



Budget Briefing

BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS

2025 BIDPA BUDGET BRIEF

BUDGETING FOR EFFECTIVE ANTI-CORRUPTION INITIATIVES IN BOTSWANA

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1. SUMMARY

Corruption remains a significant challenge to governance and economic development in Botswana. To tackle this issue, strategic budgeting is essential to ensure that anti-corruption agencies, such as the Directorate on Corruption and Economic Crime, Office of the Auditor General, Financial Intelligence Agency, and Ethics and Integrity Directorate, have the necessary resources to operate independently and efficiently. This Budget Brief examines how enhancing accountability and transparency in budgeting can improve the effectiveness of Botswana's anti-corruption initiatives. Its thematic focus is on Phase 1 (Halting the financial haemorrhaging in Government) of the Government of Botswana's strategy to build an inclusive economy.

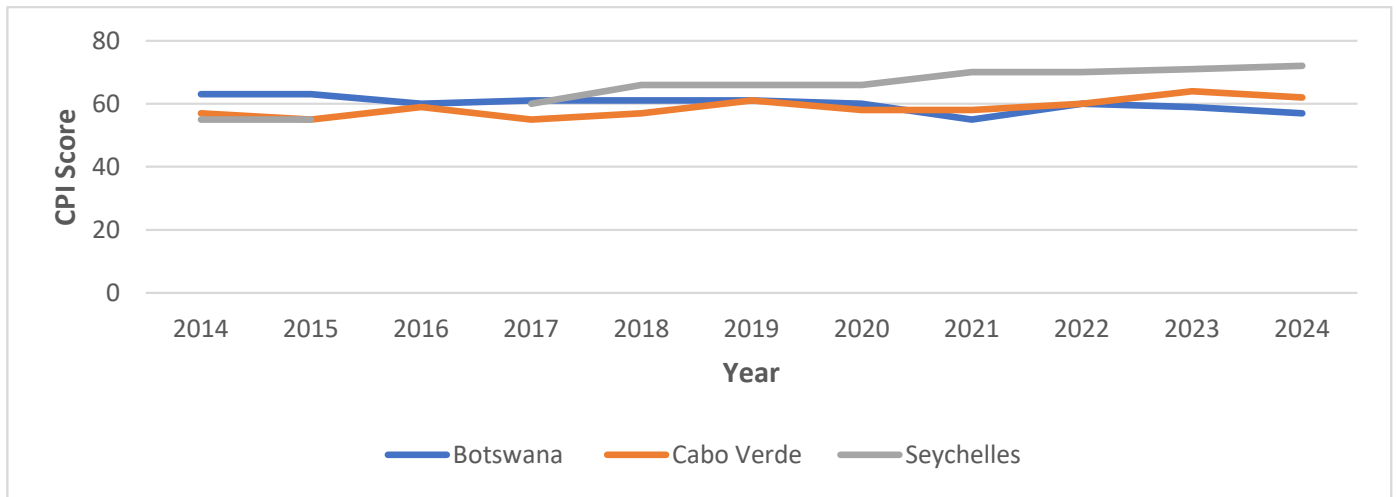
2. CORRUPTION, LEAKAGES AND FINANCIAL MISMANAGEMENT IN THE PUBLIC SERVICE

In his inaugural Budget Speech, the Minister of Finance and Economic Development, Mr. Ndaba Gaolathe, painted a grim picture concerning Botswana's economic climate. An environment characterised by severe fiscal constraints, declining government revenues, and slow and jobless growth. The government machinery is described as one "plagued by deeply entrenched systemic inefficiencies that have crippled progress and development" (Republic of Botswana, 2025:2).

