REPUBLIC OF BOTSWANA

Ministry of Finance and Economic Development

Institutional Arrangements to Facilitate Coordination of Contingent Liabilities – BOTSWANA's Case

OUTLINE

- Introduction
- Governing Law
- Concluding Remarks

Introduction

- Botswana contingent liabilities arises out of:-

- ✓ Guaranteeing loans, both external and internal loan taken by Parastatals or State Owned Enterprises, Local Authorities and purchase of vehicles and housing by Government employees
- ✓ PPP projects

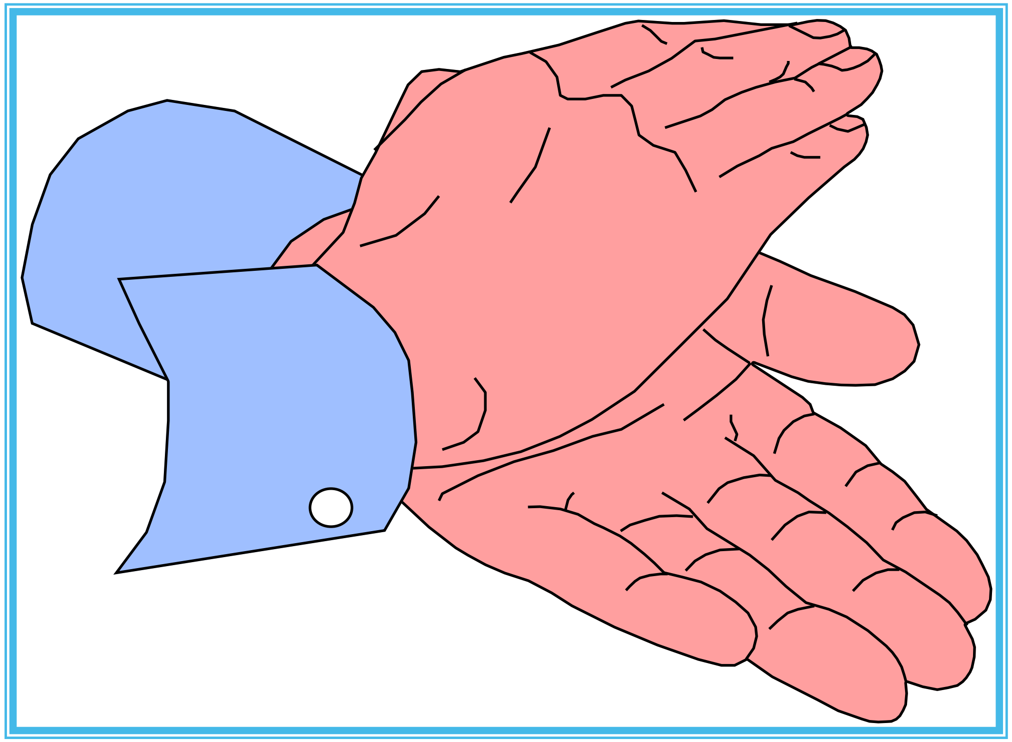
Governing Laws

- The Public Finance Management Act of 2011 gives the Minister responsible for finance to make determination whether it is in the public interest to extend such guarantee
- The Minister may provide such guarantee without prior authorisation by Parliament and later seek ratification;
- He may approach Parliament for authorisation before extending such guarantee through resolution
- The Stocks, Bonds and Treasury Bills Act stipulate that the statutory limit of such contingent liabilities; which is 20 percent of GDP

Concluding Remarks

- All such guarantees are recorded in the debt management system and form part of public and publicly guaranteed debt
- They are also reported at year end in a Statement showing Government Contingent liabilities in the Annual statements of Accounts

Thank you



PULA !!!!