



Botswana Institute
for Development
Policy Analysis



ANNUAL REPORT

2022/2023

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



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for Development
Policy Analysis





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CORPORATE PROFILE

WHO ARE WE

The Botswana Institute for Development Policy Analysis (BIDPA) was established in 1995 by the Government of Botswana. BIDPA is a major player on the national public policy landscape. BIDPA's mandate is defined by the following elements: development policy research, analysis and advise; capacity building; and professional training.

WHAT WE DO

BIDPA conducts research, analysis and publication on developmental policy issues which are relevant to Botswana and the Southern African region. The Institute conducts two types of research: The demand-driven and supply-driven research.

Demand-driven work involves consultancies and commissioned studies undertaken on behalf of various clients, including government, development partners, and non-State actors at a fee. The output of such work (reports) normally belongs to the client, unless permission is granted for the Institute to publish as BIDPA products. Since most of the demand-driven work is undertaken for the government, most of it has influenced public policy directly.

Supply-driven projects are initiated by BIDPA researchers. They include internal projects undertaken independently by researchers and normally leads to the production of publications such as working papers, policy briefs, books, book chapters, and journal articles.

BIDPA HAS FIVE RESEARCH UNITS:

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

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 STRATEGIC 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 on 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.

PERFORMANCE AT A GLANCE



HIGHLIGHTS FOR
THE 2022-23
FINANCIAL YEAR

KEY HIGHLIGHTS

• Implementation of Policy Impactful Recommendations

Following the completion of the Consultancy to evaluate Socio-Economic Programs by BIDPA during the 2022-23 Financial Year, Government is currently implementing some of the BIDPA's recommendations to enhance the effectiveness and efficiency of the programmes.

• Strengthening of Strategic Partnerships

BIDPA partnered with the Brookings Institute for the launch of the Africa Growth Initiative Flagship Report; Foresight Africa; Top Priorities for the Continent 2023.

• Capacity Building

In order to have a substantive research output and become a major contributor to the country's research, BIDPA continues to invest in its researchers to attain PhDs. Two researchers completed their studies during the reporting period.



Dr Khaufelo Raymond Lekobane

Doctor of Philosophy in Development Studies
University of Sussex,
Institute of Development Studies, (UK)

Thesis:

Multidimensional Poverty in Botswana:
Leaving No One Behind'.



Dr Masedi Motswapong

Doctor of Philosophy in Development Studies
Doctor of Philosophy in Economics:
Nelson Mandela University, South Africa.

Thesis:

Wage Differentials by Sector
and Gender in Botswana.

• Knowledge Generation

BIDPA published four working papers, two policy briefs and four journal articles during the reporting period.

• Stakeholder Engagement

"BIDPA organized four public forums including a media interaction on public policy under the theme: "Accelerating Research through Dialogues."

• Information and Communication Technology

The Information Technology Policy was reviewed and approved by the Board. The review was necessitated by audit findings from the previous two years. BIDPA has acquired iThenticate, a plagiarism checking software, to ensure the integrity of the BIDPA research output by avoiding plagiarism.

BOARD CHAIRPERSON STATEMENT



Dear Stakeholders,

I am pleased to present BIDPA's Annual Report for the financial year 2022-23. During the period under review, we achieved strong performance by undertaking and completing various high impact projects including a Transitional NDP that was done in 22/23.

Other important projects include an: Assessment of Formal and Informal SMMs in Botswana, commissioned by the Local Enterprise Authority (LEA) and the Review of the Nine Socio-Economic Programs in Botswana. To build on this progress, we remain committed to forging strategic partnerships with regional and international institutions to embark on regional projects which will increase our resource base and global footprint.

Indeed, there has never been a more important time to underscore the vital role of evidence in policy-making than now and the need for BIDPA to remain the leading and trusted advisor to government in development policy analysis.

During the period under review, the outcome of the government rationalization exercise saw the Institute being relocated to the Ministry of State President from the Ministry of Finance, where it has been reporting since establishment. While we await the finer details of this relocation, BIDPA will continue to engage with stakeholders to position itself to successfully navigate the challenges and opportunities that may arise from the move.

Despite resource challenges in both financial and human capital, BIDPA made progress towards achieving a number of its planned strategic objectives for the financial year and continue to build momentum in areas such as good governance,

compliance and risk management. In our quest to strengthen board governance, we undertook the following: Board trained in risk management and reconstitution of the committee.

I wish to thank our main shareholder - the government - for continuing to support the Institute despite the shrinking fiscus. This is evidence of the government's commitment to the attainment of a knowledge-based economy by 2036 - where evidence will influence policy-making through high quality research.

In conclusion, I am grateful to the board for guidance and dedicating time and attention to the board business. I also wish to thank Mr Dichaba Molobe for his valuable contribution, before he resigned from the board to pursue other interests.

Finally, I thank BIDPA employees for their dedication towards the delivery of the Institute's mandate.



Mr Daniel Molaodi
Board Chairperson

ACTING EXECUTIVE DIRECTOR'S STATEMENT



During the year 2022/2023, BIDPA continued to experience the challenges that emerged since the advent of the COVID 19 pandemic. For a research institution with a mandate such as that of BIDPA, the capacity challenges that budget cuts had worsened kept defining the institution's pace of growth and strategy implementation, while at the same time limiting BIDPA's efforts to achieve financial sustainability.

The cuts in funding from government posed a serious capacity challenge. The organization could not close the 80% vacancy rate at senior research fellow level, could no longer send more young researchers for PhD training, nor even finance supply-driven studies. For a Think Tank such as BIDPA, such studies are normally the pipeline for production of Policy Briefs, Working Papers, Strategy Papers and other forms of publications expected from Think Tanks. This is because with heavy funding cuts, BIDPA had to prioritize demand-driven studies (consultancies) to augment income.

This shift in focus is gradually threatening to undermine the relevance of BIDPA as a Think Tank and threatens to relegate the organization to a consultancy firm. We have had to put in a lot of effort to ensure that such an eventuality does not come to pass. We embarked on a mindset change journey to think broadly about how the institution can be sustained. With the various initiatives that we embarked upon such as aggressively pursuing partnerships with relatively stronger research institutions, both regionally and beyond, we are confident that we will defend BIDPA's role and position in the Think Tank landscape as the trusted partner in socio-economic research. One of the highlights of our work during this period has been developing the Transitional National Development Plan.

During this financial year, the Government concluded the rationalization of State-Owned Enterprises and Ministries. The result of this effort was the relocation

of BIDPA from the Ministry of Finance to the Ministry of State President. Having relocated the planning function from the Ministry of Finance, the Government decided that the National Planning Commission under the Ministry of State President had to be supported by BIDPA, hence our move. During the same period, the rationalization exercise also necessitated a review of the Deed of Trust establishing BIDPA. Although the process is yet to be concluded, we hope that BIDPA will remain as an independent think tank supporting the government and other key players in building the kind of Botswana envisaged in our national Vision 2036. Efforts to ensure that BIDPA is aligned to King IV, and to strengthen corporate governance are ongoing. In the final analysis, a strong organization, robust in assisting the government with generating evidence for policymaking, is invaluable for building a knowledge-based economy.

We are thankful that our Board of Trustees is committed to the transformation of BIDPA and has guided us throughout this period. As the legal review is completed, an organizational review and restructuring will commence, all meant to ensure that BIDPA stays relevant to the country's needs and realities.

