



# Budget Briefing

BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS

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## ENHANCING SOCIAL PROTECTION AMIDST FISCAL CONSTRAINTS: THE BOTSWANA 2025/26 BUDGET

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### KEY HIGHLIGHTS

Botswana has long demonstrated a strong commitment to social protection, with established programmes to support vulnerable populations, reduce poverty, and promote social cohesion. Over the years, these initiatives have played a pivotal role in improving livelihoods and fostering economic inclusion, and reflecting the country's dedication to inclusive development and social welfare. The 2025/26 budget builds on this legacy by introducing new programmes to improve financial security, child welfare, and housing. These key measures signal Botswana's strategic shift towards a more inclusive and efficient social protection system, but their long-term success depends on effective implementation, fiscal sustainability, and continuous programme evaluation to ensure delivery of meaningful impact to those who need them most. Therefore, the key highlights of the 2025/26 Budget are as follows:

- Increased Social Protection Spending** – The Ministry of Local Government and Traditional Affairs' total budget (recurrent plus development) has increased from P12.37 billion in 2024/25 to P14.75 billion in 2025/26, reinforcing the government's commitment to expanding social welfare services, community development, and governance support structures. Effective coordination and targeted resource allocation will be key to ensuring maximum impact.
- Enhancing Support for the Elderly and Infants** – The budget introduces a raise in the Old Age Pension (OAP) and a new P300 infant allowance, aiming to strengthen financial security for senior citizens and provide essential support for early childhood development. These measures acknowledge the growing need for inclusive social safety nets.
- Prioritising Child Welfare and Education** – Recognising the importance of education and dignity in learning, the government has introduced free sanitary pads for female school children, ensuring that financial constraints do not hinder school attendance and participation. This initiative enhances gender equality and promotes educational continuity.
- Expanded Housing Support for Low Income Earners** – The Bonno Housing Scheme introduced to improve affordability, accessibility, and quality. However, successful implementation will require flexible regulations, efficient resource utilization, and sustainable funding models.
- Strengthening Policy Integration and Digital Transformation** – The budget underscores the importance of data-driven social protection policies, advocating for better coordination across ministries and the adoption of digital systems for beneficiary targeting, programme monitoring, and financial efficiency. This will enhance transparency, reduce administrative costs, and improve service delivery.

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## 1.0 INTRODUCTION

Botswana has long been regarded as a development success story, making substantial progress in expanding access to healthcare, education, and social welfare. However, despite sustained investments in social protection (4.4% of GDP), healthcare (5.5%), and education (7.3%) ([UNICEF Botswana, 2017](#); [UNDP, 2021](#)), poverty reduction has stalled. The latest Human Development Report (HDR) highlights that the Multidimensional Poverty Index (MPI), derived from the 2015/16 BCWIS survey data, estimates that around 17.2% of Botswana's population (equivalent to approximately 446,000 people as of 2021) live in multidimensional poverty. Additionally, 19.7% of the population, or around 509,000 people, are at risk of falling into multidimensional poverty. The severity of deprivation among those classified as multidimensionally poor is measured at 42.2%, reflecting the extent of their hardship across multiple indicators. Botswana's overall MPI score, which accounts for both the proportion of individuals in multidimensional poverty and the intensity of their deprivation, stands at 0.073 ([UNDP & OPHI, 2023](#)). Poverty remains concentrated in rural areas and female-headed households, disproportionately affecting children and larger families ([Statistics Botswana, 2017](#)). Furthermore, inequality persists, with a Gini coefficient of 0.50, making Botswana one of the most unequal countries globally. Urban-rural disparities, gender wage gaps, and limited political representation for women exacerbate structural inequities, threatening Botswana's long-term vision for inclusive growth and social equity ([UNDP, 2021](#)). Research suggests that entrenched income inequality and restricted access to opportunities can undermine social mobility and perpetuate poverty across generations ([Duncan & Murnane, 2011](#); [Daude & Robano, 2015](#)).

Addressing multidimensional poverty is crucial in the

context of Botswana's Vision 2036, which aspires to transition the country into a high-income economy with social inclusivity. A key pillar of this vision emphasises human and social development, particularly in ensuring that no one is left behind. Similarly, the National Transformation Strategy underscores the need for targeted interventions to reduce poverty and inequality, recognising that economic growth alone is insufficient without equitable access to opportunities and resources. In essence, social protection remains a critical tool in combating poverty and achieving sustainable development goals ([GoB, 2023](#); [UNDP, 2021](#)). Thus, strengthening social safety nets, improving access to quality education and healthcare, and enhancing livelihood opportunities can mitigate the vulnerabilities highlighted in the MPI estimates. Prioritising these interventions aligns with Botswana's broader policy objectives, ensuring that economic progress translates into meaningful improvements in well-being of all citizens. Moreover, effective social protection is not only a moral imperative but also a strategic economic investment in resilience and productivity. By implementing targeted programmes in education, healthcare, and economic empowerment, Botswana can break intergenerational poverty cycles and ensure that the benefits of economic growth are widely shared. However, without bold and well-funded interventions, persistent disparities will continue to hinder national progress.

Against this backdrop, where reducing multidimensional poverty and fostering inclusive growth remain key national priorities, social protection and welfare remain central to Botswana's 2025 budget considerations. This budget brief explores the extent to which Botswana's 2025/26 budget proposals support social protection and the welfare of the people, highlighting the importance of investments that uplift vulnerable groups and promote a more inclusive and sustainable society.

