

Public Financial Management Reforms in Botswana: A Review of Literature

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Abstract

The public financial management (PFM) changes in Botswana's public sector finance are thoroughly reviewed in this journal article. The study examines the goals, tactics, and effects of PFM reforms in budgeting, accounting, and procurement using a literature review methodology. The report examines the effects of PFM changes on budgetary management and discusses current problems and implementation concerns. The results show that PFM changes have enhanced budgetary control, expenditure management, financial accountability, and transparency. The study places a strong emphasis on the necessity of ongoing governmental commitment, stakeholder involvement, and alignment with sustainable development goals. The article concludes with policy recommendations and calls for additional study in particular areas to deepen our understanding of Botswana's PFM reforms.

Keywords: Public Financial Management, Reforms, Botswana, Fiscal Management

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1. Introduction

Public Financial Management (PFM) plays a crucial role in ensuring effective and efficient allocation and management of public resources, promoting transparency, accountability, and fiscal sustainability although there is no single best way to govern a country or manage a business, but there are constant developments to PFM practices. While public financial managers have different specific goals and objectives from each other, they share the need to spend public money to achieve those goals and objectives. It is in this vein that public financial management reforms are instituted. Moore (1995) conceptualized the challenge facing the public financial managers as a strategic triangle and he posts that the three key questions public financial managers must answer in testing the adequacy of their vision of organization purpose: whether the purpose is publicly valuable, whether it will be publicly and legally supported and whether it is administratively and operationally feasible.

Public financial management is the most important component in managing the internal components' function of the new public management (Adamolekun 1999; Hughes, 2003, Greener, 2013). According to Hughes (2003), the inadequacies of traditional public financial management became evident in the 1970s and 1980s globally. Hughes (2003), further posts that the inadequacies included the hierarchical structures which are not necessarily the most efficient of organizations' when comparing outcomes with inputs; the bureaucracy, which allows for certainty but is usually slow in implementation; standardization of work, which hinders innovations, and the political control, which always problematic in assuring genuine accountability.

Generally, financial managers in the public sector organisations should have enough discretion and freedom in their daily work to be able to make efficient use of allocated resources. Hughes (2003) argued that public sector financial management is one of the major internal components of the new public management (NPM). This paper therefore, attempted to review the existing literature on public sector financial management reforms in Botswana.

In Botswana, a country known for its prudent economic management and commitment to good governance, PFM reforms have been a key focus area to strengthen fiscal management and promote sustainable development.

By looking at the economic development of Botswana and the difficulties it had in managing its public finances, it is possible to comprehend the relevance of PFM reforms in that nation. Following its independence in 1966, Botswana's economy expanded quickly, mostly due to resource management and the export of diamonds. To maintain and diversify its economy, the nation understood the need to improve its financial management procedures even more.

The research on Botswana's PFM reforms identifies many crucial elements that created the need for reform. The shifting economic environment brought on by the depletion of diamond reserves and the ensuing need to encourage economic diversification is one such cause. Botlhale (2021) claimed that the reliance on diamond revenues made businesses vulnerable to changes in commodity prices and emphasized the significance of enhancing PFM procedures to manage revenue diversification initiatives.

Also emphasized in the literature is the significance of PFM reforms for enhancing public sector

performance and service delivery. As Tonkope, Baliyan & Tobedza (2017) emphasized, Botswana's government understood the necessity of competent and transparent financial management in order to allocate funds to public services including healthcare, education, infrastructure, and social welfare. PFM reforms are seen as instrumental in optimizing resource allocation and improving service delivery outcomes for the citizens of Botswana.

The research also shows that regional and international initiatives, best practices, and adherence to international standards have an impact on PFM changes in Botswana. Botswana has been an active member in regional programs that support sound financial management and good governance, such as the Southern African Development Community (SADC) and the African Peer Review Mechanism (APRM). To improve financial reporting and transparency, the nation has also matched its PFM processes with international standards, such as the International Public Sector Accounting Standards (IPSAS) (Malope, 2019).