Le kamoso Bagaetsho,



Dr G. Somolekae, PhD
Acting Executive Director

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 three subcommittees of the Board: Finance, Risk and Audit 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 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 **THREE** SUB-COMMITTEES OF THE BOARD

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

BOARD OF TRUSTEES

Qualification

Master's degree in public policy & administration
(*University of Wisconsin, Madison, USA*)

Bachelor's degree in public administration and political science (*University of Botswana*)

Appointed to the Board: 31st July 2019

Daniel Molaodi is a lecturer in the Department of Political & Administrative Studies (PAS) at the University of Botswana, having joined from the Institute of Development and Management. Molaodi has taught several public administration courses in the PAS' undergraduate and graduate programs. His focus is on Public Administration Theory, Local Governments, Public Services, Public Policy, and Project Planning & Management, among others.

He has also conducted workshops and seminars on local government projects in Botswana, Lesotho and Swaziland (BLS countries), as well as conducting a series of Heads of Departments seminars for senior level managers in the public sectors of the BLS countries. In addition to attending numerous seminars on strategic planning and institutional missions and visions, Molaodi has made several conference



Mr Daniel K. Molaodi

Chairperson

paper presentations for organizations such as the African Association for Public Administration and Management (AAPAM), The Conference for Minority Public Administrators (COMPAA) and National Forum for Black Public Administrators (NAFBPA), (the latter two in the USA).

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Dr Kealeboga Masalila

Deputy Chairperson

Qualification

PhD in Economics
(University of Manchester, UK)
MPhil in Monetary Economics
(Glasgow University, Scotland)
Bachelor of Commerce
(University of Botswana)

Appointed to the Board: 26 February 2021

Dr Kealeboga S Masalila is a Deputy Governor at the Bank of Botswana, appointed in December 2016, and oversees the Research and Financial Stability, Financial Markets, Statistics and Data Management, Human Resources, Information and Communications Technology, Protective Services, as well as Procurement and Property Management Functions.

Prior to appointment as Deputy Governor, he had been Director of the Research and Financial Stability Department from 2010, an area where he spent most of the over 30 years he worked at the Bank of Botswana. He has also worked in the Banking Supervision Department of the Bank and under the Special Appointee programme at the International Monetary Fund, as well as the Ministry of Trade and Industry. Dr Masalila has a special interest in monetary and exchange rate policies and financial sector regulation and reform and has contributed research and policy papers in this regard.

Qualification

Master of Science (Medical Microbiology),
London School of Hygiene and Tropical Medicine

Bachelor of Science (with Honours)
in Biomedical Sciences,
Portsmouth University, United Kingdom

Appointed to the Board: 7 September 2020

Ms Goaba Mosienyane is the Deputy Commissioner General at the National Planning Commission, responsible for implementation coordination. A scientist by training, Ms Mosienyane has undergone several Executive leadership and transformation training programmes and was accredited for corporate values assessment tools.

In addition to this, she studied Public Enterprise Policy Management, Telecommunications Sales and Marketing Management and Total Quality Management. She has led a variety of organizational programs over time, from governmental institutions, public entities and private organizations.

This includes leading large systems to benefit from transformational change and has expertise at building teams, coaching, designing performance monitoring systems and her scientific background provides an excellent critical thinking foundation for this.



Ms Goaba Mosienyane

Member



Ms Jacqueline Sajembe

Member

Qualification

MSc in Economics (*University of Wales, UK*)
Bachelor of Accounting and Economics
(*University of Botswana*)

Appointed to the Board: 20 January 2021

Ms Jacqueline Sajembe is an Economist with over 30-years experience. She started off as an Economics Lecturer at the then Botswana Institute of Administration and Commerce (BIAC) and the University of Botswana Centre of Continuing Education. She then joined the Economic Affairs Division in the then Ministry of Finance and Economic Development, focusing on the development of National Development Plans, Preparation of Annual Budget Speeches, macroeconomic reports, and forecasts.

At that time she was dealing with the World Bank, IMF, Commonwealth, SADC and SACU issues. She was then transferred at Director level, to coordinate and facilitate the Government Motor Vehicle and Residential Property Advance Scheme. Overseeing the processing and disbursement of Government Guaranteed funds, and insurance coverage of such guaranteed loans; working with financing banks.

Qualifications

Bachelor of Arts (Economics and Statistics)

Appointed to the Board: 13 April 2016

Formerly, Director – Policy Advocacy at Business Botswana.

Resigned on 26 May 2023



Mr Dichaba Molobe

Member

Qualification

PhD in Public Administration (Maxwell School, Syracuse University, USA)

Master's degree in public policy and administration (Institute of Social Studies in The Hague, Netherlands.)

Bachelor's degree in public administration and political science (University of Botswana and Swaziland.)

Dr Gloria Somolekae is the head of the Governance and Administration Unit at BIDPA.

She started her career as a Lecturer at the University of Botswana where she taught Development Administration, Public Policy analysis, Research Methods, Local Government, Program evaluation and Organizational Development.

After 18 years with the University, she joined the W.K. Kellogg Foundation as a Policy Consultant focusing on poverty eradication and broader issues of rural development in Southern Africa and became the Program Director at the W.K. Kellogg Africa head office assuming responsibility for the work of the Foundation in Malawi, Botswana, Mozambique, and Zimbabwe.

She has also served as a Specially elected Member of Parliament and in 2011 she was appointed the Deputy Minister of Finance and Development Planning where she also assumed the role of Director for the African Development Bank representing the Botswana Government. She then served for a year, before moving to the Office of the President, and later the Ministry of Health in the same role of deputy.



Dr Gloria Somolekae

Acting Executive Director
and Secretary to the Board.

BOARD TENURE

	Name	First Appointed	Current Appointment	Expiration Date
1.	Mr Daniel Molaodi	31 July 2019	31 July 2023	30 July 2027
2.	Dr Kealeboga Masalila	26 February 2021	26 February 2021	25 February 2025
3.	Ms Jacqueline Sajembe	20 January 2021	20 January 2021	19 January 2025
4.	Ms Goaba Mosienyane	7 September 2020	7 September 2020	6 September 2024
5.	Mr Dichaba Molobe	13 April 2016	Resigned	-
6.	Dr Gloria Somolekae	Board Secretary	-	-

BOARD COMMITTEES

1. Finance Risk and Audit Committee

The Board of Trustees established the Finance, Risk, and Audit Committee (FRAC) to provide oversight in ensuring transparency and integrity in financial information and fulfilling its corporate governance responsibility. The purpose of the Finance, Risk and Audit Committee is to provide oversight on:

- Integrity of financial reporting, audit processes and effectiveness of quality assurance functions
- Maintenance of sound internal control systems.
- Effective Risk and Compliance Management
- Information and Technology
- Stakeholder Management, including Corporate Social Responsibility
- Annual Budget preparation

Membership

Members

Dr K. Masalila

Ms G. Mosienyane

Ms R. Mgadla

Ms D. Ramphaleng

Chairperson

Mr Dichaba Molobe
(Resigned)



2. Human Resources Committee

The Board of Trustees established the Human Resources Committee to provide oversight in ensuring transparency and integrity in human resources related issues. The purpose of the Committee is to assist the BIDPA Board of Trustees in fulfilling its oversight responsibilities in the field of human resources. Specifically, the Committee:

- Provides oversight on all matters related to BIDPA's human resources such as recruitment, remuneration, development, succession planning and compensation.
- Oversees the development and implementation of comprehensive human resource policies and strategies which will ensure that BIDPA is able to attract and retain required skills.
- Ensures that BIDPA keeps abreast of developments in the labour market and that the Institute adopts suitable best practices in human capital management.

Membership

Members

Mr D. Molobe

Ms J. Sajembe

Ms M. Molebatsi

Ms W. Ramaphoi

Chairperson

Ms G. Mosienyane



3. Research Committee

The Board of Trustees established the Research Committee to ensure transparency and integrity in the execution of the research mandate. The Committee is an advisory body for the Board in matters pertaining to research in the broadest sense. The Committee has oversight of the research activities as the core mandate of BIDPA.