## 2.0 THE SOCIAL PROTECTION OVERVIEW

As shown in [Table 1](#), Botswana's social protection system integrates social assistance, labour market programmes, and social insurance schemes to support vulnerable populations. Social assistance provides cash transfers, food aid, and education support, but accessibility challenges and benefit adequacy remain concerns. Labour market initiatives aim to boost employment and entrepreneurship, yet their reliance on short-term opportunities raises questions about job security and

long-term impact. Agricultural support programmes enhance productivity and food security, though funding constraints and climate risks threaten sustainability. Meanwhile, social insurance offers financial security for certain groups but remains limited in coverage, leaving informal workers without structured retirement benefits. Strengthening these programmes requires addressing funding gaps, improving targeting mechanisms, and enhancing long-term resilience.

**Table 1: Selected Social Protection Programmes**

PROGRAMMES	2017/18	2018/19	2019/20	2020/21	2021/22	2023/24
<b><i>Social Assistance</i></b>						
Orphan care program	25542	24151	21812	19965	18638	18337
Destitute Persons		35232	36145	36977	37096	68712 <sup>A</sup>
Old age pensions	109451	116103	123752	130767	131755	137773
Disability Allowances	7085	7360	8485	7627	8987	
Ipelegeng	835331	851813	872883	581608	868056	
VGFP	25542	24151	21812	19965	18638	
WWII veterans pensions	1486	1293	1251	995	971	968
Community Home-based Care	1262	1050	1148	1010	1017	907
Primary/ secondary school feeding	330000	341200	388108	545514		182017
Tertiary educ. scholarships/sponsorships			39446	36307	28235	39164
<b><i>Labour Market Programmes</i></b>						
National Internship Program						3587
Youth Development Fund						20,064
ISPAAD						124,028
LIMID						24,106
RADP						1,364
Poverty Eradication						41,721
<b><i>Social Insurance</i></b>						
Public officers pension fund						10,401

Source: [National Social Protection Framework \(2018\)](#); [UNICEF, 2023](#); [IMF, 2023](#). A-Combination of destitution and disabilities beneficiaries for 2023/24

Given the beneficiary numbers in Table 1, Botswana's social protection landscape reflects both progress and persistent challenges in poverty alleviation, employment, and long-term economic security. The sharp rise in destitution programme beneficiaries suggests either worsening poverty or broader coverage, while the decline in orphan care recipients may signal improvements in major causes of deaths such as the HIV/AIDS interventions. Aging demographics are evident in the steady growth of Old Age Pension beneficiaries, contrasting with the natural decline

of WWII Veterans' support. Labour market interventions, particularly cumulative Ipelegeng numbers, have seen some bit of fluctuations post-Covid-19 raising concerns about funding sustainability and employment creation. Youth-focused initiatives, such as the Youth Development Fund and National Internship Programme, remain limited in reach, reflecting structural barriers to job absorption. Agricultural and rural development schemes, including ISPAAD and LIMID, play a crucial role in food security but require clearer impact assessments.

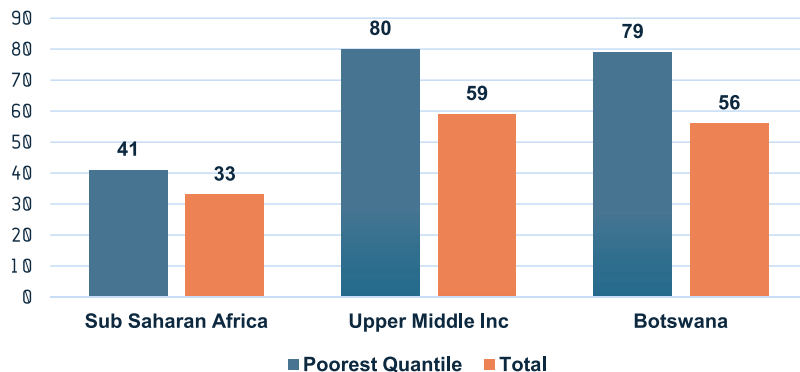
## 2.1 Social Protection Coverage

Figure 1 demonstrates that Botswana demonstrates a strong commitment to social protection, particularly for the poorest segments of its population. With 79% of the poorest quantile covered, Botswana significantly outperforms the Sub-Saharan African average of 41%. This suggests that its welfare programmes, such as old-age pension, orphan care, and destitute support, are

somewhat effectively reaching the most vulnerable groups. Additionally, the total social protection coverage in Botswana stands at 56%, which is 23 percentage points higher than the regional average (33%). This indicates that Botswana has a well-established social safety net compared to most countries in Sub-Saharan Africa. However, when compared to other Upper Middle-Income countries, Botswana's coverage presents a mixed picture. While its coverage of the poorest quantile (79%)

is almost equal to the 80% average for upper-middle-income countries, its total population coverage (56%) is slightly lower than the 59% observed in this income group (UNICEF, 2020; World Bank, 2022; IMF, 2023). This suggests that Botswana’s social protection system is mostly targeted towards the poorest but may not be as inclusive for other vulnerable groups, such as informal workers and lower-middle-income households. Enhancing coverage to these groups could improve economic security and prevent more people from falling into poverty.

**Figure 1: Botswana Social Protection Coverage & Other Countries**



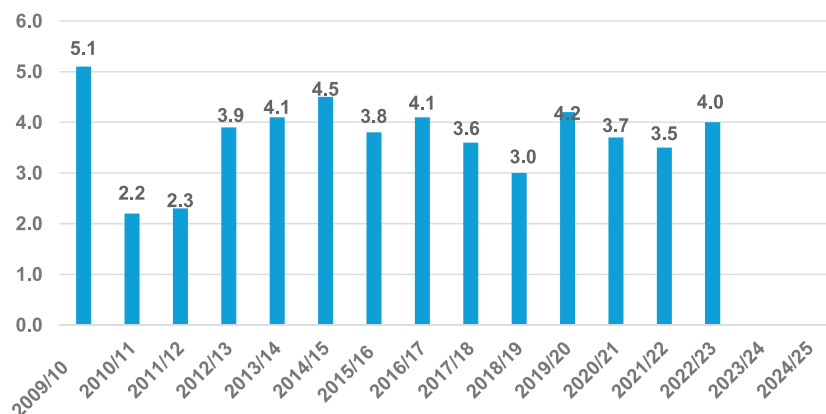
Source: (UNICEF, 2020; World Bank, 2022; IMF, 2023).

