



REPUBLIC OF BOTSWANA

SECOND READING OF THE

**Standard Chartered Bank Botswana Limited (Loan Authorisation)
Bill, 2026 - Bill No. 8 of 2026**

BY

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MINISTER OF FINANCE**

MARCH 2026



1. **Mr. Speaker,** I beg that the Second Reading of the “Standard Chartered Bank Botswana Limited (Loan Authorisation) Bill, 2026 - Bill No. 8 of 2026” be proceeded with under a certificate of urgency in terms of Standing Order 72.3 (1), a variation to the order of Public Business as it stands on today’s Order Paper.

2. **Mr. Speaker,** the reasons for the urgency are that:
 - i. Standard Chartered Bank Botswana Limited (Loan Authorisation) Bill, 2026 - Bill No. 8 of 2026, has not yet matured as it was published on 6 March 2026.
 - ii. The financing facility provided is urgently required to address the backlog of outstanding invoices that Government needs to settle.

2. **Mr. Speaker,** I have stood before this Honourable House on several occasions to speak candidly about the difficult economic situation facing our country. Today, I do so again, not as a matter of routine, but out of necessity.

3. Government is operating under severe fiscal constraints. Despite the painful austerity measures we have implemented, measures that have required sacrifice from our people, expenditure pressures remain high, while revenues have not recovered as we had hoped.

4. **Mr. Speaker,** there have been months where Government has had to confront a very real and uncomfortable question: *will we be able to meet our obligations at the end of the month?*
5. This is not a theoretical concern, it is a lived reality. It has meant delays, difficult choices, and, at times, the slowing down of projects that our people depend on. It has affected service delivery, constrained development, and placed pressure on businesses that rely on Government for payments.
6. **Mr. Speaker,** this is the context within which we must make decisions that are not of convenience, but of responsibility and in light of these challenges, Government has had to take deliberate and proactive steps to safeguard the stability of our economy and ensure continuity in service delivery.
7. Accordingly, we have engaged with several commercial banks to support us in addressing immediate liquidity pressures, as well as to provide financing for critical Government projects planned for the 2026/2027 financial year.
8. **Mr. Speaker,** these engagements are not taken lightly as they are driven by the need to ensure that Government continues to function, that development does not come to a standstill, and that the aspirations of our people are not delayed any further.

9. **Mr. Speaker,** one of the key facilities that Government has successfully secured is the EUR400 million facility from Standard Chartered Bank Botswana. This facility is supported by a guarantee from the World Bank Group through the Multilateral Investment Guarantee Agency, commonly known as MIGA. In simple terms, this guarantee acts as an insurance mechanism on the loan.
10. What this means is that part of the risk associated with this borrowing is absorbed by a highly reputable multilateral institution. As a result, lenders are more confident, and Government is able to access financing at significantly lower interest rates than would otherwise be possible.
11. **Mr. Speaker,** this is a clear example of Government's commitment to not only securing financing, but doing so in a manner that is responsible, cost-effective, and in the best interest of the nation.
12. **Mr. Speaker,** the proceeds from this facility will be directed towards financing strategic infrastructure projects that are critical to the lives of our people, specifically, three major water projects and one key energy project. These are not just projects on paper. They speak directly to the daily realities of our citizens, access to reliable water, access to energy, and the dignity that comes with both.

13. These investments are about ensuring that our communities are not left behind, that businesses can operate effectively, and that our economy is supported by the infrastructure it needs to grow.
14. **Mr. Speaker**, this is how we translate borrowing into tangible impact by investing in projects that improve lives, strengthen resilience, and secure the future of our nation. The funds will be used to finance strategic infrastructure projects; 3 water projects and one on energy.
15. **Mr. Speaker**, these projects were selected based on their readiness, inclusion in the 2026/2027 financial year, and alignment with the policy objectives of our financing partners. Other projects that support economic growth will be financed through alternative sources. The selected projects are as follows:

- a) **Kanye and Moshupa Water Supply Distribution Network Rehabilitation**

The project is for the rehabilitation and reticulation of water distribution network in Kanye and Moshupa. **Mr Speaker**, this project is estimated to cost P1 billion and is ready for procurement. The project covers the entire Kanye village, feeder lines, reservoirs, Telemetry & SCADA, and Moshupa village reticulation. The project is ready for procurement and its estimated project duration is 36 months.

b) Molepolole Water Supply Network

Rehabilitation and reticulation of water distribution and Sanitation network in Molepolole. Despite sufficient water supply from the newly completed Gamononyane-Molepolole North South Carrier (NSC) project, there is still inadequate water distribution in the village due to dilapidated existing water pipes, undersized water pipes and insufficient water supply infrastructure. The estimated project duration is 24 months and the project is at tender evaluation stage.

c) Francistown (Mambo) Waste Water Scheme

The project broadly entails:

- i) Rehabilitation of the ponds system, pipelines and pump stations;
- ii) Refurbishment and Upgrading of the Treatment Plant from 15ML/Day to 30ML/Day;
- iii) Rehabilitation of all wastewater Pump Stations within the Francistown/Tonota/Tati Siding sewer network;
- iv) Remedial works on the Wastewater collection system; and
- v) Installation of telemetry equipment.

The estimated project duration is 36 months and the project is ready for procurement.

d) The North-West Transmission Grid Connection Phase 2 (NWTG II) Project

This is a high-impact national infrastructure initiative identified by Government of Botswana as critical to the country's economic transformation, energy security, and regional integration agenda. The project is formally included in the Botswana Economic Transformation Programme (BETP) and the Botswana National Energy Compact, underscoring its strong policy alignment and strategic importance. NWTG II is designed to expand power transmission capacity in the northern Botswana and has been divided into two main components: Lot 5 and Lot 6. The project is implementation ready.

16. **Mr. Speaker,** these projects will be implemented during the 2026/2027 financial year and are expected to significantly improve service delivery, stimulate economic activity, and support long-term development outcomes for our country.

17. The terms of the loan are as follows:

i) **Loan amount:** EUR400 million

ii) **Interest rate:** Euribor (2.59 percent plus 1.6 percent (All in interest rate of 4.19 percent).

iii) **Tenure:** 15 years

iv) **Grace Period:** 5 years

18. **Mr. Speaker,** the Ministry has engaged extensively with the lenders and has successfully negotiated this facility on terms that are both favourable and aligned with Government's fiscal objectives.
19. One of the most important features of this loan is the grace period of 5 years, which will provide Government with the necessary breathing space to implement critical reforms aimed at restoring fiscal stability.
20. **Mr. Speaker,** this grace period is not merely a financial provision, it is a strategic window. It allows Government the time to advance its programme of economic recovery, strengthen revenue performance, and accelerate its agenda for economic diversification, without the immediate pressure of debt servicing.
21. **Mr. Speaker,** this ensures that the facility supports not only our present needs, but also our long term vision for a more resilient and sustainable economy.
22. This facility is not merely about financing, it is about ensuring that Government remains able to serve its people, honour its obligations, and invest in the future of this nation. It is about acting responsibly in

difficult times and making decisions that protect both our economy and our citizens.

23. **Mr. Speaker**, I therefore move that the **Standard Chartered Bank Botswana Limited (Loan Authorisation) Bill, 2026 - Bill No. of 2026**, be proceeded with under the motion of urgency.

24. I thank you, **Mr. Speaker**.