



Republic of Botswana

**Committee of Supply Speech for Organisation 0300
For Recurrent and Development Estimates
2026/2027**

By

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Minister of Finance**

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I. INTRODUCTION

- 1.** In the words of a timeless truth, 'Resilience is not the absence of struggle, but the strength to transform struggle into progress'. Every challenge we face as a nation is an opportunity to build a stronger, more sustainable future.
- 2. Mr. Chairman,** today, I address a nation that has endured trials and challenges which have tested its faith over the past year. I wish to remind Batswana that our identity has never been shaped by defeat, but by resilience. To every Motswana striving to make ends meet, to every young person in search of hope and opportunity, and to every entrepreneur working tirelessly to sustain a dream, I say this: this season of hardship shall pass. With patience, innovation, and unity of purpose, brighter days will emerge.
- 3.** Together, Government, the private sector, and our communities, we will strengthen collaboration to build an economy that is inclusive, resilient, and sustainable; an economy that leaves no one behind.
- 4. Mr. Chairman,** it is within this context of national challenge and responsibility that I lay before this Honourable House, and the nation, the Ministry of Finance Recurrent and Development Budget proposals for the 2026/2027 financial year, under Organisation 0300.
- 5. Mr. Chairman,** before I present the Budget proposals, I wish to provide an overview of some of the key initiatives the Ministry will be undertaking in fulfilment of its mandate.

II. MAJOR INITIATIVES FOR FINANCIAL YEAR 2026/2027

Cost Containment

- 6. Mr. Chairman,** in recent months it has become increasingly imperative to minimise expenditure across Government and strengthen fiscal consolidation efforts in order to contain spending within affordable limits.

Accordingly, a consistent emphasis on expenditure restraint has informed engagements across both the budget preparation and budget execution processes. Fundamentally, containing operational expenditure will create the fiscal space necessary to prioritise and promote development spending, particularly for projects that enhance productivity, expand infrastructure, and support long-term economic transformation. This firm control of expenditure will, in turn, strengthen budget credibility, fiscal sustainability, and debt sustainability by ensuring that borrowing is undertaken solely to finance development expenditure.

Corruption Management Initiatives

- 7. Mr. Chairman**, the Ministry of Finance continues to prioritize the strengthening of anti-corruption initiatives to improve the status of the impact of corruption on our Public Finance Management (PFM) Systems and the declining Corruption Perception Index ratings. This will be achieved through the development of a 3-year Corruption Detection and Prevention Strategy which commenced during the 2025/2026 financial year. The first Phase, being the situational analysis has been completed, and it is a very critical milestone as it ensures the strategy is tailored to the specific context. This output, being a Situational Analysis Report, helped the Ministry of Finance to understand the corruption landscape, reveal existing types of corruption, their prevalence, and impact.

- 8.** Therefore, **Mr. Chairman**, we believe the Ministry of Finance Anti-Corruption Strategy will be realistic and highly impactful, as the core foundation for the development of this strategy has been achieved. The Strategic Plan is expected to be completed by September 2026.

- 9. Mr. Chairman**, during the current financial year, the Ministry has also developed corruption reporting tools (Whistleblowing tools) to promote public participation in the fight against corruption and the promotion of transparency. The Staff Code of Ethics has also been developed to promote ethical behavior of the staff, and the objective is to eliminate conflicts of interest during daily business transactions. The risk is noticeably high in areas such as procurement; negotiations of loans and grants;

payments; contracts negotiation and management; budget negotiations, or any other dealings with fiduciary businesses on behalf of the government.

Monitoring, Evaluation and Review

10. Mr. Chairman, in order to effectively deliver on the Budget initiatives, the Ministry will intensify efforts in monitoring, evaluation, and review of budget execution to ensure that commitments made in the Budget remain relevant during implementation and are aligned with prevailing realities. These efforts will include both planned and spot checks to assess the implementation status of operational expenditures and development projects. This approach is expected to strengthen the “follow the money” principle and ensure that Government achieves optimal value for money and the best possible return on investment.

11. Mr. Chairman, the Spending Review process, introduced in the 2025/2026 financial year, will continue to be undertaken on a biannual basis to assess progress in implementation against prevailing economic and fiscal conditions. The next Spending Review will be presented to Parliament by the end of the 2025/2026 Financial Year.

Social Security Reform

12. Mr. Chairman, as part of broader financial stability and social protection reforms, Government will pursue the establishment of Social Security Schemes aimed at providing reliable income protection for Batswana. These reforms will; reduce vulnerability and old-age poverty, complement private pensions and annuity products, mitigate long term fiscal pressures and support sustainable public finances.

