Botswana
Combined Agenda 2063 scenario

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Combined Agenda 2063 scenario

Chart 55: GDP per capita in CP and scenarios, 2019–2043
Additional GDP per capita per scenario, purchasing power parity

The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

Although Botswana’s economy has benefitted from continued and sound economic growth, the country still stands to benefit from interventions in key development aspects as outlined above. Diversifying the economy and continued investment in the manufacturing sector (as captured in the Manufacturing/Transfers scenario) will benefit per capita income the most, raising income by as much as US$1 275 in 2043 compared to the Current Path forecast.

Improving trade with its neighbours and abroad (as captured in the Free Trade scenario) will also significantly raise GDP per capita by 2043 by an additional US$1 090 above the Current Path forecast. The synergistic effect of a Combined Agenda 2063 scenario that assumes improvements are made in all 11 broad intervention areas could add an additional US$87 in 2043 on top of the combined per capita income.
Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

The Combined Agenda 2063 scenario has the potential to raise the GDP per capita in Botswana to US$29,594 by 2043, US$5,538 above the Current Path forecast for the same year. The Combined Agenda 2063 scenario shows that a policy push across all the development sectors is necessary to achieve even greater growth and development in Botswana. This additional push is much needed if Botswana is to address its persistently high level of unemployment that continues to hamper growth and keep the poverty rate high.
The Combined Agenda 2063 interventions can significantly benefit the economy of Botswana by reducing the poverty burden the country currently bears. If Botswana can effectively implement measures as outlined in the Combined Agenda 2063 scenario, poverty can be reduced from 46.7% in 2019 to 19.9% in 2043 using the US$5.50 benchmark for upper middle-income countries. The scenario therefore has the potential to reduce poverty in 2043 by 9.8 percentage points compared to the Current Path forecast, lifting an additional 320,000 people out of poverty. Poverty will be eradicated in Botswana by 2039 in this scenario, using the US$1.90 benchmark, nine years later than the SDG goal of eliminating poverty at that level by 2030.
See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

This chart displays the percentage point difference and the value difference between the Current Path forecast and the Combined Agenda 2063 scenario for the six sectors of the economy modelled in IFs. The manufacturing sector will contribute 9.1 percentage points more to GDP in the Combined Agenda 2063 scenario compared to the Current Path forecast, equivalent to a difference of US$10.2 billion by 2043. The service sector will contribute 7 percentage points less to the GDP in the Combined Agenda 2063 scenario compared to the Current Path forecast. Even though the contribution will be 7 percentage points lower, the value added would be US$6.6 billion more by 2043 compared to the Current Path forecast, the result of the economy being US$18.4 billion larger (see Chart 59) in 2043 in the Combined Agenda 2063 scenario.
Botswana’s GDP is forecast to grow to US$73.9 billion by 2043 in the Combined Agenda 2063 scenario, compared to US$54.8 billion in the Current Path forecast, an increase of 35% (or US$19.1 billion). This shows the value that the concurrent implementation of the interventions in the 11 sectoral scenarios could have on economic growth.
The positive effect that the Combined Agenda 2063 scenario will have on GDP growth inevitably comes at the cost of increasing carbon emissions. Globally and regionally, however, Botswana is projected to remain a small emitter and by 2043 will be ranked 27th for carbon emissions in Africa in the Combined Agenda 2063 scenario. In 2019, Botswana’s carbon emissions were 2.4 million tons and they are projected to increase to 6.5 million tons of carbon by 2043 in the Combined Agenda 2063 scenario, 0.9 million tons above the Current Path forecast for 2043.
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About the authors

Ms Alize le Roux joined the AFI in May 2021 as a senior researcher. Before joining the ISS, she worked as a principal geo-informatics researcher at the CSIR, supporting various local and national policy- and decision-makers with long-term planning support. Alize has 14 years of experience in spatial data analysis, disaster risk reduction and urban and regional modelling. She has a master's degree in geographical sciences from the University of Utrecht, specialising in multi-hazard risk assessments and spatial decision support systems.

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