



# HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

## BOTSWANA

Data Quality Assessment for Public Sector Debt  
Statistics (May 14–20, 2025)

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### High-Level Summary Technical Assistance Report Statistics Department

#### Botswana – Data Quality Assessment for Public Sector Debt Statistics

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**The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.**

**ABSTRACT:** In May 2025, an assessment was undertaken of the data quality of the public sector debt statistics (PSDS) of Botswana against the IMF's Data Quality Assessment Framework (DQAF) for PSDS. The mission was as part of a project to strengthen the quality of public sector debt statistics in selected African countries, funded by the Government of Japan. The mission reviewed the PSDS compilation and dissemination practices against each element of the DQAF and presented a series of recommendations to further improve the quality and transparency of the PSDS of Botswana.

JEL Classification Numbers: H63, H81, H83 (consult <a href="https://www.aeaweb.org/econlit/jelCodes.php">https://www.aeaweb.org/econlit/jelCodes.php</a> )
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## Background

- 1. Botswana implemented the IMF’s enhanced General Data Dissemination System (e-GDDS) in January 2016. However, the reporting of PSDS through the National Summary Data Page (NSDP) is limited in coverage.** Since 2016, Botswana has received significant capacity development support from the IMF’s Statistics Department to strengthen its capacity for compiling government finance statistics (GFS) and PSDS. This support has focused on helping Botswana compile and publish quarterly PSDS regularly through the NSDP and the joint IMF-World Bank Quarterly Public Sector Debt (QPSD) database. Over the years, Botswana has pursued a prudent and credible debt management strategy, maintaining a maximum ceiling of public debt to GDP below 40 percent, split equally between external and domestic debt. The latest IMF-World Bank debt sustainability analysis (DSA) indicates that the overall risk of sovereign stress is low, reflecting low levels of vulnerability in both the medium and long term. However, due to changing global economic conditions, Botswana has started experiencing spikes in debt ratios, reaching 28 percent of GDP in March 2025, excluding other accounts payables. This represents a sharp increase compared to 20.2 percent of GDP in December 2023.<sup>1</sup> A sizable portion of Botswana’s external debt is long-term, owed mainly to multilateral and bilateral creditors. Since 2018, an increasing share of Botswana’s debt has been held by domestic banks and other domestic creditors (e.g., pension funds), while the share of external official creditors has declined.
- 2. Against this background, the main objective of the mission was to use the IMF’s DQAF to identify areas for improvement in PSDS compilation and dissemination processes and recommend priority actions to help Botswana enhance public debt data transparency.** Discussions with various stakeholders and a review of data received and published indicate that Botswana’s public debt statistics are broadly dependable but need further improvement to enhance coverage and timeliness. Most importantly, there is a need to ramp up debt management functions in the MoF to bring them up to par with modern-day debt management offices, incorporating front office, middle office, and back-office functions. Compilation methods broadly follow international statistical standards, but IT resources need to be revamped to safeguard against operational risks and facilitate interfacing with other internal IT systems—such as the new Commonwealth Secretariat Meridian system (CS-Meridian) and the BoB’s Central Securities Depository (CSDB)—for efficient data exchange. Table 1 provides the summary ratings of the assessment based on the DQAF.

## Summary of Findings and Priority Recommendations

- 3. Prerequisites of Quality:** This category in the DQAF assessed the conditions that have an impact on data quality within the main agencies in charge of producing PSDS in Botswana. The assessment focused on the legal and institutional environment, resources, and quality awareness.

**(a) Legal Environment:** The responsibility for collecting, processing, and disseminating public debt statistics in Botswana needs to be clearly established in the law. Sections 25 and 26 of the Public Finance Management Act, 2011 (PFMA 2011), require the Minister of Finance to inform the National Assembly about the cost of servicing all loans, guarantees, and debt lawfully incurred on behalf of the government. However, the Act does not designate an agency responsible for public debt management

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<sup>1</sup> Ministry of Finance Quarterly Debt Update; the September 2024 Article IV Consultation – IMF Country Report No. 24/286.

and reporting, as is common in emerging market economies. Given the evolving and unfavorable economic conditions, it is imperative for the Government to strengthen the legal framework for debt management and reporting. Currently, the Budget Analysis and Debt Management (BADM) Section in the Department of Budget (DB) at MoF assumes this responsibility, but this should be explicitly stated in the law. New legislation is necessary to provide legal authority for effective debt management and establish the responsibilities and framework for the collection, compilation, and reporting of debt data.