Membership

Members

Ms G. Mosienyane

Ms J. Sajembe

Prof T. Maundeni

Chairperson

Dr K. Masalila



END OF TENURE

Macie Molebatsi- 31 March 2023 (HRC)

Doreen Ramphaleng- 31 March 2023 (FRAC)

Wincey Ramaphoi- 30th June 2023 (HRC)

BOARD ATTENDANCE

Date	07-04-22	31-05-22	16-07-22	31-08-22	20-10-22	22-11-22	08-02-23
Mr Daniel Molaodi	✓	✓	✓	✓	✓	✓	✓
Dr Kealeboga Masalila	✗	✓	✗	✓	✓	✓	✓
Ms Goaba Mosienyane	✓	✓	✗	✓	✓	✓	✓
Ms Jacqueline Sajembe	✓	✗	✓	✓	✓	✓	✓
Mr Dichaba Molobe	✓	✗	✓	✓	✓	✓	✓

BOARD ACTIVITIES OF 2022/23

Strengthened Board Governance

- Recomposition of Board Committees
- Dissolved the Tender and Procurement Committees to comply with the Public Procurement Act
- Approve Reappointment of Dr Masalila as Deputy Chair

Finance

- Approved Annual Financial Statements
- Approved the 2022/23 revised budget.
- Effective management of financial controls
- Approved the 2022/23 workplan.
- Approved the award of 5% inflationary salary adjustment across board.
- Approved performance award for the Acting ED
- Approved the 2021/2022 Audited Financial Statements.
- Decided to resume the approval of the TAP audited financials.
- Approved the Anti Money Laundering (AML), Proliferation Financing (PF), and Terrorist Financing (TF) Policy ICT
- Approved the revised IT Policy

Board Training for 2022

The Board completed the following training:

Enterprise Risk Management with the aim to enhance its ability to effectively manage uncertainty.

The aim of the training was to sensitize the BIDPA governing body about the need to govern risk in a way that supports the organization in setting and achieving its strategic objectives.

Induction- New Board Members were inducted on board governance, effective leadership, and the institute's operations.

SITTING ALLOWANCE

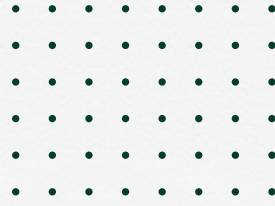
for the year ended March 2023

NAMES	POSITION	SITTING ALLOWANCE
D. Molaodi	Board Chairperson	17,325
K. Masalila	Board Member, Finance & Audit Committee, Research Committee, Tender Committee	18,900
D. Ramphaleng	Finance & Audit Committee	12,900
K.M Molebatsi	HR Committee	10,080
W. Ramaphoi	HR Committee	6,300
D.S Molobe	Board Member, Finance & Audit Committee, HR Committee, Tender Committee	32,760
T. Maundeni	Research Committee	6,300
K. Kgopo	Tender Committee	5,040
K. Mooketsi	Tender Committee	5,040
G.B Mosienyane	Board Member, Finance & Audit Committee, HR Committee, Research Committee	15,120
R. Mgadla	Finance & Audit Committee	7,560
J. Sajembe	Board Member, HR Committee, Research Committee	11,340
		148,365

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 Head: Governance and Administration)



Dr. D. MMOPELWA
(Acting Head: Human and Social Development)



Dr P. KEBAKILE
(Acting Head: Trade, Industry and Private Sector Development)



Mr M. MADISA
(IT Manager)



Ms P. NTOKWANE
(Knowledge Management and Dissemination Manager)

BIDPA PROJECTS REPORT

Demand Driven Research/Consultancies

*The institute undertook
the following projects during
the reporting year.*

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
1. Consultancy to Evaluate Socio-Economic programmes for Botswana	Ministry of Finance	Completed	Ministry of Finance and Economic Development (MFED), 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 was to perform the following tasks: 1. Review the past performance of the programmes, 2. Examine the strengths, weaknesses, opportunities and threats (SWOT analysis) of the programmes, 3. Analyse external effects: ways to improve the positive effects and mitigate the negative effects, 4. Assess whether the programmes create, reinforce or correct social inequalities, 5. Determine the financial implications to Government and other factors, 6. Establish the feasibility and sustainability of the programmes, 7. Assess how the programme impacts and costs would differ if some components of the programme were changed, 8. Recommend corrective measures including possible policy shifts and identify risks that might be associated with any potential policy shifts, 9. Propose respective risks mitigation measures, 10. 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. 10. 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 Methodology Index	Vision 2036 Coordinating Agency	Completed	BIDPA was engaged by VISION 2036 Coordinating Agency to undertake consultancy services for the Development of Vision 2036 Methodology Index. The specific objectives of the consultancy were: 1. To establish Botswana Vision 2036 as a useful, operational tool for policy action and transformation of Botswana's economy and society. 2. To support national debates on prioritisation and formulation of Vision 2036 implementation strategies. 3. To complement efforts to develop a robust Vision 2036 monitoring framework by the Vision 2036 Council. 4. To identify Vision 2036 data gaps, need for investments in statistical capacity and research, and new forms of data. 5. To develop Vision 2036 Index Tool Kit that will facilitate holding various entities and Government accountable to performance of Botswana's economy.

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
3. Southern African Customs Union (SACU) Study	Ministry of Finance	Completed	The Ministry of Finance engaged BIDPA to undertake the Southern African Customs Union (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 SMMEs in Botswana	Local Enterprise Authority (LEA)	Completed	BIDPA was commissioned by Local Enterprise Authority (LEA) to undertake this study, whose overarching objective is to provide a profile of the Informal and SMME sector role in the economy of Botswana. Specifically, BIDPA was tasked with: 1. Profiling of informal and SMME 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. 4. Disaggregate the SMME GDP contribution to the economy: a. At national, district and regional b. By sector c. By business activity 5. 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 b. By sector c. By business activity 6. Identify and profile the economic sectors where the informal and SMME sectors and business activities are significant players. 7. 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. 8. Establish the current barriers for informal sector and SMME growth, which will inform the interventions proposed. 9. Identify and prioritize sectors and business activities for support interventions targeted to ensure sustainability and growth of the informal sector. 10. Identify and recommend models of exploitation of opportunities identified for the informal and formal 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. 12. Make recommendations on policy level changes required to support implementation of recommendations for Informal and formal SMME sector interventions.

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
5. EU Policy Dialogue Facility Project	Ministry of Finance	Completed	The Botswana Institute for Development Policy Analysis (BIDPA) was appointed to undertake the study titled “European Union (EU) Policy Dialogue Facilitation” and the aim was to: 1. Raise awareness among public institutions and other stakeholders (including CSOs, academia, and private sector) about the policy dialogue facility; 2. 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.) 3. In collaboration with Government ministries and agencies, identify opportunities for peer-learning and knowledge exchange with Europe and other countries in the region; 4. Prepare policy papers and studies which could feed into the dialogues; 5. Support, together with the TA contract, the organisation of the dialogues and workshops; 6. Monitor the follow-up on the conclusions and recommendations stemming from the dialogues/workshops
6. Stakeholder Satisfaction Survey	Botswana Power Corporation (BPC)	Completed	BPC appointed BIDPA to undertake this study. The main goal of the survey was to analyse the market in which BPC operates as well as to determine the satisfaction levels among BPC clients, partners, and other stakeholders. The survey envisaged to provide an understanding of customer expectations and satisfaction and outline a set of steps/solutions that need to be taken to remedy any areas of concern as well as determine best practices.
7. Consultancy to Undertake an in-Country Data Collection Activity	African Capacity Building Foundation (ACBF)	Completed	African Capacity Building Foundation (ACBF) contracted Botswana Institute for Development Policy Analysis (BIDPA) to undertake an in-country data collection activity under Design and Development of Local Partner Identification platform for Africa project. The goal of the data collection process is to create a comprehensive register of organizations in Botswana that can serve as local partners and/or service providers for development partners for program delivery in sub-Saharan Africa.
8. Consultancy to Develop Transitional National Development Plan	National Planning Commission	Completed	The National Planning Commission (NPC) assigned the Botswana Institute for Development Policy Analysis to undertake a consultancy for the development of a Transitional National Development Plan. This two-year Transitional National Development Plan (TNDP), with the theme “Towards a High-Income Economy: Transformation Now, Prosperity Tomorrow”, builds on other initiatives aimed at catapulting the country onto a path of socioeconomic progress towards 2036. The Plan outlines the national priorities, strategies, programmes and projects to facilitate the realization of our goals and objectives, and to help us turn our Vision aspirations into reality. Furthermore, the two years of the Plan offer an opportunity to transition and institutionalize the necessary reforms into the planning system, laying a firm foundation for future National Development Plans.

