ANNUAL REPORT
2022

Botswana Institute for Development Policy Analysis

Providing evidence-based **socio-economic policy advice** and related capacity building

ANNUAL REPORT 2022

Botswana Institute for Development Policy Analysis

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established
1995

CORPORATE PROFILE

The Botswana Institute for Development Policy Analysis (BIDPA) was established in 1995 following a Presidential Directive (CAB. 9/94). It is registered as a Trust. It was established as a partnership between the Africa Capacity Building Foundation (ACBF) and the Government of Botswana. The ACBF established a number of these think tanks across the African continent because of the serious capacity challenges at the time, particularly in policy analysis.

OUR STRATEGIC DIRECTION
We strive to become the centre of excellence for policy research, analysis and capacity building driven by commitment to our core values

OUR LONG-TERM STRATEGIC FOCUS
We are committed to ensuring that our research output adheres to the highest quality standards and supports the accomplishment of national priorities.

OUR MANDATE

- Research, Publishing, and Development Policy Analysis
- Capacity Building and Professional Training
- Consultancies for government, development partners, civil society and private sector
- Promote and lead discussions in policy issues

THE FIVE UNITS THAT MAKE UP BIDPA ARE THE FOLLOWING:

- Macroeconomics and Development
- Trade, Industry and Private Sector Development
- Human and Social Development
- Environment, Agriculture and Natural Resources
- Governance and Administration

VISION
To become a renowned policy research institute in Africa

MISSION
To provide evidence–based socio-economic policy advice and related capacity building

OUR STRATEGIC OBJECTIVES
In order to deliver on our strategy, we have identified key strategic objectives outlined below

OUR OBJECTIVES

To promote and conduct research, analysis and publication on development policy issues of relevance to Botswana and the Southern African region.

To monitor the performance of the Botswana economy and the management of public policy implementation, especially with regard to the implication 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 or indirectly, to individuals and organizations in Botswana as deemed desirable for purposes of facilitating policy analysis.

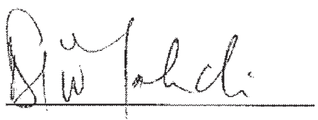
To assist professional training and public education of Botswana citizens in matters relating to policy analysis, and encourage collaboration between expatriates and local professionals in these matters in ways that build or augment national capacities for performance and understanding of policy analysis.

To employ staff members who will themselves, or jointly with other organizations 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, organizations or the general public .

To mobilize and administer funds to be used for the achievement of the objectives and performance of the functions of the Institute.

CHAIRMAN'S REPORT



Mr Daniel Molaodi
Board Chairperson

On behalf of the BIDPA Board, I am pleased to present the Annual Report for the 2022 Financial Year.

The Institute made excellent operational and strategic progress and managed to increase its revenue base by undertaking a record number of projects. The institute also increased its competitiveness by embarking on several publicity initiatives which not only increased its visibility, but also enhanced the BIDPA brand.

I would like to thank the Trustees for continuing to lead and support this institution. Some of the key deliverables by the Board included: approval of the audited financial statements for the year 2021/22, reviewing the effectiveness of internal controls, reviewing risks identified by management and associated mitigation strategies to improve Board effectiveness. The Board underwent the first ever Board evaluation exercise in July 2021, and the report was shared with the Ministry of Finance. Furthermore, the Board completed the amendment of the Deed of Trust which had been demanded by the Master of the High court as necessary for esunring compliance with the new changes in the law. All trustees were then able to obtain letters of authority from the Master and the board has been fully constituted.

We did focus on strengthening corporate governance to improve board effectiveness. The board was trained and evaluated. An assessment was made to check compliance of BIDPA with King V code. We received with much appreciation the Code for Corporate Governance of State-Owned Enterprises. This is an addition that will assist provide guidance as we strengthen BIDPA's corporate governance.

On behalf of myself and the Board, I would like to thank the Acting Executive Director and her management team for their outstanding leadership in steering the institute to deliver on its mandate despite the challenges. I would also like to thank the BIDPA employees for their continued hard-work and commitment this past financial year.

Despite operating with limited funding due to tight fiscal space and capacity challenges, it has been a truly remarkable year.

To all our stakeholders and partners, we appreciate your support and willingness to work with us for the betterment of our country.
Together lets keep moving BIDPA forward!

Some of the key deliverables by the Board included: approval of the audited financial statements for the year 2021/22, reviewing the effectiveness of internal controls, reviewing risks identified by management and associated mitigation strategies to improve Board effectiveness.

LE KAMOSO BAGAETSHO.

Dr G. Somolekae, PHD
Acting Executive Director

ACTING EXECUTIVE DIRECTOR STATEMENT

During the 2021/2022 financial year, BIDPA continued on a path of post-COVID 19 recovery. As a research institution, we had been hit hard by the pandemic response measures, namely the movement restrictions and the lockdowns. For the most part, research involves human to human interaction especially when gathering information from those in our rural communities, many of whom cannot be reached through any other means. Hence BIDPA struggled to execute its research program during the peak of the pandemic.

The post covid recovery has been slow and somewhat mixed. The institution's capacity to generate revenue was also undermined by the loss of an additional 3 researchers, all fully trained and with extensive experience in their disciplines. This persistent struggle to retain researchers is a challenge for BIDPA's growth and sustainability as a Think Tank. To generate revenue, the institution requires staff. The current 80% vacancy rate at senior level is proving to be a huge challenge for BIDPA's income generation efforts.

Despite all the challenges, especially those emanating from the tight budgetary situation, the various research units have continued to work hard and to implement some of the most critical research projects in shaping the transformation of the country. BIDPA remains a key institution in the provision of evidence for shaping policy outcomes.

Apart from giving policy advice mainly to Government, BIDPA took the lead in facilitating policy dialogues across the country. These dialogues are a product of the current partnership between the European Union and the Botswana Government. Like all BIDPA initiatives, the dialogues and studies are all aligned with the RESET AGENDA and the national Vision 2036. One of the key areas covered under these dialogues for example is how Botswana's competitiveness can be improved. This is key to transitioning to a high-income status. Towards the end of the financial year, more and more work undertaken has been in the climate change area. The work includes issues of Just Transition, Climate Finance, and the implications of the transition on the various sectors of the Botswana economy. The institution made considerable progress in leveraging information technology (IT) across the different units. Digitization, and automating some processes within the research processes was vigorously pursued and BIDPA managed to save costs and reap other benefits.

We managed to step up the development and strengthening of partnerships especially around the African continent. These partnerships will assist BIDPA to emerge stronger as it seeks to raise more revenue and become sustainable.
Looking ahead, we are excited about our plans for the year ahead and the future.
Let me take this opportunity to thank the Board, Executive Management and Employees for your continued hard work and support.

The institution's capacity to generate revenue was also undermined by the loss of an additional 3 researchers, all fully trained and with extensive experience in their disciplines. This persistent struggle to retain researchers is a challenge for BIDPA's growth and sustainability as a Think Tank.

LE KAMOSO BAGAETSHO.

BOARD OF TRUSTEES

The Board of Trustees, constituted in terms of the Deed of Trust of 1995, is responsible for providing policy direction to the institute. The membership of the current Board is institutionally based.

BIDPA is governed by a Board of Trustees whose work is carried out through various committees. There are 5 members of the Board and the Executive Director is the secretary to the Board.

There are four subcommittees of the Board: Finance, Risk and Audit Committee, Tender and Procurement Committee, Research Committee and Human Resource Committee. The Finance,Risk and Audit Committee deals with and advises on financial policies of the Institute and related matters. The Tender and Procurement Committee focuses on procurement policy issues, while the Human Resource Committee deals with policies related to employees of the organization. The Research Committee is responsible for formulating and monitoring the BIDPA research agenda.

THERE ARE FOUR SUB-COMMITTEES OF THE BOARD

- FINANCE RISK AND AUDIT COMMITTEE
- TENDER AND PROCUREMENT COMMITTEE
- HUMAN RESOURCES COMMITTEE
- RESEARCH COMMITTEE

CORPORATE GOVERNANCE

BOARD OF TRUSTEES

Mr D. Molaodi

Board Chairperson

- Current Job Title / Position and Organisation Name: Lecturer, University of Botswana
- Professional / Educational Qualifications:
  MA Public Policy and Administration
  BA Public Administration and Political Science
- Competencies / Core Skills specific to their function within the Board):
  Policy Analyst Researcher

Date of First Appointment (Start Date): 31 July 2019
Date of Re-Appointment(Extension Date): None
Date of Expiry (End Date): 31 July 2023
Term serving (1st, 2nd...): 1st

Dr K. Masalila

Deputy Board Chairperson
Chairperson - Research Committee
Member-
Tender and Procurement Committee,
Finance Risk and Audit Committee

- Current Job Title / Position and Organisation Name: Deputy Governor, Bank of Botswana
- Professional / Educational Qualifications:
  PhD in Economics
  Master of Philosophy in Monetary Economics
  Bachelor of Commerce
- Competencies / Core Skills specific to their function within the Board):
  Researcher Economist

Date of First Appointment (Start Date): 26 February 2021
Date of Re-Appointment(Extension Date): None
Date of Expiry (End Date): 26 February 2025
Term serving (1st, 2nd...): 1st

Ms G. Mosienyane

Chairperson- Human Resource Committee
Member-
Research Committee and Finance Risk and Audit Committee

- Current Job Title / Position and Organisation Name: Deputy Director General , National Strategy Office
- Professional / Educational Qualifications:
  MSc Medical Microbiology
  BA Biomedical Sciences
- Competencies / Core Skills specific to their function within the Board):
  Strategic management, ,Organisational performance

Date of First Appointment (Start Date): 7 September 2020
Date of Re-Appointment(Extension Date): None
Date of Expiry (End Date): 7 September 2024
Term serving (1st, 2nd...): 1st

Mrs J. Sajembe

Chairperson - Tender and Procurement Committee
Member- Research Committee, Human Resource Committee

- Current Job Title / Position and Organisation Name:
  Deputy Director- Macro Economic Policy
  Ministry of Finance and Economic Development
- Professional / Educational Qualifications:
  Msc Business Economics
  BA Economics and Accounting
- Competencies / Core Skills specific to their function within the Board):
  Economist, Policy Analyst

