



Joint Programme 2022 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Botswana

Reporting Period: 1 January - 31 December 2022

JP title: Support Implementation of SDG Financing Strategy Through an Integrated National Financing Framework

Stakeholder partner: National Government; Civil Society Organizations; Parliamentarians; Private sector;

Thematic SDG Areas: Decent jobs & universal social protection; SDG localization; Climate action & energy transformation; Transforming education;

PUNOs: UNDP, UNICEF, UN-Women, UNFPA

Top- up received as part of DEM: Yes

Total estimated expenditures: US\$ \$ 721,990.7

Total estimated commitments (including expenditures): US\$ \$ 115,189.7

Gender Marker: Gender-responsive (for example, the JP aimed to respond to specific gender needs, such as linking social assistance with GBV response services or maternal health support)

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Executive Summary

1. The Assessment & Diagnostics phase of the INFF was completed. The output of this process is the Assessment & Diagnostics Report and the INFF Roadmap.
2. A high level dissemination of the investment case was conducted, targeting members of parliament and cabinet ministers. A roadmap to operationalise the findings of the family planning investment case report has been developed in collaboration with the implementing partner (Ministry of Health) and currently awaiting validation.
3. Phase 1, which comprised of hands-on and direct technical assistance to the pilot ministries of the component on technical advisory support to the Government of Botswana in institutionalizing zero-based budgeting (ZBB) and Phase 2, Design & development Zero Based Budgeting Manual have been completed.

Annual Progress

Overall JP self-assessment of 2022 progress:

Satisfactory (majority of expected annual results achieved; 1 to 3 months delay in implementation)

Overall progress and key developments to date (3 key JP milestones)

1. Research, assessments, and feasibility studies on SDG financing.

Integrated National Financing Framework (INFF):

- The Assessment & Diagnostics Report and the INFF Roadmap were completed. As part of the Assessment phase, a series of financing dialogues that brought together government officials, private sector, and other stakeholders to facilitate discussion on how to build consensus on priorities and articulate a roadmap that shapes the steps to be taken in the INFF development phase were held in November 2021.

Investment case on ending the unmet need for family planning

- A high level dissemination of the investment case was facilitated, which brought together around 28 Members of Parliament, inclusive of cabinet ministers to deliberate and have a dialogue on the financing landscape for achievement of sexual and reproductive health and rights for all. This high level dissemination was followed by a technical launch of the report, which culminated in the development of a roadmap to operationalise the recommendations of the investment case report. This roadmap is currently awaiting validation.

Zero Based Budgeting (ZBB):

- Phase 1, which consisted of hands-on and direct technical assistance to the pilot ministries of the component on technical advisory support to the Government of Botswana in institutionalizing zero-based budgeting (ZBB) and Phase 2, design & development of tools and manuals on Zero based Budgeting have been completed. Key deliverables achieved in phase 1 include: Targeted assistance to key agencies with development and budget division (DBD) on formulating budget initiatives as part of ZBB Bids; Assistance to DBD with review of proposed budget initiatives; Inputs to the Budget Strategy Paper 2022/23; Inputs to bilateral meetings with MDAs on ZBB Bids; Inputs to the preparation of Budget Call Circular; Input to key agencies' 2022/23 Budget Proposals; Review of draft budget 2022/23 Budget Proposals for selected agencies. In addition, capacities for enhancing efficiencies in budget preparation were enhanced through training of finance and budget administrators from all line ministries.

Gender Responsive Budgeting

- Gender assessment and analysis has been incorporated into the Assessment and Diagnostics of the INFF

2. Capacity building for key stakeholders on SDG financing

On 27th – 30th September 2022, The UN Agencies and Partners organised a workshop on Integrated National Financing Frameworks & Open Budgets for Sustainable Development in Africa. The workshop was aimed at:

- i. Strengthening the INFF capacities of government officials, UN staff and other stakeholders with special focus on setting up SDG Financing Dialogues, developing Financing Strategies and promoting budget openness
- ii. Promote knowledge-sharing among countries, including brainstorming around lessons learned and the dos and the don'ts.
- iii. Generate a regional dialogue around emerging trends and issues that affect the rollout of INFFs and open budget reforms.

3. Financial policy development and financial advocacy activities.

Zero Based Budgeting (ZBB): The Team Leader's in-country technical mission was instrumental in advocacy with all relevant stakeholders, including Ministry of Finance (MoF), for improved planning and budgeting processes that are clearly linked and aligned with the SDGs in the country. It also helped to ensure government ownership and success

of the JP interventions. This paved way for the formulation of detailed guidelines and training modules during Phase 2, to be utilized during in-person trainings in Phase 3.

Main Challenges, adjustments and lessons:

Internal constraints

In April 2022 the Government of Botswana introduced reforms in the national planning architecture resulting in the formation of a National Planning Commission (NPC) and the movement of the SDG Secretariat from the Ministry of Finance to the NPC (NPC). This move of some personnel of the SDG secretariat to the NPC has had implications to some functions in the Ministry of Finance which had played a pivotal role on the project. This period also created a lot of uncertainty for Government Staff engaged on the project, resulting in delays in project implementation. As of date (Jan 31st 2023), the process is still on-going and has not been completed.