An aerial photograph of a wetland landscape, showing a mix of blue water, brownish-yellow mudflats, and green vegetation. A large, semi-transparent blue hexagon is overlaid on the lower half of the image. A thin white line curves from the top right of the hexagon, extending towards the top right corner of the image.

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

ON-GOING PROJECTS

1. Review of the National Policy for Rural Development (2002) & Develop a Revised National Policy for Rural Development (RNPRD)	United Nations Development Programme (UNDP)	On-Going	The United Nations Development Programme (UNDP) engaged Botswana Institute for Development Policy Analysis (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: 1. 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. 2. Undertake an assessment of the status of rural development in Botswana. 3. Undertake a desktop review of international best practices on rural development. 4. 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. 5. Develop a comprehensive revised NPRD, aligned to national policy guidelines. 6. Develop a comprehensive Action Plan for the Revised Policy 7. 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.
2. Development of a State-Owned Enterprise (SOE) Ownership Policy for Botswana	Public Enterprise Evaluation Privatisation Agency (PEEPA)	On-Going	The Botswana Institute for Development Policy Analysis (BIDPA) has been contracted by the Public Enterprise Evaluation and Privatisation Agency (PEEPA) to develop a State-Owned Enterprise (SOE) Ownership Policy for Botswana. The two key objectives BIDPA is expected to meet are to: 1. Recommend ways to harmonise and align existing SOE legislative instruments and; 2. Develop a SOE Ownership Policy
3. Tourism Leakages in Botswana	Botswana Tourism Organisation (BTO)	On-Going	Botswana Tourism Organization (BTO) appointed Botswana Institute for Development Policy Analysis (BIDPA) to undertake this study. The overall goal of the study is to map the tourism value chain, identify the tourism leakages in the country, quantify them to give an overall vision on leakage in the economy and propose strategies for transforming leakages into linkages to ensure smart tourism in Botswana.
4. Assessment of an Enabling Environment to Fast Tracking Renewable Energy Transition in Botswana	European Climate Foundation (ECF)	On-Going	European Climate Foundation (ECF) commissioned Botswana Institute for Development Policy Analysis (BIDPA) to undertake an Assessment of an Enabling Environment to Fast Tracking Renewable Energy Transition in Botswana. To achieve the objectives of the study, it has been subdivided into four strategic components which are key to address the country's transformation agenda. The four are: 1. Diagnostic Study on Transition to a Low Carbon Economy. 2. Diagnostic Study on Transition to Knowledge Based Economy in context of Sustainability. 3. Assessment of Factors Determining Public Willingness to Adopt Renewable Energy Technologies 4. Assessment of Energy Poverty Amidst Transition to Low Carbon Economy

PROJECT NAME	CLIENT	STATUS	PROJECT BACKGROUND
5. Baseline Survey for CEDA's Result Based Monitoring and Evaluation System	UNDP	Ongoing	(UNDP) has engaged the Botswana Institute for Development Policy Analysis (BIDPA) to undertake a Baseline Survey for CEDA's Result Based Monitoring and Evaluation System The main tasks are as follows: 1. To assess the current landscape and status of the CEDA-funded enterprises in accordance with the selected sample. 2. To develop a survey implementation plan that provides a detailed approach for the implementation of the survey, including the sample selection, identifying the appropriate sampling design, data collection instruments, data processing, analysis and reporting, as well as clearly prescribing the roles and responsibilities of different parties who will be involved in the survey. 3. As per the selected indicators in the Result Measurement Framework (RMF), collect data from the clients using the various methods as prescribed in the survey implementation plan. 4. Prepare a field mission report to showcase preliminary findings from the data collection exercise. This should allow for the identification of gaps and challenges incurred in data collection such that the project team can advise on the necessary mitigation measures.



SUPPLY DRIVEN RESEARCH

The following were published during the reporting period.

POLICY BRIEFS

Kebakile, Pinkie G. (2022)

Understanding the Firm-Level Export Diversification Characteristics in Botswana



This policy brief unravels interesting insights pertaining to firm-level export diversification characteristics in Botswana, which is an approach that views export diversification at the micro-level. The following are the key highlights from the Policy Brief.

Exporters whose export portfolios are varied in terms of products and export markets, commonly referred to as multi-product multi-destination exporters in the literature fetch high export values, which is a prerequisite for sustained economic growth in the country.

The growth and diversification of Botswana's export bundle is undermined by the exporters' inability to break into new export markets.

The main policy message is therefore that to transition from an upper-middle income status to a high-income status by 2036, the country needs to nurture and develop the multi-product, multi-destination exporters. Targeted interventions aimed at developing these exporters are therefore called for.



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 Whistle-blowing 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 whistle-blowing 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 Whistle-blowing 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.





Samboma, Thabile (2022)

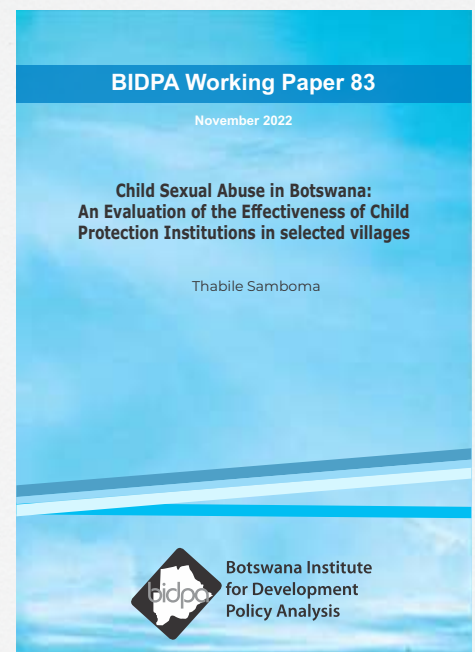
Child Sexual Abuse in Botswana: An Evaluation of the Effectiveness of Child Protection Institutions in selected villages



Child Sexual Abuse (CSA) in Botswana is a big social problem with proven lifelong effects in the victims. Botswana has established various child protection institutions and amended child protection laws to ensure that children are safe from all harm. However, despite this development, Botswana Child Sexual Abuse cases are still rising. This study provides the first attempt to evaluate the effectiveness of child protection institutions in Botswana. A case study method was used in Old Naledi and Letlhakeng through an in-depth interview with 22 participants.

The findings revealed that there is (i) the absence of a national child legislation strategy (ii) poor coordination of child protection institutions (iii) weak child legislation framework (iv) lack of capacity (v) inadequate financed child protection (vi) lack of systematic data collection (vii) lack of evidence -based research (viii) decline in family structure (iv) lack of public awareness. All these combined hinder the effectiveness of child protection institutions in Botswana.

