SOCIO-ECONOMIC IMPACT ANALYSIS
OF COVID-19 IN BOTSWANA

ANALYSIS BRIEF NO.1

06 MAY 2020
Key Messages

Health
● Given the capacity of the healthcare system, it is critical that case numbers for COVID-19 infection cases be reduced through early measures \([J82]\) such as border closures prior to first reported case as well as subsequently instituting a nation-wide lockdown. Important to ramp up testing and rapidly build inpatient care capacity to manage the potential influx of infected patients needing hospitalization.

● For prevention and containment measures to be effective, open and transparent communication is essential as well as crucial to include all people residing in the country, regardless of their legal status.

● The efforts intended to minimize the spread of the virus, such as containment measures, including social distancing and lockdown, closing of schools, the prohibition of public gatherings and closure of non-essential business and economic activities, will have far reaching social and economic consequences.

Social
● Significant unemployment is expected due to major economic contraction. Informal workers and those vulnerably employed need greater protections. Ensure better targeting of these and other vulnerable groups including women, PWDs, elderly, and migrants.

● COVID-19 exposed vulnerabilities and inequities prevalent in the current system. Existing supportive programmes that prove successful in narrowing inequalities should be expanded. At the same time, gaps and short-comings should be addressed. Vulnerable and marginalized populations should remain a priority when devising response and recovery plans and strategies.

Economy
● While Botswana has strong macroeconomic fundamentals, the economy is expected to contract by an estimated 13.1 percent due to COVID-19 impact on mining (-33.6 percent); trade, hotel and restaurants (-32.2 percent); manufacturing (-10 percent); social & personal services (-4.8 percent), and transport & communications (-4.1 percent). It is critical that workers and critical businesses in these sectors be protected until the economy opens up.

● It is critical to have a clear national plan to open up critical sectors of the economy in a phased manner using scientific evidence and employing and adapting international best practices to local context.

Social Cohesion
● Identifying and addressing the needs of vulnerable populations and those left behind will be a critical part of a successful response to, and recovery from the pandemic. The disabled,
those facing domestic violence, women, children, unemployed youth, detainees, migrants, and people living with HIV/AIDS face a challenging set of added burdens due to COVID-19. It will be important to quickly respond to their needs and have a viable plan for recovery.

- Building trust between government and the public will be critical to minimize the social and economic impact of COVID-19. Provision of services and support to those who need it most; access to justice; and consistent and clear communication on national response measures will help cement social cohesion and greater trust.

**Build Back Better**

- Greater overall coordination is needed at all levels—country, regional and global—to minimize the social and economic fallout. Building back better should include reassessing the existing social contract and economic model. The ‘new normal’ that emerges from this crisis, should be based on sustainable and inclusive practices that build resilience.

- The UN system is well equipped to support during each phase of the epidemic—preparation, response, and recovery—through pooling resources and expertise.
Background

This paper provides a rapid analysis of the social and economic impact of COVID-19 on Botswana. As the on-the-ground situation is evolving rapidly, this analysis is based on evidence (and associated assumptions) at the time of writing. The purpose is to draw attention to the likely social and economic implications of COVID-19 and identify supplementary measures, including supportive actions the UN can take to alleviate the impact on people and the economy. This analysis also identifies medium to longer-term measures that can put Botswana on a sustainable and resilient recovery pathway, building back better.

On 11 March 2020, the World Health Organization (WHO) declared the COVID-19 pandemic. As of 11 March 2020, there were 118,000 reported cases spanning 114 countries with over 4,000 fatalities. It took 67 days from the first reported case to reach 100,000 cases, 11 days for the second 100,000, and just four days for the third. As of 6 May there are over 3.6 million people infected globally, with infections rising exponentially in many countries. Over 258,000 of those infected have died. Although the virus reached Africa later than other parts of the world, the region is witnessing one of the fastest percentage rise in cases. On 6 May it had over 39,900 cases and 1,193 deaths. In the SADC region, South Africa, Tanzania, and Mauritius account for the majority of cases as well as deaths. However, a lack of testing capacity in many countries suggests that these figures most likely understate the true number of infections and deaths due to the virus. Unlike other epicentres, many of which comprise high-income countries, Africa due to its weaker healthcare systems is ill prepared to face an onslaught of the pandemic and therefore has to act swiftly and decisively to contain the spread of COVID-19.

The COVID-19 pandemic is far more than a health crisis and has affected societies at their core, jeopardizing lives and livelihoods for years to come. Although the impact of the pandemic will vary from country to country, it is exacerbating and deepening pre-existing inequalities, exposing vulnerabilities in our social, political, economic and biodiversity systems. Key development deficits and structural fragilities have increased the risks for the most vulnerable in our societies, challenging the progress made towards attaining the Sustainable Development Goals.

The COVID-19 pandemic has caused unprecedented levels of economic disruption. On 27 March, the IMF stated that “the world is now in recession” and that the “length and depth of this recession depends on two things: containing the virus, and having an effective, coordinated response to the crisis.” In early April 2020, The IMF projected global growth to fall to -3 percent in 2020, amounting

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1 Economic Commission of Africa (UNECA)
2 https://www.afro.who.int/health-topics/coronavirus-covid-19
3 For example, according to the WHO Africa has less than 5 Intensive Care Unit beds per million people as compared to 4000 in Europe. Also, there are less than 2,000 functional ventilators across 41 countries in Africa.
to a -6.3 percentage points revision from their January forecast.\(^5\) The Economic Commission for Africa (ECA) projects 2020 growth in Africa to settle somewhere between -2.6 percent to 1.8 percent. Across Africa the impact on poverty will be significant; between 5 and 29 million additional people will be pushed into poverty. At least 19 million jobs will be lost across the continent.\(^6\) A significant amount of economic activity across the continent is informal, and those employed in the informal economy are among the most vulnerable to the ensuing socio-economic shock. Unlike many western and Asian economies, countries in Africa also lack the fiscal space for financing supportive measures and are dependent on external trade for food staples and essential goods, including critical medical supplies.

**Botswana acted quickly and decisively** to halt the spread of COVID-19, closing its borders on 24 March. After reporting its first confirmed case on 30 March, it declared a state of emergency and subsequently imposed an initial 28-day lockdown on 2 April that led to further restrictions on movement. As of 4 May, there have been 23 confirmed cases, 8 of whom have recovered, and one death—one of the lowest rates in Africa, both in terms of reported cases and deaths. Beginning 7 May, assuming infection remains at current level, the extreme social distancing restrictions are to be eased in a phased manner. To date, approximately 7,700 tests have been conducted, which in per million population terms is the 6\(^{th}\) highest in Africa, but not sufficient to get a comprehensive sense of the spread of the virus. The severity of the social and economic impact will depend on several interconnected internal and external factors, including (but not limited to), the success of the containment strategy; the effectiveness and comprehensiveness of supportive measures and policies; available fiscal resources; the impact on trading partners; and the ability to revive the economy while limiting the spread of the virus. Much also depends on how the rest of the world fares, given the economy’s reliance on tourism and the diamond industry.

**Botswana’s strategy has been to contain the spread of COVID-19 through social-distancing, isolating and quarantining cases, quality clinical care for infected clients, contact tracing and testing, and restricting movement.** While a strict lockdown is helping to contain the spread of the virus, the impact on the lives of people, especially the poorest as well as the economy is significant. There is widespread consensus that rigorously containing the spread of the virus is the most viable option and is likely to minimize the longer-term social and economic impact. Other countries that acted swiftly to contain the virus (i.e. Australia, Greece, New Zealand, Republic of Korea, and Vietnam) have been successful in ‘flattening the case curve’ thus limiting the impact on their healthcare system. There are important lessons to be picked up through the experience of these countries, especially with regard to (i) aggressive and widespread testing, (ii) contact tracing, and (iii) clear and well-coordinated public communication. The capacity of Botswana’s healthcare system is limited and will quickly reach its limit, in the absence of quick and decisive containment measures, resulting in significant loss of life. Therefore, it is critical that adequate effort be put into identifying policies and measures that minimize the social and economic fallout, especially for the most vulnerable segments of the population.

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\(^5\) IMF (2020). World Economic Outlook, April 2020. Last Accessed April 21

\(^6\) ECA projections. Dated April 19\(^{th}\).
The analysis that follows takes it cue from the UN framework for the immediate socio-economic response to COVID-19. A primary concern of the analysis is to gain a comprehensive understanding of who we must reach. Following a quick mapping of who may be the most impacted in this pandemic, the analysis is structured according to the five pillars of the UN Development System response, namely (i) protecting health services and systems during crisis; (ii) social protection and ensuring basic services; (iii) protecting jobs, SMEs and the most vulnerable and productive actors; (iv) macroeconomic response and multilateral collaboration; and (v) social cohesion and community resilience.