Despite Botswana’s strong social protection framework, sustainability and inclusivity remain critical challenges. Heavy reliance on diamond revenue raises concerns about long-term financial viability, while limited coverage excludes many informal sector workers, who make up nearly 30% of employment (World Bank, 2022). These workers, along with rural populations, often lack access to formal social security, leaving them vulnerable to poverty and economic shocks (Statistics Botswana, 2021; 2023). Additionally, fragmented programme management across multiple government agencies results in inefficiencies, overlapping interventions, and service delivery gaps, weakening the overall impact of social protection efforts (GoB & UNDP, 2020; GoB, 2023). Strengthening coordination and expanding coverage are crucial to ensuring a more effective and sustainable system.

## 2.2 Social Protection Expenditure and Effects

Figure 2 illustrates social protection expenditure as a percentage of GDP from 2009/10 to 2023/24. Several key trends emerge from the data, possibly reflecting shifts in the previous government priorities, economic conditions, and possible external shocks. The data shows considerable variation in social protection expenditure over the years. The highest expenditure occurred in 2009/10 (5.1%), likely due to the lingering effects of the global financial crisis of 2008/09, which may have necessitated increased social spending to cushion vulnerable populations. However, this was followed by a sharp decline in 2010/11 (2.2%) and 2011/12 (2.3%), suggesting a period of fiscal consolidation where the government possibly reduced welfare spending to manage budget deficits.

**Figure 2: Social Protection Expenditure as a Percentage of GDP**



Sources: (World Bank, 2022; UNICEF, 2023).

From 2012/13 to 2015/16, there was an increase in spending, peaking at 4.5% in 2014/15, indicating a renewed commitment to social protection. This could be attributed to expansions in poverty alleviation programmes, old-age pensions, and labour-intensive initiatives like Ipelegeng. The decline to 3.6% in 2017/18 suggests another fiscal tightening phase, potentially in response to economic challenges or shifting government priorities. The significant drop to 3.0% in 2018/19 may indicate budget constraints or reallocation of resources to other sectors such as infrastructure, health, or education. However, social protection spending rebounded to 4.2% in 2019/20, likely due to the onset of the COVID-19 pandemic, which necessitated increased government intervention through food relief, employment protection, and healthcare support.

Interestingly, spending declined again to 3.7% in 2020/21 and further to 3.5% in 2021/22, despite ongoing economic recovery efforts post-pandemic. This could suggest a reduction in emergency pandemic-related spending as economies reopened, or constraints in government revenue. The increase to 4.0% in 2022/23 might suggest a renewed focus on social protection, possibly influenced by rising deprivation levels, and or inflation, leading to increased government support for vulnerable groups. The fluctuations in social protection expenditure reflect a balance between fiscal sustainability and social welfare needs. While higher spending can provide critical support for vulnerable populations, sustained increases require a strong revenue base to avoid fiscal strain. The post-COVID-19 period could highlight a lesser burden on social assistance with spending stabilizing around 3.5%–4.0%, indicating a possible attempt to balance social support with economic growth initiatives.

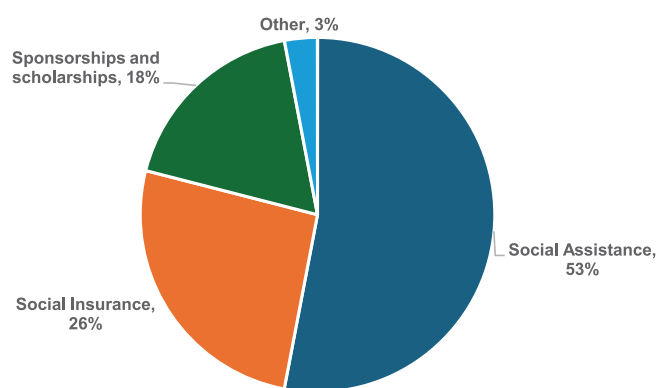
### 2.2.1 Expenditure across programmes: 2019/20

Figure 3 presents the breakdown of social protection expenditure for Botswana in the 2019/20 fiscal year, highlighting the prioritisation of different components. Social assistance accounts for the largest share at 53%, indicating a strong commitment to direct welfare programmes such as cash transfers, and support for vulnerable groups. This suggests a focus on poverty alleviation and reducing inequality. Social insurance represents 26% of the total expenditure, covering programs like pensions and unemployment benefits, which are essential for long-term economic security. However, its lower proportion compared to social assistance suggests that contributory schemes are less developed, possibly due to the dominance of informal

employment, which somehow limits access to structured social insurance programmes.

Sponsorships and scholarships account for 18% of social protection spending, highlighting the government’s commitment to investing in human capital development. This funding aims to expand educational opportunities, potentially fostering social mobility and contributing to long-term economic growth. While a portion of this allocation is directed toward orphans and vulnerable children (OVCs), the data does not specify the exact percentage, as it is aggregated within overall expenditure. This lack of disaggregated information makes it difficult to assess whether sufficient resources are being dedicated to supporting OVCs in accessing and completing tertiary education. Without clear allocation and targeted support, children from disadvantaged backgrounds may continue to face financial and structural barriers, limiting their ability to break the cycle of poverty and benefit fully from educational opportunities. Finally, 3% is allocated to other social protection initiatives, indicating a relatively small portion dedicated to miscellaneous welfare programmes. This suggests that while Botswana’s social protection system is well-structured, there may be limited diversification beyond the major components.