The study recommends the following: reviewing the Children's Act of 2009, developing a national child protection strategy, strengthening coordination of child protection institutions, increasing resource allocation, creating a centralised database on CSA and strengthening evidence-based research on child sexual abuse in Botswana.



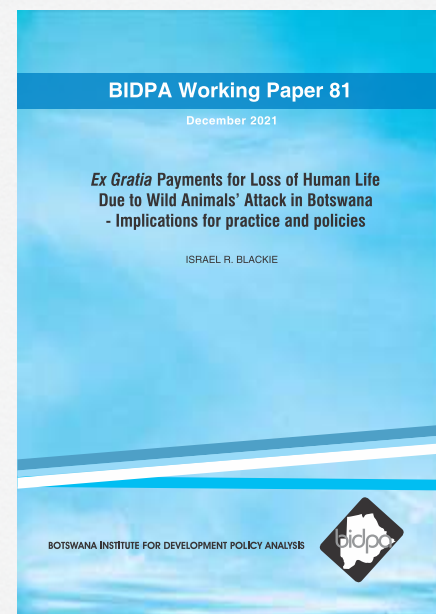


Blackie, Israel R. (2022)

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.



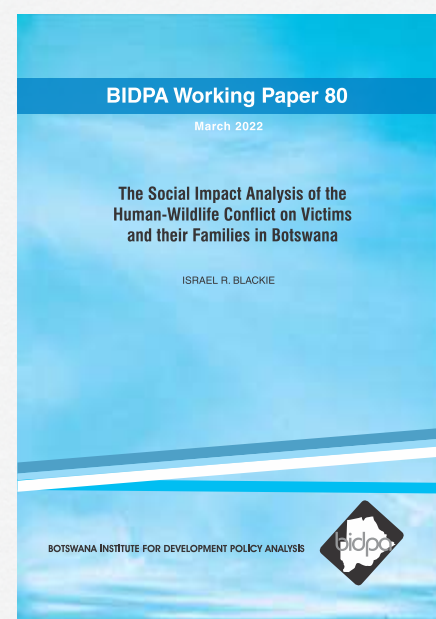
Blackie, Israel R. (2022)

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 psycho-social 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.



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, to better understand the distribution of resources held, as well as the population's living standards, and to make recommendations on re-distributive 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.

JOURNAL ARTICLES LIST

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>

CAPACITY BUILDING

MEDIA TRAINING - August 2022

As part of BIDPA's efforts to capacitate non-state actors in the policy making process, BIDPA conducted a media workshop to sensitize the media on; The role of evidence in policy making.

BIDPA appreciates the role of the media as active participants in the policy making process due to its important function of disseminating information, educating the public and providing feedback on the impact of policies and programs.

The workshop focused on enhancing the media's capacity to report on policy issues by drilling them on how policies are developed and the meaning and role of evidence in policy making.

STRATEGIC PARTNERSHIPS



Partnerships and collaborations are critical for the long-term success of BIDPA. The institute continues to explore areas of cooperation with various institutions and organizations and during the reporting period, BIDPA entered into partnerships with the Kenya Institute for Public Policy Research (KIPRA) and Analysis to collaborate on the following areas.

1. Undertaking joint policy relevant research and/or evaluations on areas of mutual interest and joint publication.
2. Holding of joint technical and/or policy workshops to disseminate research and/or evaluation findings.
3. Joint sourcing for grants through writing and submission of joint grant proposals or as applicable.
4. Build relationship to achieve mutual targets on grant proposals' writing.
5. Joint monitoring and evaluation of projects.
6. Carrying out joint associated activities as per grants including but not limited to capacity building, community outreach services, conferences, symposia, workshops among others which may be mutually decided upon.
7. Sharing of publications and best practices.
8. Capacity building of staff in areas of mutual interest.
9. Planning and holding of joint policy seminars, conferences, exhibitions, public lectures and symposia.
10. Pursue opportunities of staff exchange and fellowship programmes for capacity development, including but not limited to engagement of research mentors, research associates and visiting scholars.
11. Content and intended products/outputs of collaboration will be premised on institutional strategic plans and objectives.
12. Any other areas of mutual interest.



Strategic
Partnerships



Economic
Diversification Drive



Knowledge
Generation

PUBLIC FORUMS

MEDIA ENGAGEMENT - POLICY DIALOGUES –

BIDPA organised a media engagement session under the theme: “Accelerating Research through Dialogues.”

LAUNCH OF THE AFRICA GROWTH INITIATIVE FLAGSHIP REPORT; FORESIGHT AFRICA – BIDPA partnered with the Brookings Institute for the launch of the Africa Growth Initiative Flagship Report; **Foresight Africa**; Top Priorities for the Continent 2023.

STAKEHOLDER CONSULTATION WORKSHOPS



BIDPA held a series of stakeholder consultation workshops across the country for input into the development of National Productivity and Competitiveness Policy.

BIDPA was tasked by the Ministry of Labour and Home Affairs to conduct a situation analysis of the productivity and competitiveness in Botswana. The findings of the study formed the basis for the development of the National productivity and competitive policy and strategy.

The study is the first of the Botswana-EU Policy Dialogue Facility with other projects expected to be implemented through other government ministries in selected thematic areas such as gender equality, trade, education, governance and training and others.

The project is part of the 11th European Development Fund (EDF 11) which aims to strengthen relations, including economic relations between the government of Botswana and the European Union and to elevate the long-standing development cooperation towards equal partnership.



ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2023

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DETAILED INCOME STATEMENT	70-71



Botswana Institute
for Development
Policy Analysis

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 2023

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.

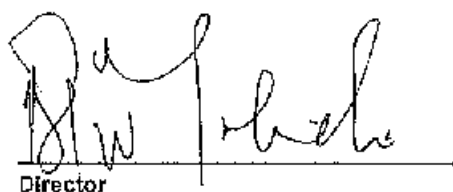
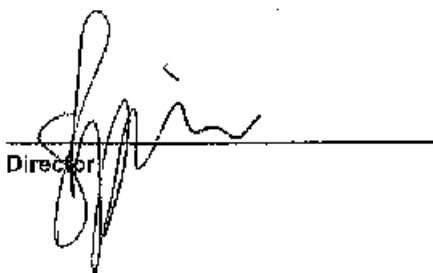
The Trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2024 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 have been examined by the Institute's external auditors and their report is presented on pages 34-37.

The annual financial statements set out on pages 50-69, which have been prepared on the going concern basis, were approved by the board of trustees on 20-09-2023 and were signed on their behalf by:

Approval of financial statements


Director
Director

Chartered Accountants
Grant Thornton

Acumen Park, Plot 60370
Fairgrounds, Gaborone
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Gaborone, Botswana

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[facebook.com/grantthorntonBW](https://www.facebook.com/grantthorntonBW)

Independent Auditor's Report

To the members of Botswana Institute for Development Policy Analysis

Opinion

We have audited the annual financial statements of Botswana Institute for Development Policy Analysis (the Institute) set out on pages 8 to 39, which comprise the statement of financial position as at 31 March 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Botswana Institute for Development Policy Analysis as at 31 March 2023, and its financial performance and 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 for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual 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 have determined that there are no key audit matters


Partners

Kalyanaraman Vijay (Managing), Awin Vaidyanathan*, Mathavane Vankateshary*, Anthony Qunzile, Sunny K Mulaokulam*,
Aparna Vijay* (India)

Independent Auditor's Report Contd

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 2023", which includes the Detailed Income Statement and the supplementary information as set out on pages 40 to 41, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The 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 and will 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 on the other information obtained prior to the date of this auditor's report, 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 Trustees 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 intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

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



Independent Auditor's Report Contd

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 scepticism 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.
- 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.