13. Mr. Chairman, Government will pursue the establishment of a national reinsurance company. This strategic initiative will; strengthen underwriting capacity of domestic insurers, retain premiums and investment income within Botswana, improve the sectors’ ability to absorb large and systemic risks, enhance market stability and accessibility of insurance cover.

III. MACROECONOMIC STABILITY AND RESILIENT FISCAL REFORMS

Revenue Maximization

- 14. Mr. Chairman,** in recognition of the unfavourable medium-term fiscal outlook, the Ministry of Finance continues to implement initiatives aimed at strengthening domestic resource mobilisation as part of broader fiscal consolidation efforts. Key among these initiatives is the review of user fees and service charges, including the identification of new revenue streams by Botswana Unified Revenue Service (BURS). In addition, Local Authorities and State-Owned Entities will be supported and closely monitored to maximise their revenue generation and collection potential, with a view to moderating reliance on subventions from Central Government and enabling them to finance a greater share of their expenditures. Central to these efforts is the commitment by Local Authorities to undertake valuation of eligible properties in order to levy appropriate rates.
- 15. Mr. Chairman,** as at end of January 2026, Botswana's tax revenue collections amounted to P47.885 billion, falling short of the P50.236 billion target by P2.351 billion, representing a performance of 95.32 percent. Income Tax continued to account for the bulk of the underperformance, with actual collections of P15.261 billion compared to a target of P19.855 billion. This represents a shortfall of P4.594 billion and an achievement rate of 76.86 percent. The subdued performance reflects ongoing challenges, including lower mining-related corporate tax contributions, weakened profitability across key sectors and delays in tax remittances.
- 16.** In contrast, Value Added Tax (VAT) recorded a robust performance, with collections reaching P11.948 billion, surpassing the target of P10.002 billion by P1.946 billion. This translates into a performance rate of 119.46 percent, underpinned by strengthened compliance measures and steady demand in selected areas of the economy.
- 17. Mr. Chairman,** Southern African Customs Union (SACU) revenue also exceeded expectations, with collections amounting to P20.676 billion against a target of P20.380 billion, representing a performance of 101.45 percent. This positive outcome was partly supported by the depreciation of the Pula.

18. Mr. Chairman, in response to these revenue performance dynamics, Government is introducing the Efficiency in Process Initiative, aimed at improving revenue collection across Ministries, Departments and Agencies. Central to this initiative are key reforms being undertaken within the Botswana Unified Revenue Service (BURS), including the following:

Digital Taxation

19. Mr. Chairman, BURS is accelerating the modernisation of Botswana's domestic tax administration systems as a core pillar of its strategy to close the estimated 40 percent tax gap and build a revenue system that is fair, transparent, and globally competitive. This modernisation agenda is anchored on two complementary and mutually reinforcing digital transformation initiatives.

Lekgetho Live

20. Mr. Chairman, this initiative will cover the reform and modernisation of the Lekgetho Live system to deliver a world-class tax administration environment. The upgraded platform will provide real-time visibility of taxpayer accounts, automated risk scoring, advanced analytics, seamless integration with third-party data sources, and strengthened audit and case management tools. These enhancements will support faster processing of returns, more accurate assessments, improved reconciliation, and strengthened integrity across major tax types.

Electronic VAT Invoicing Solution

21. Mr. Chairman, the Electronic VAT Invoicing Solution is progressing toward implementation, with rollout scheduled for the last quarter of the 2026/2027 financial year. The system will introduce real-time visibility of commercial transactions, strengthen verification of input VAT claims, reduce fraudulent refund requests and simplify record-keeping through automated invoice authentication. By improving data quality across the VAT value chain, the system will provide a complete and more accurate picture of economic activity and taxpayer behaviour.

SMART Customs Programme

- 22. Mr. Chairman,** this programme involves the introduction of advanced digital capabilities, including real-time monitoring of cargo movements, enhanced risk profiling, and faster verification of declarations. These tools will strengthen controls over valuation, classification, and origin, thereby ensuring accurate and complete collection of customs duties and taxes. In parallel, the Track-and-Trace system for excisable goods is scheduled for operational deployment during the 2026/2027 financial year, securing the production and movement of excisable goods through tamper-evident fiscal markings and reducing illicit trade in sectors historically prone to revenue leakage.
- 23.** Engagements with the Republic of South Africa are progressing positively towards the introduction of twenty-four-hour operations at the Tlokweng and Martins Drift border posts. This reform is expected to ease congestion along key regional corridors, support just-in-time supply chains, and significantly improve turnaround times for transporters and traders. Complementing these efforts, the planned procurement of a train scanner during the 2026/2027 financial year will enhance the processing of high-volume rail cargo by improving consignment visibility and reducing clearance times, thereby strengthening Botswana's position as a competitive transit and logistics hub.
- 24. Mr. Chairman,** to sustain these reforms, the Botswana Unified Revenue Service will expand taxpayer education programmes aimed at improving compliance and fostering a culture of responsible tax contribution.

