

BOTSWANA: COUNTRY FINANCING PARAMETERS

Date: June 13, 2008

The country financing parameters for Botswana set out below have been approved by the Regional Vice President, AFR, and are being posted on the Bank's internal website.

Item	Parameter	Remarks/Explanation
<p>A. Cost Sharing. Limit on the proportion of individual project cost that the Bank may finance</p>	Up to 100%	<p>While continuing to emphasize borrower commitment and ownership of individual projects, the Bank would retain the option of financing up to 100% of project costs. However, specific arrangements would be determined for individual projects, taking into account project specific considerations. In practice, the Bank's financing share in many projects is expected to be less than 100% given government contribution and other donor participation.</p>
<p>B. Recurrent Cost Financing. Any limits that would apply to the overall amount of recurrent expenditures that the Bank may finance</p>	No country-level limit	<p>No country-level limit on Bank financing of recurrent costs is proposed. On a project by project basis, the Bank may finance recurrent costs after careful consideration of the sustainability of project achievements; and implied future budgetary outlays, within the overall context of Botswana's aggregate fiscal position and prospects.</p>
<p>C. Local Cost Financing. Are the requirements for Bank financing of local expenditures met, namely that: (i) financing requirements for the country's development programme would exceed the public sector's own resources (e.g., from taxation and other revenues) and expected domestic borrowing; and (ii) the financing of foreign expenditures alone would not enable the Bank to assist in the financing of individual projects</p>	Yes	<p>The requirements for local cost financing are met. The Bank can finance local costs in any proportions required by individual projects.</p>
<p>D. Taxes and Duties. Are there any taxes and duties that the Bank would not finance?</p>	None	<p>The Bank may finance the costs of taxes and duties associated with project expenditures. No taxes and duties have been identified as excessive, unreasonable or discriminatory. At the project level, the Bank would examine whether taxes and duties constitute an excessively high share of project cost.</p>