**Figure 3: Expenditure across Social Protection Programmes**



Source: (IMF, 2023).

Overall, Botswana’s social protection expenditure prioritises immediate welfare needs through social assistance while investing significantly in education and social insurance. However, inadequate funding resources allocated to social protection programmes limit their ability to deliver substantial and long-lasting impact. That is, although the country has always demonstrated an increasing commitment to social protection, the resources allocated to these programmes often fall short of the actual needs. In the 2024/25 Budget, for example, the then government allocated P6.09 billion towards social development, representing only a small percentage of the overall national budget (GoB, 2024).

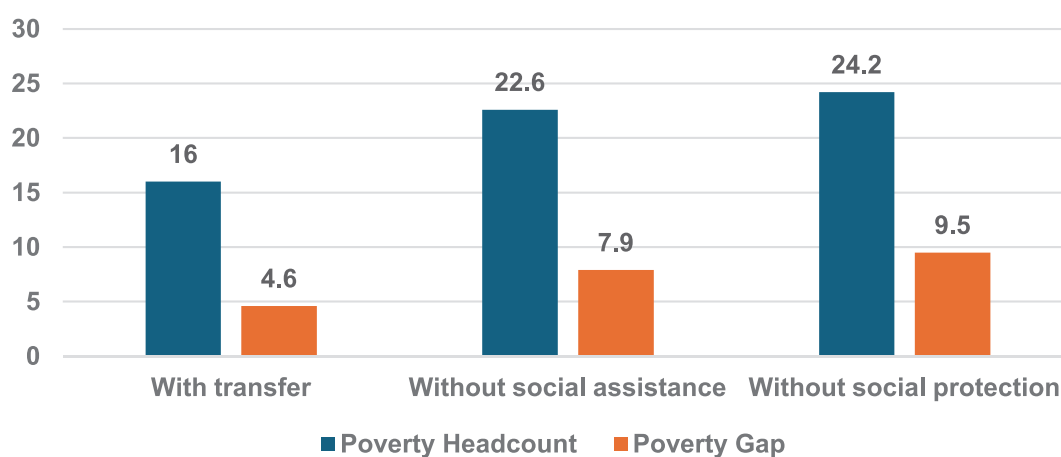
This allocation, while an improvement, is still insufficient given Botswana’s scale of poverty and inequality. The limited funding constrains the ability of the government to expand the reach of existing programmes and introduce new ones that could address the needs of marginalised populations.

## 2.3 Effects of the Social Protection Programmes on Poverty

Figure 4 illustrates the impact of different levels of social support on poverty headcount and poverty gap (calculated by World Bank based on the 2015/16 BMTHS data). The results indicate that social transfers significantly reduce the number of people living in poverty and the severity of poverty. Specifically, the poverty headcount is lowest (16%) when transfers are present, whereas it increases to 22.6% without social assistance and reaches 24.2% in the absence of social protection. Similarly, the poverty gap—measuring the depth of poverty—is smallest (4.6%) with transfers and rises to 7.9% and 9.5% in the two other scenarios. These findings highlight the importance of social protection policies in mitigating poverty and reducing economic vulnerability.

Social transfers appear to be an effective tool for alleviating poverty by directly increasing household incomes and ensuring a minimum standard of living. This observation aligns with global evidence, where conditional and unconditional cash transfers have been widely used to support low-income populations. Programmes such as Brazil’s Bolsa Família and South Africa’s social grants have demonstrated significant reductions in poverty and inequality (Schaffland, 2011; Bhorat, 2013). By narrowing the poverty gap, social protection policies also facilitate social mobility, allowing poorer individuals to move closer to the poverty threshold and improving long-term economic stability.

**Figure 4: Effects of Social Assistance on Poverty**



Source: (World Bank, 2022).

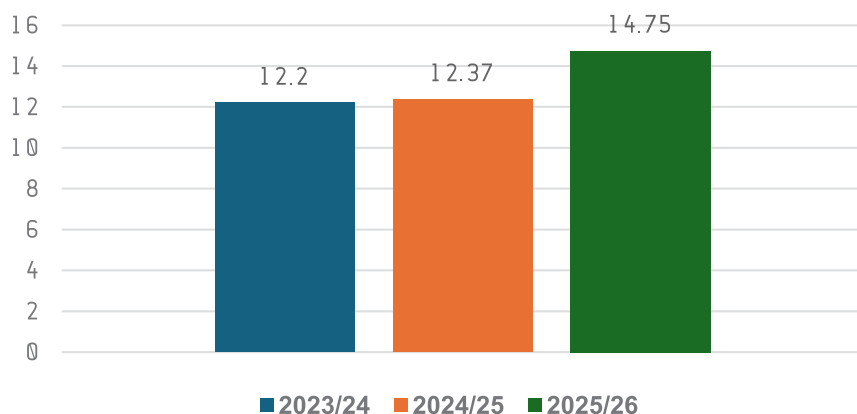
As indicated in the discussion above, Botswana has made significant strides in social protection, with many established programmes to support vulnerable populations, including children, the elderly, and low-income households. These initiatives played a crucial role in reducing poverty and promoting social inclusion. However, to sustain and enhance their impact, continued support and adaptation to emerging needs are essential. As the country moves forward, improving coverage, efficiency, and resource allocation remains critical. Strengthening data systems, embracing digital solutions, and ensuring better coordination across programmes can enhance effectiveness and inclusivity. These improvements will help Botswana build a more resilient and responsive social protection framework. The next section focuses on the social welfare proposals outlined in the 2025/26 Budget, assessing how they complement the existing initiatives and reinforce Botswana’s commitment to a comprehensive and inclusive social protection system.