Financial Inclusion

- 25. Mr. Chairman,** the National Financial Inclusion Strategy and Roadmap (2024–2030) has been approved. The Strategy outlines 60 initiatives across key areas, including financial education, public financial support, mapping of financial information, supportive policies and regulations, development of distribution channels, consumer protection, and digitalisation. Its goal is to create a financial system accessible to all, promote economic growth, reduce poverty, improve income equality, and strengthen financial stability.

Implementation will involve close collaboration between Government institutions and the private sector. The World Bank is also assisting with the Financial Sector Development Strategy 2025–2030 and is expected to be completed by the end of this financial year.

26. Mr. Chairman, the Ministry of Finance is developing a Secured Transactions Legal and Regulatory Framework as part of the Doing Business Reforms Agenda. This follows the Movable Property (Security Interests) Act of 2022, which establishes an electronic Collateral Registry at the Companies and Intellectual Property Authority (CIPA). The Registry will record and make accessible information on secured interests. These reforms will increase access to finance, allow longer-term credit, and support the creation of more lending products for a wider range of businesses.

Anti-Money Laundering

27. Mr. Chairman, the Financial Intelligence (FIA) Act, 2022, is being amended to align with international standards, including the Financial Action Task Force (FATF) Recommendations and EGMONT Group requirements. These amendments will ensure that the Financial Intelligence Agency (FIA) operates independently and effectively. As financial crimes grow in scale and complexity, it is critical that the FIA is provided with sufficient financial, human, and technical resources to carry out its mandate.

28. Mr. Chairman, the FIA is strengthening partnerships to prevent financial crimes, especially among young people. In August 2025, the FIA signed a Memorandum of Understanding with the Ministry of Child Welfare and Basic Education to educate learners on financial crimes. This initiative aims to protect students, who are increasingly targeted by criminals online and offline.

29. Mr. Chairman, the National Coordination Office (NCO), within the Ministry of Finance, continues to strengthen Botswana’s Anti-money Laundering, Counter Financing of Terrorism and Counter Proliferation-Financing (AML/CFT/CPF) framework. As the technical and coordination secretariat to the National Coordinating Committee of Financial Intelligence (NCCFI), the NCO leads national risk assessments, policy coordination, inter-agency collaboration, and preparations for the 2027 Mutual Evaluation. In 2025/2026, the NCO updated the National Risk Assessment, initiated

evaluation preparedness, and built capacity, despite challenges with staffing, budget, and resources.

Botswana Economic Transformation Programme (BETP)

- 30. Mr. Chairman**, the Botswana Economic Transformation Programme (BETP) is a flagship initiative within the National Development Plan aimed at accelerating national transformation through disciplined, results-oriented implementation. It emphasizes thorough and robust project preparation, transparent performance measurement, and clear accountability to ensure effective delivery.
- 31.** The BETP has identified 186 projects and initiatives spanning six economic priority areas - Agriculture, Manufacturing, Financial Services and Digitilisation, Infrastructure, Tourism, and Energy and Mining-as well as three initiatives that have the potential to mobilise P514 billion in investment, generate more than half a million jobs, and propel Botswana towards becoming a high-income, export-led, digitally advanced economy by 2036.
- 32. Mr. Chairman**, the BETP reflects our commitment to doing things differently-more swiftly, more efficiently, and with measurable results. It serves as a strategic instrument for fiscal sustainability and economic resilience, marking a decisive swift from business as usual to a performance-driven model that will position Botswana to compete both regionally and globally. The Programme prioritises productivity, competitiveness, and innovation, while promoting a vibrant, private sector-led economy. It is ring-fenced to maintain agility, focus, and accountability, and has the full backing of the highest levels of political leadership.

IV. PUBLIC SYSTEMS AND GOVERNANCE

- 33. Mr. Chairman**, the Ministry of Finance will be promoting economic growth through digitalisation, with key initiatives including:
 - **Payroll Management System:** The ePayslip and ITW8 portals have been introduced in collaboration with DPSM. These portals reduce printing and distribution costs and provide employees with a single point of access to payslips and tax certificates.