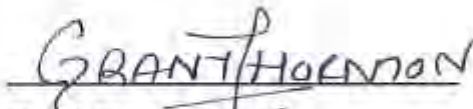


Independent Auditor's Report Contd

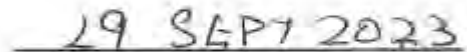
We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Trustees with a statement that we have complied 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Trustees, we determine those matters that were of most significance 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
Firm of Certified Auditors
Practising member; Aswin Vaidyanathan : CAP 0016 2023



Gaborone

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

Figures in Pula	Note	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	3	17 369 394	18 815 512
Current Assets			
Financial assets	4	11 280 921	20 339 637
Trade and other receivables	5	2 032 185	5 207 300
Cash and cash equivalents	6	4 346 733	1 704 576
		17 659 839	27 251 513
Total Assets		35 029 233	46 067 025
Equity and Liabilities			
Equity			
Reserves		20 027 912	27 379 763
Retained income		167 592	2 190 849
		20 195 504	29 570 612
Liabilities			
Non-Current Liabilities			
Grant related to assets	10	4 880 579	3 771 092
Current Liabilities			
Trade and other payables	9	8 227 525	7 934 157
Deferred income	10	938 627	1 297 881
Deferred project revenue	11	786 998	3 493 283
		9 953 150	12 725 321
Total Liabilities		14 833 729	16 496 413
Total Equity and Liabilities		35 029 233	46 067 025

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2023	2022
Revenue	12	7 802 379	10 379 343
Grant income	13	18 300 000	18 785 220
Gross profit		26 102 379	29 164 563
Other operating income	14	377 998	413 269
Other operating gains (losses)	15	4 513	(8 867)
Other operating expenses		(30 335 758)	(30 117 725)
Operating loss	16	(3 850 868)	(548 760)
Finance income	18	856 381	866 854
(Loss) profit for the year		(2 994 487)	318 094
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
(Losses) gains on property revaluation		(6 380 621)	178 184
Other comprehensive income for the year net of taxation		(6 380 621)	178 184
Total comprehensive (loss) income for the year		(9 375 108)	496 278

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Equity

Figures in Pula	Revaluation reserve	Capital grant	Training fund reserve	Building fund reserve	Total reserves	Retained income	Total funds and reserves
Balance at 01 April 2021	13 104 439	1 954 560	7 701 477	6 110 000	28 870 476	266 907	29 137 383
Profit for the year	-	-	-	-	-	318 094	318 094
Other comprehensive income	178 185	-	-	-	178 185	-	178 185
Total comprehensive income for the year	178 185	-	-	-	178 185	318 094	496 279
Transfer to retained income	-	-	(1 595 728)	(10 120)	(1 605 848)	1 605 848	-
Amortisation of capital grant	-	(63 050)	-	-	(63 050)	-	(63 050)
Total contributions by and distributions to owners of company recognised directly in equity	-	(63 050)	(1 595 728)	(10 120)	(1 668 898)	1 605 848	(63 050)
Balance at 01 April 2022	13 282 624	1 891 510	6 105 749	6 099 880	27 379 763	2 190 849	29 570 612
Loss for the year	-	-	-	-	-	(2 994 487)	(2 994 487)
Other comprehensive income	(6 380 621)	-	-	-	(6 380 621)	-	(6 380 621)
Total comprehensive Loss for the year	(6 380 621)	-	-	-	(6 380 621)	(2 994 487)	(9 375 108)
Transfer to retained income	-	-	(971 230)	-	(971 230)	971 230	-
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(971 230)	-	(971 230)	971 230	-
Balance at 31 March 2023	6 902 003	1 891 510	5 134 519	6 099 880	20 027 912	167 592	20 195 504
Note			7	8			

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

Figures in Pula	Note(s)	2023	2022
Cash flows from operating activities			
Cash used in operations	19	(2 612 081)	(1 395 781)
Finance income	18	856 381	866 854
Net cash from operating activities		(1 755 700)	(528 927)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(5 660 859)	(4 926 774)
Movement in financial assets	4	9 058 716	735 863
Net cash from investing activities		3 397 857	(4 190 911)
Cash flows from financing activities			
Capital and grants received during the year	11	1 000 000	3 493 283
Total cash movement for the year		2 642 157	(1 226 555)
Cash and cash equivalents at the beginning of the year		1 704 576	2 931 131
Cash and cash equivalents at the end of the year	6	4 346 733	1 704 576

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

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 2023

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
	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

Annual Financial Statements for the year ended 31 March 2023

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 21 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

Annual Financial Statements for the year ended 31 March 2023

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 21 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

Annual Financial Statements for the year ended 31 March 2023

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.

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.

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 unamortised 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.

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.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.9 Revenue from contracts with customers

The institute earns or recognises revenue from research projects

- Provision of warehousing services and transportation.

Revenue is recognised as and when performance obligations, distinct goods and services contractually promised to customers, are satisfied by transferring the agreed-upon goods or services to customers. Goods or services are deemed distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and such good or service is separately identifiable from other promises in the contract. For the purpose of recognising revenue, goods or services are transferred as or when the customer obtains control thereof.

At the inception of the contract, management determines whether the institute satisfies the performance obligations over time or at a point in time. A performance obligation is satisfied over time, and accordingly revenue is recognised over time, if the customer receives and consumes the benefits provided by the institute's performance as it performs; or the group's performance create or enhance an asset that the customer controls as the asset is created or enhanced. The customer has the ability to direct the use of, and obtain substantially all the benefits from, the asset; or the institute's performance does not create an asset with an alternative use to the institute, and the institute has an enforceable right to payment for performance completed to date. Contractual and practical constraints are considered to determine whether the asset during its creation or improvement has an alternative use by the institute. If a performance obligation is not satisfied over time, it is satisfied at a point in time and revenue is recognised at a point in time.

Income from research projects

The institute earns income from research projects at a fee. These contracts involve services that are substantially the same and the benefit of each service is received and consumed immediately. These contracts therefore consist of a single performance obligation for which control is transferred over time (i.e. the contract period) and revenue is recognised on a straight-line basis over the term of each contract. This method provides a faithful depiction of the transfer of services because the work required does not vary significantly from month to-month. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

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 2023

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 Institute 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:
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	The impact of the amendments is not material.
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendments is not material.
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendments is not material.
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	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 Institute's accounting periods beginning on or after 01 April 2023 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Pula	2023	2022
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3. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	15 409 000	-	15 409 000	18 283 410	(545 338)	17 738 072
Furniture and fixtures	1 357 213	(712 811)	644 402	1 264 243	(641 497)	622 746
Motor vehicles	178 184	(44 546)	133 638	178 184	-	178 184
Office equipment	636 168	(442 971)	193 197	612 053	(381 551)	230 502
Computer equipment	1 062 484	(874 926)	187 558	899 676	(853 668)	46 008
Library books	622 170	(622 170)	-	622 170	(622 170)	-
Other property, plant and equipment	842 815	(41 216)	801 599	-	-	-
Total	20 108 034	(2 738 640)	17 369 394	21 859 736	(3 044 224)	18 815 512

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfers	Revaluations	Scrappings	Depreciation	Total
Buildings	17 738 072	4 948 634	(410 483)	(6 380 621)	-	(486 602)	15 409 00
Furniture and fixtures	622 746	92 970	-	-	-	(71 314)	644 40
Motor vehicles	178 184	-	-	-	-	(44 546)	133 63
Office equipment	230 502	78 749	-	-	(54 634)	(61 420)	193 19
Computer equipment	46 008	162 808	-	-	-	(21 258)	187 55
Other property, plant and equipment	-	432 332	410 483	-	-	(41 216)	801 59
	18 815 512	5 715 493	-	(6 380 621)	(54 634)	(726 356)	17 369 39

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 equipment	60 312	18 787	-	(33 091)	46 008
	14 289 964	4 926 774	178 185	(579 411)	18 815 512

Valuations

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.

