
Connecting Resources and Society in Botswana

23–24 November 2015

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Contents

Preface	3
Introduction	4
Welcome and Introduction	5
Official Opening Address	6
Maximizing the Potential of Resource-Driven Economies	9
Using Resources Responsibly	13
Value Adding and Beneficiation: Lessons learned from De Beers	17
The Impact of Diamonds on Botswana's Economic Environment	21
Botswana's Infrastructure Development: Policy Priorities and Implementation	25
The Role of Downstream in Botswana's development Story	27
Diversified Growth and Development	27
Lessons Learnt and Policy Responses	31
Conference Programme	33
Speakers' Biographies	36

Preface

This summary is based on the presentations and discussions at a conference on ‘Connecting Resources and Society in Botswana’ held in Gaborone on 23–24 November 2015. The conference was co-hosted by Chatham House, De Beers Group of Companies and the Ministry of Minerals, Energy and Water Resources of the Republic of Botswana.

The conference brought together academics, experts, industry leaders and policy-makers to discuss the success of the public-private partnership between the government of Botswana and the De Beers group in producing long-term economic growth in Botswana, and how the country may diversify to prepare for a post-extraction future.

For more information, including recordings, transcripts, summaries and further resources on this and other related topics, please visit www.chathamhouse.org/research/africa.

Introduction

For over 50 years a unique partnership has existed between the government of Botswana and the De Beers Group of Companies through the Debswana Diamond Company. Debswana is the largest private-sector employer in Botswana, with mining contributing significantly to the country's economic growth as well as producing revenues responsible for lifting the country from one of Africa's least developed to an international development success story. The public-private partnership (PPP) between the government and De Beers is one of the longest and most successful in the world. The government has been able to share the benefits of extraction with the population, with the partnership contributing to 25 per cent of GDP, and providing one in 20 jobs in the country.

Botswana has built high standards of governance and political stability over the last 40 years. The investment of mineral revenues into human, physical and financial capital has contributed to the success of harnessing diamond extraction for development. To maintain these advantages, strong governance of the macro economy should be reflected within micro economic enterprise.

The future of a post-extraction Botswana is a prominent current concern, in terms of what more could be done within the diamond industry and in support of diversification. The need for non-diamond growth is high on the policy agenda in Botswana as the value-added of GDP from diamonds has decreased.

The diamond industry can support further diversification through the transfer of skills and entrepreneurship programmes such as the Tokafala programme. Botswana can achieve job-creating growth through the expansion of small enterprises into medium-sized business. Initiatives to achieve this may be catalysed by enabling easier access to finance for small businesses, and by partnering with the private sector for the transfer of key business skills.

The government is a key interlocutor between civil society and business. It has an important function in ensuring social stakeholders benefit from private enterprise, as well as a responsibility to support training programmes for youth to provide skills that grant access to private-sector employment both in Botswana and abroad.

Trust between the diamond industry, government and society needs further strengthening and additional transparency could help. For example Botswana could easily supersede the requirements of the Extractive Industries Transparency Initiative (EITI) by publishing the details of taxes and royalties to the government from the diamond industry.

To attract foreign direct investment in a competitive environment the government must confront the challenges of low productivity and competitiveness. It also faces pressing energy and water shortfalls that impact the investment environment, and it is constructively confronting these challenges.

Debate about the diversification of the economy beyond diamonds occurs particularly during downturns in diamond prices, but government policy to diversify during past downturns has been limited. The beneficiation¹ programme is a stepping stone. There is an opportunity for Botswana to build upon beneficiation and become a continental leader on extraction and a hub of expertise on mining. The people of Botswana are an important resource to invest in and capitalize on to truly connect resources and society.

¹ Value adding activities beyond mining the natural resource in producing countries. For diamonds, this usually means sorting, valuing, selling and manufacturing.

Welcome and Introduction

Dr Alex Vines OBE, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House

Chatham House has had a robust relationship with De Beers for many years, and partners with it on the diamond dialogue series, with work focusing on conflict minerals, beneficiation and anti-money laundering among other issues.