- National e-Procurement System:** The e-Procurement Strategy, approved on 17 June 2025, sets the roadmap for transitioning from manual to electronic procurement. The platform will cover the full public procurement value chain across Government, Local Authorities, and State-Owned Enterprises. Expected benefits include increased transparency, faster procurement, enhanced competition, and potential savings of 5–15% of annual procurement costs. It is anticipated that the e-procurement system will be in place beginning of 2027. To support this system there is need to harmonise digital procurement processes to create a secure, safe and efficient procurement environment. To this end, during the 2026/2027 financial year, Government will review and strengthen the Public Procurement Act (2021) to address any gaps in the electronic procurement process.
- National Retail Payment Switch:** In line with the National Payment System Vision, the Ministry is part of a Taskforce establishing an interoperable, 24/7 retail payment system. Phase 1, market mapping, is complete, and Phase 2 is underway through a Special Purpose Vehicle (SPV) established by the Bank of Botswana to implement the system.

Bank of Botswana Banking Services Digitilisation

34. Mr. Chairman, the Bank of Botswana is introducing a digital cash deposit system which allows cash and card payments at Government offices, online and via wire transfers, with unique references for full traceability from payment to the Government Treasury Account. The system will improve revenue collection, reconciliation and transparency.

Fintech as a Driver of Financial Sector Development

35. The Bank has established a Digitalisation and Innovation Hub to monitor local and global fintech trends. The Hub informs regulatory policy and facilitates adoption of new technologies to promote financial inclusion and reduce market barriers.

V. PERFORMANCE OF STATE-OWNED ENTERPRISES (SoEs)

Bank of Botswana

- 36. Mr. Chairman,** the Bank's primary mandate is to maintain domestic price stability and support a stable, competitive financial system. In 2025, inflation averaged 2.6%, mostly below the 3–6% target range before returning within the range in September 2025. The Bank raised the MoPR to 3.5% in October 2025, reduced the Credit Facility Rate to 6.5% and extended repo maturities to support liquidity and money market stability.
- 37. Mr. Chairman,** for foreign exchange reserves management, the Bank updated its policy in 2024, widening the investment universe, adjusting asset class proportions, and introducing new classes. Implementation has been constrained by liquidity challenges, mainly due to the diamond sector downturn, requiring increased funding from the Pula Fund and prioritisation of liquidity management over the investment strategy.

Botswana Unified Revenue Services

- 38. Mr. Chairman,** Government has reviewed the Income Tax and VAT Acts and developed a new Tax Administration Act with IMF support. These reforms simplify compliance, harmonise procedures and align Botswana's tax system with international standards and modern business models.
- 39.** Key measures include a Public Tax Rulings System for transparency, a Tax Tribunal for impartial dispute resolution, broader VAT registration thresholds, simplified tax regimes for small businesses, and updated rules on mining taxation, transfer pricing, and cross-border transactions.
- 40. Mr. Chairman,** starting in the 2026/2027 financial year, BURS will classify border posts as commercial or non-commercial to strengthen revenue controls and limit VAT concession abuse. Non-commercial posts will serve individuals and local communities, with no VAT refunds on goods, while commercial posts include Ramatlabama, Pioneer Gate, Tlokweng Gate, Martins Drift, Mamuno, Mohembo, Kazungula One Stop, Kazungula Road, Matsiloje, Maitengwe, and Ramokgwebana.

- 41. Mr. Chairman,** these reforms strengthen compliance, support investment planning and align Botswana’s tax framework with international best practices.

Statistics Botswana

- 42. Mr. Chairman,** Statistics Botswana continues to support evidence-based decision-making by producing and sharing official statistics. In 2025/2026, its programmes were aligned with national development priorities, strengthening data-driven planning, monitoring, and evaluation across all sectors.
- 43.** Statistics Botswana launched the Second Botswana Strategy for the Development of Statistics (BSDS II) 2025–2030, ensuring credible data to support the BETP and national development frameworks.
- 44.** During the 2025/2026 financial year, Statistics Botswana conducted the Agriculture Census and the Botswana Multi-Topic Household Survey (BMTHS), generating key data on crop and livestock production, poverty, employment, and household welfare. These surveys support agricultural planning, food security, and socio-economic monitoring.
- 45.** In 2026/2027, Statistics Botswana will work closely with MDAs to enhance the use of administrative data for real-time statistics, critical for monitoring frameworks such as BETP and NDP 12.