The literature highlights various objectives pursued through PFM reforms in Botswana. These objectives include strengthening budgetary control and expenditure management, enhancing financial accountability and transparency, improving procurement practices, and promoting long-term fiscal sustainability. The government has recognized the importance of these objectives in ensuring efficient resource allocation, mitigating corruption risks, and promoting sustainable economic growth (Ali, Anufriev & Amfo (2021).

PFM changes in Botswana are significant because they have the ability to advance sustainable growth and strengthen the nation's overall governance system. A climate that is favorable for economic diversification and inclusive growth is created by effective PFM systems, which also increase investor confidence in public institutions. The research also underlines the need of open and responsible financial management systems for developing social cohesion, boosting citizen engagement, and reducing inequality (Botshabelo & Phatshwane, 2017).

Generally, PFM reforms in Botswana have gained significant attention in the literature due to their pivotal role in promoting sustainable development, effective resource allocation, and good governance. The literature emphasizes how crucial these reforms are in tackling issues like economic diversification, better service delivery, compliance with international standards, and fiscal sustainability. Beyond financial management, PFM reforms in Botswana are significant because they boost social cohesion, citizen trust, and overall development outcomes. Analyzing the goals, tactics, results, and difficulties related to PFM reforms in Botswana—which are covered in the next sections of this research paper—requires a foundational understanding of their history and relevance.

2. Research objectives and scope of the paper

- 2.1 Examine the objectives, strategies, and outcomes of public financial management (PFM) reforms in Botswana.
- 2.2 Provide an overview of contemporary issues and challenges in implementing PFM reforms in Botswana.
- 2.3 Assess the impact of PFM reforms on fiscal management in Botswana.
- 2.4 Identify lessons learned and best practices from the PFM reform experience in Botswana.

The paper's focus will be on doing an exhaustive evaluation of the body of knowledge about PFM reforms in Botswana. The analysis will mostly draw on secondary sources, including scholarly writings, official reports, policy manuals, and other materials produced by international organizations. The literature study will cover the previous two decades, with a particular emphasis on the most recent PFM reform advances and trends. The article will give a thorough analysis of the goals, tactics, results, difficulties, and effects of PFM reforms in the crucial areas of budgeting, accounting, and procurement. However, neither primary data collecting nor empirical analysis will be involved. The findings and insights from this literature review will contribute to a deeper understanding of the PFM reform landscape in Botswana and inform future research and policy recommendations in the field.

3. Overview of Public Financial Management Reforms

3.1 Definition and Conceptual Framework of PFM Reforms

Public Financial Management (PFM) reforms encompass a range of policies, processes, and institutional changes aimed at enhancing the efficiency, transparency, and accountability of public financial systems. PFM reforms are designed to strengthen the management of public resources, improve budgetary control, enhance financial reporting and transparency, and promote effective procurement practices (Majer & Makuac, 2023). These reforms involve strategic interventions in areas such as budgeting, accounting, auditing, treasury management, and public procurement.

The conceptual framework of PFM reforms emphasizes the importance of sound financial management practices in achieving good governance and sustainable development. Effective PFM systems enable governments to allocate resources efficiently, deliver public services effectively, and promote transparency and accountability (Djankov et al., 2010). In this vein, Allen (2013) defines PFM as the laws, procedures, and rules that determine and regulate the behaviour of public officials and organisations and PFM can be traced back at least 2 000 year⁷. Developed countries have produced numerous PFM innovations and many of them have been

transferred to low-income countries, not always successfully. Schick (2013) posits that PFM innovations are not substitutes for good governance as they will not banish corruption, motivate a demoralized or indifferent civil service, ensure that funds are spent only on authorised purposes, cancel white elephant projects, and cure government of other pathologies. The framework encompasses the principles of budget credibility, fiscal discipline, and strategic allocation of resources, efficient service delivery, and accountability to citizens.