**(b) Institutional Environment:** Data sharing and coordination between the MoF, BoB, and SB are good but could be further strengthened. The flow of information needed to compile Botswana's PSDS is smooth, thanks to long-established informal channels of data exchange between the MoF and BoB. Additionally, the ongoing efforts under the Statistics Producers Technical Committee (SPTC) to prepare Botswana for subscription to the IMF's Special Data Dissemination Standard (SDDS) have been beneficial. To advance this work, timetables for public debt reporting by government agencies need to be formalized and strictly adhered to, in line with the advance release calendar. Resources for debt management and reporting should be enhanced to match the evolving nature of Botswana's public debt. Stronger senior management oversight is needed to assess data relevance, ensure emerging data gaps are filled promptly, and revamp IT systems to withstand cybersecurity challenges and other operational risks. Coordination between the BADM and stakeholders in the MoF, BoB, and SB should be further strengthened to ensure data consistency across different macroeconomic statistics and safeguard the country's reputation. It was revealed that data revisions are not always communicated promptly, resulting in conflicting figures for the same data set published by different agencies. Given the increasing size of Botswana's public debt and the need to monitor other accounts payables, non-guaranteed public debt of state-owned enterprises (SOEs), and contingent liabilities linked to public-private partnerships (PPPs), it is recommended to establish a fully-fledged and adequately resourced public debt management office in DB. This office should have three key functions: the front office, middle office, and back office—to effectively assess emerging vulnerabilities and ensure debt sustainability.

**4. Assurances of Integrity:** This dimension assessed the features that support firm adherence to objectivity in the collection, compilation, and dissemination of public debt data so as to maintain users' confidence. PSDS have traditionally been compiled and disseminated impartially in Botswana. The MoF, BoB, and SB recognize the importance of ensuring professional independence for personnel compiling statistics. The Botswana civil service code of conduct, set out in the Public Service Charter, emphasizes ethical behavior and public service ideals. It requires public servants to be accountable, act with integrity and competence, and prioritize the public interest over personal gain. The code also emphasizes regard for the public interest, neutrality, transparency, highest standards of due diligence and efficiency, and freedom from corruption. All civil servants are recruited by an independent Public Service Commission based on the qualifications required for the position. Recruitment in the MoF is based on the qualifications and expertise of applicants, and promotions are based on merit, as determined by annual appraisal forms. On-the-job training is standard practice, complemented by technical training in regional institutions and international organizations as appropriate. While benchmarks to assure integrity are largely met, debt transparency could be further enhanced by regularly publishing the terms and conditions under which PSDS are collected, processed, and disseminated on the MoF website, and providing advance notice of major changes in methodology, source data, and statistical techniques.

**5. Methodological Soundness:** This dimension assessed the extent to which the PSDS of Botswana comply with international statistical methodologies to facilitate comparability and analytical value. Botswana broadly applies international standards in compiling and reporting public debt statistics. The concepts and definitions of government debt in Botswana align with the *Government Finance Statistics Manual 2014 (GFSM 2014)* and the *Public Sector Debt Statistics Guide for Compilers and*

*Users 2013 (PSDSG 2013)*, fostering cross-country comparability. The budgetary central government (BCG) debt data reported by the MoF meets these standards by being broken down in many ways, including by whether the creditor is resident in the economy (domestic debt) or nonresident (external debt), and by the original and remaining maturity of the debt. However, debt is not published by the currency of denomination, and debt instruments are limited to loans and debt securities, which are recorded at face value. Further, domestically issued debt securities need further disaggregation to identify and report non-resident holders by broad categories. Although there is good coverage of BCG debt, there is a need to expand coverage to other sub-sectors of the public sector. Debt data from local governments, extrabudgetary units, and public corporations are not currently reported within the MoF's debt reports, except for loans of certain SOEs guaranteed by the central government, notably Botswana Power Corporation and the Government Employee and Motor Vehicle and Asset Scheme. To expand current data reporting in a structured manner, it is recommended to follow up on the September 2024 GFS technical assistance mission to establish an authoritative list of all public entities in Botswana, sectorized in accordance with international statistical standards. The mission noted differences in perception regarding which SOEs were market (public corporations) or nonmarket (government), and there is an ongoing internal exercise to resolve this issue, dependent on receipt of the necessary data. Expanding sector and instrument coverage should be prioritized to fully understand potential risks to debt sustainability. High priority should be given to covering other accounts payable (unpaid obligations) from central government and public corporations, followed by non-guaranteed loans from public corporations, and domestic debt securities by residency of holder.

**6. Accuracy and Reliability:** This dimension focused on assessing whether Botswana's PSDS portray the reality of the economy. Source data on BCG debt stocks is comprehensive, but the integrity of data sources should be established through the full implementation of the new Commonwealth Secretariat Meridian system (CS-Meridian). This system would allow interfacing with the CSDB and GABS for easy data exchange, and eventual demobilization of the parallel excel-based debt database. This implementation is expected to lead to further automation and improved efficiency in debt data collection, compilation, and reporting. More robust validation, quality assurance measures, and processes, and a revision policy should be implemented. Additionally, there is a need to finalize and implement the Debt Management Procedures Manual developed in-house in 2021. Most data are available from various sources in a timely manner after the end of the quarter, except for guaranteed debt, which is only updated annually. Delays in data collection mean that end-of-fiscal-year data are available only after six months, therefore data for the latest quarter is reused to fill in subsequent quarters until new data is available. No estimation is made for missing data. The mission investigated data sources for the required expansion of the PSDS, identifying existing quarterly data for the debt instruments of most public corporations but less availability of high-quality data for local government debts, although these are not considered material in Botswana. Some public corporations need to improve the timeliness of data reporting, and mandatory reporting requirements may need to be enshrined in law.