National Development Bank (NDB)

- 46. Mr. Chairman,** the National Development Bank (NDB) continues to transform Botswana’s agriculture, expand development reach, and address climate change. In 2025/2026, the Bank focused on building strong foundations, ensuring initiatives are measurable, impactful, and aligned with national priorities. NDB successfully managed key Government-backed funds, including the Temo Letlotlo Programme and the Impact Accelerator Subsidy Fund.
- 47. Mr. Chairman,** NDB is progressing toward Adaptation Fund accreditation, which will unlock green financing to support a smart climate economy.

Botswana Stock Exchange (BSE)

- 48. Mr. Chairman,** The Botswana Stock Exchange (BSE) has successfully registered the Botswana Mercantile Exchange (BMX) with the Companies and Intellectual Property Authority (CIPA), with its official launch anticipated before March 2026. The establishment of BMX is expected to drive economic transformation and diversification, positioning Botswana as a regional commodities hub while unlocking value across the agriculture and mining sectors. Furthermore, agreements have already been secured to list commodities originating from Zambia, Malawi, and Ghana.
- 49. Mr. Chairman,** the BSE is establishing the Tshipidi National SME Fund, a fund-of-funds to address funding gaps for start-ups and SMEs, initially in Botswana and later across SADC. The target Assets Under Management for launch is BWP 1 billion.
- 50.** In September 2025, the BSE and Bank of Botswana agreed on custody of Government Bonds at the Central Securities Depository and participation in primary auctions. This will enhance retail investor participation, market transparency, and visibility of public debt instruments.

Non-Bank Financial Institutions Regulatory Authority (NBFIRA)

- 51. Mr. Chairman,** the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) continues to regulate and supervise non-bank financial institutions, ensuring sector stability and resilience despite challenging global and domestic conditions. The Authority has commenced reviews of the Collective Investment Undertakings Regulations and Capital Markets Conduct Rules.
- 52.** As of February 2026, NBFIRA is reviewing its Risk-Based Supervision (RBS) framework, implementing the Anti-money Laundering and Combating the Financing of Terrorism and Proliferation (AML/CFT&P) risk profiling tools, establishing a Policyholders Protection Fund for insurers, and implementing a regulatory framework for FinTechs.
- 53.** Legal reforms planned include the Medical Aid Funds Bill which has been passed by parliament and is awaiting Presidential assent, Health Insurance Bill, Non-Bank Lending Bill, and the review of the Insurance Industry Act. The Authority is

streamlining regulatory processes to improve efficiency and reduce duplication for entities under multiple regulators. AML/CFT&P. The non-bank anti-money laundering and terrorist financing risk assessment tender has been awarded and is at inception stage due for completion during the 2026/27 financial year.

Public Enterprises Evaluation and Privatisation Agency (PEEPA)

- 54. Mr. Chairman,** PEEPA ensures that State-Owned Enterprises comply with the Corporate Governance Framework through Shareholder Compacts, Board Charters, board evaluations, and performance monitoring against key outcomes. PEEPA has developed the State-Owned Enterprises Ownership Policy and Implementation Plan, Guidelines for Board Appointments, and Guidelines for Establishing SOEs, all aimed at strengthening transparency, accountability, and performance.
- 55.** Key SOE revitalisation projects planned for 2026/2027 include the disposal of Government's 51% shareholding in BTCL, self-listing of the Botswana Stock Exchange, revitalisation of Botswana Savings Bank, unbundling of Botswana Power Corporation, privatisation of Botswana Accountancy College and reviewing overlapping functions with BAOA.

VI. STRENGTHENING OF FINANCIAL SECTOR LAWS

- 56. Mr. Chairman,** to strengthen and modernise the financial sector in 2026/2027, several key policies and legal frameworks will be introduced to promote innovation and align with global standards.
- 57.** The **Banking Act, 2023**, which commenced in August 2025, introduces new categories of banks and deposit-taking institutions to encourage citizen participation and ownership.
- 58.** The **Banking Appeals Tribunal**, was established under Section 92 of the Act, together with the Banking (Appeals Tribunal) Regulations, 2025, to hear appeals against Central Bank decisions on banking licenses, replacing the previous process of referral to the Minister of Finance.