The national response as it pertains to issues under each of the five pillars is also presented. Finally, the response to COVID-19 also presents an opportunity to strengthen existing systems for a more sustainable recovery. The policy options outlined throughout the document are intended to inform the plans for building back better. By building back better, not only is Botswana likely to be on a more stable footing in terms of achieving the SDGs, but also more resilient and better prepared to face future shocks.

The people we must reach

A guiding principle of the UN’s supportive actions is to ‘leave no one behind’. As noted above, the pandemic is expected to exacerbate pre-existing inequalities and structural fragilities. Therefore, a quick yet comprehensive mapping of those most at risk of being left behind is critical and must inform the policy and programmatic responses to the pandemic to avoid a further regression on the road to recovery and attainment of the SDGs.

Most of the world’s poor and food insecure live in rural areas, and although physical distance, relative isolation, lower population density and their own production of food play in favour for rural areas, rural areas are much less prepared to deal with the direct and indirect impact of the crisis. People living in rural areas face greater barriers accessing essential services, including healthcare and clean water. The government can only provide water infrastructure to areas gazetted for residence, leaving out people who reside on farms and ungazetted lands. Approximately 38 percent of the rural
population have access to electricity, and access to improved sanitation and clean cooking fuels remain a challenge. With potentially extensive periods restricting movement, many rural residents are left with limited access to essential goods and resources, further exacerbating their vulnerabilities. Economic activity in rural areas, whether in self-employment or in wage labour, is primarily informal, leaving them without recourse to wage subsidies or safety net measures. The income shock will negatively affect the food security and nutrition of the poorest; as incomes fall and food prices increase, poor households will reduce dietary diversity in favour of cheaper staples. For children, adolescents, young people, pregnant women and lactating mothers this may not only have an impact on their immediate health and protection, but their longer-term learning outcomes and ability to thrive in society.

**People in detention are more vulnerable to communicable diseases** because they live in proximity with one another, which increases the risk of person-to-person transmission of infectious disease, like COVID-19. Prisoners and detainees live in confined and overcrowded environments and it is difficult for staff and inmates to practice effective social distancing. Prisoners and detainees in many countries live under conditions characterized by poor hygiene, insufficient or poor food nutrition, difficult access to medical care, a lack of physical activities or education, as well as an inability to maintain family ties, leading to stress and the weakening or suppression of their immune systems and the inability to resist diseases.

**Migrant workers and refugees are often overlooked in national response frameworks.** These vulnerable populations are more likely to engage in informal labour, have less savings, and therefore have less overall capacity to cope in the face of economic shocks. Migrant workers and refugees are also more likely to reside in informal settlements or poorer, urban neighbourhoods with limited access to basic infrastructure and services.

**People with disabilities (PWDs) are likely to see their existing disadvantages and inequality amplified by the COVID-19 pandemic.** The 2017 Botswana Demographic Survey estimates a total of 90,945 individuals with disabilities in Botswana, which is 4.22 percent of the total population. People with disabilities are among the most marginalized and disadvantaged in Botswana. The percentage of people with disabilities in Botswana living below the poverty datum line (2014/15) was 35.8 percent. Due to the restriction on movements, PWDs and other members of society are most likely to be out of work and income, especially those involved in the agriculture and fishery sector and the informal economy, which will potentially have long-term consequences on their livelihoods. With most of these being women, the impact could be critical at the household level with food and material insecurity being a major challenge. As a consequence of their disability, people may find they have unequal access to information on prevention and response measures as well as the services available. They are often excluded from the decision-making spaces in crisis, yet are often more vulnerable to exposure as they depend on caregivers for daily tasks or require regular healthcare and treatment.

**Women find themselves in a particularly vulnerable situation as crises unfold.** Economic pressures not only tend to affect women more, they also experience the increased burden of unpaid family care, constitute a significant number of those serving as frontline health care workers in the COVID-19 response as well as being at a greater risk of gender-based violence. One in three women in Botswana have experienced gender-based-violence (GBV) in their lifetime. Globally, as well as nationally,

7 National Development Plan 11.
incidents of GBV have seen a sharp increase with the onset of the COVID-19 pandemic and related prevention and containment measures, often leaving women trapped at home with the perpetrators. Furthermore, structural fragilities and bottlenecks in the provision of GBV prevention and response services are impacted by the increased strain on the healthcare system and emergency responders.

**Youth and children account for the majority of the population of Botswana.** Pre-COVID youth unemployment was a serious concern with over one-third of young people aged 20 – 24 years unemployed compared to a national average of 20 percent unemployment. Following the economic shock of COVID-19 and without additional opportunities for income generation, youth will remain dependent on their parents and immediate family much longer. With the COVID-19 pandemic and closure of schools and education institutions, children and youth’s opportunities to obtain their expected learning outcomes are also curtailed with a potential negative impact on their longer-term opportunities for income generation and fulfilment of their true potential. As with women, youth and children remain particularly vulnerable to domestic violence and abuse in a context of increased risks, tension and stress in the household. Furthermore, closure of non-formal opportunities deprives young people of social engagement with their peers and may contribute to increased levels of mental health and well-being issues.

**People living with HIV/AIDS may be at greater risk during a health crisis due to weak immune systems.** Although little is yet known of the impact of COVID-19 on people living with HIV/AIDS, it is a pre-existing condition that lowers immunity and as such poses a particular concern for Botswana where the HIV/AIDS rate amongst people aged 15 to 49 years is 20.3 percent. With the currently limited access to sexual and reproductive health services and products, people, and in particular youth, are at heightened risk of HIV infections.

**Elderly and people with pre-existing health conditions are known to be at significantly higher risk of developing severe illness when contracting COVID-19.** Botswana has a relatively young population with only 5.4% of the population aged 65 or above. However, when also looking at pre-existing health conditions, the vulnerable constitute a much larger group. Often these people share living spaces with their extended families and social distancing cannot be easily implemented. This group may also be reliant on their caregivers to safely access food, basic supplies, and medicine to support their physical health and social care.

1 **HEALTH FIRST: Protecting Health Services and Systems during the crisis**

The following section provides an overview of the key pillars of the health system impacted by the COVID-19 pandemic and the potential implications for people’s access to essential services and quality care. The likely spike in demand for acute healthcare, places significant risk on capacities to maintain essential lifesaving services as well as health service delivery to address preventable or treatable

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8 Botswana Core Welfare Indicators Survey, 2013.
9 UNAIDS, 2019.
conditions. When health systems become overwhelmed, deaths from the outbreak itself can fade in the face of challenges emerging from lack of capacity to treat people through regular service delivery.

**Service Delivery**

**Inequity in access to healthcare services for rural dwellers is likely to be exacerbated by the COVID-19 pandemic.** An estimated 84 percent of the population lives within a five (5) kilometre radius from a healthcare facility, but disaggregation by urban/rural area reveals inequitable distribution of health facilities. The Government of Botswana (GOB) has earmarked eight facilities across the country as isolation and case management centres with varying capacities translating to 1 facility per administrative district of different population sizes\(^{11}\). Although Botswana has a youthful population with a median age of 24 years and therefore at lesser risk for severe COVID-19 cases associated with the older population groups (179035 people in Botswana are older that 60 years), the significant burden of HIV/AIDS, Tuberculosis and Non-Communicable Diseases (NCDs) may result in an increased demand for inpatient management of cases placing greater demand for more isolation centres with further pressure on the health system to also ensure continuity of essential health services. Further, at an estimated 18 hospital beds per population of 10,000 and 120 intensive care beds across the country, Botswana has a lower inpatient care capacity compared to other middle-income countries in the region. Although the country is in the early phase of the outbreak, evidence from other countries further along the pandemic curve would indicate the need to establish surge capacity for hospital beds and inpatient care capabilities. Furthermore, epidemiological and biological surveillance capacity through testing, diagnosis and contact tracing influences the ability of any country to contain the pandemic. Botswana has trained fewer than 30 laboratory personnel to process COVID-19 specimens currently yielding a capacity of up to 500 tests per day. Despite the country having a network of medical laboratories (both public and private), the processing of specimens remains centralised to two laboratories (National Reference Laboratory and the Botswana Harvard Partnership HIV Reference Laboratory). This limited COVID-19 testing and diagnostic capacity presents a significant risk to fully understanding the pandemic curve in Botswana and thus managing an effective response.