Date of First Appointment (Start Date): 20 January 2021
Date of Re-Appointment(Extension Date): None
Date of Expiry (End Date): 20 January 2025
Term serving (1st, 2nd...): 1

Mr D. Molobe

Chairperson - Finance Risk and Audit Committee
Member- Tender and Procurement Committee, Human Resource Committee

- Current Job Title / Position and Organisation Name:
  Director- Policy Advocacy, Business Botswana
- Professional / Educational Qualifications:
  Bachelor of Arts (Economics and Statistics)
- Competencies / Core Skills specific to their function within the Board):
  Economist, Policy Advocacy

Date of First Appointment (Start Date): 13 April 2016
Date of Re-Appointment(Extension Date): 01 February 2021
Date of Expiry (End Date): 01 February 2025
Term serving (1st, 2nd...): 2nd

Dr G. Somolekae

Acting Executive Director
Secretary to the Board

- Current Job Title / Position and Organisation Name:
  Acting Executive Director, BIDPA
- Professional / Educational Qualifications:
  PhD in Public Administration
  Master's in Public Policy and Administration
  Bachelor of Public Administration and Political Science

Date of First Appointment (Start Date): August 2020

BOARD PERFORMANCE

The Board, in executing its fiduciary duties, among other things, remains the accountable custodian of corporate governance. It is committed to ensuring, collectively and individually, that sound governance principles are fully integrated into all aspects of the business.
The Board remains committed to the principles of King IV and ensures that its recommendations are materially entrenched into the Board's internal controls, policies, terms of reference and overall procedures and processes.

Board Charter

The roles and responsibilities of the Board and individual Directors are set out in the Board Charter which is aligned with the provisions of relevant statutory and regulatory requirements and is reviewed on an annual basis.

Conflicts of interest

The Board Charter requires Directors to declare any actual or potential conflict of interest immediately when they become aware of such situations at subsequent meetings. Each Director is required to submit a 'Declaration of Interest' form, outlining other directorships and personal financial interests, including those of their related parties annually. Where actual or potential conflicts are declared, affected Directors are excluded from discussions and any decisions on the subject matter of the declared conflict.

BOARD REMUNERATIONS

BOARD MEMBERS SITTING ALLOWANCE OF THE YEAR ENDED MARCH 2022

N0.	NAMES	POSITION	SITTING ALLOWANCE
1.	K. Masalila	Board Member, Finance, Risk & Audit Committee, Research Committee, Tender Committee	13, 860.00
2.	D. Ramphaleng	Finance, Risk & Audit Committee	7, 560.00
3.	K.M Molebatsi	Human Resources Committee	3, 780.00
4.	L. Tlhalerwa	Tender and Procurement Committee	2, 821.20
5.	L. Keloneilwe	Tender and Procurement Committee	2, 520.00
6.	Z. Mmolawa	Tender and Procurement Committee	2, 016.00
7.	W. Ramaphoi	Human Resources Committee	2, 520.00
8.	D.S Molobe	Board Member, Finance, Risk & Audit Committee, Human Resources Committee, Tender Committee	22, 050.00
9.	D. Molaodi	Board Chairperson	30, 555.00
10.	T. Maundeni	Research Committee	2, 520.00
11.	K. Kgopo	Tender and Procurement Committee	3, 780.00
12.	K. Mooketsi	Tender and Procurement Committee	3, 780.00
13.	G.B Mosienyane	Board Member, Finance & Audit Committee, Human Resources Committee, Research Committee	21, 420.00
14.	R. Mgadla	Finance & Audit Committee	7, 560.00
15.	J. Sajembe	Board Member, Research Committee Tender and Procurement Committee, Human Resources Committee	-
			126, 742.20

> The Board, in executing its fiduciary duties, among other things, remains the accountable custodian of corporate governance. It is committed to ensuring, collectively and individually, that sound governance principles are fully integrated into all aspects of the business”

SUB-COMMITTEES

HUMAN RESOURCES COMMITTEE

MS G. MOSIENYANE
(CHAIRPERSON)

MR D. MOLOBE (Member)

MS J. SAJEMBE (Member)

MS M. MOLEBATSI (Member)

MS W. RAMAPHOI (Member)

TENDER AND PROCUREMENT COMMITTEE

MS J. SAJEMBE
(CHAIRPERSON)

Dr K. MASALILA (Member)

MR D. MOLOBE (Member)

MR. K. KGOPO (Member)

MR K. MOOKETSI (Member)

RESEARCH COMMITTEE

Dr K. MASALILA
(CHAIRPERSON)

MS G. MOSIENYANE (Member)

MS J. SAJEMBE (Member)

PROF T. MAUNDENI (Member)

FINANCE, RISK AND AUDIT COMMITTEE

MR D. MOLOBE
(CHAIRPERSON)

Dr K. MASALILA (Member)

MS G. MOSIENYANE (Member)

MS R. MGADLA (Member)

MS D. RAMPHALENG (Member)

MANAGEMENT COMMITTEE

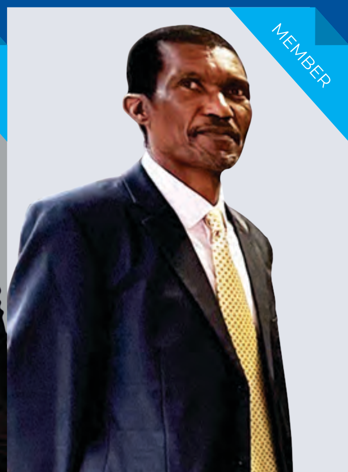
Dr G. Somolekae
Acting Executive Director

The BIDPA Management Committee comprises the Executive Director, the Programme Coordinator, Finance Manager, Human Resources Manager, the Knowledge Management and Dissemination Manager, Information Technology Manager and all Senior Research Fellows. The Executive Director (ED) is appointed by Board of Trustees. The ED has everyday management responsibility for all activities of the Institute. Senior Research Fellows are heads of the research units. Non-research managers are responsible for Information and Technology, Finance, Programme Coordination, Knowledge Management and Human Resources.

Ms B.R. SIWAWA - MOEPENG
(Finance Manager)

Ms B. WADIKONYANA
(HR and Admin Manager)

Ms W. TIRELO
(Program Coordinator)



DR M. PHIRINYANE
(Acting Senior Research Fellow, Governance and Administration)

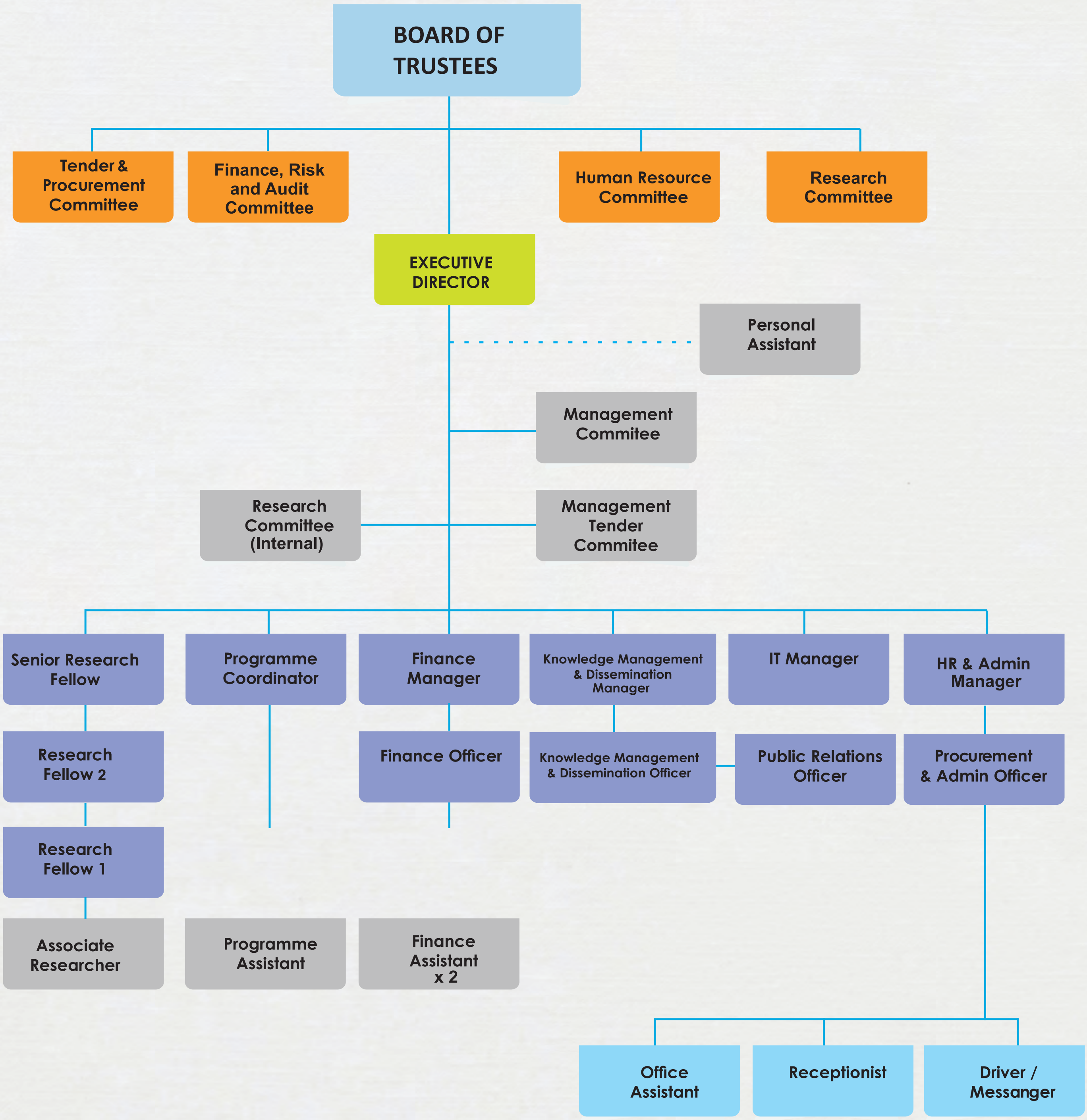
Dr. D. MMOPELWA
(Acting Senior Research Fellow, Human and Social Developent)

