**Botswana Poverty Eradication Strategy (BPES)**

**The Design Plan**

PECU

M.S. 22nd July 2013

**Introduction**:

The GoB, under the leadership of the Poverty Eradication Coordination Unit (PECU) in the Office of the President, has decided to initiate a process aimed at the development of an updated Botswana Poverty Eradication Strategy (BPES) to replace its National Strategy for Poverty Reduction of 2003. This will assist to operationalise the Government’s intention to eradicate poverty in Botswana as one of its current ‘flagship’ programmes, and to realize one of the key goals of the country’s long-term vision (Vision 2016). It is expected that this medium to long –term Strategy will be concluded and approved in time to feed substantively into the process of developing NDP 11.

**Rationale:**

The BPES will help to ensure that the objectives and implementation of the next National Development Plan are properly aligned to the goal of poverty eradication.

The strategy will, *inter alia*, also permit the screening of current and future stand alone sectoral policies, programmes and projects in order to ensure their congruence with the strategic thrusts of the GoB’s poverty eradication efforts. Being a master document containing clear and specific targets, timelines, progress indicators and designated roles and responsibilities in terms of policy formulation, implementation and monitoring, it will facilitate coordination across government agencies and between the GoB and other stakeholders. It will also serve to strengthen results-focused accountability, help to avoid dispersal and duplication of efforts, and reduce inefficiencies in the deployment of human and financial resources.

By clarifying the information requirements necessary for the development of appropriate indicators and the tracking of progress of strategy implementation, it will contribute to the strengthening of Botswana’s data collection and statistical analysis capacity, as well as its monitoring and evaluation and reporting systems. This will in turn improve the quality, availability and timeliness of the national evidence base for decision making, as well as the targeting of macro, meso and micro level poverty eradication interventions.

Finally, the formulation exercise will be a pedagogic one. It will help to deepen understanding amongst a range of stakeholders regarding the specificities of poverty in Botswana, and how these relate to wider and evolving global insights into the phenomenon of poverty and international developments in the area of poverty eradication *praxis*.

**Structure**:

In line with standard practice, both the BPES formulation process, and the final BPES document, will be divided into 2 parts as detailed below. This design plan sets out in broad terms the proposed contents of parts I and II of the BPES. It also lays out the technical expertise, data and organisational requirements, and a tentative timeline for the completion of the BPES.

**Part I:**

***Overall objectives of Part I***:

* Analyse the determinants of poverty;
* Review Botswana’s past performance on poverty reduction;
* Identify constraints to past poverty initiatives;
* Identify gaps in past policy frameworks;
* Describe the existing poverty reduction strategy;
* Analyse current sectoral initiatives and their shortcomings;
* Evaluate existing institutional and policy formulation arrangements ;

Part I of the BPES will constitute the retrospective and current situation analytical and diagnostic section of the poverty eradication strategy. This is a critical part of any comprehensive, multi-sectoral and multi-year poverty eradication strategy formulation process. Based on the principle of logical derivation, it will determine the scope and specific content of the strategy going forward (Part II).

As a result, it must be based on the best evidence available in regards to what has and has not worked in the context of Botswana ‘s poverty eradication efforts, and identify the proximate causes of possible shortcomings. Part I will therefore summarise the current state of knowledge of Botswana’s poverty situation, and thereby ensure that the proposed programmes, policies and projects contained in Part II are grounded in an evidence-based poverty profile and lessons learned from past initiatives. Part I will be divided logically into 2 sections, namely a poverty profile and a section on the role of public policy.

For the purposes of this plan, an additional section has been detailed below which will not be included in the final version of the BPES, namely a section on the requirements for the successful development of Part I.

**Section 1 –Poverty profile**

Poverty profiles establish the major facts about poverty and inequality in a given country, and how they vary in spatial and temporal terms, by communities based on differences in terms of occupation, health and education status, sources of income, consumption patterns, and access to infrastructure etc. They constitute an essential operational tool to :

1.help target development resources towards geographical areas/sectors in which the poor are concentrated

2. help design ex-ante Poverty and Social Impact Assessments that throw light on the likely effects on the poor of proposed public policies and programmes

What follows in Section 1 are some concepts, indicators and variables that might be included in a poverty profile for Botswana, and which will permit an analysis of its causes and dimensions as a basis for dialogue as to what needs/can be done given a finite resource envelope, and the range of public actions that might have the greatest sustainable impact on poverty.

* 1. ***The concepts and indicators of poverty as applied to Botswana***
* Income poverty lines;
* Headcount Poverty incidence over time;
* Poverty gap index over time;
* Multi-dimensional poverty indicators;
* Income inequality.