The requirement for a travel permit to seek healthcare services may hinder access to essential health services and ultimately increase the pressure on emergency services or at worst, increase mortality. Access to maternal healthcare is a particular concern alongside the limited supply of sexual and reproductive health commodities in terms of the potential numbers of unintended pregnancies, including teenage pregnancies, and a rise in newly acquired HIV infections.

**Health workforce**

**One of the major bottlenecks the country’s health system faces is the availability and geographic coverage of qualified health professionals.** Botswana has a doctor to population ratio of 5.27 doctors per population of 10,000, representing half of the WHO recommended 10 doctors per 10,000. The density of nurses and midwives to the population is estimated at 54 per 10,000. Urban/rural disaggregates reveal significant disparities in availability of qualified healthcare professionals. The inevitable rationalization and equitable distribution of healthcare workers in response to COVID-19 in

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\(^{11}\) District populations (Southern 222411, South East 112347, Kweneng 385729, Kgatleng 110774, Central 646086, North East 71470, North West 209557, Ghanzi 54752, Kgalagadi 59042), Statistics Botswana Population Projections 2011–2026.
a country already facing shortage of skilled health workers will very likely impact the continuity of essential health services, including sexual and reproductive health (SRH), HIV and GBV services particularly in rural areas. Further, the nationwide closure of all educational institutions may affect the pool of healthcare professionals by negatively affecting the supply of graduates from health training institutions.

Health information
The challenges of availability, openness, dissemination, use and uptake of timely, disaggregated and quality data in Botswana are well documented, including in the health sector. Botswana struggles with limited health informatics infrastructure and human capacities including monitoring and evaluation personnel, epidemiologists and biostatisticians, and data/ICT specialists. Information silos across the health system are institutionalized using two distinct patient management systems, with no interface capabilities across healthcare levels and from clinic-to-clinic. The combination of these factors represents a missed opportunity for harnessing integrated routine data for real-time disease surveillance which creates a significant blind spot for policy-makers who have to make timely critical decisions. Limited availability of timely disaggregated data will limit ability to identify and respond to hotspots with vulnerable populations and underserved locations.

Medical products, vaccines and technology
The COVID-19 pandemic is impacting on local availability of health products with disruptions in global supply chains affecting availability of key raw materials and ingredients, finished health products, logistics, and shipping services. There is currently limited information on the in-country availability and stock levels of critical health equipment and supplies including personal protective equipment (PPE), essential medicines, testing kits and reagents among others to assess the country’s state of readiness to respond to COVID-19. Quantification and forecasting are erratic, coupled with a weak Logistics Management Information Systems (LMIS) leading to frequent stock outs of essential SRH commodities. This challenge is expected to extend to essential medicines as the country scales up multi-month dispensing of chronic disease medications to minimize individuals’ contact with health facilities. It is also important to underscore the attention placed in Botswana to keep in focus the need to also address the double burden of HIV/AIDS and NCDs.

Health financing
The total cost of establishing surge capacity for medical supplies including essential medicines, reagents, health sector response to GBV, test kits, hospital beds, acute and intensive care beds and equipment is yet unknown. The Government of Botswana (GoB) spends at least US$86 per capita on health with about 4 percent of the total health expenditures generated through out-of-pocket payments. This enables access to needed health services without significant financial hardships for a large proportion of the population and this is anticipated to remain so during the COVID-19 response. Nonetheless, while the financial requirements for the Ministry of Health and Wellness to ensure COVID-19 Preparedness and Response are estimated at US$ 1,500,000, this may prove to be a

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12 WHO Global Health Expenditure Database.
conservative budget. Such unanticipated increases in health expenditure may prompt diversion of funding from non-COVID 19 related budget lines, calling into question the sustainability of financing arrangements.

National response

The Government of Botswana was quick to establish a national COVID-19 response structure and put in place a range of prevention and containment measures, prior to registering positive cases within the country. The Government announced a 28-day period of extreme social distancing as of 3 April and has announced a State of Emergency for 6 months. The Ministry of Health and Wellness is coordinating the health response, based on the recommended response structure by WHO. As in other countries, limited supply of medical equipment, PPEs and test kits poses a challenge for the national response. Furthermore, with limited pre-existing ICU capacity and insufficient numbers of trained health professionals, should the pandemic curve grow exponentially as witnessed in South Africa, the national health system risks quickly becoming overwhelmed. Current efforts to prevent and contain the spread of COVID-19 are therefore crucial.

Through its COVID-19 Pandemic Relief Fund the Government of Botswana is providing funding for strategic reserves and essential services including provision of financing for emergency medical costs covering supplies, equipment, tents, beds, accommodation disinfectant, medical-tele consultation, additional health workforce and related welfare.

Policy options

1. **Urgently establish surge capacity** to deliver emergency services such as scaled laboratory testing, epidemiological analysis and surveillance, intensive care beds and ventilator support. Assess, estimate and continuously review needed hospital capacity for inpatient care, including human resources and referral pathways, essential supplies such as PPEs, required to provide quality and timely care to COVID-19 patients with severe or critical presentations, by district. Review critical care and ICU capacity vis-à-vis district demographic profiles.

2. **Mobilize, train and reassign healthcare and social support workers** from reserve capacity where feasible, including securing retired staff to return to work in low-risk environments. Consider final-year health care students, students undergoing internships, for deployment in support of COVID-19 responses within competency levels and infection control guidelines.

3. **Safeguard health financing**: Exploring other financing modalities to alleviate pressure on health budgets and avoid diversion of resources from provision of essential health services. In addition, measures to ensure efficiency in health expenditure will be required in view of constrained resources.

4. **Prioritize the collection of accurate, timely, quality and complete age and adequately disaggregated data** on the impact of COVID-19 on different segments of the population and triangulate with the broader socio-economic impact of the pandemic to guide decision making and targeted investments.

5. **Establish specialist advisory panels with expertise in epidemiology, disease prevention and control** to ensure evidence-based responses informed by the latest developments from the global health science community.
6. **Maintain continuity of essential health services** by identifying essential medicines, health workforce, services and equipment required for reproductive, maternal, newborn, child and adolescent health care, nutrition, safe post-abortion care, HIV testing and prevention services, GBV prevention and response services, mental health and psycho-social support, and management of chronic diseases.

2 PROTECTING PEOPLE: Social Protection and Ensuring Basic Services

The second pillar of the UN framework pertains to social protection and access to basic services for all as central to the COVID-19 response. In a context of compounding vulnerabilities, social protection has powerful benefits. Learning from the past pandemics, life was mostly disrupted due to disruptions of social services than the disease itself. As demonstrated during the 2008 financial crisis as well as the 2014 Ebola outbreak, countries with strong social protection systems and basic services were better able to weather the social impact. Governments will need to adapt, better target, extend and scale-up cash transfers, food assistance programmes, social insurance programmes and child benefits to support families, among others.\(^{13}\) This section provides insight into basic welfare and social services that are essential to limit the impact of COVID-19 on the poor and most vulnerable populations. Furthermore, it looks at Botswana’s national response and suggests immediate and longer-term considerations for a comprehensive response.

**Provision of food and other essential goods**

**There are signs of emerging disruptions on the upstream and downstream links of the food and agriculture chains** in countries that have implemented health measures to slow the spread of the virus. With food and agriculture systems being highly labour-intensive in most African countries, shortages of workers due to restrictions on people’s and labour mobility may compromise the provision of inputs in upstream, farming activities and downstream trading, processing and transportation activities. This may be the case for all crops but especially for perishable horticulture products (such as vegetables, fruits, flowers) and meat and dairy products. With dependence on regional and extra-regional imports for food, in particular for the urban areas, Botswana is particularly vulnerable to disruptions in international logistics and distribution, in addition to production problems in other countries. This could result in food shortages and increases in food prices.

A significant number of children and adolescents in marginalised communities depend on the meals and safety provided by the educational institutions. Restricted movements may hinder people with disabilities and other marginalised groups from access to some basic needs including food parcels. Households that rely on firewood for cooking may be at risk of greater food insecurity as they may be unable to collect firewood due to movement restrictions.

**Water, sanitation and hygiene services**

**Access to clean water is of paramount importance in the current context.** Botswana as a landlocked country that generally has flat topography and relies mostly on underground water faces a challenge

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\(^{13}\) **Cash transfers: what does the evidence say? A rigorous review of impacts and the role of design and implementation features.** Bastagli et al. ODI. 2016.
to ensure undisrupted supply of quality drinkable water to all its residents. Furthermore, occupants of farms and un gazetted lands such as illegal squatters and informal settlements may struggle to secure continuous provision of sufficient and clean water. Unsanitary conditions, particularly for large households where social distancing is a challenge, places families at greater risk during the pandemic.