Dr P. KEBAKILE
Acting Senior Research Fellow (Trade, Industry and Private Sector Development)

Mr M. MADISA
(IT Manager)

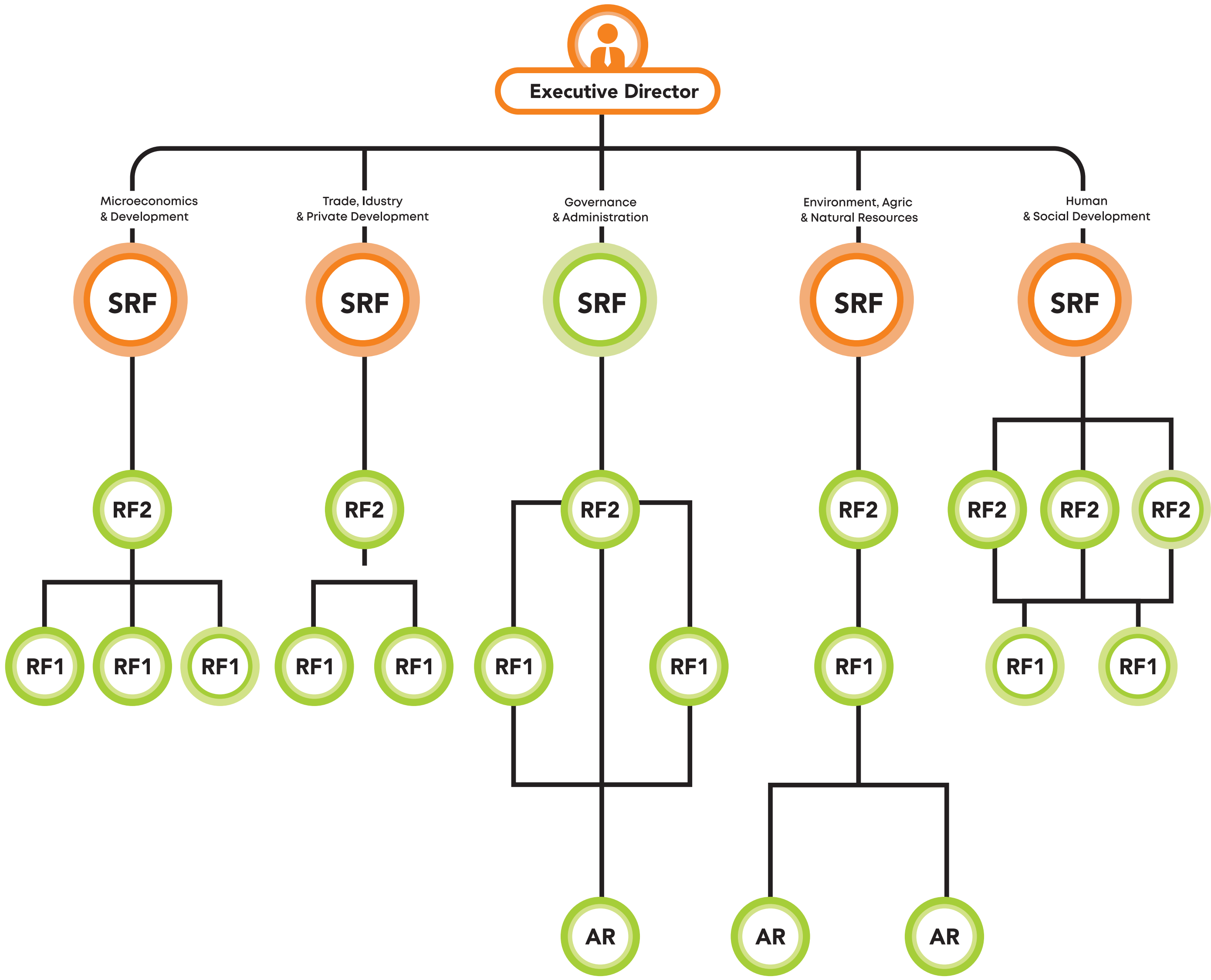
Ms P. NTOKWANE
(Knowledge Management and Dissemination Manager)

ORGANOGRAM


BOARD OF TRUSTEES
Tender & Procurement Committee
Finance, Risk and Audit Committee
Human Resource Committee
Research Committee
EXECUTIVE DIRECTOR
Personal Assistant
Management Commitee
Research Committee (Internal)
Management Tender Commitee
Senior Research Fellow
Programme Coordinator
Finance Manager
Knowledge Management & Dissemination Manager
IT Manager
HR & Admin Manager
Research Fellow 2
Finance Officer
Knowledge Management & Dissemination Officer
Public Relations Officer
Procurement & Admin Officer
Research Fellow 1
Associate Researcher
Programme Assistant
Finance Assistant x 2
Office Assistant
Receptionist
Driver / Messanger

BIDPA
RESEARCH ESTABLISHMENT

ORGANOGRAM



KEY:

- Vacant Position

- On Phd. Study Leave

- Filled Position

SRF - Senior Research Fellow (PhD. Holder)
RF2 - Research Fellow 2 (PhD. Holder)
RF1 - Research Fellow 1
AR - Advocate Researcher

PERFORMANCE AT A GLANCE

HIGHLIGHTS FOR THE 2021-22 FINANCIAL YEAR IN BRIEF

Corporate Governance

Re-registration of BIDPA as a Trust and the registration of the Trustees was completed

- Trustees were issued with letters of authority and two Trustees (Dr K Masalila and Mrs J Sajembe) assumed their roles. Mr D Molaodi as a Board Chairperson, and Dr K Masalila as a Deputy Chairperson
- Two co-opted members (Mr E Kgopo and Mr K Mooketsi) were appointed to serve in the Tender and Procurement Committee
  Board Assessment was concluded, and results were approved by the Trustees in July 2021.
- Gift Register and declaration forms adopted and utilised by the institute
- BIDPA employees sensitised on corruption prevention
- Development and approval of the CSR Policy
- Risk Management,Strategic risk register in place and reported quarterly to the Board. Internal and external audits also in place

Strategic Partnerships

38%

At least 38% of project revenue raised through strategic partnerships

Signing of a Memorandum of Understanding with Kenya Institute for Public Policy Research Institute, (KIPPRA) to undertake joint policy relevant research and sharing of best practices. The MOU will strengthen cooperation between the two institutions formed to provide evidence-based socio-economic policy advice to their governments and other major players in the developmental arena.

Economic Diversification Drive

BIDPA continues to outsource cleaning, security, maintenance, pest control, publishing, and some ICT services to empower local entrepreneurs

Knowledge Generation

The institute published six Journal articles, three policy briefs and one research paper, and three working papers.

Public Forums

- BIDPA launched the study on the Pre-conditions for Botswana's transition to a knowledge- based economy. The study sought to achieve the following objectives: assess the country's readiness towards a Knowledge-Based Economy, review best practices and identify lessons on what Botswana needs to do to successfully transition to a knowledge-based economy and highlight policy implications and make recommendations on way forward

- **A BIDPA expert reviewed and provided analysis on the 2022/23 Budget**

- **A BIDPA expert reviewed and provided analysis on the 2022/23 State of the Nation Address**

- **A BIDPA expert was a panelist at the 2021 budget Pltso**

- **A BIDPA expert was a panelist at the Annual Child Rights Convention 2021 to address urgent decisive action against escalating child poverty: A clarion call to Botswana**

- **A BIDPA expert was a panelist at the Konrad Adenauer Stiftung 10th Election bridge conference discussing "The economic development of Botswana from pre independence to date".**

- **A BIDPA expert was a panelist at the Improving National Competitiveness Conference discussing; Roadmap to Escaping the Middle-Income Trap**

ON-GOING

PROJECTS COVERING 1 APRIL 2021 TO 31 MARCH 2022

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
1.Consultancy to Evaluate Socio-Economic Programs for Botswana	Ministry of Finance	On-Going as at 31/03/2022	Ministry of Finance has engaged the Botswana Institute for Development Policy Analysis (BIDPA) to provide consultancy services for the evaluation of socio-economic programmes in Botswana. Specifically, the consultancy's scope of work is to perform the following tasks: a. Review the past performance of the programmes, b. Examine the strengths, weaknesses, opportunities and threats (SWOT analysis) of the programmes, c. Analyse external effects: ways to improve the positive effects and mitigate the negative effects, d. Assess whether the programmes create, reinforce or correct social inequalities, e. Determine the financial implications to Government and other factors, f. Establish the feasibility and sustainability of the programmes, g. Assess how the programme impacts and costs would differ if some components of the programme were changed, h. Recommend corrective measures including possible policy shifts and identify risks that might be associated with any potential policy shifts, i. Proposed respective risks mitigation measures, j. Recommend solutions that would enhance the effectiveness and efficiency of the programmes. These could include retooling/ redefining of the programmes and/or reconfiguring of the beneficiaries into capable productive economic players. For instance, raise their self-awareness to enable them to use their skills productively. k. Consideration of any other issues, beside the above mentioned, the consultancy should consider other areas that are relevant to enable the achievement of the assignment.
2.Development of Vision 2036 Index Methodology	Vision 2036 Secretariat	On-Going as at 31/03/2022	BIDPA is engaged by VISION 2036 Coordinating Agency to undertake consultancy services for the Development of Vision 2036 Methodology Index. The specific objectives of the consultancy are: • To establish Botswana Vision 2036 as a useful, operational tool for policy action and transformation of Botswana's economy and society. • To support national debates on prioritisation and formulation of Vision 2036 implementation strategies. • To complement efforts to develop a robust Vision 2036 monitoring framework by the Vision 2036 Council. • To identify Vision 2036 data gaps, need for investments in statistical capacity and research, and new forms of data. • To develop Vision 2036 Index Tool Kit that will facilitate holding various entities and Government accountable to performance of Botswana's economy.
3.Southern African Customs Union study	Ministry of Finance	On-Going as at 31/03/2022	The Ministry of Finance engaged BIDPA to undertake the SACU study whose main objective is to assess how Botswana could maximise the benefits of her Membership in SACU under the current operations model.
4.Assessment of Informal and Formal SMME's in Botswana	Local enterprise Authority (LEA)	On-Going	BIDPA was commissioned by Local enterprise Authority (LEA) to undertake this study whose overarching objective is to provide a profile of the Informal and formal sector, SMME sector role in the economy of Botswana. Specifically, BIDPA is tasked with: 1. Profiling of informal and SMME sector businesses by sector, rural versus urban, business activity and demographics. 2. Determine the geographic spread of informal and formal SMMEs in the country. 3. Determine the Gross Domestic Product (GDP) contribution of the SMME sector to the economy.