### 3.0 THE 2025/26 BUDGET: KEY HIGHLIGHTS AND TAKEAWAYS

The 2025/26 budget introduces several key policy shifts to address some of these challenges, with notable changes such as the increase in the Old Age Pension (OAP), the introduction of free sanitary pads for female school children, the new P300 infant allowance and expanded housing support. These initiatives signal a commitment to enhancing social protection, but their effectiveness will depend on implementation strategies, alignment with existing programmes, and their ability to address long-term socio-economic vulnerabilities. This section examines these key budgetary provisions, analysing their potential impact, identifying possible drawbacks, and recommending strategies to ensure they effectively contribute to the lives of the society.

The 2025/26 budget signals an increased commitment to strengthening social protection mechanisms in Botswana. A key highlight is the increase in the Ministry of Local Government's total budget from P12.37 billion in 2024/25 to P14.75 billion in 2025/26, demonstrating the government's intent to bolster social welfare services, community development, and local governance support structures. This increase could provide an opportunity to improve the efficiency and reach of social protection programmes. However, ensuring effective coordination and targeted resource allocation will be essential in translating this financial expansion into tangible benefits for vulnerable populations.

**Figure 5: Ministry of Local Government Total Budget from 2023/24-2025/26**



Another notable policy shift is the transfer of child welfare and early childhood development programmes from the Ministry of Health to the newly established Ministry of Child Welfare and Basic Education ([GoB, 2025](#)). This move reflects an effort to streamline child-focused interventions under a single administrative umbrella, potentially enhancing programme integration, service delivery, and accountability. However, successful implementation will depend on how well the two ministries coordinate on issues such as child health, nutrition, and education, ensuring that services are complementary rather than fragmented. In addition to structural reforms, the budget introduces several social protection measures aimed at addressing poverty, inequality, and vulnerability. These include:

#### A: Old Age Pension Increase (P830 to P1,400)

The significant increase in the Old Age Pension (OAP) aims to enhance financial security for the elderly, who often rely on these payments as their primary or sole source of income. This uplift can contribute to improved nutrition, healthcare access, and overall quality of life for pensioners, many of whom support extended families. However, maintaining this growth may present a fiscal challenge due to Botswana's dependence on mineral revenues, which are vulnerable to economic fluctuations, along with the current fiscal situation characterised by a substantial deficit and country debt. Moreover, a key policy challenge is ensuring that this increase does not inadvertently widen inequality between wealthier and poorer pensioners, particularly those who receive additional benefits such as from the Botswana Public Officers Pensions Fund (BPOPF). Given Botswana's fiscal constraints, it may be necessary to explore ways to balance pension provision while ensuring fairness in the distribution of benefits.

- I. One possible approach is to *introduce means-testing*, where OAP benefits are adjusted based on an individual's financial situation. This would ensure that pensioners with fewer resources receive more support, while those with substantial additional income from occupational pensions or other sources receive less. The main advantage of means-testing is that it allows resources to be directed toward those most in need, making social spending more efficient. However, it can also introduce *administrative complexities and higher costs for implementation*. Additionally, means-testing may create disincentives for savings, as individuals might reduce their assets or underreport their income to qualify for higher benefits.
  
- II. An alternative policy option is to integrate OAP benefits with BPOPF pensions by *adjusting payments based on total pension income*. This would ensure that pensioners receiving substantial occupational pensions do not receive the same level of public assistance as those relying solely on OAP. Such an approach promotes fairness and reduces the risk of overcompensating wealthier retirees. However, it may be perceived as penalising former public servants who contributed to their pension schemes throughout their careers. Balancing this approach would require careful consideration of how benefits are structured to ensure it does not undermine public trust in the pension system. A common regional reference is Namibia's universal non-contributory pension system, which provides all citizens above 60 with a basic pension regardless of their income or assets. The Namibian Old Age Pension has been the subject of ongoing debate regarding whether it should be means-tested, due to the inequalities that emerged when it was first introduced in the 1970s. Due to the complexities surrounding the implementation, this has never been implemented ([Devereux, 2001](#)).
  
- III. Another viable option is to maintain a universal OAP while *introducing a progressive tax system*, where wealthier pensioners contribute back into the system through taxation. This model would allow the government to preserve the inclusivity and simplicity of a universal pension while addressing inequality through tax policy. The main benefit of this approach is that it does not require intrusive means-testing mechanisms, thereby reducing administrative burdens. However, wealthier pensioners may perceive progressive taxation on their pensions as *an unfair additional*

*financial burden*, particularly if they have already contributed significantly to social security or retirement schemes. This could lead to calls for policy reversals, especially if taxation levels are deemed excessive. Further, if retirees anticipate being taxed more on their pensions, some may change their savings and investment behaviours, possibly shifting funds into non-taxable assets or offshore accounts. This could reduce domestic capital accumulation and long-term financial security for retirees who adjust their portfolios to minimise taxable income. Another issue that may rise from this is that, although less complex than means-testing, a progressive tax on pensions still requires administrative oversight, proper classification of pensioners, and differentiated tax brackets. This introduces some level of bureaucratic burden and potential implementation delays, particularly in countries where tax infrastructure is still developing. Further, if individuals know their future pensions will be progressively taxed, they may become less inclined to contribute to formal pension schemes. This could lead to reduced voluntary savings and increased dependence on government-funded pensions, potentially straining public finances in the long run. There could be legal challenges from pensioners who argue that their pensions were accrued through years of contributions and should not be subject to further taxation. Ethical debates may also arise regarding whether it is fair to tax pensioners differently based on wealth when they have already paid taxes throughout their working lives.