**Education for children and adolescents**

*With all learning institutions closed, poorer households will struggle to access learning for their children or adolescents.* With fewer tools to connect to distance learning, whether through a television, radio or online device, these families are more likely to remain behind in the attainment of learning outcomes, heightening the risk of perpetuated generational poverty. Distance learning requires parental support and follow-up which may not be a possibility in poorer or single-headed households struggling to earn a living. The longer learning institutions are forced to remain close, the greater the impact will be on children and adolescents learning outcomes.

**Social assistance**

*Job losses, less earnings and/or reduced remittances can lead to lower income at the household level* making it difficult to meet regular expenditures. Many informal workers with little or no access to social protection stand in immediate danger of falling into poverty. Some households struggle to pay rent and are at risk of evictions. Refugees and migrants are at increased risk due to income loss, healthcare insecurity and the difficulties linked to the uncertainty in their legal status. Female-headed households in Botswana have larger household sizes and most do not own the housing units.\(^{14}\) With loss of income during the lockdown, some families struggle to pay rent and are at risk of evictions. Without a comprehensive national social protection system, there is a risk that many families may fall into poverty as a result of the crisis and not receive the support required to get back on their feet.

**Crisis support services**

*As in other countries across the world, restrictions of movement and extreme social distancing have also come with an increase of gender-based violence (GBV) in Botswana.* In the first week of the extreme social distancing, Botswana Police had recorded two murders, one threat to kill, 22 rapes (7 being children aged two to 13) and 23 cases of defilement were recorded nationally. Gender-based violence is a violation of the human rights of the victims involved. The most common form of violence reported is intimate partner violence (IPV), and women of reproductive age constitute the majority of victims. A 2015 survey indicates that 33 per cent of sexually active students had sexual debut before the age of 13 years, with one in five being forced into sex.\(^{15}\) Lockdown and extreme social distancing measures come with heightened risk of children and adolescents witnessing or suffering violence, abuse and exploitation. These risks apply also to people who may be victimised because of their sexual orientation. The country has two GBV centers which may become overwhelmed in providing services for an increased number of cases.

**National Response**

*The Government has opted for introducing and adapting social protection measures, as well as preventing disruptions of essential social services.* The existing social protection and public work

\(^{14}\) [Central Statistics Botswana, 2002/03]

\(^{15}\) [UNFPA, 2019]
programmes (Ipelegeng) will remain operational throughout the immediate crisis period. Emergency Operation Centres at have been established to facilitate and coordinate the response and provision of essential supplies to households in need.

**In mid-April, the COVID-19 Food Relief Programme was launched to support vulnerable populations.** As of April 27, a total 47,393 households have been assisted with food packages, which included agricultural products. Over P150 million has been set aside for this intervention. In addition, P1.2 billion budgeted for social services under the current fiscal year will also be used to cater for temporary relief food baskets. The Government plans to spend P500 million per month over the next three months.

**The Government recognizes that availability of clean running water to all is crucial for the primary prevention of COVID-19.** The Government has made efforts including reconnections where water was cut due to arrears in officially gazetted areas. This leaves out, however, other residents such as occupants of farms and ungazetted lands such as “illegal squatters”.

**The Government has put in measures to support learning during the lockdown.** Local network providers have joined in the support for continued education, with key websites as determined by the MOBE and MOHW made available at no cost for the users. A total of 660 public schools have been provided with free internet to support online learning. Free SMSs to students and access to an e-learning platform with BGCSE and JC content has been made available.

**In mid-April, 149 convicted prisoners were released in order to reduce the risk of COVID-19 infections in prisons.** To protect remaining prisoners, public visitors are not allowed at prisons in Botswana during the period of lockdown. Visitors are restricted at all hospitals and not allowed in Intensive Care Units.

**The Government has encouraged landlords not to evict any tenants for failure to pay rental during the lockdown.** Botswana Bankers Association has also stipulated a 3-month no interest for vulnerable clients and flexibility to renegotiate repayments. This is an effort for their clients not to lose their properties due to the impact of COVID-19.

**The Government has developed a national action plan for the GBV response** and established a technical response team with representatives from civil society, private sector and development partners to implement the essential prevention, management and recovery services.

**Policy Options**

A ‘one size fits all’ approach will not address the special needs of certain vulnerable populations (e.g. people with disabilities, marginalized communities, women, children, adolescents, young people, detainees, refugees, asylum seekers, irregular migrants, casual labourers, remote and rural area dwellers). Consultation with these groups is the only way to ensure that their needs are heard and addressed. The risk of not targeting prevention and response planning and roll out is that these groups will be left behind, may be at increased risk of contracting COVID-19 and may experience extreme deprivation during the COVID-19 pandemic.
Short-term (immediate) responses to reduce negative impacts of COVID-19:

➢ Collect and analyse data on vulnerable households affected by COVID-19, and assess the feasibility of different policy options/responses;
➢ Scale up existing income support and cash transfer programmes to reach the vulnerable experiencing severe income shocks, particularly those engaged in the informal economy;
➢ Rapidly expand ongoing interventions, including the COVID-19 Food Relief Programme to reach non-citizens, including refugees, asylum seekers, irregular migrants, etc.;
➢ Immediately support rural livelihoods, explicitly recognizing the specific constraints faced by rural women and their roles in agri-food systems as key actors in maintaining household food security, food producers, farm managers, processors, traders, wage workers and entrepreneurs, ensuring that their needs are adequately addressed.
➢ Keep national borders open for food and agriculture commodity trade so as not to disrupt regional and interregional trade in food and agriculture products and inputs;
➢ Ensure adequate emergency strategic food reserves and storage facilities, including through public-private partnerships, where appropriate and feasible, and directly linked to the social protection programs;
➢ Provide clean water and sanitation for all residents regardless of the status of their properties or tenure;
➢ Expand crisis support services and family friendly policies to help women, children and adolescents witnessing or suffering violence, abuse and exploitation;
➢ Secure sustained learning for all children, and adolescents, preferably in schools. Explore options for staggered return to schools, reduced class sizes and shift systems. In the case of a prolonged closure, equal access to online learning must be facilitated;
➢ Conduct regular prison monitoring visits (the Ombudsman Office in coordination with Red Cross Botswana) to ensure the minimum standards of detention and COVID-19 public health measures are being upheld;
➢ Accurately plan and cost measures to respond to health and social protection needs and integrate these into emergency or supplementary budgets.

Medium- and long-term responses to enhance preparedness of Botswana’s social protection for future emergencies and crises:

➢ Build ‘adaptive’ and ‘shock-responsive’ social protection system to manage the devastating effects of future crises. This means improving delivery systems so that social protection programmes can reach the vulnerable more quickly, efficiently, and transparently, with the ability to scale up in times of crisis.¹⁶ The Government should improve coordination across programmes and develop objective targeting and service delivery mechanisms.
➢ Put in place a real-time monitoring mechanism to ensure the inclusion of vulnerable people in planning and response. The lack of comprehensive and reliable data on vulnerable individuals and households is one of the main obstacles to quickly and adequately facilitate

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their access to programmes and essential services. Therefore, developing population and social registers, as well as programme-based management information systems are necessary. A Single Social Registry – piloted with assistance of the World Bank – needs to be rolled out to the whole country.

➢ **Implement a nationally defined social protection floor that guarantees access to health care and a basic level of income security.** COVID-19 highlights the importance of creating universal entitlements to health care and income support.\(^\text{17}\) Delivering rapid financial support to those that are most in need during crisis boosts domestic consumption, expands access to social services and hence minimizes the potential for economic contraction.

### 3 ECONOMIC RECOVERY: Protecting Jobs, Small and Medium-sized Enterprises, and the Most Vulnerable Productive Sectors

The third pillar of the UN framework pertains to economic recovery. The following section attempts to outline the expected implications for MSMEs as significant employers and contributors to the economy. Furthermore it looks at the significant impact COVID-19 is having on the tourism and hospitality industry, a key contributor to Botswana’s GDP,\(^\text{18}\) but also a significant contributor to sustainable natural resource management and job creation across the vast geographic area of the country. The largest contributor to the economy and key exporter is the mineral sector and recent projections show an expected loss of revenue from BWP 20 billion to BWP 6.7 billion in 2020/2021.\(^\text{19}\) Whilst this analysis acknowledges the considerable impact of a declining mineral sector to the economy, a detailed analysis is yet to follow.

