

## **The Impact of Botswana Being an Upper Middle Income Country on the Relationship with Development Partners in Achieving Development Excellence**

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### **Abstract**

*Botswana is a landlocked, politically stable, democratic and growing steady economically. It gained its independence from the British in September 1966 and in the subsequent years gained a distinction for the fastest growth in per capita income in the world. This led to the country being upgraded to an Upper Middle Income Country (UMIC) in 2007. Together with the support of aid from the British government and aid from other countries after independence, the discovery of diamonds in 1967 also contributed significantly to the country's economic growth rate. The country's performance has consistently reflected good governance, political stability and leadership committed to strong institutions and development over the years. This study is to determine if there has been a change between the government of Botswana and its development partners since its upgrading. The results of the study indicated that the relationship between Botswana and the United Nations (UN) as one of the development partners has not changed significantly since Botswana's upgrading to an Upper Middle-Income Country. It however emerged that the level of financial and human resource assistance has tapered down significantly. The study revealed that there is significant confidence in Botswana's ability to attain its National Development Agenda despite the inability to clearly articulate its new priorities as an Upper Middle Income Country. It was recommended that Botswana align its development priorities to its new status as a UMIC status and initiate platforms and forums to clearly communicate these priorities. This will assist in the transformation of the relationship to a more mature collaborative relationship.*

**Keywords:** *United Nations, Upper-Middle-Income-Country, National Development Agenda, good governance, economic growth, diamonds revenue, Development Partners, National Development Plans, Sustainable Development Goals, Implementing Partners.*

### **Introduction**

Botswana, a small landlocked country of two million people, celebrated 50 years of independence in September 2016. Over the past half-century political stability, good governance and prudent economic and natural resource management helped to secure a robust economic growth, supported by the diamonds revenue. Even though Botswana has enjoyed high growth and economic stability over the years unemployment has remained high and the country faces high levels of poverty and inequality, as well as low human development indicators. From 1966 to 2014, Gross Domestic Product (GDP) per capita grew at an annual average rate of 5.9 percent, taking the country from low to middle-income status. Botswana is now an upper-middle income country, rising from being one of the poorest countries in Africa at independence in 1966 that relied heavily on grants-in-aid from Britain for all of its development spending and most of its recurrent budget. The discovery of diamonds in 1967 turned around the economic status of the country significantly. In the subsequent decades, it sustained one of the world's highest economic growth rates, and now has a GDP per capita of over USD 2000 (African Development Bank, 2009).

The country's performance also reflects good governance, political stability, and a leadership committed to strong institutions and development. Botswana has built one of the strongest institutional setups in Africa, and the country is consistently ranked at or near the top in terms of quality of governance and rule of law in the continent. Political stability has prevailed since independence in 1966, with the political scene dominated by the Botswana Democratic Party. The party retained power in the 2014 general election,

securing a second presidential mandate for President Khama, although its share of the vote dropped below 50 percent (to 46.7 percent) for the first time (University of Botswana, 2008).

The UN contribution to the development of Botswana has a long history. The name “United Nations” was coined by the United States President Franklin D. Roosevelt and was first mentioned in the Declaration by the United Nations on the 1st of January in 1942 during the Second World War. The declaration comprised of 26 representatives of nations who pledged their Governments to fight together against the axis Powers. In San Francisco in 1945 the representatives of 50 countries at the United Nations Conference on International Organization came up with the United Nations Charter. The Charter was later signed on the 26th of June 1945 by the 50 countries representatives and the United Nations came to an official existence on the 24th of October 1945 which to this day is celebrated each ever since (United Nations Organization, 2016). In Botswana the UN comprises of 12 agencies who are working together toward a common goal of addressing development challenges, attain the Sustainable Development Goals and supporting Botswana to achieve her vision. In addition to this, the UN in Botswana also works with Cooperate Partners, the Private Sector and Civil Society Organizations. Attached at Annex 1 are the UN agencies that make up the United Nations Country Team in Botswana (United Nations Development Programme, 2012).