3.2 Evolution of PFM Reforms in Botswana

Beginning in the early 1990s, when the government realized it needed to improve its financial management systems, PFM reforms began to take shape in Botswana. In order to update its PFM procedures, improve budgetary restraint, and advance effective resource allocation, Botswana undertook a number of reforms. The literature outlines many significant turning points in the development of Botswana's PFM reforms.

The Public Expenditure and Financial Accountability (PEFA) evaluation framework's creation in 2005, which offered a thorough framework for evaluating and measuring PFM performance, was one notable milestone (World Bank, 2005). The PEFA assessments served as a platform for developing reform plans by identifying PFM systems' strengths and limitations in Botswana.

Another critical development was the introduction of Medium-Term Expenditure Frameworks (MTEFs) in the late 1990s. MTEFs aimed to improve budgetary planning and promote the integration of policy objectives and budget allocations (Martí, 2019). The implementation of MTEFs facilitated a more strategic approach to budgeting and enhanced transparency and accountability in resource allocation.

Furthermore, Botswana's PFM reforms have been influenced by the country's commitment to international standards and best practices. The adoption of International Public Sector Accounting Standards (IPSAS) for financial reporting and the Government Finance Statistics Manual (GFSM) for fiscal reporting have contributed to enhancing transparency and comparability in financial management (Malope, 2019). ACCA (2010) observed that in Botswana historically the wheel of change wheels its way very slowly. It took 25 years to look within itself and to evolve by a re-engineering its delivery of public services and processes. It also noted that governments were conservative in nature and did not want to or rather do not have the capacity to implement change robustly. Ideally systems and processes once implemented should be reviewed every 3-5 years to test their effectiveness, efficiency, relevance to the market and whether quality service standards are still being met.

3.3 Key Drivers and Motivations for PFM Reforms

The literature identifies several key drivers and motivations for PFM reforms in Botswana. Economic diversification and reducing dependency on diamond revenues have been prominent drivers. The government recognized that effective PFM systems are crucial for managing revenue diversification efforts and optimizing resource allocation (Quak, 2020). PFM reforms were seen as essential for promoting economic growth, job creation, and sustainable development beyond the diamond sector.

Another important factor influencing PFM reforms has been the pursuit of accountability and good governance. Through better financial management methods, the government of Botswana has aimed to increase openness, accountability, and public trust (Mudeme & Holtzhausen, 2018). PFM changes are viewed as crucial in preventing corruption, enhancing service performance, and making sure that public resources are used wisely.

Additionally, regional and global activities have significantly influenced Botswana's PFM reforms. The country's participation in regional bodies such as the Southern African Development Community (SADC) and the African Peer Review Mechanism (APRM) has influenced the reform agenda (Burn, 2017). Botswana's commitment to aligning its PFM practices with international standards

4. Objectives of PFM Reforms in Botswana

4.1 Budgeting Reforms

4.1.1 Objectives of Budgeting Reforms

Budgeting reforms in Botswana have been driven by several key objectives identified in the literature. These objectives include:

- **Strengthening fiscal discipline:** According to Allen et al (2017), budgeting changes that improve spending control, cut budget deficits, and encourage responsible financial management are intended to increase fiscal discipline.
- **Encouraging efficiency in resource allocation:** According to Calleja & Prizzon (2019), the goal is to allocate resources in accordance with government priorities, making sure that public expenditures are channeled towards high-priority areas like healthcare, education, infrastructure, and social welfare.
- **Strengthening performance-oriented budgeting:** According to Tonkope, Baliyan & Tobedza (2017), budgeting reforms aim to incorporate performance measurements and outcomes into the budgeting process. This will allow for better monitoring and evaluation of government efforts.