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
			i. Disaggregate the SMME GDP contribution to the economy: a. At national, district and regional b. By sector c. By business activity 4. Estimate the contribution of the informal and formal SMME sector to the employment figures at national level. i. Disaggregate the SMME employment contribution to the economy: a. At national, district and regional level b. By sector c. By business activity 5. Identify and profile the economic sectors where the informal and SMME sectors and business activities are significant players. 6. Identify opportunities for unlocking value in the informal sector and SMMEs i. Which areas/ goods & services can the informal sector and SMMEs contribute towards import substitution. ii. Where do opportunities lie for growing the informal sector and SMMEs through public procurement. 7. Establish the current barriers for informal sector and SMME growth, which will inform the interventions proposed. 2 8. Identity and prioritize sectors and business activities for support interventions targeted to ensure sustainability and growth of the informal sector. 9. Identify and recommend models of exploitation of opportunities identified for the informal and SMME sector enterprises 10. Recommend the most impactful interventions for the informal and formal SMMEs sector to achieve growth and sustainability in the short and medium term. 11. Make recommendations on policy level changes required to support implementation of recommendations for Informal and SMME sector interventions.
5.European Union (EU) Dialogue Facilitation Project	Ministry of Finance	On-Going	The Botswana Institute for Development Policy analysis (BIDPA) has been appointed to undertake this study titled "European Union (EU) Dialogue Facilitation" and the aim is to: • Raise awareness among public institutions and other stakeholders (including CSOs, academia, and private sector) about the policy dialogue facility; • Identify priority sectors/themes for the dialogues based on Government's strategic priorities (NDP11, Economic Recovery and Transformation Plan, Reset Agenda) and other sector policies (digital, Gender Based Violence, climate, etc.) • In collaboration with Government ministries and agencies, identify opportunities for peer-learning and knowledge exchange with Europe and other countries in the region; • Prepare policy papers and studies which could feed into the dialogues; • Support, together with the TA contract, the organisation of the dialogues and workshops; • Monitor the follow-up on the conclusions and recommendations stemming from the dialogues/workshops

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
6.G547- Review of the National Policy for Rural Development (2002) & Develop a Revised National Policy for Rural Development	The United Nations Development Programme (UNDP)	On-Going	The United Nations Development Programme (UNDP) engaged BIDPA to review the 2002 Revised National Policy for Rural Development and develop a revised comprehensive National Policy for Rural Development. The scope of work encompasses the following: i. Review the 2002 Revised National Policy for Rural Development including its 12 strategic/thematic areas and the action plan (2010-2016). The review must employ the six evaluation criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability. ii. Undertake an assessment of the status of rural development in Botswana. iii. Undertake a desktop review of international best practices on rural development. iv. Develop a Review Report containing findings and detailed recommendations to improve the relevance, efficiency, effectiveness, impact, and sustainability to inform the development of the Revised NPRD and Action Plan. v. Develop a comprehensive revised NPRD, aligned to national policy guidelines. vi. Develop a comprehensive Action Plan for the Revised Policy vii. Develop the Revised NPRD Risk Management Plan that outlines risk descriptions, likelihood, impact, risk owners and mitigating measures. Action 6 Viii. Develop a Monitoring & Evaluation Plan, integrated within the Action Plan.

COMPLETED

PROJECTS COVERING 1 APRIL 2021 TO 31 MARCH 2022

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
1.Agricultural Credit Guarantee Scheme	Ministry of Finance	Completed	Ministry of Finance engaged BIDPA to undertake this study whose specific objectives are to: 1. Review the past performance of the Agricultural Credit Guarantee Scheme 2. Investigate the strengths, weaknesses, opportunities and threats (SWOT) of the scheme 3. Establish the feasibility, sustainability or otherwise of extending the Scheme to cover additional agricultural subsectors 4. Establish the feasibility, sustainability or otherwise of extending the Scheme to a wider range of financing institutions in Botswana 5. Establish the impact that the scheme may have on the development of the local agricultural insurance scheme 6. Establish the impact that the scheme may have on the development of the local agricultural insurance industry.
2.Review of Affirmative Action Framework for Remote Area Communities & Impact Assessment of RADP	United National Development Programme (UNDP)	Completed	The objective of this assignment is to undertake the midterm review of the Remote Area Development Programme (RADP). The consultants will carry out a mid-term review of the Affirmative Action Framework (AAF) for Remote Area Communities to determine the extent to which the AAF plan has been implemented and provide recommendation for the re-orientation of the RADP.
3.Draft of the National Occupational Health and Safety Policy	Ministry of Employment, Labour Productivity and Skills Development	Completed	The Ministry of Employment, Labour Productivity and Skills Development has requested the Botswana Institute for Development Policy Analysis (BIDPA) to undertake consultancy services to rewrite the National Occupational Health and Safety Policy.
4.Legal and policy frameworks for asset recovery and Anti-Corruption	Civil Forum for Asset Recovery (CIFAR)	Completed	Civil Forum for Asset Recovery (CIFAR) engaged BIDPA to develop background research on the legal and policy frameworks relevant for asset recovery and anti-corruption, as well as legislation and operational frameworks relating to civil society. BIDPA is amongst the research institutions in 5 East and Southern Africa countries selected to undertake the study. The project aims to analyse the role of civil society in the East and Southern Africa in promoting asset recovery and fighting against grand corruption and Illicit Financial Flows (IFFs). Through this assessment, CIFAR will build the baseline for its future involvement with civil society organisations in the two regions. The project foresees the assessment of five countries in East and Southern Africa that show promise for civil society organisations to have a stronger voice in the asset recovery process and in countering IFFs, but where capacity gaps exist and where networks are lacking. South Africa is one of these countries. The main objective of the research study is to collate and assess the legal and policy frameworks relevant for asset recovery and anti-corruption as well as legislation and operational frameworks relating to civil society into a report.
5.Responsiveness of Cigarette Demand to Prices Changes in Botswana"	The African Capacity Building Foundation (ACBF)	Completed	The African Capacity Building Foundation (ACBF) contracted BIDPA to undertake a study on Responsiveness of Cigarette Demand to Prices Changes in Botswana. The main objective of this initiative is to increase and share knowledge and methodology of research on the economics of tobacco control in Africa in order to promote tobacco control through evidence policy making. The goal will be met through the following specific objectives: • Enhance African researchers' skills in economics of tobacco control and the broad spectrum of provisions of the WHO FCTC; and • Sensitize African researchers on the scourge of tobacco use and, on the need to develop further research on economics of tobacco control.

SUPPLY DRIVEN
RESEARCH

This section covers supply - driven research activities undertaken by the institute during the 2021/2022 financial year.

POLICY BRIEFS

Omotoye, Marumo (2022) *Barriers to Effective Whistleblowing in Botswana: Lessons from the construction industry*

Adopting Botswana's construction industry as a case study, this Policy Brief examines key barriers to effective whistleblowing in Botswana. Data were drawn from 117 construction firms and interviews with regulators of this sector. Despite the enactment of the Whistleblowing Act 2016, the study finds the following key barriers to effective whistleblowing: (i) fear of retaliation or punishment, (ii) fear of job loss, (iii) absence of organisational whistleblowing policies, (iv) lack of incentive to report, (v) lack of education on whistleblowing, and (vi) insufficient action and follow-up on disclosures by authorities. From a policy perspective, there is a need to strengthen the existing legal protection offered to whistle-blowers, their families, and associates to ensure they are not subject to harm, retaliation or victimisation. There is also a need to increase levels of education and awareness on whistleblowing in general, and the Whistleblowing Act 2016.

Blackie, Israel R. (2021) *Resolving Human-Wildlife Conflict in Botswana Through Social Protection.*

This policy brief is based on a national tracer survey covering 66 villages following mixed methods (qualitative and quantitative) approach to ascertain the magnitude and social impacts of human- wildlife conflict (HWC) on victims and their families. This analysis also seeks to assess the relevance and effectiveness of the ex-gratia compensation scheme to victims of wild animals' attack which was introduced in 2015. Local people exposed to life threatening wildlife attacks express fear and animosity towards wild animals and feel rejected and disappointed from a fragmented government service delivery system. The study proposes various policy implications aimed at better assisting victims of HWC as well as enlisting local communities' support in the sustainable conservation of Botswana's biodiversity.

WORKING PAPERS

Blackie, Israel R. (2022) *Ex Gratia Payments for Loss of Life Due to Wild Animal Attack in Botswana*: implications for practice and policies Ex- gratia payment is paid only to families of human-wildlife conflict (HWC) victims who get killed by wildlife, and not to victims who are injured by wild animals, regardless of the severity of the injury, even if it results in permanent disability. This study was carried out to assess the relevance and effectiveness of the ex-gratia payment to victims of wild animals' attack. Participants included traditional leadership (chiefs), government officials, wildlife NGOs, victims and their caretakers. Local people exposed to life-threatening wildlife attacks express fear and animosity towards wild animals and feel left out and disappointed by a fragmented government service delivery system. Delays in processing ex- gratia payment militates against the effectiveness of the ex-gratia scheme. Payment of ex gratia process needs to be re-engineered to improve its effectiveness to serve its noble objectives. This study recommends establishment of an Ex-Gratia Scheme or Ex Gratia Tribunal where all HWC injuries or death incidents can be effectively dealt with. Most importantly, compensation should consider healthcare and rehabilitation, loss of reasonable income and associated disability care because of being attacked by the wild animals.

