the Act.	Some ex-post monitoring by the Office of the Auditor General (OAG) and PPADB, but not consistent across all projects.	**Low:** Procurement framework complies with good practices.
	14	**Project management**	PPADB Regulation 95 deals with project adjustments and the agency requires end of activity reports.	Project amendment rules not consistently followed. End of activity reports not comprehensive. Project managers not involved from inception phase.	**High:** Accountability very low in practice undermines project implementation. Cost overruns and project delays not quantified.
	15	**Assets accounting**	Asset register currently being phased in but not complete. Non-financial assets and depreciation not reported	Integrated fixed assets registry (IFAR) is being rolled out to prepare for accrual accounting.	**Low:** Accounting reform is underway