Land and Buildings was revalued by an independent professional valuer in the current year. The land and Buildings were valued at P 15 409 000, after renovations and refurbishments 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.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Pula	2023	2022
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3. Property, plant and equipment (continued)

Carrying value of assets under the cost model

Land and Building	2 827 290	3 125 516
Motor vehicles	118 821	200 881
	2 946 111	3 326 397

4. Financial assets

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

Vunani Fund Managers	1 075 499	5 631 493
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	10 205 422	14 708 144
	11 280 921	20 339 637

Split between non-current and current portions

Current assets	11 280 921	20 339 637
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Exposure to credit risk

Financial assets inherently exposes the Institute to credit risk, being the risk that the Institute 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.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Pula	2023	2022
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4. Financial assets (continued)

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."

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

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Pula		2023	2022
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:			
2023			
Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)
Vunani Fund Managers Bank Gaborone Limited	N/a	Fitch	Performing
	N/a	N/a	Performing
			12m ECL
			12m ECL
			Gross Carrying amount
			1 075 499
			10 205 422
			11 280 921
			11 280 921
2022			
Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)
Vunani Fund Managers Bank Gaborone Limited	N/a	Fitch	Performing
	N/a	N/a	Performing
			12m ECL
			12m ECL
			Gross Carrying amount
			5 631 493
			14 708 144
			20 339 637
			20 339 637

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Figures in Pula	2023	2022
5. Trade and other receivables		
Financial instruments:		
Trade receivables	1 964 424	5 162 904
Loss allowance	(79 114)	(79 114)
Trade receivables at amortised cost	1 885 310	5 083 790
Deposits	28 000	8 000
Other receivable	53 642	2 483
Non-financial instruments:		
Employee costs in advance	25 186	1 029
Prepayments	40 047	111 998
Total trade and other receivables	2 032 185	5 207 300
Split between non-current and current portions		
Current assets	2 032 185	5 207 300
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	1 966 952	5 094 273
Non-financial instruments	65 233	113 027
	2 032 185	5 207 300

Exposure to credit risk

Trade receivables inherently expose the Institute to credit risk, being the risk that the Institute 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 Institute 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.

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:

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
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5. Trade and other receivables (continued)

	2023	2023	2022	2022
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due:	1 964 424	-	5 083 790	-
>90 days past due:	1 885 310	(79 114)	79 114	(79 114)
Total	3 849 734	(79 114)	5 162 904	(79 114)

Reconciliation of loss allowances

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

Opening balance in accordance with IFRS 9	(79 114)	(79 114)
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:

Cash on hand	2 265	1 881
Bank balances	4 344 468	1 702 695
	4 346 733	1 704 576

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

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Bank balances are maintained with reputable banks which are rated in South Africa and the United Kingdom.

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 where necessary will include training at masters level.

The reserve shall be released to the retained income to the extent of training funds utilised during the year..

Opening balance	6 105 749	7 701 477
Transferred to retained earnings	(971 230)	(1 595 728)
	5 134 519	6 105 749

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
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8. Building fund reserve

The Institute set up this reserve from its accumulated surplus to demark the funds that have been allocated towards the building renovations and refurbishments. These fund have been for the renovations on the BIDP building which commenced in April 2021 and was completed during the year. 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.

The reserve shall be released to the accumulated surplus to the extent of depreciation charge on the renovations costs on an annual basis.

Opening balance	6 099 880	6 110 000
Transferred to retained earnings	-	(10 120)
	6 099 880	6 099 880

9. Trade and other payables

Financial instruments:

Trade payables	17 516	84 288
Vision 2036 funds	198 840	198 840
Other payables	1 923 663	619 584

Non-financial instruments:

Accrued leave pay	1 012 157	1 003 696
Gratuity accrual	4 814 738	5 565 843
Value added tax	260 611	461 906
	8 227 525	7 934 157

Fair value of trade and other payables

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

10. Grant related to assets

Non-current liabilities	4 880 579	3 771 092
Current liabilities	938 627	1 297 881
	5 819 206	5 068 973

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.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
10. Grant related to assets (continued)		
Grants related to assets		
Balance at the beginning of the year	3 771 092	395 154
Received during the year	1 000 000	3 583 375
Transfer from deferred income	359 254	-
Released to income statement through amortisation	(249 766)	(207 437)
	4 880 580	3 771 092
Deferred Income		
Balance at the beginning of the year	1 297 881	4 333 756
Received during the year	-	547 500
Transfer to grants relating to assets	(359 254)	(3 583 375)
	938 627	1 297 881
11. Deferred project revenue		
The institute has an agreement with European union in collaboration with the Ministry Of Finance And Economic Development to undertake a study titled implementation of Botswana Policy Dialogue Facility. The balance represents the tasks and activities that are yet to be undertaken by the Institute.		
Opening balance	3 493 283	3 493 283
Release to the income statement for services rendered during the year	(2 706 285)	-
	786 998	3 493 283
12. Revenue		
Revenue from contracts with customers		
Income earned from research projects	7 802 379	10 379 343
Disaggregation of revenue from contracts with customers		
The Institute disaggregates revenue from customers as follows:		
Services revenue		
Professional services revenue	7 802 379	10 379 343
Timing of revenue recognition		
Over time		
Rendering of services	7 802 379	10 379 343
13. Grant income		
Government of Botswana	(18 300 000)	(18 785 220)

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
14. Other operating income		
Other sundry income	128 232	16 694
Amortisation of capital grants	249 766	396 575
	377 998	413 269
15. Other operating gains (losses)		
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	4 513	(8 867)
16. Operating profit (loss)		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	134 134	109 442
Auditor's remuneration - internal	216 682	50 000
Depreciation and amortisation		
Depreciation of property, plant and equipment	726 356	579 411
Other		
Project costs	3 842 924	2 283 052
Expenses by nature		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Employee costs	20 642 794	20 621 003
Depreciation, amortisation and impairment	726 356	579 411
Other expenses	3 344 577	2 208 722
Training	1 198 081	1 814 359
Project costs	3 842 924	2 283 052
Telephone and fax	581 026	393 053
Consulting and professional fees	582 636	1 205 118
Cleaning costs	149 366	144 259
Board expenses	176 840	134 611
Advertising	125 436	132 014
Conference costs	-	22 712
	31 370 036	29 538 314

Botswana Institute for Development Policy Analysis

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Figures in Pula	2023	2022
17. Employee costs		
Employee costs		
Basic	13 591 106	13 578 158
Medical aid	387 924	376 129
Performance bonus	213 003	173 058
Pay in lieu leave	766 494	854 378
Gratuity	3 972 148	3 960 248
Scarcity allowances	1 162 911	1 187 398
Recruitment & Repatriation	-	311
Cellphone allowance	177 332	148 723
Entertainment benefit	371 876	342 600
	20 642 794	20 621 003
18. Finance income		
Interest income		
Investments in financial assets:		
Bank and other cash	856 381	866 854
19. Cash used in operations		
Loss before taxation	(2 994 487)	318 094
Adjustments for non-cash items:		
Depreciation and amortisation	726 356	579 411
Scrappings of assets	54 634	-
Release to the income statement for services rendered	(2 760 916)	-
Amortisation of capital grant	(249 766)	238 844
Adjust for items which are presented separately:		
Interest income	(856 381)	(866 854)
Changes in working capital:		
(Increase) decrease in trade and other receivables	3 175 115	(3 000 919)
Increase (decrease) in trade and other payables	293 364	1 423 563
Increase (decrease) in grant related to assets	-	(87 920)
	(2 612 081)	(1 395 781)

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
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20. 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

Amounts included in Trade receivable (Trade Payable) regarding related parties

Technical Assistance Project	814 315	825 365
Ministry of Finance and Economic Development	-	3 493 282
	814 315	4 318 647

Related party transactions

Grant received from related parties including deferred grants

Government of Botswana grant income	(18 300 000)	(18 785 220)
Government of Botswana grants received during the year	(1 000 000)	(547 500)
	(19 300 000)	(19 332 720)

Board transactions

Board sitting fees and expenses	176 840	134 611
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Administration fees received from related parties

Technical Assistance Project	(727 067)	(724 004)
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Key management remuneration

Remuneration paid	-	3 788 100
Other long term employee benefits	3 459 109	1 227 110
	3 459 109	5 015 210

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Total	Fair value
Financial asset	4	11 280 921	11 280 921	11 280 921
Trade and other receivables	5	1 966 952	1 966 952	1 966 952
Cash and cash equivalents	6	4 391 383	4 391 383	4 391 383
		17 639 256	17 639 256	17 639 256

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

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	2 140 013	2 140 013	2 140 013

2022

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

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

21. Financial instruments and risk management (continued)

Capital risk management

The Institute's objective when managing capital (which includes borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Institute's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise returns.