### **Problem statement**

The country’s achievement is remarkable, transforming from being one of the poorest countries in the world into an upper middle income country. Botswana’s extraordinary growth was fueled by minerals, particularly diamonds and significant contribution by development partners in the form of Aid or donor funding. The upgrade of Botswana to an upper middle income country means it no longer qualifies for certain aid and privileges, this study seeks to understand any changes in the relationship between Botswana and it’s Development Partners especially in the area of development as a result of the upgrade. It also seeks to understand Botswana’s ability to meet its National Development Agenda if there has been any change, positively or negatively, in its relationship with the Development Partners.

### **The questions that the study seeks to answer are:**

- a) What development areas were most supported by development partners?
- b) Has donor funding increased/decreased since Botswana was upgraded to an upper middle income country?
- c) Has the level of technical and human resource support changed since Botswana was upgraded to an upper middle income country?
- d) Has there been any shift in the role and contribution of the Development Partners in Botswana?

### **Scope of the study**

This study will be limited to the relationship of Botswana with the United Nations as a Development Partner. Only the following agencies of the United Nations will be subject of the study: United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), World Health Organization (WHO), Joint United Nations Programme on HIV/AIDS (UNAIDS) and United Nations Children’s Fund (UNICEF) and their implementing partner in government. The study will not cover any other Development Partners outside the UN. This is not a study of Botswana’s Vision 2036, National Development Plans NDPs and UN Sustainable Development Goals. The study will not cover Botswana’s specific development projects.

### **Method**

This research, which involved the collection of data from Development Partners (UN agencies) and Implementing Partners (Government) made use of the pragmatic philosophy, because it is flexible in using various investigative techniques in addressing various research questions which are informed by both qualitative and quantitative research strategies, catered for both large and small sample sizes. The two common research approaches are the deductive and inductive approaches. In using the deduction approach, the researcher moves from a generalization to a specific theory. On the other hand, in using the induction

approach the research moves from a specific observation or theory to a generalization (Creswell, 2013). For the purposes of this study the inductive research approach was utilized. The researcher also found it fit to make use of the mixed-method research strategy (quantitative and qualitative methods) to take advantage of the limitations of using a quantitative or qualitative strategy in isolation.

A population size of 40 which consisted of all UN projects' employees and management working on development projects funded by the UN from the five agencies and their management was used. In conducting this study, the research used purposive sampling for management personnel, while stratified random sampling was conducted for the general staff, where quotas are based on the areas of operation in conducting administering survey questionnaires. The sample size was 24 and was depicted from the list of UN agencies staff who are in the programme departments.

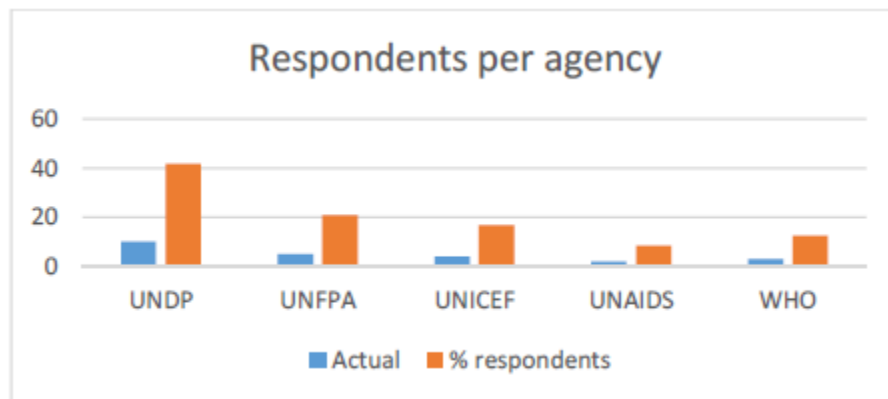
To enable a wider reach of the data collection instruments in obtaining general staff opinions, the researcher used the questionnaire survey. Questionnaire survey is an objective data collection tool that is used to obtain data limited by the options available (Miller et al., 2013). Its advantages include the unbiasedness posed by the researcher in collecting and analyzing data, as with the case by using questionnaire for data collection from the five UN agencies.

