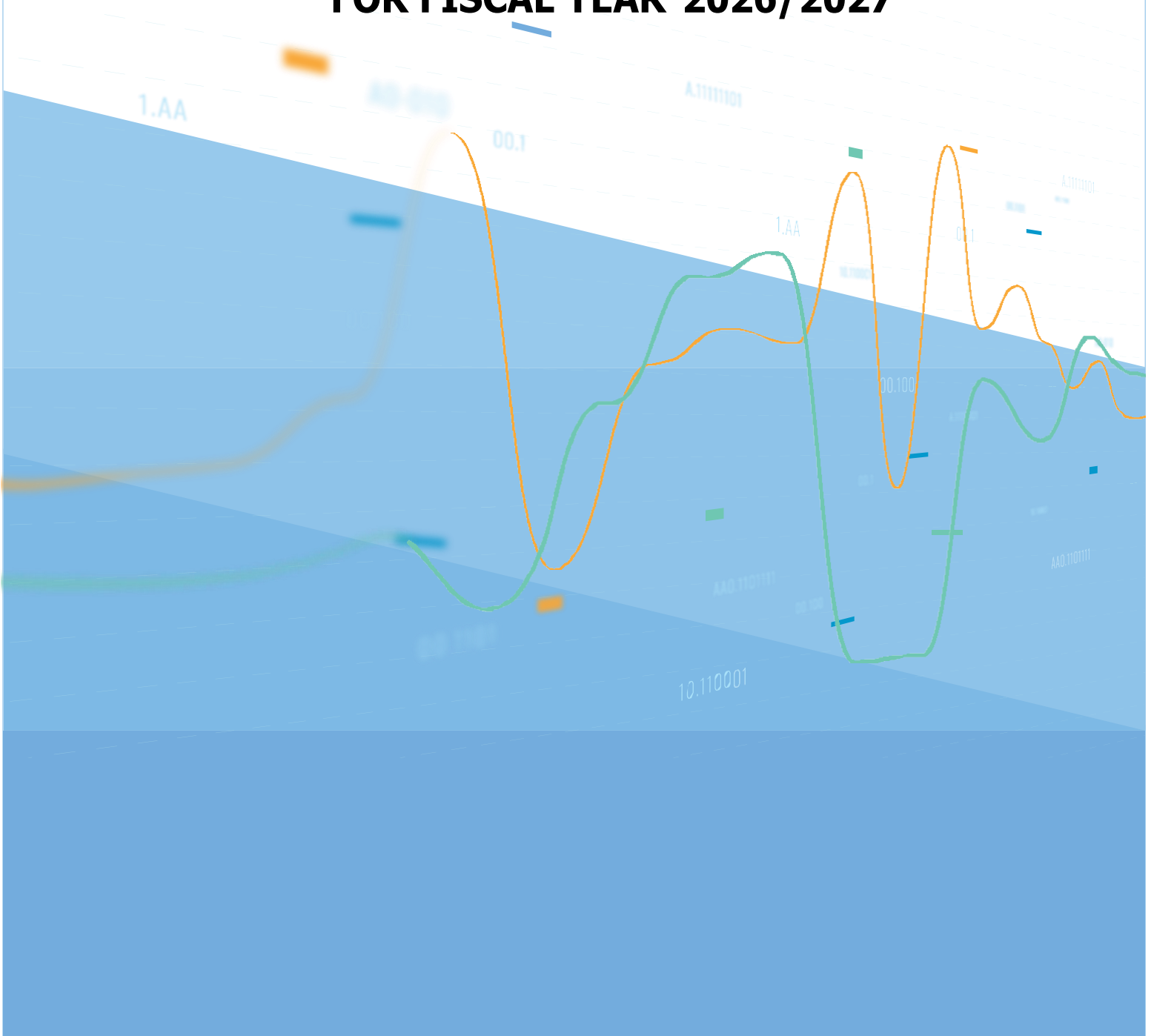


REPUBLIC OF BOTSWANA
MINISTRY OF FINANCE

GOVERNMENT BORROWING STRATEGY FOR FISCAL YEAR 2026/2027



GOVERNMENT BORROWING STRATEGY FOR FISCAL YEAR 2026/2027

The primary objective of Botswana's debt management is to ensure that the financing needs and payment obligations of Government are met at the lowest possible cost consistent with a prudent management, measured risk, and in coordination with fiscal policies. The secondary objective of the debt management is to support the development of the domestic capital market, enhancing liquidity and supply of high-quality investment instruments in the domestic market; thus development of the domestic financial system. These objectives guide the Government in responding to the need to finance future budget deficits.

