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COVID Brief: Accountability of the COVID Fiscal Response in Botswana



Cover graphic: Andrejs Kirma / Noun Project

Introduction

The first case of COVID-19 was recorded in Botswana at the end of March 2020. Shortly thereafter the government declared a state of emergency and adopted containment measures including travel bans and social distancing.

The scale of the interventions needed to confront the pandemic challenged the government in unprecedented ways. The government responded with four key emergency spending measures.

- The COVID 19 Pandemic Relief Fund was introduced through an emergency decree in April 2020. This fund provided for financial resources to cater for the procurement of national relief supplies and evacuation costs for citizens outside Botswana, among other expenses.
- In April 2020, through an emergency decree, the government also introduced the Industry Support Facility geared towards supporting the informal sector.
- The government then introduced two emergency packages in May 2020 through emergency decrees: The COVID 19 Loan Guarantee Scheme was part of the Government of Botswana's economic response to the pandemic, while the Tax Relief Measures were aimed at tax relief measures to mitigate the impact of the pandemic.

As a result of the pandemic, the country's economy has been severely impacted. COVID-19 has exacerbated existing growth challenges, leading to an estimated real GDP contraction of 7.9% in 2020 – the largest on record for the country¹. The country's fiscal deficit is set to widen as a result of the decline from mineral revenues and the impact of COVID-19 spending. These recent estimates reflect a substantial impact of the COVID-19 pandemic on the country's economic outlook, thus putting the government in a difficult position in terms of its ability to manage the crisis. In this challenging context, the role of the government is even more essential to help families get through the hardest parts of the crisis.

Responding in an open and accountable manner to the pandemic is not only a way for the government to show its commitment to the well-being of its citizens, but also because open budgets have real benefits, from reducing the risks of corruption to ensuring more equitable and effective policy outcomes. In other words, shortcuts and limitations are neither necessary nor inevitable. Even during terrible crises, accountability can work if everyone does their part in an open and collaborative effort. An urgent and speedy response does not have to come at the expense of accountability.

As such, civil society partners across 120 countries, including Botswana, worked with the International Budget Partnership to undertake a rapid assessment of emergency fiscal policy packages in the period from March to September 2020 – sets of policy initiatives like the stimulus package adopted in Botswana – aimed at addressing the impact of the COVID-19 emergency. The goal of this assessment was to identify how countries can improve both during and after the crisis.

This brief explains what we found and what actions the government of Botswana can take to strengthen accountability both during and after the COVID crisis.

¹ <https://www.worldbank.org/en/country/botswana/overview>

Key Findings

Minimal citizen engagement opportunities, but the promising practice of ensuring good levels of transparency on the extra-budgetary funds that were required to implement the emergency response packages.

The findings of our assessment in Botswana indicate that opportunities for citizen engagement throughout the implementation of the economic fiscal policy packages were minimal. However, we also saw a promising practice of substantive transparency in the publishing of documents and information on extra-budgetary funds² used for implementing policies and programs included in the emergency fiscal policy package. This disclosure contributes to fostering fiscal transparency and accountability practices.

Seeing as the government has in place existing mechanisms such as budget Pistos, these could be integrated to create more opportunities for citizens to participate in the formulation, implementation, and oversight of existing and new policies.

Our three key findings are as follows:

1. Decision-making on the formulation and implementation of the stimulus and response packages included very little or no input from the public, especially from those most impacted by the crisis.

Citizen participation in the formulation and implementation of the emergency measures did not take place, excluding the public from having a voice in decisions on priority-setting during the pandemic, and depriving the government of contributions which could greatly improve the effectiveness of their actions.

In previous years, Botswana used the budget Pistos to engage with stakeholders, local authorities, and members of parliament on the budget, but these were not held due to the pandemic. Given new ways of remote working as a result of the pandemic, the government could have, for example, re-purposed this existing participation mechanism for citizens to give input during the formulation of the COVID response fiscal packages.

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² The term extra-budgetary funds generally refers to public resources and government transactions that are not included in the annual budget or are not subject to the same general level of reporting, regulation, or audit as other public finance items

2. The role of legislatures and the national audit office was minimal in the implementation of the COVID-19 policy and fiscal response.

The government of Botswana introduced the fiscal policy measures through executive decrees, thus sidestepping the oversight role of the legislature and national audit. This in effect limited the opportunity for the legislature to plan and design the emergency fiscal policy package and the opportunity to debate reports on the implementation of COVID-19 response policies. The Office of the Auditor General did not undertake real-time financial, compliance, and performance audits during the crisis. Real-time audits can have a deterrent effect and contribute to safeguarding public resources.

The management committee for the fund that was created through the Public Finance Management (COVID-19 Pandemic (Corona virus) relief fund) order, 2020, could have ensured empowering oversight processes for the legislature and the Office of the Auditor General.

3. The government provided substantial information on extra-budgetary funds but could have provided more information on the implementation of the COVID-19 response package.

We applaud the government's efforts to provide substantive information on the legal mandate, policy rationale, institutional arrangements, reporting, and auditing requirements of the extra-budgetary funds to be used for implementing policies and programs included in the emergency fiscal policy package. However, there was limited information provided on reporting on execution and minimal information on procurement implementation. The lack of effective public reporting on implementation of the stimulus packages and related policy initiatives hampers efforts to hold government accountable for the effectiveness of its crisis response.

In as much as the pandemic forced the government to authorize emergency procurement procedures, it did not publish or make available information on the actual procurement related to the implementation of the emergency fiscal policy package.

Information on actual procurement should be made available to the public and fully transparent, particularly on procurement where the government awards contracts to service providers and where risks of irregularities are heightened. These practices could be enhanced by including all appropriate information about actual tenders, awards, contracts, suppliers, and payments etc., and in open formats.

"Responding in an open and accountable manner to the pandemic is a way for the government to show its commitment to the well-being of its citizens"

Recommendations

Accountability beyond the crisis

The open budgeting practices noted in the findings are as important beyond the crisis. Achieving sufficient levels of transparency, participation, and oversight over the long term is crucial both for accountability and to ensure that resources are used effectively and equitably. The 2019 OBS found that there was significant room for improvement in Botswana, especially on transparency and public participation.

In light of this, we call on the government to work with civil society to take the following steps:

1. Act now to strengthen accountability in ongoing responses to the COVID-19 crisis.

- Put in place adequate mechanisms for citizen participation in the formulation, approval, and execution of additional emergency fiscal policy packages. This could include ensuring that the budget Pistos are held and inviting civil society representatives onto the Management Committee for the COVID-19 Fund.
- Publish monthly progress reports on the implementation of the measures contained in the emergency fiscal policy package.
- Empower the National Audit Office to adapt its auditing approaches and practices to conduct expedited audits on emergency spending programs.
- Disclose all details related to procurement contracts linked to emergency spending, and wherever possible in open formats.
- Restore the role of the legislature as keeper of the public purse, including approving expenditures, consulting with the public and interest groups, monitoring policy implementation, and following up on audit findings.

2. Strengthen systems for accountability to ensure the equitable and effective use of precious public resources in the future.

- Ensure that the audit findings by the National Audit Office relating to COVID spending are acted upon swiftly and that substantive audit follow-up is strengthened beyond the emergency.

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