In analyzing questionnaire data, content analysis was utilized by establishing the main research themes which then guided the categorization of response data. The main aim of the data analysis techniques is to ensure that an objective and unbiased assessment of data is done so as to add value in making relevant and practical recommendations that will guide the proper environment for a good relationship between development partners and implementing partners in order to achieve development excellence in an upper middle-income country.

## Results

A total number of 40 questionnaires were distributed to 5 UN agencies (UNDP, UNFPA, UNICEF, UNAIDS and WHO) and 24 were received back. The 24 responses were grouped into various categories to determine the profile of the respondents which also assisted in validating the authenticity of the conclusions from the findings.

### a. Respondents per agency



**Figure 1.** No. of respondents per agency

Fig 1: Showing the number of respondents per agency. From the 12 UN agencies that represent the entire UN organization in Botswana, this study only focused on programme staff from five UN agencies, i.e.: UNDP, UNAIDS, WHO, UNICEF and WHO. The highest number of respondents to the questionnaire came from UNDP which is the largest UN agency and has a large number of programme staff. It should be noted also that the focus group for this study from the five UN agencies included a total of 32 programme staff of which only 24 staff members who are either Programme Managers, Programme Associate or Programme Experts completed the questionnaires.

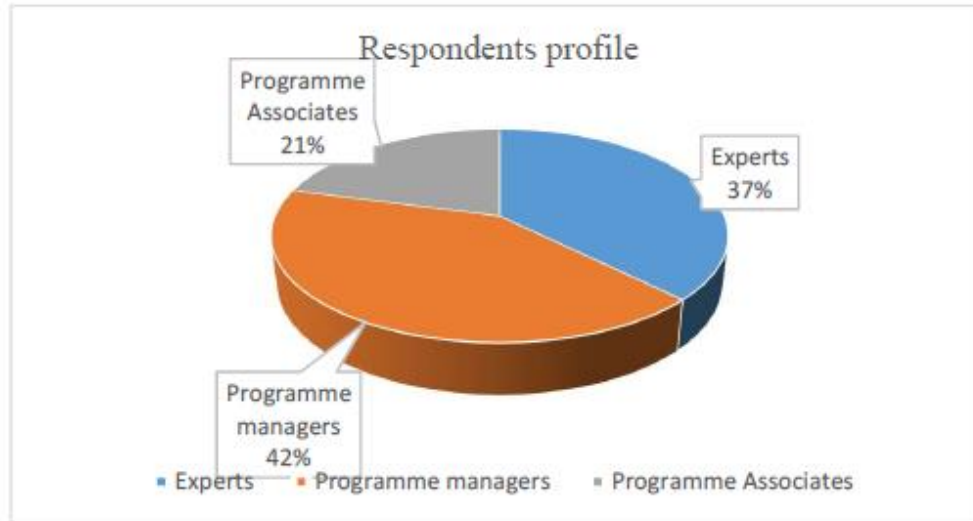
**b. Organizational roles of respondents****Figure.2:** Functions of respondents

Fig 2: Showing the main functions of respondents. The highest respondents (42%) were programme managers, followed by programme experts at 37%. The programme experts are specialists in different areas of development and most of them are economists and able to conduct research, collect and analyze data, monitor economic trends in the country, develop forecasts on wide variety of issues like inflation, interest rates, exchange rates, business cycles, taxes and employment levels among others. These are important in providing information to the UN agencies and identify development programmes which are relevant for Botswana when they do their programme planning. The least number of respondents were the programme associates at 21%. These are more involved in administration and implementation of programmes strategies and providing support to management programme units.