**Protecting Jobs and Micro, Small and Medium-Sized Enterprises (MSMEs)**

**Micro, Small and Medium-Sized Enterprises are a fundamental part of a dynamic and healthy economy.** They not only add to the growth of the private sector but contribute significantly to job creation both for skilled and unskilled workers in all sectors.\(^\text{20}\) MSMEs are a critical driver of poverty reduction and may also help narrow inequalities provided they create sufficient jobs. They have also shown to be critical in diversifying and transforming the economy, especially in a supportive regulatory and policy environment.\(^\text{21}\) These important contributions of MSMEs to the economy have been weakened since the advent of the COVID-19 with income and job losses due to the lockdown. It has

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\(^{17}\) Ibid.

\(^{18}\) In 2018, travel and tourism contribution share to GDP was 13.4% growing at an average annual rate of 4.42% when it was estimated at 6.8% in 1999. [https://knoema.com/atlas/Botswana/topics/Tourism/Travel-and-Tourism-Total-Contribution-to-GDP/Contribution-of-travel-and-tourism-to-GDP-percent-of-GDP](https://knoema.com/atlas/Botswana/topics/Tourism/Travel-and-Tourism-Total-Contribution-to-GDP/Contribution-of-travel-and-tourism-to-GDP-percent-of-GDP)


\(^{20}\) Unfortunately there is no data available on the overall contribution of SMEs to employment in Botswana.

also weakened the longer-term contribution of MSMEs to attaining the SDGs under the 2030 Agenda for Sustainable Development.\textsuperscript{21}

SMEs constitute approximately 90\% of all businesses in Botswana.\textsuperscript{22} Most of these SMEs are registered and form part of the formal sector, subjected to taxation, and providing pension or gratuity, paid leave, maternity leave, allowances, and medical services. Employment is therefore protected under schemes like the Minimum Wages Act and Factories Act.\textsuperscript{24} The operations of many of these businesses have been completely halted due to the lockdown, thus leading to income losses and most likely their inability to continue to pay wages of workers, loans owed to financial institutions, taxes to government, and payment of rental obligations to landlords.

Micro-enterprises on the other hand are mostly found in the informal sector, with no legal identities, formal accounts, or employee benefits and securities.\textsuperscript{25} Workers in the informal sector differ widely from those in the formal sector in terms of education and income levels, age, sex, levels of protection. They are therefore the most at risk during this crisis, hence would need direct attention from policy makers to prevent them from falling into poverty and being left further behind.

**Movement restrictions and extreme social distancing impact businesses differently.** Many of the MSMEs in Botswana are dependent on face-to-face customer interaction and worker collaboration, as they are found mostly found in the retail trade, services such catering, transport, personal care, car repairs, printing services and finance, construction and real estate, food processing, other manufacturing and crafts, mainly in tailoring and knitting, woodwork and metal work.\textsuperscript{26}

**Most of the businesses in the informal sector are financed from household savings or sale of assets.**\textsuperscript{27} They have limited liquidity and access to credit. According to Statistics Botswana, the informal sector businesses were found to be in areas such as wholesale and retail (47.4 percent), followed by manufacturing (14.8 percent) and real estate (11 percent). Informal sector businesses were concentrated in urban villages (48.8 percent), followed by cities and towns (26.7 percent) and rural areas (24.6 percent). Due to the State of Emergency and restrictions on movement, many are likely to lose their livelihoods. While shocks to economic activity will impact most workers, the informal workers are at greater risk of falling into poverty. This is particularly the case if restrictions on movement and business operations continue over a longer period of time as business investments and buffers are depleted.

**The COVID-19 has led to stock markets crashing, decline in foreign direct investment, travel and supply chain disruptions, introduction of state of emergencies and lockdowns, decline in national and business revenues.** With the announcement of the extreme social distancing policy and introduction of lockdown to prevent further spread of the COVID-19 in the population, MSMEs have

\textsuperscript{21} The magnitude and extent of these losses and impact would need to be further interrogated post-COVID-19 to provide more robust evidence for decisive policy and programmatic responses by government and development partners.

\textsuperscript{22} Statistics Botswana, 2016.


suffered dire consequences in terms of income and job losses and their continued ability to support poverty reduction, equality and job creation efforts. Few MSMEs had the required ICT infrastructure and know-how to move their businesses online, and only restricted economic sectors such as pharmaceuticals and food retail have been allowed to continue operations. Research indicates that the majority of MSMEs which are forced to close temporarily are unlikely to reopen in the absence of supportive measures. For instance, in India it has been estimated that nearly 20 million, or one-fourth of the MSMEs, will close permanently if the lockdown is extended beyond 21 days. MSMEs are likely to experience a similar situation in Botswana unless there is tailored economic stimulus support for their recovery after the crisis. Job cuts and/or losses in an economy that is already faced with a 17.6 percent unemployment rate, a 25.1 percent youth unemployment rate, a headcount poverty ratio of 16.3 percent and an income Gini-coefficient of 0.53, can have severe long-term social consequences such as increased multidimensional and income poverty, inequality and unemployment.

MOST VULNERABLE PRODUCTIVE SECTORS: Tourism and Hospitality

As of 6 April 2020, 96 percent of all world destinations had restricted travel. This meant that 209 destinations worldwide had adopted COVID-19 travel restrictions, including Botswana. The latest research from the World Travel and Tourism Council (WTTC) estimates that up to 75 million jobs are at immediate risk. The research reveals a potential Travel & Tourism GDP loss of up to $2.1 trillion in 2020. For Botswana, tourism and hospitality is the third largest contributor to the national economy, accounting for almost 12 percent of GDP. The sector is a key contributor to job creation, skills transfer and the development of new competencies.

In Botswana, the COVID-19 outbreak will likely overlap with tourism and hospitality peak season. The economic implications will likely be catastrophic on the sector’s contribution to economic growth particularly the lives and livelihoods of those dependent on the sector. Although it is too early to fully assess the impact of the pandemic in Botswana, it is clear that travel restrictions and declining demand for exports will have a significant impact on the economy and livelihoods of those directly involved. According to the preliminary survey conducted by the Hospitality and Tourism Association of Botswana (HATAB), the sector has suffered substantial losses. Already by end-March, it was reported that hotels were operating at less than 10 percent of their capacity. Extensive loss of business will likely throw many firms in the tourism and hospitality, predominantly the SMEs, into insolvency. The industry’s total employment stood at 19,165 in 2018 according to Statistics Botswana. This is however understated as it covered hotels and restaurants only. As a consequence, significant numbers of jobs will be lost, potentially pushing many households into poverty.

By some estimates COVID-19 could cost the tourism and hospitality industry more than 80 percent of its output. Since the outbreak of the virus, major events across the world have had to cancel. Botswana was set to host a series of international conferences and events in the first half of 2020, all of which have had to be postponed. Botswana Tourism Organization (BTO) has revealed that major upcoming tourism events such as the Toyota Desert Race and Khawa Dune Challenge run the risk of being cancelled.

The estimated number of accommodation facilities that remaining open to guests has dwindled from 1500 to just 25. This indicates that only 1.67 percent tourist accommodation facilities are operational. Of the 25 accommodation facilities still operational, almost all have remained open to facilitate the Government with quarantine facilities for persons who had arrived in-country as restrictions were being put in place. With most people having completed their 14-day quarantine and released, the number of facilities required will also drop. The remaining licensed tourist operations are virtually closed.

National Response

Botswana has outlined an economic response package estimated at BWP 4 billion (approximately 2 percent of GDP). The economic relief package has been designed with the objective of supporting the economy through the covid-19 pandemic, with focus on (i) support to workers; (ii) stabilization of businesses; (iii) ensuring availability of strategic reserves; and, in the medium-term, (iv) promotion of opportunities for economic diversification. To support workers, government will provide a wage subsidy (approximately BWP 1 billion) for citizen employees of all businesses mostly affected by COVID-19, for a period of three month, to enable them to retain employees. Measures to stabilize business and provide cash-flow relief, include Government guarantees on loans by commercial banks to businesses mostly affected by covid-19 (BWP 1 billion), facilitated access to credit and tax concessions (estimated at BWP 1.2 billion), including a deferral of 6 months for tax payments due between March and September 2020. To further assist with cash flow, all outstanding arrears for invoices will be paid within two weeks and VAT refunds to businesses will be expedited (BWP 500 million). A further BWP 475 million has been set aside to ensure the continued availability of strategic reserves such as medical supply/equipment and food (maize, sorghum, pulses, etc.) to Botswana as noted in the previous section. In order to finance the aforementioned measures, the government has set up a COVID-19 Relief Fund and invested seed capital of BWP 2 billion in the fund to fight against the spread of the pandemic. The government has invited contributions from all sectors.