Senior level staff changes in UNICEF, UNDP and UNFPA (especially around staff engaged on the JP) has led to some delays alongside loss of institutional knowledge critical to the proper implementation of the JP. For example, new staff had to build relationships afresh with colleagues in government and the UN agencies.

External constraints:

A rise in US interest rates over the past 6-8 months has increased the fiscal burden for a number of emerging economies. The debt burden is a real issue and a currency and debt crisis can ensue (<https://www.brookings.edu/blog/future-development/2023/01/27/us-interest-rate-increases-and-crisis-probabilities-in-developing-economies/>). This has seriously hampered efforts by UN and development partner mobilize domestic resources for SDGs in an Upper MIC context (a key part of the INFF process and financing strategy).

The Russia-Ukraine conflict by creating uncertainty around the supply of grain and wheat has also taken attention away from the INFF priorities by creating fiscal distress for Botswana.

Mobilizing international private finance for SDGs is also a function of the domestic business climate and regulatory framework. Drawing in FDI and other sources of international finance depends on how the attractiveness of Botswana as an investment destination. With the outbreak of the Russia-Ukraine conflict, investors are generally looking toward 'safer' destinations for investment. This will likely hamper Botswana's ability to attract FDI.

SDG Acceleration

- Through working closely with the Ministry of Finance and the newly established National Planning Commission on the Joint Programme, there is a realization of the urgency of achieving the SDGs among key policy makers. The Parliamentary Select Committee on SDGs has asked for the presentation and roadmap outlining the Budgetary process (and associated demands) linked with SDG-based budgeting. Moreover, the President fully supports and backs investments toward lagging SDGs.
 - Second, the JP brought together several key UN agencies that are focused on achieving the SDGs. The JP stood as a test-case for joint programming and it is generally perceived as a success, given the results achieved over the course of two years (even alongside competing priorities due to the Pandemic). This has led to a renewed commitment by UN agencies (and implementing partners--the government) for joint programming around key SDG-related themes and issues.
 - Third, While the financing strategy is still being finalized, there is a high likelihood that it will be adopted as an approach adopted by the Ministry of Finance given the level of engagement on it. Moreover, the National Planning Commission has shown commitment toward incorporating it as part of their next (12th) National Development

Plan.

- Finally, the JP on SDG financing brought together line ministries with the Ministry of Finance playing a coordinating and lead role. This helped in gaining consensus and common understanding around priorities and directing finance toward key SDGs. This will definitely help in strengthening the existing institutional structure in delivering key results over the medium-term time horizon.

Updates on SDG financing framework

	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Inception phase	Completed (100%)	Completed (100%)	Emerging (1-49%)	Emerging (1-49%)

Descriptions on progress by INFF building blocks

Inception Phase: The Roadmap has been developed and approved by the project oversight structures and the Implementing partner. Key recommendations include the following: 1. Enabling Governance and the SDG coordination architecture 2. Enabling Monitoring and Review 3. Financial Inclusion and Innovation 4. Economic Diversification

Assessment & Diagnostics: The DFA model was used and to some extent a 'light' public expenditure review was also undertaken. The results of these findings are being used to develop the financing strategy, a report of which is still at draft stage. These findings are being used to inform the options that are proposed in the financing strategy. SDG Costing was not done given the paucity of robust SDG data and monitoring. data

Financing Strategy: NA. However, UNICEF is working closely with government on rolling out zero-based budgeting. This work has been encouraged by the firm commitment by government to introduce ZBB in select MDAs during the initial phase.

Monitoring & Review: NA

Governance & Coordination: NA at the moment.

Annual Reporting on Results

JP contributions to the Joint SDG Fund's global cost of living crisis

Part of the funds are used to undertake a study on the impacts of the Russia-Ukraine conflict while some of the work includes using the census data to undertake a detailed analysis of the poverty situation in country. However, census results have been delayed and the UN agencies are in close contact with government regarding their release. Generating information that will be critical for policy design and the development of the next medium term development framework NDP 12.

UNICEF is focused on a undertaking a social protection fiscal space and funding gap analysis and development of a policy brief. The purpose of this assignment is to assist the Government of Botswana to determine the level of resources that will be required to roll out the new National Social Protection Framework, assesses the adequacy of available fiscal space and explore alternative financing options to mobilize additional resources required to roll out shock responsive social protection interventions.

Next steps, scaling and sustainability [400 words]

Key aspects of the INFF Roadmap have begun to be implemented which include the strengthening of the SDG Secretariat. Positive spin off actions such as the Domestic Resource Mobilisation and the SDG investor maps are in the pipeline, in partnership with other agencies and the government.