Understanding the distinctions between corruption, leakages, and financial mismanagement is critical for promoting transparency and accountability in the public service. Corruption, commonly defined as the abuse of entrusted power for personal or private gain, erodes trust,

hampers economic development, and further exacerbates inequality and poverty (Transparency International, N.D). Leakages refer to unintended loss of government revenue resulting from procedural inefficiencies (Dikgale, 2022). Similarly, financial mismanagement denotes the poor management of public funds (Rangongo et al., 2016) due to incompetence, insufficient oversight, or failure to follow financial regulations. Not only has the country regressed in key sectors such as health and education, but also in its efforts to manage corruption in the public service. Recent results of the 2024 Corruption Perceptions Index (CPI) indicate that Botswana's standing has declined and is now inferior to that of countries such as Seychelles and Cabo Verde (*see Figure 1*).

Figure 1: Corruption Perceptions Index (2014-2024)¹



Source: Author, compiled with data from Transparency International (2014-2024)²

Botswana achieved a score of 57 on the 2024 CPI, positioning it as the third least corrupt country in Africa, following Seychelles (72) and Cabo Verde (62). Since overtaking Botswana in 2018 as the continent's least corrupt country, Seychelles has shown a consistent upward trend in its score. In contrast, Botswana's score has varied over the years, peaking at 63 in both 2014 and 2015 before declining to 55 in 2021. Cabo Verde has also experienced fluctuations in its performance, yet its score has shown a gradual improvement.

A culture of institutional corruption in Botswana's public service has enabled inefficiencies, mismanagement, and significant revenue leakages or losses across all sectors of the economy (Republic of Botswana, 2025). Notable instances of revenue loss include approximately P765 million owed to local authorities in property rates and P27.9 million in service levies. Additionally, revenue collection at the subnational government level has been inadequate, achieving only an average of 56% of the targeted collection for the financial years 2023/2024 and 2024/2025. The overall state of public financial management systems, practices and processes has deteriorated significantly over time. This decline is particularly noticeable in the prioritization of development projects, procurement processes, implementation of mega-projects, project monitoring, transparent payment systems, and equitable economic decision-making. As a result, these inefficiencies have resulted in persistent financial losses in recent years and have cultivated a culture characterized by recurrent supplementary budget requests.

Numerous audit reports issued by the Office of the Auditor General reveal significant deficiencies in consequence management within the public service. Commonly identified issues include irregularities in the use of public funds, such as unaccounted expenditures, unauthorised payments, poor record keeping, inefficiencies in revenue collection, and insufficient financial controls. Furthermore, the failure to enforce audit recommendations, coupled with weak oversight mechanisms and non-compliance with financial regulations, contribute to a culture of non-accountability, thereby eroding transparency and public trust in financial management practices (Office of the Auditor General, 2023). These shortcomings create an environment conducive to fraud, bribery, cronyism, and nepotism, particularly in procurement.

The Directorate on Corruption and Economic Crime (DCEC, 2023) has expressed ongoing concerns about budget limitations that hinder its operational effectiveness, particularly in conducting investigations and implementing corruption prevention initiatives. For the financial year 2023/2024, the DCEC's recurrent budget was set at P144,883,410 (approximately USD\$10.5 million), alongside a development budget of P7,300,000 (approximately USD\$529,000). These figures reflect an increase from the previous year's budgets, with the recurrent budget rising by 8.55% and the development budget experiencing a significant increase of 65%. The financial adjustment indicates a recognition of the need for enhanced funding to support the Directorate's critical mandate of combatting corruption.

¹CPI categories based on scores: High (0-29), Significant Corruption (30-49), Moderate Corruption (50-69), Low Corruption (70-89), Very Clean (90-100).

²Seychelles was not included in the 2016 CPI due to insufficient survey information.

https://images.transparencycdn.org/images/CPI_2016_FAQs_EN.pdf

3. ANTI-CORRUPTION REFORM PRIORITIES

The following key strategic areas have been identified by the Minister of Finance and Economic Development to address some of the pertinent corruption and financial mismanagement challenges facing the Government of Botswana:

1. Reviewing current procurement model
2. Enhancing transparency, integrity and accountability
3. Supporting a free media
4. Revising and approving the Draft National Anti-Corruption Policy
5. Protecting whistleblowers
6. Strengthening anti-corruption institutions
7. Efficiency in Process Initiative