- IV. Based on the above arguments, in the context of Botswana, it may be more viable to continue with the *universal pension scheme* to ensure inclusivity and simplicity in social protection. However, instead of large, sudden increases that may strain the fiscal budget and threaten long-term sustainability, gradual top-ups aligned with the country's fiscal space would be a more prudent approach. This would help maintain the financial security of pensioners while ensuring that social protection policies remain adaptable to economic conditions and sustainable in the long run. Moreover, encouraging the use of secure options like bank accounts, MyZaka, and Orange Money for pension payments can help minimise the risks of handling cash. This would not only enhance the security and convenience for beneficiaries but also encourage greater financial inclusion, enabling pensioners to access their funds safely and efficiently, in line with modern financial practices.

## B: The P300 Infant Allowance Introduction

The introduction of a P300 infant allowance is intended to provide much-needed support for newborns in their crucial first year of life. There is no doubt that this financial assistance can help improve child nutrition, access to healthcare, and early childhood development. However, there is a number of key factors to look into and are discussed below:

- I. **Targeting and Eligibility:** The Minister's proposal of a targeted monthly allowance of P300 for newborns until they reach one year of age is a commendable step toward strengthening social protection. By explicitly emphasising *targeting* (GoB, 2025), the government acknowledges the need to ensure that resources reach the intended beneficiaries. However, for this initiative to be truly effective, it is essential to establish clear eligibility criteria and an efficient delivery mechanism to prevent leakages and ensure that support is directed toward the deserving beneficiaries. Exploring means testing or categorical targeting could enhance precision in identifying those in greatest need while maintaining fiscal sustainability. Additionally, streamlining administrative processes such as leveraging digital payment systems—can further improve efficiency and accessibility. Ultimately, the success of this initiative will depend on how well it balances inclusivity, efficiency, and sustainability in delivering meaningful support to infants. Generally, this approach will ensure that the little available resources at the inception stage of the programme are directed towards the most economically disadvantaged families. Evidence from elsewhere, for example, from the South African CSG indicates that direct cash transfers to families with children significantly reduce poverty rates and improve child health outcomes (Eyal & Woolard, 2011). By providing the P300 infant allowance, Botswana can expect similar benefits, including better nutrition, improved access to health services, and enhanced educational opportunities for children.
- II. Another key factor is the *duration* of the proposed Botswana infant allowance. The *first year of life is a critical period* for cognitive, physical, and emotional development. Access to adequate nutrition, healthcare, and a stable environment during this time has long-term implications for a child's growth, immunity, and brain development (WHO, 2021). The allowance can help caregivers

afford essential needs such as nutritious food, diapers, clothing, and healthcare-related expenses. Further, research has shown that cash transfer programmes targeting early childhood can significantly improve nutritional outcomes, reduce infant mortality, and enhance long-term educational attainment (UNICEF, 2020). However, limiting the benefit to only the first 12 months raises concerns about sustainability in supporting child development, particularly as financial pressures on very poor households extend beyond infancy. One argument maybe that, without continuity in support, the positive gains from this intervention may diminish once the benefit ends at 12 months. This has been referred to in the literature as a '*risk of benefit cliff*'. That is, the sudden termination of the allowance at 12 months may leave low-income families struggling to maintain the same level of care, particularly in households where incomes remain unstable (Devereux et al., 2015). A graduated reduction approach rather than abrupt termination may help prevent financial shocks for caregivers.

- III. Another key consideration is how this initiative aligns with existing universal social protection mechanisms, particularly the *under-five child welfare programme* delivered through government clinics. This programme ensures that from six months of age, infants receive free supplementary feeding regardless of household income. However, there remains a six-month gap between birth and when this universal support begins. In this context, the targeted newborn allowance could serve as a complementary intervention by bridging this gap, allowing families to cover early nutritional needs, such as formula milk for mothers who are unable to breastfeed. The allowance could also assist with early postnatal care costs, which are crucial in the first few months of a child's life. However, after the 12-month cut-off, households may still experience financial challenges, particularly for those in acute poverty. While the under-five feeding programme is meant for all children aged up to five starting at six months, this assistance may not be sufficient for households that previously relied on the additional P300.00 infant allowance, leading to potential gaps in ensuring continued child well-being once the allowance ends. This is also supported by the evidence that there are intrahousehold allocation issues that threaten the effectiveness of food rations offered by the under-five programme (Mokoro and BIDPA, 2019).

IV. Regardless of the gap that may exist as mentioned above, a key take away still, is to ensure the *effectiveness* of the P300 infant allowance through enhanced coordination with the existing under-five monthly programme. This streamline could enhance monitoring and improve programme efficiency. By linking the allowance with regular health check-ups and vaccinations offered through the under-five programme, Botswana can ensure that children benefiting from the allowance also receive timely health services, such as monthly clinic visits, which are critical for preventing malnutrition. Studies on child welfare grants globally, including the CSG in South Africa, have shown that financial assistance in the early years of a child's life increases the likelihood that children will receive regular health checkups. These checkups are essential for tracking growth, identifying health risks, and addressing nutritional deficiencies.

V. Besides the health benefits discussed above, this P300 infant allowance has a potential to *supporting early childhood education*. That is, in addition to health benefits, extending the P300 infant allowance can play a significant role in supporting early childhood education, which has long-term benefits for cognitive and social development. The South African CSG has helped low-income families afford early childhood education services such as creches, preschools, and daycares. These services are crucial in preparing children for formal schooling, fostering cognitive development, and reducing inequalities in education access. For Botswana's low-income families, the allowance could similarly alleviate the financial burden of enrolling children in these developmental programs. However, terminating the allowance at the 12th month risks leaving many families unable to continue their children's education, especially in the formative years when early learning experiences can have a lasting impact on future educational outcomes. Extending the allowance beyond the first year would make families more likely to continue their children's education in early childhood settings, ensuring a strong foundation for later academic success.