Blackie, Israel R. (2022) *The Social Impact Analysis of the Human-Wildlife Conflict on Victims and their Families in Botswana.*

The period between 2009 and 2019 has witnessed an unprecedented increase in the number of human-wildlife conflicts (HWC) resulting in people being injured and/or killed by the wildlife in Botswana. This national tracer study guided by constructivism approach covered 66 HWC victims and their families in over 65 villages. The study utilised mixed methods approach to ascertain the magnitude and social impacts of HWC on victims and their families, following injuries and loss of life from the wildlife. The results of the study indicate that the advent of HWC is transforming rural communities' livelihoods from being agriculturally based, to being dependent on a costly government aided destitute program. The study also found that victims of HWC experience recurring headaches, itching and other pains which are symptomatic of bacterial infections from claws and the mouth of predators that gets injected deep into the body when animals bite people. The study recommends that government should ensure development of a comprehensive medical health care and effective therapeutic rehabilitation policy to facilitate psychosocial adjustment of HWC survivors. Collaborative research between wildlife veterinarians, medical practitioners and allied health service providers is urgently required to guide development of comprehensive medical health care and effective rehabilitation post-traumatic wildlife attack.

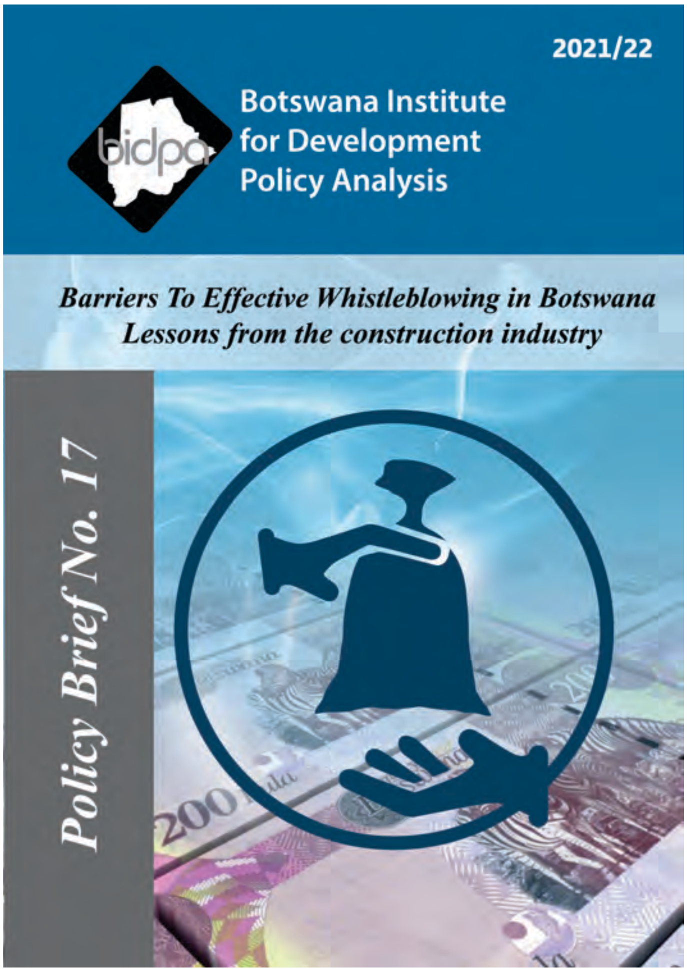
SUPPLY DRIVEN
RESEARCH

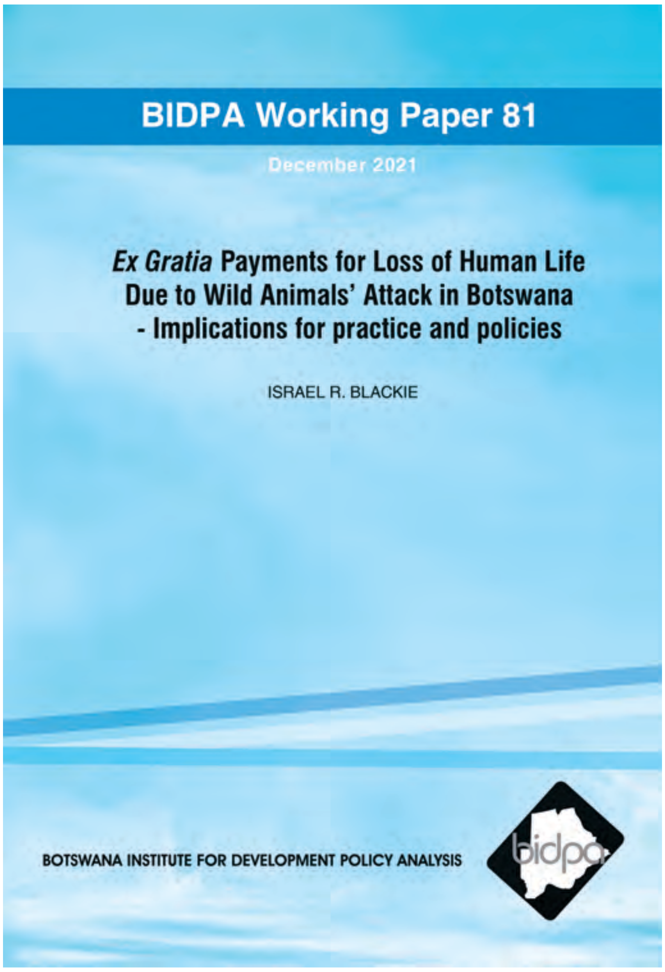
This section covers supply - driven research activities undertaken by the institute during the 2021/2022 financial year.

JOURNAL ARTICLES

Mookodi, Lillian (2021): *Decomposition Analysis of the Gini Coefficient of Consumer Expenditures in Botswana, Development Southern Africa.*

Using the 2009/10 Botswana Core Welfare Indicator Survey (BCWIS) and 2015/16 Botswana Multi-Topic Household Survey (BMTHS) datasets, this article discusses inequality in food and non-food expenses in Botswana using the Lerman & Yitzhaki [1984. A note in the calculation and interpretation of the Gini Index. Economics Letters 15, 363–8] inequality decomposition method. The main aim is to investigate how aggregate consumption inequality translates into inequality within each spending component, in order to better understand the distribution of resources held, as well as the population's living standards, and to make recommendations on redistributive government policies. The means, standard errors, and confidence intervals for the component Gini coefficients estimates are also calculated using a simple bootstrap method. The average Gini coefficient of consumption expenditure within the groups increased from 0.498 to 0.533 between 2009/10 and 2015/16, according to the findings. This increase in total expenditure inequality may be due to the increased burden of non-food spending in the household budget, which is more unequal than food spending. Food and clothes & footwear have lower Gini coefficients than other goods since they are considered necessities. Finally, this article suggests several policy options for reducing consumption expenditure inequality.





Botswana Institute for Development Policy Analysis

BOOKS AND OTHER SPECIAL PUBLICATIONS

WORKING PAPERS

Working Paper No 81: Blackie, Israel R. (2022) Ex Gratia Payments for Loss of Life Due to Wild Animal Attack in Botswana: Implications for practice and policies

Working Paper No 80: Blackie, Israel R. (2022) The Social Impact Analysis of the Human-Wildlife Conflict on Victims and their Families in Botswana

Working Paper No 79: Omotoye, Marumo (2020) Whistleblowing in Botswana's Construction Industry: A public and private sector perspective.

Working Paper No 78: Seleka, Tebogo B. (2020) Old Wine in a New Bottle? Impact of the ISPAAD Input Subsidy Programme on the Subsistence Economy in Botswana.

Working Paper No 77: Motsatsi, Johane (2020) How Non-Diamond Exports Respond to Exchange Rate Volatility in Botswana.

Working Paper No 76: Motswapong, Masedi (2020) Male-Female Wage Differentials in Botswana.

Working Paper No 75: Mmolainyane, Kelesego (2020) Financing Public Private Partnerships (PPPs) in Botswana Through the Capital Market.

Working Paper No 74: Gaetsewe, Tshepiso (2020) Characteristics of Firms in Botswana's Informal Sector.

Working Paper No 73: Khanie, Goitseone (2020) Key Drivers of Industrial Growth: A case study of Botswana's manufacturing sector.

Working Paper No 72: Seleka, Tebogo B. and Lekobane, Khaufelo R. (2020) Targetting Effectiveness of Social Transfer Programs in Botswana: Means-Tested versus Categorical and Self-Selected Instruments.

Working Paper No 71: Sedimo, Ratang and Mmolainyane, Kelesego (2020) Ordinary Shareholders'Rights Protection in Botswana.

POLICY BRIEFS

Policy Brief No. 17: Omotoye, Marumo (2022) Barriers to Effective Whistleblowing in Botswana: Lessons from the construction industry

Policy Brief No. 16: Blackie, Israel R. (2021) Resolving Human-Wildlife Conflict in Botswana Through Social Protection.

Policy Brief No. 15: Sedimo, Ratang and Mmolainyane, Kelesego (2020) Ordinary Shareholders' Rights Protection in Botswana.

Policy Brief No. 14: Mookodi, Lillian (2020) Consumer Expenditure Inequality in Botswana.

JOURNAL ARTICLES:

1. Mookodi, Lillian (2021): Decomposition Analysis of the Gini Coefficient of Consumer Expenditures in Botswana, Development Southern Africa. DOI: 1080/0376835X.2021.1912587

2. Molefhi, Koketso. (2021) The Impact of Macroeconomic Variables in Capital Market Development in Botswana's Economy. African Journal of Economic Review, Vol.9(2) pp.204-222

3. Samboma, Thabile A. (2021) Leaving No One Behind: Intellectual disability during COVID-19 in Africa. International Social Work, Vol.64(2) pp.265-269

4. Samboma, Thabile A. (2021) Project Implementation in Local Authorities: The Botswana context. Journal of Public Affairs. https://doi.org/10.1002/pa.2610

5. Samboma, Thabile A. (2020) Vulnerability of Children in Botswana During COVID-19. International Social Work, Vol.63(6) pp.807-810

6. Omotoye, A.M.T. (2020) Perspectives on Gender and Corruption in Botswana: Lessons and Implications for Anti-Corruption Policy. African Journal of Public Administration and Management, Vol. XXVII, No. 2, pp. 25-43.