It is expected that the identified priority areas will play a significant role in Phase 1 of the Government of Botswana's strategy to build an inclusive economy. This initial phase focuses on Halting the financial haemorrhaging in Government (Republic of Botswana, 2025), which involves enhancing governmental systems, reinforcing oversight institutions, and promoting increased participation from the private sector and society in economic activities. Subsequent phases include: Stabilization and preparation for take-off (**Phase 2**), Initial tangible steps of change (**Phase 3**), and Building a New Botswana (**Phase 4**). Table 1 below outlines the key initiatives of Phase 1, highlighting the critical need to rectify financial inefficiencies within the government.

Table 1: Priority Focus Areas Under Phase 1

Priority Area	Initiative
Improving government systems	<ul style="list-style-type: none"> • Supplementary budget requests to strictly cater for unforeseen requirements or emergencies. • Implement Efficiency in Process Initiative to drive revenue collection and address existing revenue leakages.
Strengthening oversight institutions	<ul style="list-style-type: none"> • Enhance role of Public Procurement Regulatory Authority to ensure it promotes fairness and transparency in Government procurement. • Strengthen procurement model and create seamless access to procurement opportunities through development of Public Procurement Data Portal. • PPRA to conduct comprehensive audits of the projects under the Development Manager Model, Central Medical Store (CMS), and other infrastructure projects at key SOEs. • Specialised forensic audits to be conducted by oversight bodies (i.e., DCEC, Office of the Auditor General, Public Enterprises Evaluation and Privatization Agency, and the Botswana Accountancy Oversight Authority). • Operationalising an Institute for Combatting Illicit Financial Flows in collaboration with the University of Botswana.
Enhancing participation of private sector and society in the economy	<ul style="list-style-type: none"> • Dismantle barriers and regulatory processes that hinder economic participation and stifle innovation. • Strengthen institutions responsible for licensing and regulatory oversight to address structural and market barriers.

Source: Author, based on Minister's Budget Speech (2025)

4. KEY BUDGET PRIORITIES FOR EFFECTIVE ANTI-CORRUPTION INITIATIVES

For Botswana to effectively combat corruption, the national budget must allocate adequate resources to strengthen institutions, enhance transparency and build public trust. Below are key budget priorities that could be considered.

1. Strengthening Oversight Institutions: The DCEC, Office of the Auditor General, Financial Intelligence Agency, and Ethics and Integrity Directorate represent some of the key institutions in Botswana's anti-corruption framework. However, these institutions often lack the financial and human resources needed to operate effectively. Therefore, it is recommended that budget priorities should focus on increasing funding to these institutions. For instance, increased funding for the DCEC would enable it to recruit more skilled personnel or invest in capacity building programmes for its investigators, expand its presence across the country by establishing more offices, procure forensic tools to track illicit financial transactions and other transnational economic crimes, as well as facilitate partnerships with similar entities in other jurisdictions.

2. Whistleblower Protection: The Whistleblowing Act, enacted in 2016, aims to encourage individuals to report wrongdoing and protect them from retaliation or reprisal. Nonetheless, insufficient awareness of the Act (Omotoye, 2022) and a general mistrust in government processes (Isbell and Seabo, 2020) can hinder whistleblowing efforts. Therefore, it is essential to allocate resources for the DCEC to implement public awareness initiatives and create a comprehensive whistleblower protection fund to assist those who encounter threats.

3. Enhancing Integrity in Public Procurement Processes: Public procurement remains one of the most significant sources of corruption in Botswana. Large-scale or mega-projects and public procurement attract opportunities for bribery, collusion and insider-trading. It will be critical for the Public Procurement Regulatory Authority to work closely with procuring entities and other oversight bodies to monitor public contracts. The Public Procurement Data Portal should publish all large-scale contracts online, including details on bidders, selection criteria, and implementation progress. Real-time audit mechanisms should be introduced to track public funds and mitigate opportunities for abuse in procurement projects. The ongoing review of the Development Manager Model initiated by the Government is expected to bring about some reforms to the procurement of megaprojects.