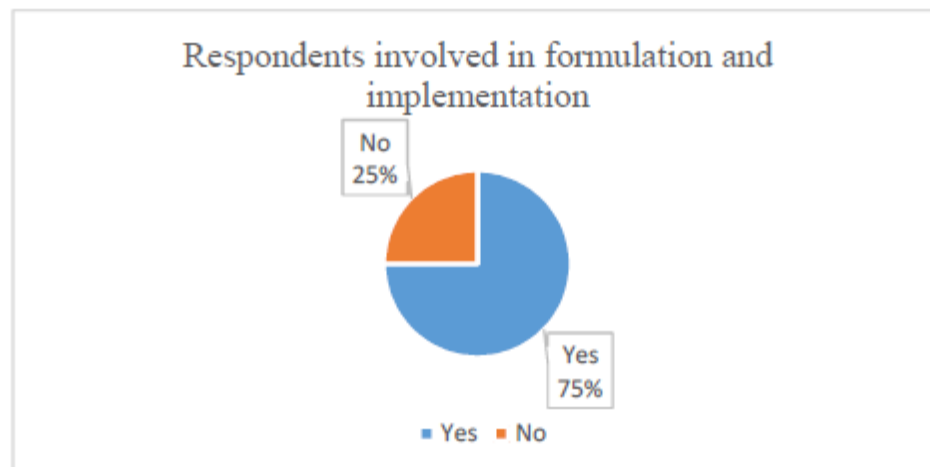
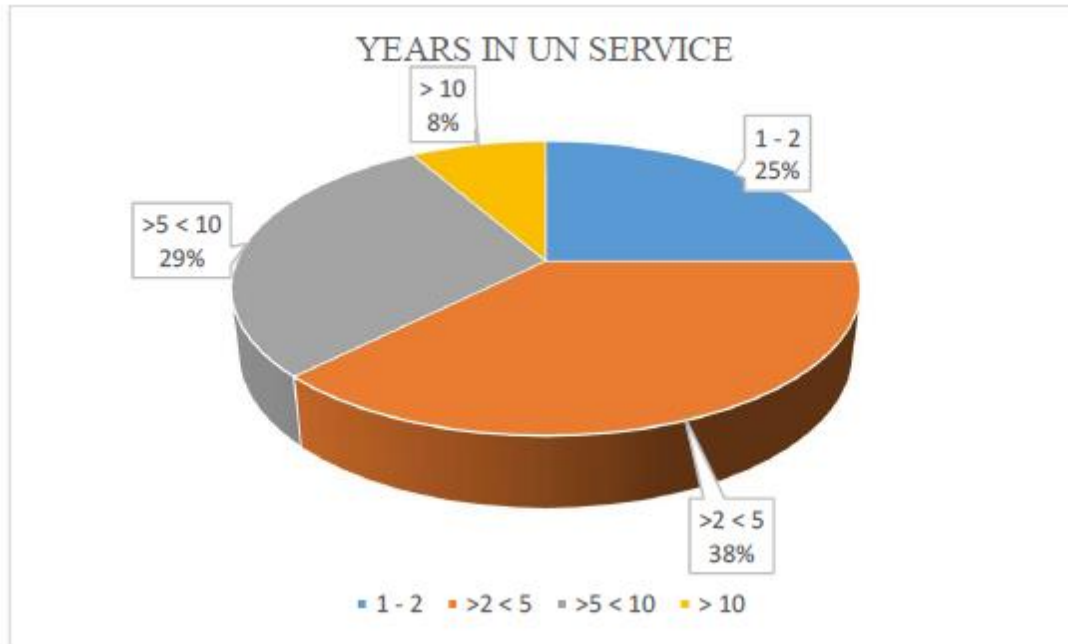
**c. Respondents actually involved in formulation and implementation of government projects****Figure 3.** Respondents actually involved in formulation and implementation of government projects

Fig 3 show respondents that are actually involved in formulation and implementation of government projects. From the 24 respondents it was found out that 75% of them were involved in the formulation and implementation of government projects. This comprised mostly of all the programme managers and experts and few programme associates. The limited number of programme associates involved in formulation and

implementation of government projects is because some are hired at the level of programme associate but do the work of programme managers because the agencies have limited resources and so needed to hire staff at a low grade. This information indicates that the majorities of respondents are directly involved in formulation and implementation of the government projects and are therefore at the core of the information we are investigating.