**7. Serviceability:** This dimension assessed the extent to which Botswana's PSDS are disseminated with an appropriate periodicity in a timely fashion, are consistent internally and with other major data sets, and follow a regular revision policy. The Ministry of Finance disseminates quarterly PSDS periodically on their website, the NSDP, and the Quarterly Public Sector Debt (QPSD) report. However, there are usually delays in submitting QPSD reports, indicating a need to improve internal procedures to ensure simultaneous dissemination of PSDS across different datasets. Quarterly data are released within three months of the end of the reporting period, while annual data are released within six months of the end of the year. The first Quarterly Debt Bulletin, published in April 2024, provides data for three quarters up to December 2023. The mission review verified the consistency of published PSDS, finding that while data were internally consistent over time, they were inconsistent with similar datasets in other macroeconomic

statistics, specifically the flows in the balance of payments and stocks in the International Investment Position. The mission noted that most inconsistencies arose because the MoF revised historic data without informing the Bank of Botswana. The mission recommended a full review of external sector datasets that depend on PSDS data and the timely compilation and reconciliation of financing with PSDS flows.

**8. Accessibility:** This dimension assessed the extent to which Botswana's public debt data and metadata are presented clearly, understandable, easily available and impartial, up-to-date and pertinent, and that prompt and knowledgeable support is available to the user. The mission commended the MoF for publishing its first Quarterly Debt Bulletin, which included good commentary on the data and the inclusion of graphs, charts, and tables to support the narrative. This helps facilitate user understanding of the evolution of Botswana's PSDS and should be continued on a quarterly basis. To further enhance usability, it is necessary to adopt standardized core tables for presenting public debt statistics as set out in the *PSDSG 2013*. Botswana has published metadata for quarterly PSDS reported in the NSDP, providing information about debt data to help organize, find, and understand it. Although the metadata for budgetary central government debt in the NSDP is detailed and comprehensive, the MoF does not publish any metadata on its website. Users surveyed and met by the mission expressed satisfaction with the current PSDS in Botswana but indicated frustration with data coverage and timeliness. They highlighted the need to expand institutional coverage (extrabudgetary units, local governments, and public corporations), instrument coverage to include other accounts payables and all domestic pending bills, improve data consistency with other macroeconomic datasets, and enhance the granularity of data presentation, consistent with the mission's findings. Going forward, there is a need to enrich metadata by providing additional information on compilation methods, approaches to revisions, and whether data is final or provisional. Additionally, it is recommended to include information on alignment with, and divergence from, international statistical standards. Finally, there is a need to provide contact persons to address users' concerns and queries and to monitor users' sentiments on the usefulness of the data disseminated

### Priority Recommendations

- Enact new legislation providing explicit legal and institutional authority for debt management and reporting in Botswana, considering the evolving public debt situation. This would give senior management a stronger and more effective oversight of debt management functions.
- Establish a fully-fledged and adequately resourced public debt management office in the Department of Budget (DB) of MoF with three key functions—front office, middle office, and back office.
- Operationalize the new CS-Meridian to enhance the efficiency and quality of debt recording and reporting.
- Establish a task team to (a) determine the level of outstanding stock of other accounts payables and non-guaranteed SOEs debt, and (b) develop a template to monitor such debt on an ongoing basis covering all line ministries and government entities.
- Establish an authoritative list of all public entities in Botswana sectorized in accordance with international statistical standards to get a better picture of the size of government and public sector debt.
- Develop and publish a clear revision policy for PSDS and implement a transparent system to monitor data user' sentiments on the usefulness of Botswana's public debt statistics.

**Table 1. Summary Ratings of the PSDS DQAF\***

Dimensions/Elements	Rating	Dimensions/Elements	Rating
<b>0. Prerequisites of quality</b>		<b>3. Accuracy and reliability</b>	
0.1 Legal and institutional environment	LNO	3.1 Source data	LO
0.2 Resources	LNO	3.2 Assessment of source data	LNO
0.3 Relevance	LNO	3.3 Statistical techniques	LNO
0.4 Other quality management	LO	3.4 Assessment and Validation of Statistical Outputs	LNO
<b>1. Assurances of integrity</b>		3.5 Revision studies	NO
1.1 Professionalism	O	<b>4. Serviceability</b>	
1.2 Transparency	LO	4.1 Periodicity and timeliness	LO
1.3 Ethical standards	O	4.2 Consistency	LNO
<b>2. Methodological soundness</b>		4.3 Revision policy and practice	NO
2.1 Concepts and definitions	LO	<b>5. Accessibility</b>	
2.2 Scope	LNO	5.1 Data accessibility	LO
2.3 Classification / sectorization	LNO	5.2 Metadata accessibility	LO
2.4 Time of debt recording, valuation, and consolidation	LNO	5.3 Assistance to users	NO
Key: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; NA = Not Applicable			

\*DQAF August 2024 Public Sector Debt Statistics

[https://dsbb.imf.org/content/pdfs/dqrs\\_psd.pdf](https://dsbb.imf.org/content/pdfs/dqrs_psd.pdf)