1.2 ***Poverty situation – characteristics and determinants***

* Spatial dimensions;
* Differences between rural and urban poverty and linkages;
* Socio-demographic variables including education, health, fertility rates, rural-urban migration trends;
* Risk , vulnerability and exclusion analysis;
* Time to exit analysis – at different potential growth rates, how long for the average person to exit poverty?
* Poverty reversals;
* Priority target groups.

1.3 ***Inequality situation***

* Differential attribution of income or consumption across whole population;
* Differences in terms of capability deprivation;
* Spatial dimensions of inequality;
* Gender dimensions of inequality.

On the basis of sub-sections 1.1, 1.2 and 1.3 above, and subject to the robustness of the data, it should be possible to develop some basic elasticities such as the overall historical growth elasticity of poverty in Botswana[[1]](#footnote-1), as well as to decompose this further into a series of sectoral growth elasticities of poverty.[[2]](#footnote-2) These will constitute essential inputs into the process of selection and prioritization of public actions for Part II of the Strategy (see below).

**Section 2 – Public Policy**

This section will map previous and current public initiatives in the area of poverty eradication, and assess the impact over time of economic management on poverty levels. It will permit an assessment of how effective public policy and institutions have been in terms of poverty eradication, and identify shortcomings which can be addressed in Part II of the BPES.

2.1 ***Review of past and ongoing poverty initiatives and the role of sectors*** viz:

* Previous and current poverty reduction strategies;
* Employment policy;
* Social protection initiatives;
* Economic Diversification Drive;
* Botswana Excellence Strategy;
* Private sector Development;
* Agricultural policy;
* Industrial policy;
* Taxation;
* The Financial Sector;
* Health policy;
* Education policy;
* Infrastructure policy;
* Trade policy;
* Environmental policy;
* Local economic development;
* Micro –level interventions e.g. income generation projects.
	1. ***Evaluation of macro-economic policy, Botswana’s growth model and poverty reduction***

This sub- section will provide an analysis of recent growth trends in the economy, Botswana’s performance in terms of macro-economic management, and their impact on poverty.

Particular attention will be paid to the extent to which overall and sectoral growth patterns may or may not be pro-poor. The section will also evaluate any remedial actions that have been taken aimed at making Botswana’s growth more inclusive. One possible approach that is likely to yield dividends is that of applying Making Markets Work for the Poor (MMW4P) methodologies which will serve to highlight existing impediments to participation of the poor in growth dynamics.

On the basis of the above, the section will conclude with a brief overview outlining some experiences from selected and relevant countries which have succeeded in ensuring that the benefits of rapid growth have been equitably distributed, and the positive impact this has had on poverty levels.

2.3 ***Overview of current status of decentralization***

* Budgetary and fiscal arrangements for subaltern administrative units;
* Reporting systems;
* Review of district development planning processes and poverty reduction impacts;
* Participatory policy formulation processes at local level.
	1. ***Institutional architecture***

This sub-section will review past and current national institutional arrangements in the area of poverty eradication. It will map the roles and responsibilities of Botswana state institutions in terms of the:

* Formulation of poverty eradication policies and programmes;
* Quality assurance of proposed interventions (use of ex-ante PSIA and ex-post BIA);
* Implementation modalities;
* Public financial management of earmarked funds;
* Monitoring and evaluation practices, in particular the monitoring of poverty inputs, outputs and impact;
* Reporting systems;
* Coordination of multi-sectoral interventions;
* Information sharing.

A separate sub-section will provide an overview and evaluation of existing consultation systems with non-state actors in terms of the:

* Format and objectives of consultative forums (both central and local level);
* Membership of stakeholders (private sector, donors, organized CSOs, universities, think tanks);
* Regularity of contacts;
* Subject matter and information tabled for discussion;
* How non-state inputs are integrated into planning processes;
* Extent of collaboration with non-state actors in terms of implementation;
* Consultation feedback mechanisms;
* Public information strategies.

**Section 3 – Requirements**

The development of Part I of the BPES will require the following:

1. Robust data, in particular panel data sets;
2. All relevant past and current GoB macro-economic and sectoral documents need to be collected;
3. All mid-term and terminal evaluations of government programmes need to be reviewed;
4. Technical backstopping from Statistics Botswana, in particular in terms of data analysis and the production of aggregate statistics;
5. A junior economist to be seconded to assist the policy advisor on a full-time basis.
6. The policy advisor will need to have access to a team of sectoral/thematic experts (either formally or informally) on the basis of which ongoing work can be subjected to reality checks and quality assurance.

***Timelines:***

A zero draft of Part I of the BPES should be completed by December 2013/January 2014. It should run anywhere from 50-80 pages, including tables and annexes.