Financial risk management

Overview

The Institute 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 directors has 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 directors 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 Institute 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 group through dealing with well-established financial institutions with high credit ratings.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

21. Financial instruments and risk management (continued)

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

		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial asset	4	11 280 921	-	11 280 921	20 339 637	-	20 339 637
Trade and other receivables	5	2 111 299	(79 114)	2 032 185	5 173 387	(79 114)	5 094 273
Cash and cash equivalents	6	4 391 383	-	4 391 383	1 721 198	-	1 721 198
		17 783 603	(79 114)	17 704 489	27 234 222	(79 114)	27 155 108

Liquidity risk

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

The Institute 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.

2023

		Less than 1 year	Total contractual cash flows	Carrying amount
Current liabilities				
Trade and other payables	9	2 927 013	2 927 013	2 140 013

2022

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

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
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21. Financial instruments and risk management (continued)

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	79 873	141 153
Cash and cash equivalents	6	1 070 414	64 233

Net US Dollar exposure

1 150 287	205 386
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Euro exposure:

Current assets:

Cash and cash equivalents	6	792 221	-
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South Africa Rand exposure:

Current assets:

Trade and other receivables	5	336	336
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Net exposure to foreign currency in Pula

1 942 844	205 722
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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	6 062	12 364
Cash and cash equivalents	6	81 224	5 627

Net US Dollar exposure

87 286	17 991
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Euro exposure:

Current assets:

Cash and cash equivalents	6	55 535	-
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South Africa Rand exposure:

Current assets:

Cash and cash equivalents	6	243	263
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Exchange rates

Pula per unit of foreign currency:

US Dollar	13.175	11.416
Euro	12.739	11.416
ZAR	1.381	1.272

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
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21. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Institute to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation 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.

	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2022: 10%)	115 029	(115 029)	20 539	(20 539)
Euro 10% (2022: 10%)	79 222	(79 222)	-	-
ZAR 10% (2022: 10 %)	34	(34)	34	(34)
	194 285	(194 285)	20 573	(20 573)

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.

	2023	2023	2022	2022
Increase or decrease in rate by 10%	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Financial assets 0.1% (2022: 0.1%)	8 564	(8 564)	16 725	(16 725)

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Figures in Pula	2023	2022
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22. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Institute can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets	Note(s)		
Financial assets mandatorily at fair value through profit or loss			
Financial assets at fair value		11 280 921	14 706 144
Total		11 280 921	14 706 144

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.

Level 3

Recurring fair value measurements

Assets	Note(s)		
Property, plant and equipment	3		
Land and buildings		15 409 000	17 738 072
Motor vehicles		133 638	178 184
Total property, plant and equipment		15 542 638	17 916 256
Total		15 542 638	17 916 256

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

22. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains (losses) recognised in other comprehensive income	Additions	scrappings	Scrappings	Transfers	Closing balance
2023								
Assets								
Property, plant and equipment	3							
Land		17 738 072	(6 308 621)	4 948 634	(486 602)	-	(410 483)	15 481 000
Motor vehicles		178 184	-	-	(61 420)	(54 634)	-	62 130
Total		17 916 256	(6 308 621)	4 948 634	(548 022)	(54 634)	(410 483)	15 543 130
2022								
Assets								
Property, plant and equipment	3							
Land and buildings		13 812 888	-	4 223 410	(298 226)	-	-	17 738 072
Motor vehicles		82 059	178 185	-	(82 060)	-	-	178 184
Total		13 894 947	178 185	4 223 410	(380 286)	-	-	17 916 256

Land and Buildings was revalued by an independent professional valuer in the current year. The land and Buildings were valued at P 15 409 000 representing the open market value arrived at using discounted cash flow method. Inspection of the properties were conducted during the valuation.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

23. Going concern

The Institute is both financially and operationally dependent on the Government of Botswana and her Ministries for several projects and revenue subvention. The directors and the management of the Institute have determined that the Government will continue to support the organisation financially through revenue subventions for the Institute to discharge its mandate.

The Trustees is reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the Institute and do not believe that the Institute has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly not been prepared on the going concern basis.

24. Events after the reporting period

There were no other post balance sheet events which require adjustment or disclosure in these financial statements.

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Detailed Income Statement

Figures in Pula	Note(s)	2023	2022
Revenue			
Income earned from research projects		7 802 379	10 379 343
Grant income	13	18 300 000	18 785 220
Gross profit		26 102 379	29 164 563
Other operating income			
Sundry income		128 232	16 694
Amortisation of fixed assets		249 766	396 575
	14	377 998	413 269
Other operating gains (losses)			
Foreign exchange gains (losses)		4 513	(8 867)
Expenses (Refer to page 41)		(30 335 758)	(30 117 725)
Operating loss	16	(3 850 868)	(548 760)
Finance income	18	856 381	866 854
(Loss) profit for the year		(2 994 487)	318 094

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

Botswana Institute for Development Policy Analysis

Annual Financial Statements for the year ended 31 March 2023

Detailed Income Statement

Figures in Pula	Note(s)	2023	2022
Other operating expenses			
Advertising		(125 436)	(132 014)
Auditor's remuneration - external audit	16	(134 134)	(109 442)
Auditor's remuneration - internal audit	16	(216 682)	(50 000)
Bank charges		(36 847)	(31 695)
Cleaning		(203 228)	(144 259)
Consulting and professional fees		(582 636)	(1 205 118)
Consulting and professional fees - legal fees		(119 534)	(177 358)
Consumables		(2 313)	(3 313)
Depreciation		(726 356)	(579 411)
Employee costs		(20 642 794)	(20 621 003)
Project expenses		(3 842 924)	(2 283 052)
Corporate social responsibility		(38 728)	-
Board expenses		(176 840)	(134 611)
Conference costs		(93 906)	(22 712)
Public forum		(56 487)	(52 250)
Health and safety		(526)	(10 367)
Insurance		(144 321)	(98 447)
IT expenses		(339 851)	(202 921)
Motor vehicle expenses		(34 892)	(22 647)
Municipal expenses		(134 553)	(163 989)
Relocation expenses		(287 142)	(1 174 071)
Postage		(2 551)	(7 677)
Printing and stationery		(92 075)	(109 159)
Publications		(73 339)	(154 825)
Repairs and maintenance		(149 366)	(144 542)
Security		(127 205)	(7 128)
Staff welfare		(50 658)	(36 248)
Subscriptions		(113 134)	(116 219)
Telephone and fax		(581 026)	(508 726)
Training		(1 198 081)	(1 814 359)
Travel - local		(8 193)	(162)
		(30 335 758)	(30 117 725)

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

ANNUAL REPORT

2022/2023

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



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