Added relief has also been provided through the financial sector, with both the Bank of Botswana (BoB) and commercial banks introducing measures to improve liquidity. On monetary policy, the BoB has reduced the reserve requirement from 15 percent to 12.5 percent and to remove the 6 percent penalty for commercial banks to access credit from BoB Credit Facility, with the objective of lowering the cost of access to credit. The BoB’s reference rate was also reduced by 50 basis points to 4.25 percent to improve liquidity, with commercial banks required to make necessary interest rate adjustments with immediate effect, whilst the primary reserve requirement, which currently stands at 5 percent, will be revised to 2.5 percent effective 13 May in order to allow commercial banks to support economic activity. The monetary authority has also announced a new annual downward rate of crawl will be introduced to shield the Pula exchange rate and help support Botswana’s international competitiveness – key for the countries’ economic and export diversification agenda. Commercial banks will also offer a payment holiday for three months, with the option to extend to six months, to businesses in the affected sectors.

The Botswana Tourism Organisation (BTO) has called for bold and decisive measures to limit the extent of the damage to the industry and to lay the foundation for a speedy and effective post-COVID-19 recovery. Some of the strategies proposed include increased targeting of local and regional

31 http://econsult.co.bw/tempex/file/Econsult%20Economic%20Review%20-%202020%201st%20Quarter.pdf
markets, stronger reliance on digital marketing and social media, as well as a stronger emphasis on sustainable tourism. It will require decisive leadership, effective coordination, efficient execution, and active and close monitoring.

Key recommended policy options

- Develop policies focused on reducing operating costs through economic stimulus package put in place by the government;
- Promote work resumption with detailed measures of adhering to safety and precaution measures for the safety of clients and workers;
- Undertake a comprehensive assessment of the impact of COVID-19 on the economy after the lockdown to define the hardest hit sectors in both the formal and informal sectors and those with the largest potential for job creation and economic recovery to strategically support their recovery and operations;
- Protect productive assets and employment for youth, women and people with disabilities who may risk being left further behind through an effective assessment and policy response;
- Explore the extent to which the private sector could reprofile their businesses to meet some of the health needs of Botswana.
- Provide interest-free loans for informal sector workers and Micro Enterprises;
- Establish grace periods for loan repayments and/or extend repayment periods;
- Undertake a comprehensive diagnostic to understand the factors, characteristics, causes and circumstances of informality in Botswana to help inform the design and implementation of policies, laws and regulations and programmes to facilitate the transition from informal to the formal economy.
- Develop MSMEs’ digital capacity and online sales channels to help them shift the focus of the manufacturing sector, while at the same time improving their technological and management capacities.
- Invest in and develop the digital economy and digital finance to reach the length and breadth of Botswana;
- Invest in innovation, research and development to identify medium and long-term market opportunities to accelerate the transformation and upgrade of MSMEs, as well as strengthen resilience of the other sectors of the economy.

4 MACROECONOMIC RESPONSE AND MULTILATERAL COLLABORATION

The following section speaks to the fourth pillar of the UN Framework. It provides an overview of the main transmission channels through which the global demand slowdown brought about by the COVID-19 pandemic, and accompanying trade restrictions and falling commodity prices, will impact Botswana’s economy and the expected trend on key macroeconomic aggregates.

Economic activity and growth

Botswana’s economy is set to contract sharply this year. Developments in the diamond mining sector and the global diamond industry are of crucial importance to Botswana’s economic prospects, given the sector’s significant contribution to exports, government revenues and gross domestic product (GDP). As evidenced through analysis of previous growth trends, episodes of challenging conditions
for the diamond industry have translated into growth contractions for Botswana – such as the 8 percent growth contraction experienced in 2009 when the global financial crisis led to diamond mine closures. Since then, the growth of diamond beneficiation activities in Botswana has meant that the industry has become more integrated with other sectors of the economy, such as manufacturing, wholesale and retail trade, and finance and business services, suggesting that a COVID-19 induced global slowdown in the diamond industry could have a significant negative impact on overall economic activity. Whilst increased uncertainty around the extent and duration of constrained economic activity, impact on productive capacity and speed of recovery make forecasting challenging, the authorities have advanced that the economy is expected to contract by 13.1 percent in 2020, before rebounding to 3.9 percent in 2021.

Restrictive policy measures will also have an impact on the broader economy. Botswana is currently in a State of Emergency with businesses operating under restrictive conditions associated with social distancing measures. Inherently, such restrictions are expected to reduce aggregate demand and have an impact on overall economic activity. Foreigner-orientated sectors, such as tourism and hospitality noted above, are likely to experience a double blow as travel restrictions and growing uncertainty about the virus keeps visitors away.

Trade
Weak global demand and heightened trade restrictions will have a significant impact on export earnings. Botswana’s export basket concentration, with diamonds accounting for an average 80 percent of total goods exported between 2010 and 2018, means that export earnings are likely to follow a similar fate as in 2015 when low demand and falling prices hit the global industry. Still

32 Diamond related activities appear in other sectors as follows: manufacturing (diamond cutting and polishing), wholesale and retail trade (diamond trading) and finance and business services (diamond sorting and valuing).
33 The contraction in 2020 is attributed to a sharp decline in real output in major sectors like mining (-33.3 percent), trade and hospitality (-32.2 percent) and manufacturing (-10 percent), amongst others.
34 After a record high year in 2014, waning demand and slumping prices in 2015 resulted in an oversupply of diamonds in the global market. In Botswana, a 20 percent reduction in diamond exports resulted in a 17 percent fall in overall export earnings.
healing from the weak sales experienced in 2019 that led to a 20 percent reduction in overall diamond exports, rough diamond sales fell by 65 percent in February 2020 compared to the previous month as demand from China slumped following the virus outbreak.\textsuperscript{35} Reduced demand and dampened economic confidence, especially in key diamond export markets such as China, India and Europe, are expected to affect appetite for the precious commodity going forward. Diamond \textit{sights}, and consequently sales in 2020, will be conditioned by global travel restrictions and continued protective measures are expected to have an impact on diamond trade.\textsuperscript{36} Hitherto, 3 \textit{sights} have been cancelled and the authorities’ recent projections on mineral revenues show an expected loss of revenue in the range of BWP 20 billion to BWP 6.7 billion in 2020/2021. Restrictive measures will also undermine service exports, and in particular those associated with the tourism industry (travel represents over 50 percent of all service exports).

\textbf{A lower import bill is unlikely to compensate for expected export losses.} Spending on fuel imports, which accounted for approximately 14 percent of Botswana’s import basket in 2018, equivalent to about US$ 800 million, is expected to narrow significantly in 2020 given slumping fuel prices and reduced economic activity. Restricted economic activity may also contribute to reducing the import bill, with the slowdown in the diamond industry and reduced \textit{sights} likely to result in lower diamond imports. Despite this, growing needs for health care equipment and the Government’s commitment to ensuring availability of food products is likely to counter potential gains of lower fuel and manufacturing imports.

\textbf{Consequently, Botswana’s current account deficit is set to widen in 2020.} Having remained positive since 2013, Botswana’s current account was already expected to slide into deficit in 2019 due to the impact of challenging conditions faced by the diamond industry on exports and declining SACU receipts. Whilst SACU transfers for 2020/21 could provide some cushioning this year given the existing revenue distribution mechanism,\textsuperscript{37} these will not be enough to offset the expected losses in export earnings and likely reduction in foreign investment, thus adding further pressures to Botswana’s reserves. Despite this, reduced regional economic activity and growth contractions could lead to sizable reductions in the SACU pool over the coming years as well as through retroactive adjustments.\textsuperscript{38}

\textsuperscript{35} Whilst the industry experienced a slight recovery in January 2020 with rough diamond sales registering US$ 400 million, from US$ 28 million in December, and 900m in Q1 2019, the virus outbreak in China led to a reduction in a 65 percent reduction in February’s sales (to US$ 140 million). Rough diamonds make up over 80 percent of diamond exports.

\textsuperscript{36} Global Sightholder Sales (\textit{sights}) relocated from London to Gaborone in 2013. Rough diamonds are sent there from De Beers Group’s operations in Canada, Botswana, Namibia and South Africa, after being sorted into more than 10,000 categories. De Beers holds \textit{sights} 10 times a year – during these sales period, customers are able to inspect the rough diamonds offered to them before deciding what to buy.