## C: Introduction of Free Sanitary Pads in Schools

Providing free sanitary pads for female school children is a progressive step toward promoting gender equality, school attendance, and menstrual health. It has been alluded to by previous research that many girls from disadvantaged backgrounds miss school due to a lack of access to menstrual hygiene products, exacerbating gender disparities in education. For example, a [UNESCO \(2014\)](#) report highlights that one in ten girls in Sub-Saharan Africa misses school during their menstrual cycle, which can amount to as much as 20% of a given school year. For this initiative to be successful, it is crucial to ensure efficient distribution mechanisms, sustained funding, and enhancement of menstrual health education.

I. A key strategy that could be employed to maximise impact and sustainability should clearly define *roles and coordination*: the Ministries of Basic and Higher Education, should coordinate the overall programme by ensuring that the distribution system aligns with national educational and health goals. On the other hand, private companies, especially manufacturers of sanitary pads, can supply the pads at subsidised rates or provide them for free as part of their corporate social responsibility (CSR) efforts. They can also assist in logistics, warehousing, and distribution through their established supply chains. Further, NGOs could act as intermediaries, helping with the on-the-ground implementation, raising awareness, and ensuring that the distribution reaches the most marginalised and rural schools.

II. To enhance sustainability, *shared funding model* could be employed. That is, the government can allocate a specific portion of the budget to finance the purchase of sanitary pads, particularly focusing on the most vulnerable areas, while private companies can contribute to this initiative through CSR programmes or strategic donations. This can include both cash and in-kind donations, such as direct supply of sanitary pads, or logistical support. Further, development institutions like UNESCO and UNICEF can also be involved, potentially providing funding, technical assistance, and advocacy for the programme's expansion.

III. Another prominent question is how do we *build sustainable supply chains*: partnering with local manufacturers of sanitary products can

ensure a reliable and sustainable supply chain. This will also reduce costs. The private sector can build partnerships with local suppliers to ensure quality, consistency, and efficient delivery. Further, companies with experience in logistics and supply chain management (like logistics firms or retailers) can partner to ensure that the sanitary pads reach every school, including rural or hard-to-reach areas. Coordinating through public-private networks can ensure timely delivery and appropriate storage.

- IV. Another major component that needs to be considered is the *monitoring and evaluation* to improve the programme over time. A key element of successful PPPs is effective data sharing and transparency. Public entities can collect data on school enrolment, attendance, and performance, while private sector partners can monitor distribution of the pads. Together, they can assess the impact of the initiative and adjust as needed. This assessment can also identify gaps and challenges in the distribution network, enabling continuous improvements. Example of Successful PPP in Sanitary Pads Distribution in the context of Africa is Kenya's Pad Drive Initiative: Kenya has implemented PPPs to distribute free sanitary pads to school girls through partnerships between government bodies, NGOs, and private companies like Kimberly-Clark and Young Africa Women Initiatives. This has been facilitated through national campaigns and direct delivery to schools, allowing for the widespread distribution of pads to rural and marginalised areas. Through similar strategies in Botswana, the government and private sector can collaboratively ensure that free sanitary pads reach as many schools as possible in an equitable and efficient manner, ultimately improving the health, dignity, and educational outcomes for girls across the country.

## D: Bonno Housing Support

The expansion of housing schemes is a welcome intervention aimed at addressing housing insecurity and poor living conditions among Botswana (GoB, 2025). The Bonno Housing Scheme is envisioned to provide direct support for housing acquisition, construction, and improvement, ensuring that low-income earners have access to decent shelter. Some research indicates that access to safe and affordable housing significantly influences health, education, and economic well-being. For example, Cohen (2007) highlights that affordable housing can improve health outcomes by freeing

up family resources for nutritious food and health care expenditures. Additionally, stable and affordable housing provides families with greater residential stability, reducing stress and related adverse health outcomes. Moreover, affordable housing contributes to economic development by enabling low-income families to allocate more of their income toward other essential needs, thereby improving overall economic stability. Now in the Botswana context, for effective implementation, it is essential to draw lessons from programmes such as the Self-Help Housing Agency (SHHA) programme and the Public Officers Housing Scheme, which faced several challenges that impeded their full success. While the selection criteria and guidelines of Bonno Housing may differ, learning from past experiences will enhance its efficiency and impact. Both these programmes, despite their noble objectives, encountered significant implementation challenges (Kampamba, 2016; GoB & BIDPA, 2022). The Bonno Housing Scheme can benefit from recognising and avoiding these issues:

- I. ***Land Shortages and Servicing Constraints***  
Both the Self-Help Housing Agency (SHHA) and the Public Officers Housing Scheme have faced significant challenges due to a critical shortage of serviced land. This limitation has resulted in restricted access to affordable housing, prolonged waiting periods, and unauthorised plot transfers, particularly within the SHHA programme, which has further compromised equitable housing distribution. To prevent similar issues, the Bonno Housing Scheme must establish a well-defined land allocation and servicing strategy. Ensuring that plots are fully serviced and available before implementation will streamline the application and distribution process, reducing delays and enhancing transparency in land allocation.
- II. ***Financial Constraints and Cost Recovery Issues***  
Inadequate financial resources have historically hindered both programmes, with difficulties in cost recovery and high loan default rates limiting the efficiency of local authorities in implementing the SHHA initiative. Similarly, the rigid repayment structures of the Public Officers Housing Scheme have posed challenges for beneficiaries. To enhance financial sustainability, the Bonno Housing Scheme should be supported by sufficient funding and incorporate flexible repayment mechanisms tailored to beneficiaries' income levels. Introducing income-adjusted payment plans and alternative financing models,

such as subsidies or blended financing, could ensure broader accessibility while maintaining the programme's long-term viability.