- 59.** In addition, the **National Payments System Law**, drafted by the Bank of Botswana, will replace the National Clearance and Settlement Systems Act, 2003, supporting innovation in electronic payments while safeguarding the integrity and resilience of payment systems.
- 60.** As indicated during the delivery of the Budget Speech, **Mr. Chairman**, Government will table before Parliament, 4 pieces of legislation being, the **Income Tax Bill (2025)** and the **Value Added Tax Bill (2025)**, **Customs Amendment Bill (2025)** and the new **Tax Administration Act** to simplify tax compliance, harmonise administrative procedures, and align Botswana's tax framework with international standards and emerging business models.
- 61.** The review of the **Insurance Industry Act, 2015**: this reform seeks to modernise our legislative framework and align it with international best practice, including the model laws developed under the SADC Committee of Insurance, Securities and Non-Bank Financial Authorities (CISNA).
- 62.** Government will introduce the **Health Insurance Bill** in the 2026/2027 financial year. The bill will provide for; licensing requirements for health insurance, mandatory rules & formal complaints procedures, standards for financial reporting & investment governance and protection of members funds & personal data.
- 63.** **Mr. Chairman**, Parliament passed the Medical Aid Funds Act, 2025 during the July 2025 sitting. The Medical Aid Funds Regulations, 2025 are now at an advanced stage and nearing publication in the Gazette. Together, the Act and Regulations close longstanding regulatory gaps and strengthen sustainability within the health financing ecosystem.
- 64.** **Review of the Financial Reporting Act, 2020**: aims to ensure that regulation of Public Interest Entities by BAOA is appropriate and conducive to the ease of doing business, and enhances global confidence in financial reporting in Botswana, which is necessary for attraction of investors.

- 65. Review of the Public Finance Management Act, 2011:** once the review is completed, the act will strengthen accountability, over-sight, management and control of the public funds.
- 66.** The review of the Public Procurement Act and the Financial Reporting Act will be tabled before Parliament during the 2026/2027 financial year.

VII. BUDGET UTILISATION FOR FINANCIAL YEAR 2025/2026

- 67. Mr. Chairman,** the Recurrent Budget allocation for the 2025/2026 financial year is Three Billion, Fifty-five Million, Seven Hundred and Fifty-five Thousand, Two Hundred and Sixty Pula **(P3,055,755,260)**. Expenditure as at 20 February 2026 stood at Two Billion, Five Hundred and Eighty-Seven Million, One Hundred and One Thousand and Thirty Pula **(P2,587,101,030)** or **85 percent**.
- 68.** The largest share of the Recurrent Expenditure budget was allocated to Tertiary Education Tuition Fees vote at One Billion, Seven Hundred and Forty-Six Million, Seven Hundred and Eighty-Two Thousand, Nine Hundred and Ten Pula **(P1,746,782,910)**, out of which One Billion, Six Hundred and Sixty-Seven Million, Nine Hundred and Seventy-One Thousand and Sixty-Seven Pula **(P1,667,971,067)** or **96 percent** was spent as at 20 February 2026.
- 69.** On the other hand, the Ministry total revenue collection as at 20 February 2026 stood at Sixty-Eight Billion, Eight Hundred and Fifty-Four Million, Nine Hundred and Five Thousand, Nine Hundred and Sixty-One Pula **(P68,854,905,961)** or **85 percent**, against the revised estimated revenue of Eighty-One Billion, One Hundred and Seventy-Seven Million, Four Hundred and Seven Thousand, Seven Hundred and Seventy Pula **(P81,177,407,770)**.
- 70. Mr. Chairman,** the level of expenditure for the Development Budget as at 20 February 2026 stood at One Hundred and Forty-Five Million, Four Hundred and Ninety-Nine Thousand, Six Hundred and Sixty-One Pula **(P145,499,661)** or **22 percent** of the revised budget of Six Hundred and Sixty-Four Million, Four Hundred and Eighty-Seven Thousand and Seven Hundred and Twenty Pula **(P664,487,720)**.

Slow spending resulted from an unspent budget of **P523,614,660** due to Government financial constraints. This includes P266 Million for the NDB Temo Letlotlo project, P38 Million for the PPRA Refurbishment project and P20 Million for the National Retail Payment Switch.