\textsuperscript{37} All customs, excise and additional duties (trade taxes) collected in the SACU Common Customs Area are paid into the Common Revenue Pool and shared among member states. Member states’ share of the pool is disbursed or determined in accordance with the SACU Agreement’s revenue sharing formula.

\textsuperscript{38} As illustrated in the analysis carried out in \textit{Fiscal Rules: Coping with Revenue Volatility in Lesotho and Swaziland prepared by Jiro Honda, Fernando Im, Natalia Koliadina, Murna Morgan, Manabu Nose, Cesar Sosa Padilla, and Jose Torres. – Washington, D.C.: International Monetary Fund, 2017.}
Government finances

**Revenue collection is expected to come in 22 percent lower than initially budgeted.** The 2020/21 Budget outlined actions to restore Botswana’s fiscal balance, with a focus on intensified revenue optimization, enhanced efficiency in collection and adjustments in fees, charges and levies which had not been revised for a considerable amount of time. However, reduced economic activity and measures to support the economy, including tax deferrals, have led the authorities to revise expected revenue collection for the fiscal year. Mineral revenues, which typically account for a third of overall domestic revenue collection and narrowed by almost a third in 2015/2016 following the lull in the diamond industry, are also expected to contract significantly. This, along with added spending requirements, is set to put a strain on Botswana’s fiscal position. Increased need for medical supplies, announced measures to support households (including wage subsidies, clearance of supplier arrears and a buildup of strategic reserves) and the likely increase in social protection transfers to more vulnerable households will place added pressures on the budget. Whilst the authorities have advanced plans to curtail spending, including a pause in the previously planned salary increase, lower transfers to SOEs and a reduction development expenditure, the fiscal deficit is set to widen from a planned 2.4 percent of GDP to at least 5 percent of GDP, and cause Botswana to deviate from its planned fiscal consolidation. The likely larger fiscal deficit will require added financing, which is expected to be covered through a combination of further drawdowns of the Government Investment Account (GIA) and increased domestic borrowing given the country’s relatively low debt levels, with the authorities having already advanced that planned bond issuances are expected to double in 2020.

It is important to note, however, that this pandemic occurs at a time of weakened fiscal and external buffers, characterized by consecutive fiscal deficits and a gradual

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39 Government estimates suggest that Mineral revenues could fall by close to 70 percent, on the assumption of cancellation of Debeers’ diamond sights 3-5 and more muted outcomes from sights 6 and 7.

40 Current debt levels are below the gross debt ceiling of 40 percent of GDP (20 external: 20 domestic), thus allowing the country to obtain other financing without depleting current buffers completely. However, strengthening of the debt management framework will be key to safeguard the budget from debt-servicing pressures in future years.
decline in international reserves, and that drawdown of the GIA should be carried out in a balance manner to preserve inter-generational equity.

National Response
See National Response under section 3.

Policy Options
- **Increase fiscal spending on health** to strengthen and safeguard the existing system;
- **Review and improve the design of existing social transfer programs** to avoid fiscal leakages and enhance the efficiency of spending;
- **Protect existing fiscal buffers** by instilling prudent fiscal policy to govern the drawdown of the GIA;
- **Revamp existing Debt Management Practices**, with financing decisions based on the level of existing fiscal buffers and the financial opportunity cost of issuing debt against drawing down of buffers;*41*
- **Promote fiscal and monetary policies that support economic diversification** to contribute to the growth recovery;
- **Review of national curriculum to match job demands** with relevant skills set, tourism targeting regional niche.

5 SOCIAL COHESION AND COMMUNITY RESILIENCE

The fifth and last pillar of the UN Framework pertains to issues of social cohesion and community resilience. It is our communities that will bear the brunt of the socio-economic impact of the crisis. Social capital is a key resource that makes people resilient to risks and requires dedicated investment. Botswana recognizes this through the national guiding value of Botho and the role of traditional leadership in ensuring strong and resilient communities. Social capital and dialogue must be protected despite the urgency of responding effectively and efficiently to the crisis. The following section looks at the interplay between State and community when responding to crisis and the potential impact these dynamics have on the resilience of communities and their ability to support flattening the curve and engaging in longer-term recovery. It is possible to safeguard public health and the economy while upholding human rights and protecting human dignity; the principles are mutually supportive not contradictory.

**Rule of law principles and human rights provide the necessary guiding framework for the exercise of power, even during a state of emergency.** The fundamental principle of rule of law (whether in an emergency context or not) is that States must exercise powers applying the principles of legality, legitimacy, necessity and proportionality. On 31 March 2020, H.E the President of Botswana issued an Emergency Proclamation to proclaim a state of public emergency, pursuant to section 17(1) of the Constitution. This proclamation followed Constitutionally established procedures including convening the National Assembly which approved a six-month state of public emergency pursuant to section

*41 Building on recommendations outlined in the IMF’s most recent Article IV Staff Report (2020).
17(2) and (3) of the Constitution. Regulations have since been promulgated and published to provide the necessary legal framework during the state of public emergency. The Emergency Regulations do restrict or limit the full enjoyment of some fundamental human rights such as the freedom of movement, freedom of association and assembly and democratic rights. Examples include quarantine, restriction on visits to prisons, restrictions on the publication of information relating to COVID-19 and suspension of elections. These restrictions have been justified as necessary to prevent the further spread of COVID-19. H.E the President of Botswana recently announced a plan for the phased easing of ‘extreme social distancing’ restrictions. These efforts are commendable, and the legality, legitimacy, necessity, reasonableness and proportionality of all emergency powers should continue to be assessed on a regular basis throughout the state of public emergency.

Botswana has a long tradition of consultation and inclusive policymaking through the kgotla system. According to the Constitution of Botswana, the Ntlo ya Dikgosi shall consider Bills (draft laws) impacting on customary law and customary courts but not specifically in relation to emergency regulations. However, the Constitution does provide that Ntlo ya Dikgosi may also be consulted by any Minister in respect of any matter and this provides scope for close engagement on COVID-19 issues. In addition to engagement between the State and traditional leaders, civil society inclusion and participation (including vulnerable and marginalised groups) is essential to ensuring COVID-19 prevention and response is targeted and effective. Civil society needs a ‘voice’ in decision making platforms. BOCONGO is the CSO representative on the COVID-19 PCTT. A platform for CSO engagement, chaired by BOCONGO, is currently being established to provide a conduit of information between civil society and decision makers. Various civil society coalitions are also forming around specific issues such as human rights monitoring and gender-based violence. BOCONGO and decision makers should engage with these coalitions and with relevant CSOs including disabled persons organisations to ensure effective inclusion and participation in decision making platforms and that information flows into and out of these channels.

Open and transparent communication and public education is essential. The entire population must have access to public information including people with disabilities, illiterate people, communities who may not be fully conversant in English or Setswana (e.g deaf people, asylum seekers and refugees) as well as youth and children. Accessible formats include braille, closed captioning, large print, sign language, screen reader friendly content and easy language. Communities hold the key to flattening the curve and will engage better with measures and guidelines for responding to the pandemic when equipped with the right information in a format that can be understood. The Government of Botswana does not currently have an online platform or website for the publication of laws, policies and Government Gazettes but information is being disseminated through a dedicated COVID-19 page on the Botswana Government website, a Facebook page with over 500,000 followers, national television, radio and print media. Various hotlines have been established to disseminate COVID-19 related information and to respond to issues such as GBV.

The poor and vulnerable segment of the population are the most affected by restrictions imposed due to COVID-19. Botswana has high inequality and poverty levels and the loss of employment (particularly in the informal sector), the price and availability of food and essential supplies and restricted access to health, water and sanitation will seriously impact these groups. In addition, as households struggle to deal with the impact of COVID-19, community systems and structures will suffer, weakening the social capital of those who need it the most.
**Stigma and discrimination:** Stigma, discrimination and xenophobia also reduce social cohesion and are against the national principle of Botho. The Government has conducted some public awareness around the need to reduce stigma including issuing a Public Advisory. However, these sentiments continue and are often targeted at people from areas with confirmed cases of COVID-19 and foreigners including migrant workers (documented and undocumented), asylum seekers and refugees. The COVID-19 virus knows no boundaries and stigma, discrimination and xenophobia will only reduce the effectiveness of prevention and response strategies.