Part I will only be **completely finalised** once a solid draft of Part II is available for 2 reasons:

1. In the course of the formulation of Part II, new insights flowing from analytical work into the specificities of poverty in Botswana will become available, and these will have to be retro-fed into an updated Part I;
2. It is to be expected that new data will be collected in the course of surveys conducted during the development of Part II which will also have to be incorporated into the overall document.

**Part II**

On the basis of the poverty analysis contained in Part I, it will be possible to embark on the formulation of the **forward looking** Part II of the BPES. While the measurement and analysis of poverty is an essential step, the most important question to be addressed is what can be done to improve the position of the poor.

Part II of the BPES should be seen as representing the transition from an understanding of poverty in Botswana contained in Part I, to the development of the necessary public (and non-public) actions required to eradicate poverty. As such it will constitute the heart of the BPES.

This outline of the likely content of Part II, and the process for developing it, is necessarily more tentative that the description of Part I, as the findings contained in the latter will determine the former. Nevertheless, and *grosso modo*, what follows reflects best practice in the area of strategy design.

**Preparatory Next Steps for formulation of Part II of BPES**

This will require:

* The establishment of a number of sector/thematic working groups;
* A small secretariat to provide support services to the working groups;
* The development of a **standardized chapter template** in order to ensure coherence and consistency between working group outputs;
* The design of a timeline for Part II;
* The design of quality assurance mechanisms;
* The development of a Participation Action Plan (PAP).

**Section 1 –Target setting.**

This first section will contain the results of a deliberative exercise in **target setting** based on:

* The poverty profile;
* Botswana’s past, current and projected economic performance and impact on poverty levels;
* Past, current and projected productive sector performance and contribution to poverty eradication;
* Trends in terms of economic diversification;
* Trends in terms of investment climate, FDI, and ‘doing business’ indicators;
* The contribution of social sectors (health, education and social protection) to poverty eradication;
* Projections in terms of employment;
* Projected government resource envelopes.

These targets should include both overall poverty and inequality reduction figures. In addition, they could also be disaggregated along spatial (rural-urban), by gender, and source of income (occupation). These can be further divided into targets for specific sectors (health, education, rural development etc).

**Section 2 –How do we get there?**

This section will contain the results of the deliberations of the technical working groups in regards to the steps required to achieve the targets established. The technical working groups, drawing on the standard chapter template, will identify solutions to the constraints to the achievement of targets in their respective areas. These solutions should be divided into:

* Policy reforms;
* Legal reforms/administrative decrees;
* Changes to existing programmes and projects;
* Development of new initiatives;
* Institutional reforms;
* Shifts in funding and changes to funding modalities.

The next steps will be to divide the above in terms of timelines into short, medium and long-term solutions, and to attribute specific roles and responsibilities for their implementation.

Particular attention should be paid to the need to ensure that the solutions are coherent within themselves (i.e. that there is a clear causal nexus between proposed solutions to bottlenecks and targets), and that the final package of proposed interventions is internally consistent both in terms of overall content and with Botswana’s macro-economic framework.

Three additional and fundamental considerations should inform this stage of the exercise, namely that proposed interventions must reflect:

* the need to ensure **clarity** (who does what, when, why and with what),
* **realism** (derived from past performance and a recognition that reforms take time to become embedded).
* **sustainability tests** (fiscal, social, institutional and environmental)

**Section 3 – How do we know we are getting there?**

The final BPES should contain 3 key annexes.

The first will be an **action matrix** which clarifies overall and sectoral poverty targets, roles and responsibilities, proposed interventions, a timeline for the latter, and costings.

This will be accompanied by the comprehensive **M& E framework (backed up by a PMIS)** derived from the targets and proposed interventions. This should strike a balance between qualitative and quantitative indicators.

The final annex will be the **Participation Action Plan** which clearly lays out how stakeholders are going to participate n the whole BPES cycle, from date collection to diagnostics, policy formulation, implementation , M&E and reformulation on an annual basis.

***Timelines***

Part II of the BPES should be around 100-120 pages long (including annexes).

Depending on progress made by the working groups, and the time required for quality assurance of working groups outputs, it should be possible for a zero draft of Part II of the BPES to be completed by November 2014. Part I can then be updated on the basis of new information and data thrown up during the formulation of Part II, and the two parts melded into a single document. Work can also then begin on the development of the 3 annexes referenced above, editing and formatting. A final draft BPES should be completed by December 2014 for approval.

1. i.e. the country’s historical percentage reduction in its poverty rate associated with a percentage change in mean per capita income. [↑](#footnote-ref-1)
2. i.e. how growth in different sectors is translating into poverty reduction based on those sectors (agriculture, industry, services,) from which households derive their main source of income. [↑](#footnote-ref-2)