VIII. PROPOSED MINISTRY BUDGET FOR FINANCIAL YEAR 2026/2027

- 71. Mr. Chairman**, allow me to now present details of the Ministry of Finance's 2026/2027 Recurrent and Development budget proposals for consideration by this Honourable Committee. **Mr. Chairman**, I request a total of One Billion, Five Hundred and Thirty-Three Million, Six Hundred and Sixty-One Thousand, Eight Hundred and Ten Pula (**P1,533,661,810**), which represents a decrease of Two Billion, One Hundred and Eighty Six Million, Five Hundred and Eighty-One Thousand, One Hundred and Seventy Pula (**P2,186,581,170**) or **59 percent** against the revised budget for 2025/2026 financial year of Three Billion, Seven Hundred and Twenty Million, Two Hundred and Forty-Two Thousand, Nine Hundred and Eighty Pula (**P3,720,242,980**).
- 72.** The requested budget represents Recurrent Budget of One Billion, One Hundred and Forty Million, Five Hundred and Forty-Nine Thousand, Four Hundred and Ten Pula (**P1,140,549,410**) and Development Budget amounting to Three Hundred and Ninety-Three Million, One Hundred and Twelve Thousand and Four Hundred Pula (**P393,112,400**).

Recurrent Budget

Revenue Budget

- 73. Mr. Chairman**, the Ministry has projected total revenue of Eighty-Seven Billion, Eight Hundred and Eighty-One Million, One Hundred and Eighteen Thousand, Eight Hundred and Seventy Pula (**P87,881,118,870**) for the 2026/2027 financial year, reflecting an increase of Six Billion, Seven Hundred and Three Million, Seven Hundred and Eleven Thousand, One Hundred Pula (**P6,703,711,100**) or **8 percent** compared to the

approved estimates of **P82,326,416,900** for 2025/2026 financial year. The overall percentage increase is attributed to a relatively slight increase in revenue collected from major revenue items such as, amongst others, SACU revenue and Income Tax revenue.

Recurrent Expenditure Budget

74. Mr. Chairman, I request the Honourable Committee to approve a total Recurrent Budget of One Billion, One Hundred and Forty Million, Five Hundred and Forty-Nine Thousand, Four Hundred and Ten Pula (**P1,140,549,410**) for the Financial Year 2026/2027. The budget provision represents a decrease of One Billion and Nine Hundred and Fifteen Million, Two Hundred and Five Thousand, Eight Hundred and Fifty Pula (**P1,915,205,850**) or **63 percent** as compared to Warranted provision for the Financial Year 2025/2026 of Three Billion, Fifty-Five Million, Seven Hundred and Fifty-Five Thousand, Two Hundred and Sixty Pula (**P3,055,755,260**). The reduction is primarily attributed to the transfer of the Tuition Fees account budget back to the Ministry of Higher Education.

75. Mr. Chairman, the major cost drivers in the recommended budget includes, amongst others, funding obligations for staff costs at the sum of P485.9 Million and for State-Owned Enterprises at the sum of P276 Million. The allocation also establishes an AML/CFT/CPF National Coordination Office to strengthen Botswana's efforts against money laundering and terrorism financing, in preparation for the 2027 Mutual Evaluation. In addition, provision has been made for the establishment of the Banking Tribunal, in line with the new Banking Act and Regulations that came into effect in August 2025.

76. Mr. Chairman, I wish to make the following proposals under the Ministry's Departments for the Recurrent Budget:

- a) **Ministry Headquarters - Organisation 0301;** I propose the sum of Four Hundred and Forty-Nine Million, Six Hundred and Fifty-Seven Thousand, Five Hundred and Forty Pula (**P449,657,540**) or **39 percent** of the overall Recurrent Budget request.

This amount represents a decrease of One Billion, Seven Hundred and Forty-Four Million, Nine Hundred and Fifty-Nine Thousand and Forty Pula **(P1,744,959,040)** or **80 percent** over the approved budget for 2025/2026 financial year of Two Billion, One Hundred and Ninety-Four Million, Six Hundred and Sixteen Thousand and Five Hundred and Eighty Pula **(P2,194,616,580)**, due to the transfer of Tuition Fees budget back to the Ministry of Higher Education.

The proposed budget is inclusive of Two Hundred and Seventy-Five Million, Five Hundred and Seventy-Three Thousand and Eighty Pula **(P275,573,080)**, as provision for subventions to 6 parastatals under the Ministry to cover part of their operational costs as follows:

- i. Statistics Botswana at One Hundred and Forty-Two Million, Three Hundred and Eighty-Four Thousand, Three Hundred and Eighty Pula **(P142,384,380)**;
 - ii. Public Procurement Regulatory Authority (PPRA) at Seventy-Two Million, Five Hundred and Forty-Eight Thousand, Seven Hundred Pula **(P72,548,700)**;
 - iii. Public Enterprises Evaluation Privatisation Agency (PEEPA) at Thirty – Million Pula **(P30,000,000)**;
 - iv. Botswana Accountancy Oversight Authority (BAOA) at Fourteen Million, Six Hundred and Thirty Thousand Pula **(P14,630,000)**;
 - v. Non-Bank Financial Institutions Regulatory Authority (NBFIRA) at Ten Million, Five Hundred Thousand Pula **(P10,500,000)**; and
 - vi. Botswana Institute of Chartered Accountants (BICA) at Five Million, Five Hundred and Ten Thousand Pula **(P5,510,000)**.
- b) **Office of the Accountant General – Organisation 0302;**
- A total allocation of Four Hundred and Thirty-One Million, Sixty Thousand, and Six Hundred Pula **(P431,060,600)** is proposed for this department, representing **38 percent** of the Ministry’s total recurrent budget proposal. This provision reflects a net decrease of Three Million, Sixty-Five Thousand, One Hundred and Ninety Pula **(P3,065,190)**, equivalent to **0.7 percent**, compared to the approved budget for the Financial Year 2025/2026 of Four Hundred and Thirty-Four Million, One

Hundred and Twenty-Five Thousand, Seven Hundred and Ninety Pula **(P434,125,790)**.

The proposed amount also makes provision for a subvention to the Public Procurement Tribunal, amounting to Twenty-One Million, Nine Hundred and Forty-Eight Thousand, Two Hundred and Ten Pula **(P21,948,210)**.

- c) **Mr. Chairman**, the remaining budget of Two Hundred and Fifty-Nine Million, Eight Hundred and Thirty-One Thousand, Two Hundred and Seventy Pula **(P259,831,270)** will be distributed amongst five Departments as follows:
- i. **Financial Intelligence Agency – Organisation 0308** at Forty-Eight Million, Three Hundred and Twenty-Four Thousand, Three Hundred and Fifty Pula **(P48,324,350)**;
 - ii. **Internal Audit Department – Organisation 0309** at Fifty-Nine Million, Fifty Thousand, Seven Hundred and Forty Pula **(P59,050,740)**;
 - iii. **Budget Department - Organisation 0310** at Seventy-Five Million, Six Hundred and Eighty-Six Thousand, Four Hundred and Fifty Pula **(P75,686,450)**;
 - iv. **Macroeconomic and Financial Policy Department - Organisation 0311** at Sixty-Six Million, Four Hundred and Seventy-Four Thousand, Five Hundred and Ten Pula **(P66,474,510)**; and
 - v. The **National Coordination Office - Organisation 0312** at Ten Million, Two Hundred and Ninety-Five Thousand, Two Hundred and Twenty Pula **(P10,295,220)**.

Development Budget

- 77. Mr. Chairman**, for financial year 2026/2027, I request the approval of Three Hundred and Ninety-Three Million, One Hundred and Twelve Thousand and Four Hundred Pula **(P393,112,400)** for the Development Budget. The proposed allocation represents a decrease of Two Hundred and Seventy-One Million, Three Hundred and Seventy-Five Thousand, Three Hundred and Twenty Pula **(P271,375,320)** or **40.8 percent** compared to the budget of Six Hundred and Sixty-Four Million, Four Hundred and

Eighty-Seven Thousand, Seven Hundred and Twenty Pula **(P664,487,720)** for the 2025/2026 financial year.

78. Mr. Chairman, the proposed Development Budget will be allocated among the Ministry's programmes as follows:

- i. **Consultancies** at a total sum of Twenty Million Pula **(P20,000,000),**
- ii. **Statistical Surveys and Studies** at Fifty-One Million, Seven Hundred Thousand Pula **(P51,700,000),**
- iii. **Infrastructure** totalling Fifty-Three Million, Seven Hundred and Fifty Thousand Pula **(P53,750,000),**
- iv. **MOF ICT Development** at One Hundred and Twenty-Three Million, One Hundred and Seventy-Two Thousand and Four Hundred Pula **(P123,172,400),** and
- v. **State Owned Enterprises Financing** at One Hundred and Forty-Four Million, Four Hundred and Ninety Thousand Pula **(P144,490,000).**

IX. CONCLUSION

79. Mr. Chairman, this concludes my Ministry's presentation for the 2026/2027 Recurrent and Development Budget proposals. I now move that the 2026/2027 Recurrent Budget in the sum of One Billion and One Hundred and Forty Million, Five Hundred and Forty-Nine Thousand, and Four Hundred and Ten Pula **(P1,140,549,410)** and that the Development Budget in the sum of Three Hundred and Ninety-Three Million, One Hundred and Twelve Thousand, Four Hundred Pula **(P393,112,400)** be approved and stand as part of the Estimates for Financial Year 2026/2027.

80. I thank you, **Mr. Chairman.**