**Access to justice:** Prior to COVID-19, the justice system was under some pressure leading to backlogs in the courts including significant delays in criminal cases leading to long periods of pre-trial detention. COVID-19 is likely to increase pressure on the justice sector including police, prosecution, lawyers and the courts, due to COVID-19 issues (GBV, breaches of emergency regulations, contractual, land, employment, family law) can increase social tensions and economic and social hardships. A weakened justice sector can result in social conflict and a breakdown in law and order. During COVID-19, lawyers may seek permits to operate as essential workers and the courts remain open to hear ‘extremely’ urgent applications (including domestic violence, bail, serious crimes and child maintenance). An increase in caseload combined with the reduced operations of the courts and legal profession will have a serious impact on the delivery of justice, noting the existing backlog of cases in the court system and the current moratorium on non-urgent cases. In the absence of a national human rights institution, there is no public institution with the express mandate to receive complaints of human rights violations. However, the Human Rights Unit at the Office of the President has a human rights coordination mandate and a coalition of CSOs has established a hotline to encourage reporting.

**National Response**

The Government of Botswana declared a State of Emergency at the outset of the crisis, following constitutionally established procedures. In doing so, it made efforts to promulgate and publish State of Emergency regulations and fielded a public education campaign, including issues of stigma and discrimination. Courts have remained open to hear ‘extremely’ urgent applications (including domestic violence, bail, serious crimes and child maintenance). Several toll-free numbers have been established for GBV referrals, psycho-social support and general enquiries.

**Policy Options**

- **Modify or lift restrictions when no longer justified as necessary, reasonable and proportionate, to restore full fundamental rights and freedoms** as guaranteed in the Constitution of the Republic of Botswana and the international treaties to which Botswana has subscribed;

- **Coordinate human rights monitoring efforts through the Human Rights Unit in the Office of the President**, utilizing the existing human rights monitoring database and coordinating extensively with a coalition of civil society organisations and the LEOCs, reporting to NEOC. Community Based Monitoring Village Scorecards administered by GICO can be modified for COVID-19 with a specific focus on essential services such as access to food, health, education, housing, information, water and sanitation. The Ombudsman Office has a role to play in monitoring prisons and places of detention and maladministration;
➢ Accelerate efforts to coordinate the online publication of the laws, policies and public documents of Botswana, through the BotswanaLII website, to ensure that all relevant information (including but not limited to COVID-19 information) is publicly accessible to those with internet;

➢ Publish information in accessible formats and in community languages to ensure that all target populations have access;

➢ Promulgate regulations to prohibit stigma, discrimination and xenophobia, similar to the prohibitions on the sale of alcohol and tobacco;

➢ Fast-track certain legal disputes, including through the use of alternative dispute resolution and court ordered mediation. Legal Aid Botswana lawyers and lawyers from the Law Society of Botswana could be engaged to provide ‘duty lawyer’ services to facilitate the efficient and effective resolution of fast-tracked disputes. A review of detainees in pre-trial detention and a process for release in accordance with transparent guidelines should be prioritized.

➢ Promote tailored, community-led solutions and responses aimed at strengthening resilience. These could include community-based service delivery, participatory planning and local oversight of services as well improving the resilience of cities and communities to withstand shocks, whether from economic downturns or climate related disasters.

6 BUILDING BACK BETTER

The impact of COVID-19 is being felt across the globe with potential long-term ramifications for society, economy and the environment. With the onset of a global recession, hard fought development gains are likely to be reversed in the absence of strong and comprehensive counter-measures. The pandemic has exacerbated existing inequalities and exposed structural fragilities in its wake. While reduced economic activity has demonstrated the immediate benefits to the environment, in the form of less hazardous pollution, especially in urban areas, it is incumbent upon governments and society that a ‘new normal’ be sought and not a return to ‘business as usual’. Policy choices made in the coming months by countries and by the global community will profoundly shape the future of communities and societies. They can shift development toward more sustainable, equitable and resilient pathways – or result in backtracking. A return to unsustainable pre-crisis development paths should be avoided. Concerted efforts must be made to reduce long-term risks through a careful reassessment of economic, social and environmental practices.

Post-pandemic, a new social contract will be needed, featuring greatly reduced inequalities and strengthened resilience to shocks. The pandemic has exposed the vulnerabilities and inadequacies inherent in current systems. A new social contract needs to emerge from this crisis that rebalances deep inequalities prevalent in societies. This calls for systemic changes to not only policy frameworks, but also to societal behaviours that encourage a rebalancing of priorities. Greater investments need to be channeled toward sustainable human development. Social protection and investing in people, especially those left behind, needs to figure high on the agenda. Informality requires going beyond schemes covering the formal economy to ensure that support reaches those who need it the most. In many respects, Botswana is a trailblazer; it invested in its people and was the region’s early
development success story. However economic success has come at the expense of high levels of economic and social inequality and the country’s focus during the response and recovery phases should shift toward those segments of the population that are least protected and therefore most vulnerable and exposed to shocks. The recovery effort should in effect be viewed as an opportunity to reduce inequality.

The response will need to set the stage for additional elements of a strategy to “build back better”. COVID-19 comes against the backdrop of an escalating climate crisis and an unsustainable model of development based on ever-growing exploitation of natural resources and greater use of fossil fuels that pushes against the limits of natural systems. Rapid urbanization, increased density of human settlements, unsustainable changes in land use, and growth in animal-sourced products, coupled with the destruction of animal habitats on land and underwater have all contributed to zoonosis – jumping the species barrier to humans, which gave us COVID-19. This analysis calls for rebuilding systems better by attending to social and environmental aspects that are critical on a decade-long horizon to attain the SDGs.

Long-term SDG-driven strategic thinking needs to drive a global “building back better” vision, to develop differently. To build back better in the COVID-19 response and recovery phases, governments can shape their fiscal measures to stimulate inclusive and sustainable development, recognizing and adequately responding to planetary boundaries, and strengthening their public healthcare and social security systems. The emergence of COVID-19 has underscored the relationship between people and nature, educating us that unsustainable paths cannot be sustained. It is in the interest of humanity to shift away from unsustainable practices that are set to trigger further crises.

Policy options

- **Strengthening capacity of Statistics Botswana to collect timely data to inform policy choices** The SDGs provide a comprehensive framework to achieve a more resilient and sustainable future. However, data limitations obscure and neglect critical development deficits. More granular and disaggregated data would not only drive improved targeting of vulnerable groups in the short-term, but also facilitate tracking longer-term progress on priority goals and targets\(^{42}\) that collectively aim to turn the economy around, while ensuring inclusive, and rights-based actions that promote social cohesion.

- **A whole-of-society approach is needed to build back better.** Whole-of-society actions, social cohesion and solidarity are crucial for resilience against the compound shocks and “building back better”. Building ‘actionable coalitions’ during the current pandemic, where governments are overwhelmed and are unable to adjust systems quickly, such community-based support is playing a critical role. Donations and volunteering to support health workers and affected people, mobilization of the private sector for social causes and many forms of online mutual support in the age of social distancing are taking place across the world. Active engagement of the private sector is crucial for more effective mobilization of resources for sustainable development across the region and beyond – be

\(^{42}\) For instance, track lagging SDGs and put in place measures to support their acceleration in line with the findings of the MTR of NDP 11.

it SDG financing, providing access to innovative technology through investment, or providing know-how and strengthening human resource and institutional capacity.

- **Strengthening resilience**, through reassessing critical elements of the economic model, including just-in-time production cycles and fragile supply-chains. It will be critical to build redundancy into such systems shifting toward models that take risks and shocks into account, for example by building local capacity for domestic sourcing of goods and services where Botswana is likely to be competitive. Moreover, the recovery phase provides an opportunity to make a gradual shift toward sustainable and inclusive practices that reduce the carbon footprint, protect natural capital, ensure gender equality and inclusion, and strengthen the capacity of national and sub-national governments, institutions and community structures.

- **Support for strong multilateralism and regional coordination, especially around trade, financing for development, and climate change.** International coordination is needed in the recovery from the crisis – in mobilizing resources to cushion the impacts of COVID-19 and reviving trade. The global emergency calls on countries to coordinate globally to address long-standing issues around trade, financing for development and climate change. Unsustainable practices that lead to extreme disparities and environmental degradation need to be looked at afresh in light of COVID-19. Universal healthcare, quality education, digital connectivity, and equal opportunity need to figure as (global) public goods that drive countries toward attaining the SDGs. Moreover, the national post-COVID-19 strategy should inform and be informed by regional strategies (for example, SADC). Certain critical issues such as procurement of medicines, transit and trade facilitation, regional local content rules as well as industrialization strategies would require close regional and international collaboration.