The Government Borrowing Strategy for Fiscal Year 2026/2027 is being published to accompany the 2026/2027 Budget Speech of 9 February 2026 as well as the Ministry's Medium-Term Debt Management Strategy (MTDS). The main points, including operational aspects, are summarised below.

1. Ministry of Finance's Domestic Financing Requirement

The Budget Deficit for FY2026/2027 is forecast to be BWP26.35 billion; this, will be financed by bond sales of BWP10 billion and net Treasury bill sales of up to BWP2 billion, as well as through external borrowing from multilateral development agencies.

The planned gross bond sales will be met through a combination of issuance of short-dated conventional Bonds, longer-dated conventional Bonds and Inflation-Linked Bonds, with a planned split as follows:

- Short-dated Bonds at BWP4 billion in eleven (11) auctions; and
- Longer-dated Bonds and Index Linked at BWP6 billion in eleven (11) auctions.

The net Treasury Bill (T-Bill) issuance implies a stock of Treasury Bills at end FY2026/2027 of up to BWP14 billion.

Any changes to this plan would be announced as part of any future revision to the FY2026/2027 remit.

The initially planned split of Treasury Bill and Bond issuance by maturity is set out in Table 1. However, in order to ensure successful delivery of the financing programme in FY2026/2027, the split of issuance may vary during the year. The overall split of issuance by maturity is likely to be affected by the Ministry of Finance issuance decisions in-year, taking account of market feedback. Consequently, the overall split of issuance by the end of the financial year may depart from the initial plans published in this remit.

The benchmark Bonds in the 2026/2027 fiscal year will remain:

- The 5-year benchmark -- BOTSGB0931;
- The 10-year benchmark -- the BOTGB0635;
- The 15-year benchmark -- the BOTSGB0640;
- The 25-year benchmark -- the BOTSGB1150;
- We plan to re-issue the 20-year Inflation Linked Bond (BOTSIL0246).

Any changes in the breakdown of planned securities issuance either by type or maturity will be reported in the normal way, including alongside updates to the financing remit (for example at future fiscal events) and at quarterly intervals. However, changes may also be announced at other times, including following any individual syndicated offerings.

2. The Securities Auction Programme

The planned securities Auction Calendar in FY2026/2027 is set out in Table 2. The Ministry will size auctions on a case-by-case basis taking into account the type and maturity of securities to be sold and prevailing market conditions. This is particularly relevant for the Inflation-Linked Bonds, whose auctions will be dictated by market conditions.

Switch auctions, first introduced in May 2023, will continue to be used periodically to manage upcoming maturities.

3. Changes to the Planned Auction Calendar

The Ministry's general intention will be to implement the planned auction calendar as published, whilst recognising the importance of allowing, through in-year adjustments to the calendar, scope to respond appropriately to unforeseen or changing circumstances. Hence, the planned securities auction calendar may be altered, for example, to accommodate the Ministry's decisions on the fiscal event timetable, any significant data releases or market sensitive events announced subsequently. The Ministry will provide the market with prior notice of any such alteration.

The planned securities Auction Calendar may also be changed on a quarterly basis following consultation with the market. Any such change(s) to the planned auction calendar for the forthcoming quarter would be set out as part of the planned Quarterly Issuance Update. The reason(s) for any change(s) to the Auction Calendar may include an alteration to the planned financing by security type and maturity in the forthcoming quarter.

4. Supplementary Information

- Initially planned split of issuance by type and maturity is published on **Table 1**.
- The planned Auction Calendar for FY2026/2027 is published on **Table 2**.
- The financing arithmetic for FY2025/2026 and FY2026/2027 is published on **Table 3**. This takes account of any revisions to the numbers since the 2026 Budget Speech.
- Illustrative financing projections from FY2026/2027 to FY2027/2028 are published on **Table 4**.