4.1.2 Strategies and Approaches Adopted in Budgeting Reforms

To achieve the objectives of budgeting reforms, Botswana has implemented several strategies and approaches. These include:

- **Medium-Term Expenditure Frameworks (MTEFs):** MTEFs have been adopted to improve the linkages between policy objectives and budget allocations. This strategic approach to budgeting allows for better planning, prioritization, and allocation of resources over a medium-term horizon (Ssenyonjo, 2022).
- **Program-Based Budgeting (PBB):** PBB, which centers the budget on programs or results rather than conventional line items, has gained popularity in Botswana. By concentrating on results and outcomes, PBB seeks to increase the efficacy and efficiency of government spending (Rugutt, 2019).
- **Performance Budgeting:** Initiatives for performance budgeting have been proposed to connect budget allotments to the accomplishment of particular performance targets. This strategy promotes effectiveness and accountability by emphasizing the outcomes and impacts of public spending (Belarmino, 2022).

4.1.3 Outcomes and Impacts of Budgeting Reforms

The literature highlights several outcomes and impacts of budgeting reforms in Botswana. These include:

- **Increased transparency:** precision, and reliability of budget forecasts have all contributed to budgeting reforms, which have improved the budgeting process's credibility (Mosweu, 2018).
- **Improved budgetary discipline:** By implementing tools to better manage budget deficits and restrict spending, budget reforms have strengthened fiscal discipline (Allen, 2017).
- **Greater efficiency in resource allocation:** According to Ketshabile and Senatla (2019), the strategic approach to budgeting has resulted in greater efficiency in resource allocation, ensuring that public funds are allocated toward priority areas and providing better value for money.
- **Enhanced performance monitoring and evaluation:** Budgeting reforms have improved the ability to monitor and evaluate the performance of government programs and initiatives, facilitating evidence-based decision-making and accountability (Dorotinsky & Floyd, 2005).

4.2 Accounting Reforms

4.2.1 Objectives of Accounting Reforms

The accounting reforms implemented in Botswana's public financial management system have been guided by various objectives identified in the literature. These objectives include:

- **Improving accountability and transparency:** Accounting changes are designed to increase the accuracy, integrity, and transparency of financial reporting in the public sector. The reforms seek to give stakeholders accurate and trustworthy information by adopting international accounting standards and improving financial disclosure (Safkaur et al, 2019).
- **Supporting effective resource allocation and policy formulation:** According to Kim et al (2020), the goal is to give decision-makers with timely and pertinent financial information. The goal of accounting reforms is to improve the reliability and accessibility of financial data to support reasoned decision-making.
- **Enabling financial information to be compared across jurisdictions and encouraging consistency in reporting:** Accounting changes aim to harmonize Botswana's financial reporting processes with international standards (Maphakwane, 2019).

4.2.2 Adoption of International Accounting Standards

Botswana has made tremendous strides toward adopting international accounting standards in order to fulfill the goals of accounting reforms. The following advancements are highlighted in the literature:

- **Adoption of International Public Sector Accounting Standards (IPSAS):** IPSAS, which are created exclusively for public sector entities, have been adopted by Botswana. According to Narsaiah (2019), IPSAS offer a framework for financial reporting that improves accountability, comparability, and transparency in the public sector.
- **Alignment with the International Monetary Fund's (IMF) Government Finance Statistics Manual (GFSM):** Botswana has also adapted its financial reporting procedures to the GFSM. This alignment encourages fiscal reporting consistency and improves the capacity to compare financial data across borders (Berger, 2018).

4.2.3 Improvements in Financial Reporting and Transparency

Financial reporting and transparency in Botswana have significantly improved as a result of accounting changes. The following results are highlighted in the literature:

- **Improved financial reporting requirements:** The quality and uniformity of financial reporting in Botswana's public sector have increased thanks to the adoption of international accounting standards. Financial statements that are more thorough and instructive are the result of the implementation of IPSAS (Felski, 2017).
- **Greater accountability and transparency:** Accounting reforms have helped make the management of public finances more open and accountable. The reforms have increased public trust and confidence in the

government's financial management processes by delivering accurate and trustworthy financial information (Malope, 2019).