4. Strengthening Asset Recovery and Illicit Financial Flows Monitoring: Recent reports from the DCEC indicate an increase in money laundering cases. This suggests that individuals benefiting from illicit public funds are employing methods such as money laundering, offshore accounts, or real estate acquisitions to conceal these gains. It will be important for the Government of Botswana to strengthen asset recovery mechanisms. This could be achieved by increasing funding for forensic audits and investigations to trace hidden assets

and ensure the strict enforcement of the Declaration of Assets and Liabilities Act (DALA) of 2019.

5. Increasing Transparency: Increasing transparency in government processes is critical to promoting public trust, efficiency and effectiveness. Botswana's score of 39 (out of 100) in the 2023 Open Budget Survey indicates that the country provides insufficient information on how central government raises and spends public resources.¹ Freedom House (2024) adds that budget processes are opaque and public contracts are often awarded through patronage networks. Botswana is yet to enact a freedom of information law, which stifles social accountability and effective public oversight. The use of Artificial Intelligence and information and communications technology (e.g., SmartBots) can significantly enhance transparency, accountability, and efficiency in government operations by automating processes, reducing corruption risks in procurement, and improving public access to information.

6. Political Party Funding: Political party funding is essential in shaping democratic processes. The Political Party Funding Act of 2024 establishes a framework for the regulation and financial support of political parties, aimed at promoting fairness, transparency, and accountability in political party funding. Parties that secured 5% or more of the total votes in the 2024 General Elections will share 50% of the allocated P34.6 million for party funding, while the remaining 50% will be distributed according to the number of seats won in the National Assembly. Nevertheless, there are proposals for amendments to the Act to create a more equitable funding structure for parties that do not meet the 5% threshold. The implementation of political party funding in Botswana is vital for strengthening democracy by promoting a more equitable political landscape.

7. International Cooperation: Botswana participates in regional collaboration with neighbouring countries' anti-corruption agencies, and organisations such as the Southern African Development Community and the African Union Advisory Board on Corruption. Nonetheless, the country faces challenges due to insufficient international extradition arrangements and ineffective asset recovery mechanisms. The DCEC requires additional resources to explore opportunities for expanding its network and establishing relationships with international entities, including the Organization for Economic Cooperation and Development. The DCEC (2023) notes that efforts will be made to engage development partners to support anti-corruption initiatives, as well as reprioritize its budget to achieve key outcomes.

³ The Open Budget Survey measures and compares transparency, oversight and participation in national budgets. <https://internationalbudget.org/open-budget-survey/open-budget-survey-2023>

5. INSIGHTS FROM OTHER JURISDICTIONS

Singapore – The Corrupt Practices Investigation Bureau

Singapore's Corrupt Practices Investigation Bureau (CPIB) is widely regarded as a leading anti-corruption agency, recognized for its effectiveness in combatting corruption and thereby contributing to the country's remarkably low corruption levels. The CPIB is tasked with investigating corruption across both public and private sectors. The country's favourable performance on the CPI is largely attributed to the support, authority, and financial resources provided to the CPIB. For the fiscal year 2024, the Bureau had been allocated an operational budget of \$59,460,000 (approximately USD\$43,840,000). As reported by the CPIB (2024), the volume of corruption-related reports received and the number of cases initiated for investigation remain relatively low. Furthermore, the Bureau maintains a commendable investigation clearance rate (e.g., 84% in 2023), alongside an impressive conviction rate (e.g., 99% in 2023) for corruption related offences. In contrast, the DCEC has over the years been plagued by a backlog of cases (investigations that are five years or older) due to slow disposal (DCEC, 2023). In 2023, the DCEC's investigation clearance rate for corruption cases was approximately 37.2%.