### **III. *Urban Development Standards and Housing Design Flexibility***

The SHHA programme's strict urban development standards have made it difficult for low-income applicants to construct homes within the required specifications, often resulting in incomplete or substandard structures. Meanwhile, the Public Officers Housing Scheme beneficiaries have expressed dissatisfaction with the lack of choice in house designs, which has contributed to social stigma and a disregard for individual preferences. The Bonno Housing Scheme should adopt a more flexible and context-sensitive approach to housing development. By balancing affordability with quality, incorporating a range of customisable designs, and ensuring cost-effective yet durable construction methods, the scheme can better cater for the diverse needs of its target population.

### **IV. *Preventing Exploitation and Enhancing Targeting Efficiency***

One of the major concerns associated with the SHHA programme was the unintended allocation of plots to middle-income individuals, leading to gentrification and the displacement of low-income beneficiaries. Additionally, the income-based means-testing approach excluded other vulnerable groups, such as youth, women, and people with disabilities. To ensure effective targeting, the Bonno Housing Scheme should implement a rigorous and transparent eligibility verification process. Expanding selection criteria to include broader socioeconomic vulnerabilities and strengthening oversight mechanisms can help prevent misallocation and ensure that the programme benefits those most in need.

The Bonno Housing Scheme presents a crucial opportunity to improve housing accessibility for low-income earners in Botswana. By addressing the shortcomings of past initiatives, the government can enhance the scheme's effectiveness, equity, and long-term sustainability. Implementing transparent processes, strategic planning, and inclusive eligibility criteria will be essential for its success. Additionally, integrating low-cost financing models, fostering public-private partnerships, and ensuring sustainable infrastructure development will contribute to the scheme's overall impact, helping to mitigate housing challenges and promote social equity in Botswana.

## **4.0 CONCLUSION**

Botswana's commitment to social protection has been evident through its sustained investment in welfare programmes that support vulnerable populations. Over the years, these initiatives have contributed to poverty reduction, improved livelihoods, and strengthened social cohesion. However, evolving socio-economic challenges and emerging risks necessitate continuous refinement and strategic expansion of the system. The 2025/26 Budget introduces promising social protection measures to enhance financial security, education access, child welfare, housing, and employment support. However, the effectiveness of these initiatives will depend on proper coordination, integration with existing programmes, and sustainable funding mechanisms. Strengthening inter-ministerial collaboration, ensuring data-driven targeting, and continuously monitoring programme outcomes will be crucial in making Botswana's social protection system more resilient, inclusive, and responsive to the needs of its most vulnerable populations. By addressing gaps in coverage, improving resource allocation, and leveraging digital innovation for efficiency, Botswana is positioning itself for a more inclusive and sustainable social protection framework. Effective implementation, robust monitoring, and sustained political will remain essential to translating these budgetary commitments into meaningful social and economic impact. Going forward, a balanced approach that integrates evidence-based policymaking, stakeholder engagement, and fiscal sustainability will be key in ensuring that social protection remains a cornerstone of Botswana's development agenda.

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## BIDPA BACKGROUND

The Botswana Institute for Development Policy Analysis (BIDPA) was established by the Government of Botswana as an independent trust, and started operations as a non-governmental policy research institute or “think tank” in 1995. The institute evolved out of the expressed need to effectively link and harmonise economic policy analysis functions with national development efforts. BIDPA focuses mainly on research and policy analysis; and capacity building in policy analysis.

BIDPA is a major player on the national policy formulation landscape, and its mandate is defined by the following five elements: Economic research and policy analysis; institutional capacity building; professional training; networking and public education. The institute’s mandate is informed by the deed of trust that established it.

# VISION AND MISSION STATEMENTS

## VISION

The Botswana Institute for Development Policy Analysis will be a globally competitive policy research institute.

## MISSION

To be a centre of excellence that provides policy research, analysis, advice and capacity building.

## CORPORATE VALUES

The following core values will drive BIDPA operations such that the institute achieves its vision and fulfils its mandate.

- **PROFESSIONALISM:** Education; relevant skills; dedication; team spirit; competency and commitment
- **INTEGRITY:** Ethical behaviour; credibility; appreciation (respect, recognition and value addition); trust and transparency
- **COMPETITIVENESS:** Effectiveness; efficiency; timely delivery; quality products/ services and dynamism

## OBJECTIVES

**BIDPA's trust deed sets the objectives to be pursued and the functions to be performed by the institute as follows:**

- To promote and conduct research, analysis and publication on development policy issues, which are of relevance to Botswana and the Southern Africa region.
- To monitor the performance of the Botswana economy and the management of public policy implementation, especially with regard to the implications for economic and social development.
- To offer advice and consultancy services to agencies of Government and other clients under suitable contractual and other arrangements.
- To provide technical and financial assistance, directly and indirectly, to individuals and organisations in Botswana as deemed desirable for purposes of facilitating policy analysis.
- To assist professional training and public education of Botswana citizens in matters relating to policy analysis and encourage collaboration between expatriates and local professionals in these matters in ways which build, or augment, national capacities for performance and understanding of policy analysis.
- To employ staff members who will themselves, or jointly with other organisations or qualified people, carry out research, consultancy, training and education projects, including arrangement and management of contractual relationships designed to facilitate such activities by persons affiliated with the institute.
- To present or publish, as the case may be, the outcome of its policy analysis, orally or in writing, to individuals, organisations or the general public at large.





While every attempt is taken to ensure the accuracy of the information contained in this document, no responsibility can be assumed for any action based thereon. The Botswana Institute for Development Policy Analysis (BIDPA) is an independent non-government research institute with two main areas of interest: development policy analysis and capacity building. BIDPA functions include carrying out research and consultancy in the field of economic and social policy, as well as monitoring the performance of the economy and the management of public policy. BIDPA's clients include government, international organizations, NGO's and private companies.

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