- Improved decision-making and resource allocation: The availability of timely and relevant financial information has facilitated better decision-making and resource allocation in the public sector. Decision-makers can now rely on accurate financial data to allocate resources efficiently and effectively (Vardon et al, 2018).

4.3 Procurement Reforms

4.3.1 Objectives of Procurement Reforms

The procurement reforms undertaken in Botswana's public financial management system have been driven by various objectives identified in the literature. These objectives include:

- Promoting openness and accountability: According to the World Bank (2005), procurement reforms strive to increase transparency and accountability in the procurement process by adopting precise policies and guidelines. With the reforms, corruption will be reduced and competitiveness will be encouraged in public procurement.
- Improving value for money: According to Bothale (2017), the goal of public procurement is to obtain goods, services, and works at reasonable costs without sacrificing quality. The changes' main goal is to make procurement procedures more effective and efficient in order to maximize resource allocation.
- Improving efficiency and effectiveness: According to the World Bank (2005), procurement reforms aim to simplify and streamline procurement processes by cutting down on bureaucratic red tape and delays. The objective is to enhance the efficiency and effectiveness of the procurement process, ensuring timely delivery of goods and services to meet the needs of the government and its citizens.

4.3.2 Implementation of Procurement Regulations and Procedures

To achieve the objectives of procurement reforms, Botswana has implemented various regulations and procedures. The literature highlights the following developments:

- Procurement Act and rules: Botswana has passed a procurement act and related rules, which serve as the country's legislative framework for procurement procedures (Ketshabile & Senatla, 2019). These regulations lay out the guidelines and steps that must be taken when government organizations buy products, services, and works.
- Centralized procurement system: To increase economies of scale, consolidate purchasing power, and improve coordination in procurement activities, the government has created a centralized procurement system (World Bank, 2005). The system's goal is to encourage uniformity, standardization, and transparency in the procurement procedures used by all branches of government.
- Strengthening procurement capacity: Through training programs and capacity-building activities, efforts have been made to improve the knowledge and abilities of procurement professionals (Ketshabile & Senatla, 2019). This aims to ensure that government entities have the necessary expertise to conduct efficient and effective procurement processes.

4.3.3 Enhancements in Procurement Efficiency and Effectiveness

Procurement reforms in Botswana have resulted in significant enhancements in procurement efficiency and effectiveness. The literature highlights the following outcomes:

- Increased competition and market access: The reforms have helped to create a more competitive environment for public procurement, drawing in a larger pool of suppliers and facilitating small and medium-sized businesses' access to the market (World Bank, 2005). As a result, there is more competition, better pricing, and more value for the money.
- Simplified procurement processes: According to Rasetshwane (2021), the adoption of standardized procurement procedures has simplified the procurement process and decreased bureaucracy and administrative load. Faster procurement cycles, better responsiveness, and on-time delivery of goods and services are the results of this.
- Greater openness and accountability: Reforms to the procurement process have made public procurement more open and accountable. The establishment of clear rules and procedures, as well as the use of electronic procurement systems, has improved visibility and traceability of procurement transactions (Boafo, Ahudey & Darteh, 2020).

5. Contemporary Issues and Challenges in PFM Reforms

5.1 Institutional and Organizational Challenges

Implementing public financial management (PFM) reforms in Botswana has encountered various institutional and organizational challenges, as highlighted in the literature. These challenges include:

- Fragmented institutional framework: The literature identifies the presence of multiple government entities

involved in financial management, resulting in fragmented responsibilities and coordination challenges (Ketshabile & Senatla, 2019). This fragmentation hinders the effective implementation of PFM reforms and requires efforts to enhance coordination and collaboration among entities.

- **Limited institutional capacity:** Some government entities may face limitations in terms of financial management expertise, systems, and infrastructure (Moakofhi et al, 2017). This poses challenges in implementing complex reforms and may require capacity-building initiatives to strengthen institutional capabilities.