**d. The average number of years in UN service for the respondents**



**Figure 4.** Average number of years in the UN service for the respondents

Fig 4 showed average number of years the programme staff have been working for the UN. It was observed that 38% of the programme staff have been working for the UN for a period >2<5years, while 29% were in the range >5<10 years, 25% in the range 1-2 years and only 8% in the range >10 years. The highest number of programme staff is have up to 5 years' service working for the UN mainly because UNICEF, UNDP and UNFPA have undergone restructuring exercises resulting in lay-offs of most of the older staff members. This obviously resulted in loss of some of the critical institutional memory.

The remainders of the questions were then further grouped into three main categories which will be discussed below

**i. Botswana's ability to meet its development goals since upgrading to a UMIC**

This category of questions probed the respondents' confidence in the Government of Botswana's ability to achieve its overall development goals based on the current policies, regulations and programmes since its upgrading into an upper middle income country (UMIC). A rating scale of 1-6 was used and any response greater than 3 indicated a positive response or greater confidence. In order to determine this measure the set of questions that were grouped together are: Questions 2, 4, 5 and 11. The summary of the responses from all these questions was:

**Table 1.** Botswana's ability to meet its development goals since upgrading to a UMIC

<b>Rating</b>	<b>Respondents</b>	<b>%</b>
6	0	0
5	13	54
4	9	38
3	2	8
2	0	0
1	0	0
<b>Total</b>	<b>24</b>	<b>100</b>

The responses indicate a general confidence in the country's ability to sustainably meet its development obligations.

## **ii. Botswana relations with donors**

This set of questions investigated the state of the working relations between Government and the UN agencies. This also checked the government's ability to clearly articulate its evolving development needs and in light of the country's new status as a UMIC. The upgrading of Botswana into a UMIC should ideally have an impact on the type of relationship between the government and the donors as the country is no longer coming with a begging basket but is now looking for a partner in higher level developmental needs. The questions that were grouped together to investigate the relationship with donors were: questions 3, 6, 7, 12 and 14.

The general opinion was that while there has been a marked decrease in the amount of donor funding the actual relationship between the government of Botswana and the UN agencies has not changed much, positively or negatively, and there has not been a shift to a more maturity relationship indicative of Botswana's increased independence.

**Table 2.** Shows the relations of the government of Botswana and the UN agencies.

<b>Rating</b>	<b>Respondents</b>	<b>%</b>
6	0	0
5	0	0
4	7	29
3	16	67
2	1	4
1	0	0
<b>Total</b>	<b>24</b>	<b>100</b>

## **Government priorities in line with new demands as of an UMIC**

This set of questions tested the Botswana Government effectiveness in articulating its development priorities and curtailing or limiting unwanted donor assistance that does not match national development priorities. This also investigated the areas UN has been the most helpful during the last few years in supporting the country's development efforts and which areas UN as a development partner should now be focusing on to assist Botswana in its new status as an UMIC. The questions put together were: questions 8, 9, 10, 15, 16.

**Table 3** Showing the government of Botswana's priorities in line with new demands as an UMIC

Rating	Respondents	%
6	0	0
5	0	0
4	7	29
3	16	67
2	1	4
1	0	0
<b>Total</b>	<b>24</b>	<b>100</b>

The general opinion is that Botswana has not been effective in prioritizing its new development needs as a UMIC.

## Discussion

Since Botswana became an UMIC its relationship with donors, particularly the UN, has gone through some slow but steady changes. From the discussions with the respondents and interviewees, the dominant opinions indicated that for the past nine years the UN financial resources allocated to Botswana's development have been reducing steadily. This could also be noticed in the deliberate downsizing of the agencies that has taken place over the period. UNDP went through a major downsizing exercise in 2015 which resulted in 90% of the staff being made redundant and positions were matched to enable the agencies to continue operating. This downsizing had negative impact in the relationship with the Government of Botswana. There has always been an expectation that the UN will always be there to support the Government endeavors but with the apparent downsizing there was increased pessimism on the future of this support for Botswana. However, despite this shift in the relationship the UN shows optimism in Botswana government's ability to achieve its overall development goals based on the current policies, regulations and programmes.