7. Seleka, Tebogo B. and Lekobane, Khaufelo R. (2020) Targeting Effectiveness of Social Transfer Programs in Botswana: Means-tested versus Categorical and Self-selected Instruments. Social Development Issues, 42(1) 2020

8. Seleka, Tebogo B. and Dlamini, Thula S. (2020) Competitiveness of ACP Sugar Exports in the Global Market. The International Trade Journal, vol. 34(2), pp. 247-277

9. Gaodirelwe, Ikanyeng; Motsholapheko, M. R. and Masunga, G. S. (2020) Community Perceptions of Wildlife Management Strategies and Subsistence Poaching in the Okavango Delta, Botswana. Human Dimensions of Wildlife:An International Journal. https://doi.org/10.1080/10871209.2020.1727589

10. Lekobane, K. R. and Roelen, Keetie (2020) Leaving No One Behind: Multidimensional Child Poverty in Botswana. Child Indicators Research. https://doi.org/10.1007/s12187-020-09744-6

11.Seleka, Tebogo B. and David Mmopelwa (2020) Effects of Input Subsidies on Cropland Allocation and Diversification in Botswana's Subsistence Economy. Agrekon. https://doi.org/10.1080/03031853.2020.1758175

providing evidence–based
socio-economic policy advice
and related capacity building

Botswana Institute for Development Policy Analysis

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

GENERAL INFORMATION

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Botswana Institute for Development Policy Analysis (the Institute") is an autonomous, non-governmental research Institute established by a trust deed (MA 16/95). It is involved in development policy analysis and capacity building in Botswana
Chief Executive Director	Dr. G Somolekae (Acting)
Trustees	Ms. G. Mosienyane (Appointed September 2020) Mr. D. Molobe Mr. D.K Molaodi Dr. K.S Masalila (Appointed August 2021) Ms Sajembe (Appointed August 2021)
Secretary	Dr. G Somolekae
Business address	BIDPA House Plot 134 Millennium Office Park Gaborone
Bankers	Bank Gaborone Limited Absa Bank Botswana Limited First National Bank Of Botswana Limited
Investment Banker	Vunani Fund Managers
Auditors	Grant Thornton Chartered Accountants Member firm of Grant Thornton International limited
Presentation currency	Botswana Pula (BWP)
Postal address	Private Bag BR 29 Gaborone Botswana
Trust registration number	TUHGB-000189-20

Botswana Institute for Development Policy Analysis
Annual Financial Statements for the year ended 31 March 2022

Trustees' Responsibilities and Approval

The Trustees are required in terms of the Deed of Trust (MA 216/22) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Trustees have reviewed the Institute's cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the Institute has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Institute's annual financial statements. The annual financial statements have1 704 576 mined by the Institute's external auditors and their report is presented on pages 31 to 33.

The annual financial statements set out on pages 45 to 61, which have been prepared on the going concern basis, were approved by the board of trustees on 31|08|2022 and were signed on their behalf by:

Approval of financial statements

Trustee

Trustee

Grant Thornton

Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
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Gaborone, Botswana

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twitter.com/GrantThorntonBW

Independent Auditor's Report

To the Trustees of Botswana Institute for Development Policy Analysis

Opinion

We have audited the financial statements of Botswana Institute for Development Policy Analysis set out on pages 31 to 33, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of, the financial position of Botswana Institute for Development Policy Analysis as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the annual financial statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (Part A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We do not have any key audit matters to report.

GRANT THORNTON
CHARTERED ACCOUNTANTS
GABORONE

Botswana Accountancy Oversight Authority registration number: FAP 005 2016 (Audit Firm of Public Interest Entity)
Botswana Institute of Chartered Accountants membership number: MeFBW11013 (Audit and Non-Audit)

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Other information
The Trustees are responsible for the other information. The other information comprises the information included in the document titled "Botswana Institute for Development Policy Analysis annual financial statements for the year ended 31 March 2022", which includes the Detailed Income Statement, which we obtained prior to the date of this report and other sections of the annual report, which are expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Annual Financial Statements

The Trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Trustees are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trustees or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

GRANT THORNTON
CHARTERED ACCOUNTANTS
GABORONE

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during us audit.

We also provide the Trustees with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustees, we determine those matters that were of most significant in the audit of the annual financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

GRANT THORNTON

Grant Thornton
Firm of Certified Auditors
Practicing Member: Madhavan Venkatachary (CAP 0017 2022)

31 AUGUST 2022
Gaborone

Botswana Institute for Development Policy Analysis
Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Pula	Note	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	18 815 512	14 289 964
Current Assets			
Financial assets	4	20 339 637	21 075 500
Trade and other receivables	5	5 207 300	2 206 381
Cash and cash equivalents	6	1 704 576	2 931 131
		27 251 513	**26 213 012**
Total Assets		**46 067 025**	**40 502 976**
Equity and Liabilities			
Equity			
Reserves		27 379 763	28 996 564
Retained income		2 190 849	266 908
		29 570 612	**29 263 472**
Liabilities			
Non-Current Liabilities			
Grants related to assets	10	3 771 092	395 154
Current Liabilities			
Trade and other payables	9	7 934 157	6 510 594
Deferred income	10	1 297 881	4 333 756
Deferred project revenue	11	3 493 283	-
		12 725 321	**10 844 350**
Total Liabilities		**16 496 413**	**11 239 504**
Total Equity and Liabilities		**46 067 025**	**40 502 976**

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2022

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2022	2021
Revenue	12	10 379 343	3 743 470
Grant Income	13	18 785 220	19 000 480
Income		**29 164 563**	**22 743 950**
Other operating income	14	413 269	107 804
Other operating gains (losses)	15	(8 867)	(386 076)
Other operating expenses		(30 117 725)	(27 251 800)
Operating loss	16	**(548 760)**	**(4 786 122)**
Finance Income	18	866 854	775 700
Profit (loss) for the year		**318 094**	**(4 010 422)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on property revaluation		178 184	-
Other comprehensive income for the year net of taxation	19	**178 184**	**-**
Total comprehensive income (loss) for the year		**496 278**	**(4 010 422)**

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Equity

Figures in Pula	Revaluation reserve	Capital grant	Training fund reserve	Building fund reserve	Retained income	Total funds and reserves
Balance at 1 April 2020	**13 581 129**	**2 017 610**	**8 701 477**	**3 860 000**	**5 176 728**	**33 336 944**
Loss for the year	-	-	-	-	(4 010 422)	(4 010 422)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(4 010 422)**	**(4 010 422)**
Transfer between reserves	(350 602)	(63 050)	(1 000 000)	2 250 000	(899 398)	(63 050)
Total contributions by and distributions to owners of company recognised directly in equity	**(350 602)**	**(63 050)**	**(1 000 000)**	**2 250 000**	**(899 398)**	**(63 050)**
Balance at 1 April 2021	**13 230 527**	**1 954 560**	**7 701 477**	**6 110 000**	**266 907**	**29 263 471**
Profit for the year	-	-	-	-	318 094	318 094
Other comprehensive income	178 185	-	-	-	-	178 185
Total comprehensive income for the year	**178 185**	**-**	**-**	**-**	**318 094**	**496 279**
Transfer between reserves	-	-	(1 595 728)	(10 120)	1 605 848	-
Transfer between reserves	(126 088)	-	-	-	-	(126 088)
Grant amortisation	-	(63 050)	-	-	-	(63 050)
Total contributions by and distributions to owners of company recognised directly in equity	**(126 088)**	**(63 050)**	**(1 595 728)**	**(10 120)**	**1 605 848**	**(189 138)**
Balance at 31 March 2022	**13 282 624**	**1 891 510**	**6 105 749**	**6 099 880**	**2 190 849**	**29 570 612**
Note	19	19	7	8	19	

The Institute's capital grant is made up of the value of building and land determined at the time of establishment of the Institute in 1995. These grants did not carry any terms of repayment and ownership vests with the Institute until such time as decided by the Government.

Botswana Institute for Development Policy Analysis
Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

Figures in Pula	Note(s)	2022	2021
Cash flows from operating activities			
Cash used in operations	20	(1 395 781)	(4 684 168)
Finance income		866 854	775 700
Net cash from operating activities		**(528 927)**	**(3 908 468)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(4 926 774)	(183 482)
Sale of property, plant and equipment		-	430 690
Movement in financial assets		735 863	(766 003)
Net cash from investing activities		**(4 190 911)**	**(518 795)**
Cash flows from financing activities			
Capital grants received during the year		3 493 283	183 480
Total cash movement for the year		**(1 226 555)**	**(4 243 783)**
Cash at the beginning of the year		2 931 131	7 174 914
Total cash at end of the year	6	**1 704 576**	**2 931 131**

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain property, plant and equipment at fair value, and incorporate the principal accounting policies set out below. They are presented in Botswana Pula.

These accounting policies are consistent with the previous period, except for the changes set out note 1.1.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is used in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value estimation

Certain assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in property, and equipment policy on the financial statements. These rates and residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the industry.

Provisions

Provisions are raised and management determines an estimate based on the information available.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.2 Property, plant and equipment

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Institute; and
- The cost of the item can be measured reliably.

Property and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any estimated losses except for motor vehicles, land and buildings which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment loss. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit and loss, a revaluation increase is credited to profit and loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss.

The revaluation surplus in equity related to a specific item of property and equipment is transferred directly to retained earnings when the asset is derecognised.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	99 years
Leasehold property	Straight line	40 years
Household Furniture - Technology Tablets	Straight line	3 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
IT equipment	Straight line	4 years
Library books	Straight line	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Botswana Institute for Development Policy Analysis

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Accounting Policies

1.3 Financial instruments

Financial Instruments held by the Institute are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Institute ,as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost

Financial liabilities:
- Amortised cost

Note 22 Financial instruments and risk management presents the financial instruments held by the Institute based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Institute are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Institute's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Institute becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Botswana Institute for Development Policy Analysis

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Accounting Policies

1.3 Financial instruments (continued)

Recognition and measurement

They are recognised when the Institute becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in surplus or deficit in finance costs.

