



**Republic of Botswana**

# FINANCING FOR DEVELOPMENT: Fiscal Challenges and Financing Options for Small Middle Income Countries

Presentation by:

**Wilfred Mandlebe, PhD**

**Senior Policy Advisor, Ministry of Finance and Development Planning**



# Outline

- **A BRIEF REFLECTION ON THE TOPIC** **2 Minutes**
- **SOME FISCAL CHALLENGES FOR SMICs** **4 Minutes**
- **FINANCING OPTIONS FOR SMICs** **4 Minutes**
- **CONCLUDING THOUGHT** **2 Minutes**

## A Brief Reflection on the Topic

- **Two issues: Graduation from LIC to MIC status, and Challenge of Managing Society's Expectations.**
- **Despite the graduation, most SMICs share common characteristics with Low Income Countries.**
- **SMICs stuck in the Middle Income trap.**

# Some Fiscal Challenges for SMICs,

- **Capacity and Capabilities**
- **Low growth**
- **Undiversified revenue base**
- **ODA and concessional funding**
- **Private financing**
- **High societal expectations**
- **Quality of expenditure**

# Financing Options for SMICs

- **Overview of the Principle of sustainable budgeting.**
- **Fiscal Reforms:**
  - **Mobilisation of Domestic Revenue,**
  - **Expenditure Management, and**
  - **Debt Management.**

## Concluding Thoughts

- **SMICs accept the status bestowed on them, despite the challenges.**
- **Policy dialogue in SMICs rather difficult, need for some flexibility from development partners.**
- **Major challenge of managing expectations; domestic and external.**

# THANK YOU FOR YOUR ATTENTION