Work in strengthening the social protection financing architecture is already commenced in the last quarter of 2022 and will spill over to the first quarter of 2023. Targeted intervention includes undertaking a social protection fiscal space and funding gap analysis and development of a policy brief. The purpose of this assignment is to assist the Government of Botswana to determine the level of resources that will be required to roll out the new National Social Protection Framework, assesses the adequacy of available fiscal space and explore alternative financing options to mobilize additional resources required to roll out shock responsive social protection interventions.

Early commitment by government for the inclusion of the INFF, especially the financing strategy as part of the next National Development Plan has been secured.

Priority Cross-cutting Issues

Cross-cutting results/issues

The Development of a gender responsive Integrated National Financing Framework for SDG implementation in Botswana

- Gender analysis and mainstreaming of gender diagnostics and solutions into the INFF was completed. The analysis evaluated the financing frameworks in Botswana as well as the public finance management law to identify how gender is mainstreamed as well as the gaps. Further to the above, a Gender analysis of the institutional landscape of public finance management in Botswana in relation to SDG financing was also done

- Key recommendations on how to mainstream gender into the process were proposed and the following were highlighted.

- i. The need for an enabling social, policy and legal environment for effective gender mainstreaming need to integrate a clear gender perspective within the overall context of the budgetary process through special processes and analytical tools. This will entail i) provision of an appropriate legal and institutional framework ii) creation of strategic partnerships iii) capacity building for various stakeholders iv) development of GRB tools; and v) development of a gender statistics strategy.

- ii. Raise funds through the domestic capital market. There is a potential for a wide range of financing instruments – including gender bonds, and social impact bonds that should be explored.

- The other key intervention was the Institutionalization of the Gender Budgeting programme.

An action plan for the institutionalization of the Gender Responsive Budgeting was done. This was done after a tailor-made capacity building programme on GRB was done and it targeted the Department of Gender technical staff. Part of the action plan was a road map that was drawn to support this process.

The key recommendations that were proposed include:

- i. Provide capacity building for all the technical staff in the key ministries of Finance as well as other ministries to support the institutionalization of the gender budgeting.

- ii. Review the public finance management Act to cater and institutionalize the gender budgeting programme

- iii. Provide capacity building for the Members of Parliament who appropriate and approve the budget.

- The intervention on improving allocative efficiency through the adoption and institutionalization of the ZBB principles allow for creation of fiscal space through efficiency again. This allows for improved allocation on critical interventions that promote gender equality and women empowerment, youth, and principles of leaving no one behind.

- Access to modern family planning commodities remains one the high impact interventions for advancing gender equality and women's empowerment. By developing the investment case, the evidence generated is expected to support advocacy efforts for improved financing flows to ensuring that women in Botswana are able to exercise bodily autonomy, but being enabled through family planning to implement their reproductive choices.

How did the JP apply the Gender Marker

The JP is Gender-responsive (for example, the JP aimed to respond to specific gender needs, such as linking social assistance with GBV response services or maternal health support). Evidence, data collection and analysis (e.g. gender assessments of programmes; policy briefs, costing for scale-up of social services); Policy dialogues, advocacy (e.g. direct inputs to national policies, strategies, laws, including women's and girls' rights groups in coordination mechanisms); Capacity development (e.g. training of social workers, local governments, local communities);

Focus on LNOB cross cutting principles

Human Rights	Persons with disabilities	Youth	Environmental and social standards
Yes	No	No	Yes

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

No additional resources have been mobilized. However, key partnerships have been forged with government with the intention of strategically placing the INFF and the SDG financing strategy as a mainstay of the planning and budgeting processes of the government. Both the Ministry of Finance and the SDG Secretariat within the National Planning Commission are the key implementing partners. The National Development Plan 12 and the finance ministry have indicated a strong interest to will incorporate an SDG financing approach to budgeting and planning.

Donor and Strategic events attended by JP in 2022

JP steering committee/ programme board meeting	Strategic partners/ donors event	Closing meeting/ event
Yes	Yes	No

JP contribution to SDG Financing

Drafted a bill, strategy, and/or approved a law increasing the fiscal space for the policy focus	Produced financing, costing, diagnostic and feasibility analyses as a basis to invest or increase spending on the SDGs	Improved efficiency (cost savings) in management programmes/schemes	Improved effectiveness of (value for money; social impact of \$1 spent) the SDGs	Drafted policies/regulatory frameworks or developed tools to incentivize private sector investment on the SDGs	Structured financial instruments (public, private or blended) to leverage additional funding	new instruments or (public, private or blended) to leverage additional funding
No	Yes	No	No	Yes	No	No

Main capacity building activities supported by the JP that allowed people to expand their knowledge on SDG Financing and INFFs

The value of investing in the SDGs has been communicated clearly and widely to various stakeholders. SDGs have also been adopted in policy and strategy documents of the government. The institutional structure of the government is now much better placed to follow through on future SDG related investments. The National Social Protection Programme has been heavily influenced by the discussions and outputs of the JP.