Trade and other payables expose the Institute to liquidity risk and possibly to interest rate risk. Refer to note 22 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The Institute derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Institute derecognises financial liabilities when, and only when, the Institute obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Institute only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Botswana Institute for Development Policy Analysis

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Accounting Policies

1.3 Financial instruments (continued)

Financial liabilities

Financial liabilities are not reclassified.

1.4 Tax

Current tax assets and liabilities

The Institute is exempt from paying income tax as per the requirements of the Income Tax Act.

Tax expenses

The Institute is exempt from paying income tax as per the Income Tax Act (Cap 52: 01).

1.5 Impairment of assets

The Institute assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Institute estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Institute also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Institute's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.7 Provisions and contingencies

Provisions are recognised when:

- the Institute has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.8 Government subvention

Government grants are recognised when there is reasonable assurance that:

- the Institute will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Botswana Institute for Development Policy Analysis

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Accounting Policies

1.8 Government subvention (continued)

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.9 Revenue from contracts with customers

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Institute;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

1.10 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pulas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Institute receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Institute initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Institute determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Pulas by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	1 April 2021	The impact of the standard is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	1 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	1 January 2021	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2022 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IAS 12 Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)	1 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	1 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	1 January 2022	Unlikely there will be a material impact

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Notes to the Annual Financial Statements

Figures in Pula	2022	2021

3. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	18 283 410	(545 338)	17 738 072	14 060 000	(247 112)	13 812 888
Furniture and fixtures	1 264 243	(641 497)	622 746	730 081	(633 175)	96 906
Motor vehicles	178 184	-	178 184	326 968	(244 909)	82 059
Office equipment	612 053	(381 551)	230 502	769 172	(531 373)	237 799
Computer software	899 676	(853 668)	46 008	1 013 717	(953 405)	60 312
Library books	622 170	(622 170)	-	622 170	(622 170)	-
Total	**21 859 736**	**(3 044 224)**	**18 815 512**	**17 522 108**	**(3 232 144)**	**14 289 964**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Revaluations	Depreciation	Total
Buildings	13 812 888	4 223 410	-	(298 226)	17 738 072
Furniture and fixtures	96 906	549 989	-	(24 149)	622 746
Motor vehicles	82 059	-	178 185	(82 060)	178 184
Office equipment	237 799	134 588	-	(141 885)	230 502
Computer software	60 312	18 787	-	(33 091)	46 008
	14 289 964	**4 926 774**	**178 185**	**(579 411)**	**18 815 512**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	14 060 000	-	-	(247 112)	13 812 888
Furniture and fixtures	105 167	10 350	-	(18 611)	96 906
Motor vehicles	694 256	-	(530 455)	(81 742)	82 059
Office equipment	232 285	150 186	(42 379)	(102 293)	237 799
Computer software	186 709	22 946	(2 375)	(146 968)	60 312
	15 278 417	**183 482**	**(575 209)**	**(596 726)**	**14 289 964**

Valuation details

Land and building consist of a certain piece of land, being portion 134 of the Farm Forest Hill No. 9-KO measuring 1554 square meters held under a title deed MA56/2003 dated 01 March 2003 for a 99 year period commencing 01 March 2003.

The effective date of the revaluations of Land and Buildings was 10 June 2020. Revaluations were performed by an independent valuers Knight Frank. The land and Buildings were valued at P 14 060 000 representing the open market value arrived at using discounted cash flow method. Inspection of the properties were conducted during the valuation.

The revaluation of motor vehicles was done was performed on the 15 March 2022 and 06 April 2022. The revaluations were performed by independent valuers. The motor vehicles were valued at P 178 185, thereby representing the open market value.

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Figures in Pula	2022	2021
3. Property, plant and equipment (continued)		
Carrying value of assets under the cost model		
Land and Building	3 125 516	3 125 516
Motor vehicles	200 881	-
	3 326 397	**3 125 516**

4. Financial assets

Financial assets are presented at amortised cost, which is net of loss allowance, as follows:

	2022	2021
Vunani Fund Managers	5 631 493	11 337 318
The fair value of the investments in money market funds are based on the valuation of units provided by the fund manager. The fund manager's valuation is based on market value of the underlying assets of each fund.		
Bank Gaborone Limited	14 708 144	9 738 182
	20 339 637	**21 075 500**

Split between non-current and current portions

	2022	2021
Current assets	20 339 637	21 075 500

Exposure to credit risk

Financial assets inherently exposes the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Other financial assets are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for Other financial assets is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition.

In determining the amount of expected credit losses, the Institute has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default occurring as well as estimating the loss upon default.

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

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Figures in Pula	2022	2021

4. Financial assets (continued)

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	12m ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Botswana Institute for Development Policy Analysis

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Notes to the Annual Financial Statements

4. Financial assets (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for financial assets by credit rating grade:

2022

Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Amortised cost
Vunani Fund Managers	N/a	Fitch	Performing	12m ECL	5 631 493	5 631 493
Bank Gaborone Limited	N/a	N/a	Performing	12m ECL	14 708 144	14 708 144
					20 339 637	**20 339 637**

2021

Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Amortised cost
Vunani Fund Managers	N/a	Fitch	Performing	12m ECL	11 337 318	11 337 318
Bank Gaborone Limited	N/a	N/a	Performing	12m ECL	9 738 182	9 738 182
					21 075 500	**21 075 500**

During prior years, in 2019, the regulator of Non banking financial institutions in the country, NBFIRA, conducted regular onsite inspection into the affairs of BluThorn Fund Managers (Pty) Ltd erstwhile known as Escoponent Investment (Pty) Ltd, a company where the Institute had placed investments amountin to P 3 739 114 and reported that the said company was indulging in activities other than what they were licensed to and also that proper bank accounts were not maintained. Subsequent to this, NBFIRA froze the business of the company and later placed it under statutory management, subsequent to this the management wrote off the amount in the financial year ending 31 March 2019 as the amount were unrecoverable.

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Notes to the Annual Financial Statements

Figures in Pula	2022	2021

5. Trade and other receivables

	2022	2021
Financial instruments:		
Trade receivables	5 162 904	1 892 963
Loss allowance	(79 114)	(79 114)
Trade receivables at amortised cost	5 083 790	1 813 849
Deposits	8 000	8 000
Other receivable	2 483	2 611
Non-financial instruments:		
Value added tax	-	43 076
Employee costs in advance	1 029	34 214
Prepayments	111 998	304 631
Total trade and other receivables	**5 207 300**	**2 206 381**

Trade and other receivables consist of P Nil (2021: P 976 356) of project cost in progress not yet invoiced.

Split between non-current and current portions

	2022	2021
Current assets	5 207 300	2 206 381

Financial instrument and non-financial instrument components of trade and other receivables

	2022	2021
At amortised cost	5 094 273	1 824 460
Non-financial instruments	113 027	381 921
	5 207 300	**2 206 381**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

Botswana Institute for Development Policy Analysis

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Notes to the Annual Financial Statements

Figures in Pula	2022	2021

5. Trade and other receivables (continued)

The Institute's historical credit loss experience does not show significantly different loss patterns for different customer segments. Included in the trade and other receivables are receivables owed by state owned entities and non governmental organisations which have been collected subsequent to the year end. There has not been any significant increase in credit risk or risk of default on these balances and based on probability of default, loss given default, the expected credit loss is determined at Nil for both the current and previous year.The provision for credit losses is therefore based on past due status without desegregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	2022	2021	2021
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due:	5 083 790	-	1 813 849	-
>90 days past due:	79 114	(79 114)	79 114	(79 114)
Total	**5 162 904**	**(79 114)**	**1 892 963**	**(79 114)**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

	2022	2021
Opening balance in accordance with IFRS 9	**(79 114)**	**(85 085)**
Provision raised on new trade receivables	-	5 971
Closing balance	**(79 114)**	**(79 114)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022	2021
Cash on hand	1 881	1 914
Bank balances	1 702 695	2 929 217
	1 704 576	**2 931 131**

Credit quality of cash at bank and short term deposits, excluding cash on hand

Bank balances include amount of P 198 840 (2021: P 166 430) held on behalf of Vision 2036. The project is currently administered by Botswana Institute for Development Policy Analysis.

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Figures in Pula	2022	2021

7. Training fund reserve

The funds will be used 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 will build and augment national capacities for performance and understanding of policy analysis. The funds are for PHD training and were necessary will include training at masters level.

Opening balance	7 701 477	8 701 477
Transferred from retained earnings	(1 595 728)	(1 000 000)
	6 105 749	**7 701 477**

8. Building fund reserve

An amount of P2 250 000 has been transferred from reserves to the building reserves in the current year. These fund are to be used for the renovations on the BIDPA building which had been scheduled to commence in April 2021 and end in post March 2022. Renovations include the superstructure and excludes other additional components that had to be removed from the renovation stage. It includes replacement of the lift, replacement of environmentally friendly air conditioners, partitioning of smaller meeting rooms as well as other aesthetic additions.

Opening balance	6 110 000	3 860 000
Transferred from retained earnings	(10 120)	2 250 000
	6 099 880	**6 110 000**

9. Trade and other payables

Financial instruments:		
Trade payables	84 288	310 567
Vision 2036 funds	198 840	166 430
Other payables	619 584	41 274
Non-financial instruments:		
Accrued leave pay	1 003 696	750 367
Gratuity accrual	5 565 843	5 241 956
Value added tax	461 906	-
	7 934 157	**6 510 594**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

10. Grants related to assets

Non-current liabilities	3 771 092	395 154
Current liabilities	1 297 881	4 333 756
	5 068 973	**4 728 910**

The Institute receives grants from the Government based on the budget approved by the Board of Trustees and the Ministry of Finance and Economic Development.

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Figures in Pula		2022	2021

10. Grants related to assets (continued)

Grants related to assets			
Balance at the beginning of the year		395 154	108 741
Received during the year		3 583 375	183 480
Released to income statement		(207 437)	102 933
		3 771 092	**395 154**
Deferred Income			
Balance at the beginning of the year		4 333 756	4 928 040
Received during the year		547 500	183 480
Transfer to grants relating to assets		(3 583 375)	(183 480)
Transfer to revenue		-	(594 284)
		1 297 881	**4 333 756**

11. Deferred project revenue

The institute has an agreement with European union in collaboration with thee Ministry Of Finance And Economic Development to undertake a study titled implementation of Botswana Policy Dialogue Facility. The institute shall be awarded the grant as per the terms of the contract.