5.2 Capacity Building and Human Resource Development

Capacity building and human resource development play a crucial role in addressing the challenges associated with PFM reforms. The literature highlights the following issues:

- **Gaps in skills and expertise:** According to Tonkope, Baliyan, & Tobedza (2017), there may be a scarcity of qualified experts who are familiar with PFM methods. Investment in training programs and ongoing professional development is necessary to close this gap in order to increase the capability of financial management staff.
- **Attracting and maintaining talented employees** can be difficult due to the competition for qualified financial management specialists in the public sector (Tshukudu, 2020). To overcome this issue, effective human resource initiatives are essential. These include competitive compensation packages and professional development opportunities.

5.3 Political and Governance Factors

Political and governance factors can significantly influence the implementation of PFM reforms in Botswana. The literature highlights the following considerations:

- **Political will and commitment:** The success of PFM reforms relies on strong political will and commitment from government leadership (World Bank, 2005). Sustained support and dedication are necessary to overcome potential resistance or obstacles encountered during the reform process.
- **Stakeholder engagement and coordination:** The involvement and coordination of various stakeholders, including government agencies, civil society organizations, and development partners, are essential for effective PFM reform implementation (Guha & Chakrabarti, 2019). Engaging stakeholders in the reform process and fostering collaboration can contribute to better outcomes and shared ownership.

5.4 Financial Sustainability and Resource Allocation

Financial sustainability and resource allocation are critical aspects that influence the implementation of PFM reforms. The literature highlights the following issues:

- **Adequate funding for reforms:** Sufficient financial resources are necessary to support the implementation of PFM reforms, including investment in technology, infrastructure, capacity building, and change management initiatives (Botlhale, 2021). Ensuring adequate funding and resource allocation is crucial for the successful implementation and sustainability of the reforms.
- **Prioritization of reform initiatives:** With limited resources, there may be challenges in prioritizing reform initiatives based on their impact and feasibility (World Bank, 2005). Careful consideration and strategic planning are required to allocate resources effectively and maximize the benefits of PFM reforms.

6. Impact of PFM Reforms on Fiscal Management

6.1 Improved Budgetary Control and Expenditure Management

The literature highlights the positive impact of PFM reforms on budgetary control and expenditure management in Botswana. The reforms have led to:

- **Better alignment of government priorities with available resources** as a result of PFM reforms: this has strengthened budget design and execution (Barroy et al, 2019). By providing systems for observing and regulating expenditures, the changes have improved budget implementation and promoted fiscal restraint.
- **Improved fiscal discipline:** PFM reforms have improved fiscal discipline by putting in place budgetary restrictions and systems for managing expenditures (World Bank, 2005). The likelihood of budget overruns and fiscal imbalances has been decreased as a result of the reforms' emphasis on the significance of upholding expenditure restrictions and budgetary boundaries.

6.2 Enhancements in Financial Accountability and Transparency

PFM reforms have brought about significant improvements in financial accountability and transparency in Botswana. The literature highlights the following outcomes:

- **Strengthened financial reporting:** The implementation of PFM reforms has led to improved financial

reporting practices, including the adoption of international accounting standards (Mosweu & Ngoepe, 2018). This has enhanced the accuracy, reliability, and comparability of financial information, promoting transparency and accountability in the public sector.

- Increased public access to financial information: PFM reforms have facilitated greater public access to financial information, enabling citizens to monitor and scrutinize government spending (World Bank, 2005). The reforms have introduced mechanisms such as online portals and disclosure requirements, ensuring the availability of financial data to the public.

6.3 Strengthened Procurement Practices and Value for Money

The implementation of PFM reforms has had a positive impact on procurement practices in Botswana. The literature highlights the following improvements:

- Better price and value for money: PFM reforms have encouraged more competition in public procurement, which has improved both (Botlhale, 2017). The risk of corruption and favoritism has decreased because of the changes, which have fostered honest and open procurement procedures.
- Simplified procurement processes: According to the World Bank (2005), the implementation of procurement reforms has simplified procurement processes by cutting down on red tape and increasing productivity. Faster procurement cycles, better supplier performance, and on-time delivery of goods and services are the outcomes of this.