### **The UN has continued to provide development support for Botswana government in the following areas:**

- Supporting the HIV/AIDS crisis- The UN has continued to provide advocacy and public awareness on HIV/AIDS over the years which has helped in reducing the re-infection rates and stigma in the country.
- Conservation and Bio diversification protection- According to UN (2015) in 2010 with the help of the strategies and policies in place, 88.9% of the population had access to clean water, piped water system and sanitation. However, the growth of the population has exerted pressures on the natural resources overtime. Botswana has low understanding of the effect of global warming which was highlighted in the NDP10 mid-term review. Due to this the government with the assistance of the UN has undertaken an extensive awareness campaign on the causes and impacts of climate changes on the ecosystem as the way forward.
- Safety net and social services for vulnerable groups- This comprises of refugees in the country where the UN provide food, shelter, safety for them. It also includes the abused women and children who need protection and guidance which the UN has been providing for them.
- Civil service training and capacity building- Albeit on a reduced scale the UN has continued to provide training for civil servants in the area of development and it also provides capacity building expertise in certain disciplines which the government utilizes in the development agenda. This capacity building has not increased for the past 10 year due to reduce budgets (UN, 2015)

### **However it should be noted too that the UN has also deliberately not ventured in certain development areas that the Botswana government is interested like the following:**

- Water management- Botswana has been amongst the countries hard hit by the most severe drought in the region for the past 35 years. The funding gaps toward the drought relief pushed the government to

join SADC in the appeal toward US\$2.4 billion international relief. Botswana had an estimate of 57,000 of drought relief particularly in the rural area. According to the SADC Appeal as well as studies by the United Nations, the past season's El Nino event caused the harshest drought in 35 years, decimating crops and livestock in the region, while threatening vulnerable groups such as malnourished children, the elderly and the infirm. Funds are required from donors in order to feed the vulnerable groups, water supply and to support livestock (UN, 2015).

- b) Smallholder agriculture - This programme continue to require funding as part of the poverty eradication project
- c) Infrastructure expansion (roads, telecommunication). According to Briceno- Garmendia and Pushak (2011) Infrastructure made a net contribution of just over two percentage points to Botswana's improved per capita growth performance in recent years. Raising the country's infrastructure endowment to that of the region's middle-income countries could boost annual growth by about 1.2 percentage points. Botswana has made significant infrastructure progress in recent years, spanning the transport, water and sanitation, power, and mobile telephony sectors. But the country still faces a number of important infrastructure challenges. The most pressing is in the power sector, where the country is economically and financially exposed due to a lack of generation capacity and insufficient power supply, leaving the economy vulnerable to power price shocks and load shedding. Botswana's international transport connections and Internet connectivity also lag behind those of comparable countries. Botswana's overall resource envelope of \$800 million per year surpasses its \$785 million needs estimate. However, it still loses \$68 million a year due to inefficiencies and faces a funding gap of \$305 million per year, entirely in the power sector and will require assistance.

## **Conclusion**

- Diversification of the economy from diamonds should be pursued forcefully. Significant potential is apparent in tourism because Botswana has vast natural land with plenty of wild animals that can be used to grow the economy.
- Instead of continuing to pursue donor funding the country must intensify on its efforts to attract foreign direct investment.
- The government must engage the development partners more in the available forums. The same forums that used to discuss donations should shift into partnership forums in which the relationship is at a higher level and focus on support, coaching, mentorship and funding of higher level projects
- Even though Botswana graduated into an UMIC its relationship with development partners, especially the UN remains crucial for its progress. It is therefore important that Botswana continues to nurture these relationships and also work on growing the relationship to a higher level looking at the demands that comes with being an upper middle income country and perception of self-reliance.

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