Deferred project revenue		3 493 283	-

12. Revenue

Revenue from contracts with customers			
Income earned from research projects		10 379 343	3 743 470

13. Grant income

Government of Botswana		18 785 220	18 406 196
PHD training grant		-	594 284
		18 785 220	**19 000 480**

14. Other operating income

Other sundry income		16 694	-
Amortisation of capital grants		396 575	107 804
		413 269	**107 804**

15. Other operating gains

Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	-	(144 519)
Foreign exchange gains (losses)			
Net foreign exchange deficit		(8 867)	(241 557)
Total other operating gains (losses)		**(8 867)**	**(386 076)**

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16. Operating profit

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external		
Audit fees	109 442	102 213
Auditor's remuneration - internal	**50 000**	**261 625**
Depreciation and amortisation		
Depreciation of property, plant and equipment	579 411	596 726
Other		
Project costs	2 283 052	1 119 447

Expenses by nature

The total general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs	20 621 003	20 462 315
Other expenses	2 208 722	709 030
Training	1 814 359	2 532 634
Project costs	2 283 052	1 119 447
Depreciation, amortisation and impairment	579 411	596 726
Telephone and fax	393 053	387 421
Consulting and professional fees	1 205 118	313 171
Cleaning costs	144 259	224 139
Board expenses	134 611	171 766
Advertising	132 014	137 649
Conference costs	22 712	776
	29 538 314	**26 655 074**

17. Employee costs

Employee costs		
Basic	13 578 158	13 199 393
Medical aid	376 129	362 950
Performance bonus	173 058	358 477
Pay in lieu leave	854 378	917 686
Gratuity	3 960 248	3 868 327
Scarcity allowances	1 187 398	1 187 815
Recruitment & Repatriation	311	143 373
Cellphone allowance	148 723	149 865
Entertainment benefit	342 600	274 429
	20 621 003	**20 462 315**

18. Finance income

Interest income		
Investments in financial assets:		
Bank and other cash	866 854	775 700

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Figures in Pula	2022	2021

19. Other comprehensive income

Components of other comprehensive income - 2022

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Movements on revaluation			
Gains (losses) on property revaluation	178 184	-	178 184

20. Cash used in operations

	2022	2021
(Loss) profit before taxation	318 094	(4 010 422)
Adjustments for:		
Depreciation and amortisation	579 411	596 726
Losses on disposals	-	144 519
Finance income	(866 854)	(775 700)
Amortisation of capital grant	238 844	(267 990)
Changes in working capital:		
Trade and other receivables	(3 000 919)	(145 041)
Trade and other payables	1 423 563	60 153
Grants related to assets	(87 920)	(286 413)
	(1 395 781)	**(4 684 168)**

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Figures in Pula	2022	2021

21. Related parties

Relationships	
Entities with significant influence	Government of Botswana
Projects controlled by the institute	Technical Assistance Project
Independent Board Committee Members	Ms R. Mgadla Ms D. Ramphaleng Ms T. Maundeni Mr Z. Mmolawa Ms K. Keloneilwe Mr. L. Tlhalerwa Ms M. Molebatsi Ms W. Ramaphoi
Members of key management	Dr G Somolekae (Acting Executive Director)) Ms. B Siwawa-Moepeng (Finance Manager) Ms. B Wadikonyana (Human Resource and Administration Manager) Mr M Madisa (IT Manager) Ms P Ntokwane (Knowledge Management and Dissemination Manager) Ms W. Tirelo (Programme Coordinator)

Related party balances

	2022	2021
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Technical Assistance Project	825 365	725 156
Ministry of Finance and Economic Development	3 493 282	-
	4 318 647	**725 156**

Related party transactions

	2022	2021
Grant received from related parties including deferred grants		
Government of Botswana grant income	(18 785 220)	(18 406 196)
Government of Botswana grants received during the year	(547 500)	(183 480)
	(19 332 720)	**(18 589 676)**
Board transactions		
Board sitting fees and expenses	134 611	171 766
Administration fees received from related parties		
Technical Assistance Project	(724 004)	(725 156)

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Figures in Pula	2022	2021

21. Related parties (continued)

Key management remuneration

Remuneration paid	3 788 100	4 166 945
Other long term employee benefits	1 227 110	1 090 321
	5 015 210	**5 257 266**

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Notes to the Annual Financial Statements

22. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note(s)	Amortised cost	Total	Fair value
Financial asset	4	20 339 637	20 339 637	20 339 637
Trade and other receivables	5	5 094 273	5 094 273	5 094 273
Cash and cash equivalents	6	1 721 198	1 721 198	1 721 198
		27 155 108	**27 155 108**	**27 155 108**

2021

	Note(s)	Amortised cost	Total	Fair value
Financial asset	4	21 075 500	21 075 500	21 075 500
Trade and other receivables	5	1 824 460	1 824 460	1 824 460
Cash and cash equivalents	6	3 387 244	3 387 244	3 387 244
		26 287 204	**26 287 204**	**26 287 204**

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	902 710	902 710	902 710

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	518 273	518 273	518 273

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Annual Financial Statements for the year ended 31 March 2022

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22. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of trustees have overall responsibility for the establishment and oversight of the Institute's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Institute's risk management policies. The committee reports quarterly to the board of trustees on its activities.

The Institute's risk management policies are established to identify and analyse the risks faced by the Institute, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Institute's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The institute only deals with reputable counterparties with consistent payment histories. The exposure to credit risk and the creditworthiness of counterparties is continually monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the entity through dealing with well established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial asset	4	20 339 637	-	20 339 637	21 075 500	-	21 075 500
Trade and other receivables	5	5 173 387	(79 114)	5 094 273	1 903 574	(79 114)	1 824 460
Cash and cash equivalents	6	1 721 198	-	1 721 198	3 387 244	-	3 387 244
		27 234 222	**(79 114)**	**27 155 108**	**26 366 318**	**(79 114)**	**26 287 204**

Botswana Institute for Development Policy Analysis

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Notes to the Annual Financial Statements

Figures in Pula	2022	2021

22. Financial instruments and risk management (continued)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2022

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	9	902 710	902 710	902 710

2021

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	9	518 273	518 273	518 273

Foreign currency risk

The Institute is exposed to foreign currency risk for transactions which are denominated in a currency other than Pula. The Institute does not take cover on foreign currency as it regards the Pula as a stable currency. The Institute's exposure to foreign exchange risk, based on notional amounts, is analysed as follows:

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:

Current assets:			
Trade and other receivables	5	203 958	191 450

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Notes to the Annual Financial Statements

Figures in Pula		2022	2021

22. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:
US Dollar exposure:

Current assets:			
Trade and other receivables	5	18 397	17 292

Exchange rates

Pula per unit of foreign currency:		
US Dollar	11.090	11.072

Interest rate risk

As the Institute has significant interest-bearing assets, the Institute's income and operating cash flows are substantially dependent of changes in market interest rates.

The Institute's interest rate risk arises from deposits in short term financial assets and call accounts with its bankers. The Institute analyses its interest rate exposure on a dynamic basis. Since most of the deposits are placed in short term maturity assets, the financial administrators negotiate interest rates with the bankers on maturity of these instruments before decisions on reinvesting. A quote for the best interest is obtained from financial institutions in the country and decisions are then made.

The institute invests with reputable financial institutions and is subject to normal market interest rate risk on its banking facilities.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2022	2022	2021	2021
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Financial assets 0.1% (2021: 0.1%)	16 725	(16 725)	18 236	(18 236)

Botswana Institute for Development Policy Analysis

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Detailed Income Statement

Figures in Pula	Note(s)	2022	2021
Revenue			
Income earned from research projects		10 379 343	3 743 470
Grant income	13	**18 785 220**	**19 000 480**
Gross income		**29 164 563**	**22 743 950**
Other operating income			
Sundry Income		16 694	-
Amortisation of fixed assets		396 575	107 804
	14	**413 269**	**107 804**
Other operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		-	(144 519)
Foreign exchange losses		(8 867)	(241 557)
	15	**(8 867)**	**(386 076)**
Expenses (Refer to page 36)		**(30 117 725)**	**(27 251 800)**
Operating loss	16	**(548 760)**	**(4 786 122)**
Finance income	18	866 854	775 700
Profit (loss) for the year		**318 094**	**(4 010 422)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

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Detailed Income Statement

Figures in Pula	Note(s)	2022	2021
Other operating expenses			
Advertising		(132 014)	(137 649)
Auditors remuneration - external auditors	16	(109 442)	(102 213)
Auditors remuneration - internal audit	16	(50 000)	(261 625)
Bank charges		(31 695)	(32 092)
Board expenses		(134 611)	(171 766)
Cleaning		(144 259)	(224 139)
Conference costs		(22 712)	(776)
Consulting and professional fees		(1 205 118)	(313 171)
Consumables		(3 313)	(873)
Depreciation		(579 411)	(596 726)
Employee costs		(20 621 003)	(20 462 315)
Health and Safety		(10 367)	(82 178)
IT expenses		(202 921)	(219 535)
Insurance		(98 447)	(174 437)
Legal fees		(177 358)	(260 254)
Motor vehicle expenses		(22 647)	(52 713)
Project Costs		(2 283 052)	(1 115 947)
Public Forum		(52 250)	-
Postage		(7 677)	(7 067)
Printing and stationery		(109 159)	(148 108)
Publication		(154 825)	(173 423)
Reallocation expenses		(1 174 071)	-
Repairs and maintenance		(144 542)	(150 155)
Security		(7 128)	(115 474)
Sundry expenses		-	(13 010)
Staff welfare		(36 248)	(41 539)
Subscriptions		(116 219)	(145 713)
Telephone and fax		(508 726)	(583 384)
Training		(1 814 359)	(1 376 744)
Travel expenses		(162)	-
Utilities		(163 989)	(288 774)
		(30 117 725)	**(27 251 800)**

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Annual Report
2022

providing evidence–based
socio-economic policy advice
and related capacity building

Botswana Institute for Development Policy Analysis

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