6.4 Implications for Fiscal Discipline and Long-term Fiscal Sustainability

The literature suggests that PFM reforms have important implications for fiscal discipline and long-term fiscal sustainability in Botswana:

- Improved fiscal discipline: PFM reforms have contributed to greater fiscal discipline by promoting effective financial management practices, expenditure controls, and budgetary oversight (Lekorwe, 2017). The reforms have helped in curbing fiscal deficits, ensuring prudent financial management, and maintaining macroeconomic stability.
- Long-term fiscal sustainability: By strengthening budgetary controls, expenditure management, and transparency, PFM reforms have enhanced long-term fiscal sustainability in Botswana (World Bank, 2005). The reforms have facilitated better resource allocation, improved debt management, and enhanced fiscal planning, thereby supporting the country's long-term economic development.

7. Lessons Learned and Best Practices

7.1 Success Factors in PFM Reforms Implementation

The successful implementation of public financial management (PFM) reforms in Botswana can be attributed to several key factors identified in the literature:

- Strong political commitment: According to Chileshe (2021), the government of Botswana's unwavering political commitment to PFM reforms is a key success factor. An enabling atmosphere for the successful implementation of reforms has been created thanks to the steadfast support and leadership from high-level officials.
- Active involvement and participation of stakeholders: According to the Guha & Chakrabarti (2019), successful PFM reforms depended on the active engagement and participation of several stakeholders, including government agencies, civil society organizations, and development partners. Including stakeholders in the reform process encourages ownership, guarantees alignment with interests of stakeholders, and improves successful implementation.

7.2 Lessons Learned from the Botswana Experience

The literature highlights several valuable lessons learned from the PFM reform experience in Botswana:

- Progressive and phased approach: According to Lekorwe (2017), a progressive and phased implementation plan was a key component of Botswana's successful PFM reforms. This strategy increased the likelihood of success by allowing for methodical modifications and learning while minimizing disturbances.
- Contextual adaptation: According to the literature, PFM changes must be tailored to the unique circumstances of Botswana (World Bank, 2005). Taking into account the nation's particular conditions, including its political and governmental systems, made it easier to create reform plans that were in line with regional reality..

7.3 Comparative Analysis with Other Countries' PFM Reform Efforts

Comparing PFM reform efforts in Botswana with those of other countries provides valuable insights and identifies best practices. The literature highlights the following observations:

- Institutional coordination and collaboration: Botswana's experience demonstrates the significance of strong institutional coordination and collaboration in PFM reform implementation (Khan, 2022). Comparative analysis with other countries underscores the importance of fostering collaboration among government entities involved in financial management to achieve successful reforms.
- Long-term commitment: PFM reforms require a long-term commitment to overcome challenges and sustain improvements. Comparative analysis reveals that sustained commitment from governments and continuity in reform efforts are crucial for achieving meaningful and lasting

8. Future Directions and Policy Implications

8.1 Ongoing and Upcoming PFM Reform Initiatives in Botswana

The literature highlights several ongoing and upcoming PFM reform initiatives in Botswana that indicate the country's commitment to further enhance its financial management practices:

- Improving accountability systems: According to Rabogadi (2017), Botswana is working to improve accountability systems by putting in place policies like performance-based budgeting and results-oriented management. These efforts aim to increase the efficiency and transparency of public spending while guaranteeing resource efficiency.
- Increasing technology adoption: The Botswana government is aware of the role that technology can play in advancing PFM reforms. The adoption of electronic financial management information systems and e-procurement systems are ongoing endeavors (Gaborutwe, 2017). These technical developments are anticipated to increase productivity, lower the risk of corruption, and raise the caliber of financial data.