Table 1: Initially Planned Split of Securities Issuance by Type and Maturity in FY2026/2027.

Type Of Security	2025-26		2026-27	
	Proportion	Amount, BWP millions	Proportion	Amount, BWP millions
Treasury bills (net)	36.33%	2,309	17%	2,000
Short-dated bonds (2-5 years)	6.03%	383	33%	4,000
Long-dated standard and inflation-linked bonds (6-25 years)	57.65%	3,664	50%	6,000
Total	100%	6,356	100%	12,000

Table 2: Issuance Calendar: Auctions will normally be held on the final Friday of each month.

FY2025-26	Treasury Bills	Short-dated Bonds	Long-dated Bonds
April 25	3, 6	BOTSGB0929	BOTSGB0635; BOTSGB0640
May 23	3, 6	BOTSGB0527	BOTSGB0931; BOTSGB0943
June 26	3, 6	BOTSGB0929	BOTSGB0635; BOTSGB0640
July 25	3, 6, 12	BOTSGB0527	BOTSGB0931; BOTSGB0943
August 22	3, 6	BOTSGB0929	BOTSGB0931; BOTSGB0640
September 25	3, 6	BOTSGB0931	BOTSGB0635; BOTSGB0943
October 31	3, 6, 12	BOTSGB0929	BOTSGB0640; BOTSGB1150
November 28	3, 6	BOTSGB0931	BOTSGB0635; BOTSGB0943
December 24	3, 6	-	-
January 30	3, 6, 12	BOTSGB0931	BOTSGB0635; BOTSGB1150
February 27	3, 6	BOTSGB0929	BOTSGB0635; BOTSGB0943
March 27	3, 6, 12	BOTSGB0931	BOTSGB0640; BOTSGB1150

FY2026-27	Treasury Bills	Short-dated Bonds	Long-dated Bonds
April 30	3, 6	BOTSGB0931	BOTSGB0635; BOTSGB0640
May 29	3, 6	BOTSGB0929	BOTSGB0943; BOTSGB1150
June 25	3, 6	BOTSGB0931	BOTSGB0635; BOTSGB1150
July 31	3, 6, 12	BOTSGB0929	BOTSGB0640; BOTSGB0943
August 28	3, 6	BOTSGB0931	BOTSGB0635; BOTSGB1150
September 24	3, 6	BOTSGB0929	BOTSGB0943; BOTSGB1150
October 30	3, 6, 12	BOTSGB0931	BOTSGB0635; BOTSGB0640
November 27	3, 6	BOTSGB0929	BOTSGB0943; BOTSGB1150
December 24	3, 6	-	-
January 29	3, 6, 12	BOTSGB0931	BOTSGB0635; BOTSGB1150
February 26	3, 6	BOTSGB0929	BOTSGB0640; BOTSGB0943
March 24	3, 6, 12	BOTSGB0931	BOTSGB0635; BOTSGB1150

Table 3: Financing Arithmetic Forecast

BWP millions	2025-26	2026-27
Central government cash requirement	25,481	26,354
Maturities of pula bonds	0	0
Maturity of short-term Central Bank Advance	8,571	2,800
Maturities of foreign borrowing	2,275	2,514
Maturing Other Domestic Borrowing (Commercial Banks)	0	1,173
Other (incl. IMF)	100	210
Financing requirement (A)	36,427	33,051
Net treasury bill issuance	2 309	2 000
Short-dated bonds	383	4 000
Long-dated and IL bonds	3 664	6 000
Other Domestic Borrowing	15 423	6 088
New foreign borrowing	14 647	14 963
Total financing (B)	36,427	33,051
Change in MoF balance at Bank of Botswana (C)	0	0
Memo: MoF balance at Bank of Botswana at end of period	0	0

Table 4: Illustrative Gross Financing Projections FY2026/2027 to FY2028/2029

BWP millions	FY2025/2026	FY2026/2027
Central government cash requirement (- indicates surplus)	25,481	26,354
Maturing Pula bonds	0	0
Maturity of short-term Central Bank Advance	8,571	2,800
Maturing foreign borrowing	2,275	2,514
Maturing Other Domestic Borrowing (Commercial Banks)	0	1,173
Other (inc. IMF)	100	210
Illustrative financing requirement	36,427	33,051



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