Seychelles – Anti-Corruption Commission of Seychelles

In 2018, Seychelles surpassed Botswana on the CPI as the least perceived corrupt country in Africa. The Anti-Corruption Commission of Seychelles (ACCS) was established in 2016 following the enactment of the Anti-Corruption Act of 2016. For the 2024 financial year, the ACCS received an operational budget of R75,719,000 (approximately USD\$5,249,441), reflecting an increase of R22,456,000 or 42% from the previous year's budget of R53,263,000 (approximately USD\$3,692,000). In 2021, the Anti-Corruption Act was amended to strengthen the mandate of the ACCS, which included granting prosecutorial powers, streamlining the Advisory Board, and creating a Financial Forensics Department to conduct parallel financial investigations. Additionally, resources were allocated for the recruitment of new investigators and legal staff, as well as for the implementation of a new case management system and the digitization of the asset declaration process for public officials. Banoba et al. (2025) attribute the country's improvement on the CPI to the active pursuit of high-

profile cases of corruption, taking steps to improve beneficial ownership, transparency, and strengthening information exchange among law enforcement agencies.

The extensive body of literature regarding the efficacy of anti-corruption agencies underscores the need for these entities to possess a well-defined mandate, maintain full independence in their investigations, and receive sufficient resources. For instance, one of the fundamental Principles outlined in the Jakarta Statement for Anti-Corruption Agencies (UNODC, 2012) emphasizes that the selection process for the heads of these agencies must be conducted in an impartial, neutral, and apolitical manner, grounded in integrity. Furthermore, it is essential that the leaders of anti-corruption agencies enjoy security of tenure, with their removal occurring solely through legally established procedures that are comparable to those used for the removal of other key independent authorities that are legally protected, such as the Chief Justice.

In Singapore, the Director of the CPIB is appointed and dismissed by the President of Singapore on the advice of the Prime Minister. Although the law does not stipulate a fixed term for the Director, the two predecessors of the current Director, who took office in September 2024, each held their positions for five and six years, respectively. In Seychelles, the President appoints the Commissioner of the Anti-Corruption Commission based on recommendations from the Constitutional Appointments Committee. The Commissioner serves a term of five years and is eligible for reappointment. Conversely, the Director General of the DCEC is appointed by the President under terms deemed appropriate (as outlined in section 4[1] of the Corruption and Economic Crime Act). Notably, the Director-General lacks job security, allowing for potential removal by the President. The high turnover of DCEC Director Generals from 2017 and 2023 highlight severe weaknesses within the country's anti-corruption legal and governance framework, with five different individuals leading the Directorate during this timeframe.

In response to this irregularity, a key strategic initiative of the Government of Botswana, as articulated by President Advocate Duma Boko during his State of the Nation Address in November 2024, is to establish a strong and autonomous anti-corruption agency that is empowered to investigate, prosecute, and eliminate corruption at all levels of governance (Republic of Botswana, 2024). Critically, measures are being implemented to enhance the independence of the DCEC by detaching it from the Office of the President, thereby enabling it to report directly to the National Assembly. Additionally, there are ongoing efforts to revise the Corruption and Economic Crime Act to rectify existing deficiencies.

6. CONCLUSION

The 2025/26 budget is predicated on various economic uncertainties. While the budget aspires to generate employment, ensure fiscal sustainability, promote economic diversification, and enhance living standards, these goals must be pursued despite an anticipated overall budget deficit of P22.12 billion or 7.5% of GDP. Factors such as inefficient spending, corruption, revenue losses, and poor governance have exacerbated the country's current economic challenges. Several priority areas and initiatives have been identified to address these challenges through Phase 1 of the Government of Botswana's strategy to build an inclusive economy.

As the Brief highlights, it will be important for the Government to strengthen oversight institutions like the DCEC, FIA, PPRA, OAG and the EID to curb corruption, wasteful expenditure, money laundering, and illicit enrichment. Botswana's performance on the CPI reflects a lapse in the enforcement of its anti-corruption standards. To strengthen accountability, the Government of Botswana must prioritise financial transparency and parliamentary oversight. This can be achieved by aligning financial resources with the country's anti-corruption goals.

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