8.2 Policy Recommendations for Addressing Remaining Challenges

To address the remaining challenges in PFM reforms, the literature suggests the following policy recommendations:

- Strengthening institutional capacity: Continued investment in building institutional capacity is crucial for the successful implementation of PFM reforms (Andrews, Pritchett & Woolcock (2017). This includes providing training and professional development opportunities for public officials involved in financial management to enhance their skills and knowledge.
- Enhancing monitoring and evaluation mechanisms: Implementing robust monitoring and evaluation mechanisms is essential to track the progress and effectiveness of PFM reforms (Makadzange, 2022). Regular assessments and evaluations can identify areas that require improvement and inform evidence-based decision-making.

8.3 Aligning PFM Reforms with Sustainable Development Goals

The literature emphasizes the importance of aligning PFM reforms with the Sustainable Development Goals (SDGs) to ensure the attainment of sustainable development objectives. Key considerations include:

- Integrating environmental and social considerations: PFM reforms should integrate environmental and social considerations into financial management processes, enabling the government to address sustainability challenges (Sakrak et al, 2022). This includes incorporating environmental and social impact assessments in budgeting and procurement practices.
- Promoting inclusive and equitable development: PFM reforms can contribute to inclusive and equitable development by ensuring fair and transparent allocation of resources (Kirya, 2019). Reform initiatives should focus on reducing inequalities, improving service delivery to marginalized populations, and promoting social welfare.
- Enhancing financial resources mobilization: PFM reforms can support the mobilization of financial resources for sustainable development initiatives. Strengthening revenue collection systems, exploring innovative financing mechanisms, and improving public financial management practices can generate additional resources for sustainable development programs.

9. Conclusion

9.1 Recap of Key Findings and Contributions of the Literature Review

In conclusion, the literature review on public financial management (PFM) reforms in Botswana has provided valuable insights into the objectives, strategies, outcomes, and challenges associated with these reforms. The key findings can be summarized as follows:

- The government of Botswana is dedicated to enhancing fiscal management, accountability, and openness, which has led to PFM reforms.
- Budgeting reforms sought to improve performance-based budgeting, results-oriented management, and expense control.

- International accounting standards adoption and enhanced financial reporting and transparency have been the main goals of accounting reforms.
- Reforms in the procurement process have been made in an effort to increase compliance with rules and regulations and increase efficiency and effectiveness.
- Institutional coordination, capacity building, political issues, and financial sustainability have all been obstacles for Botswana's PFM reforms.

9.2 Implications for Public Financial Management Reforms in Botswana

The literature assessment has important implications for Botswana's PFM reforms. The results emphasize how crucial it is to maintain political commitment, involve stakeholders, and implement reforms gradually and in phases. Future PFM reforms in Botswana must take into account strengthening institutional capacity, improving monitoring and evaluation systems, and coordinating reforms with sustainable development objectives. Other nations launching comparable reform initiatives can benefit greatly from the positive experiences and lessons learnt from the Botswana situation.

9.3 Areas for Future Research and Further Exploration

The literature review has identified several areas for future research and further exploration in the field of PFM reforms in Botswana. Some potential areas include:

- In-depth analysis of the effectiveness and efficiency of specific PFM reform initiatives, such as performance-based budgeting or e-procurement systems.
- Examination of the role of technology, data analytics, and artificial intelligence in enhancing PFM reforms and financial management practices.
- Evaluation of the long-term impacts of PFM reforms on fiscal sustainability, economic development, and public service delivery in Botswana.
- Comparative studies between Botswana and other countries to gain insights into cross-country variations in PFM reform outcomes and strategies.

More study in these areas can help us comprehend PFM reforms in Botswana better and guide the creation and application of evidence-based policy.

The literature review has provided information about the goals, tactics, results, difficulties, and implications of Botswana's PFM reforms. It highlights the significance of long-term dedication, stakeholder involvement, and contextual adaptability for the implementation of effective changes. The findings provide valuable insights for policymakers, practitioners, and researchers in the field of public financial management, facilitating informed decision-making and contributing to the ongoing improvement of fiscal management practices in Botswana and beyond.

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