The speaker highlighted the importance to the economy of the diamond industry and the PPP between the government of Botswana and De Beers. Diversification is currently a major global theme, making the topic of the conference timely. With the fall in commodity prices, countries are looking to diversify relationships. The speaker emphasized that, although every time there is a commodity downturn diversification is discussed, it is later forgotten when prices once again rise. He argued that the opportunity must be taken to explore diversification, in the knowledge that diamonds will not last forever.

Future challenges include energy and water shortages, and the necessity of considering climate change in any plans. More robust systems for the future must be developed to ensure that Botswana includes green energy as part of diversification strategy.

The speaker also encouraged strong partnerships between the government, industry and civil society. It is essential for independent voices to be involved to ensure good policy-making, as no one person has all the solutions. Botswana requires the good leadership and vision that it has shown in the past and can carry in to the future.

The speaker highlighted that the diversity of people at the conference demonstrated how interested people are in the Botswana story and the widespread desire for the success that it is. Although it has achieved a great deal, there is no room for complacency and the challenges of the future must be addressed.

Bruce Cleaver, Executive Head, Strategy, De Beers Group

The speaker opened by stating that 50 years ago Botswana was an impoverished country, with little hope of achieving economic stability. Diamonds have been pivotal in making it a success. From having only three secondary schools at the time of independence in 1966, there are now more than 300, and every child receives free schooling up to the age of 13. From just 5 kilometres of tarred road, there are now nearly 6,000 kilometres. From one doctor for every 48,000 people, there is now one doctor for every 3,000 people.

This seismic shift has been built largely on the foundation of diamonds. This has been enabled by very high standards of governance, political stability and the intelligent investment of diamond wealth. At the heart of this is the partnership between the government of Botswana and De Beers. The partnership is one of the most enduring PPPs in the world, and has driven an average increase per annum in GDP per capita of almost 6 per cent since its inception, the third highest growth rate in the world over the period. The speaker highlighted the importance of the close relationship between the partners, and that the success of one partner is linked to the success of the other. What is good for De Beers is good for Botswana, and vice versa.

As Botswana reaches the 50th year of independence, it was decided to chronicle the contribution of the partnership to Botswana. The results are detailed in report titled *Turning Finite Resources in to Enduring Opportunity*.² The speaker hoped that Botswana's successful growth story may provide insights in to the growth of resource-rich countries and counter the occurrence of the 'resource curse'.

Gareth Mostyn, Chief Financial Officer, De Beers Group

The speaker provided several figures that demonstrate the success of the PPP. It generated 4 billion dollars of value towards Botswana's GDP in 2014, and around 34,000 jobs have been supported by the partnership. Ten times a year, 200 of the world's leading diamond experts visit De Beers sites in Botswana. The relocation of activities from London to Gaborone has also proved successful.

Although there are many achievements to be proud of, the speaker stated that diamonds cannot be a solution to all problems. It is necessary to continue to build value and growth beyond diamonds to diversify the economy and spread the wealth further. Nevertheless, the great success story of Botswana should be celebrated.

Official Opening Address

Hon. Onkokame Kitso Mokaila, Minister of Minerals, Energy and Water Resources, Republic of Botswana

The speaker stated that the careful stewardship of Botswana's diamond resources by the government and De Beers has transformed the country from one of the poorest in the world to an upper-middle-income one. This progress has been built largely on a diamond foundation, enabled by high standards of governance, political stability and the investment of diamond wealth in all parts of the economy. When minerals were discovered, the government forged a partnership with the private sector for their exploitation, counter to the prevailing norm of nationalizing mining operations. The partnership is one of the most successful PPPs in the world.

Like other mineral resources, diamonds are exhaustible, and so beneficiation is a key focus of government policy. It is intended to develop cutting and polishing in Botswana among other sectors to create employment opportunities.

For any PPP to flourish, it is necessary to maintain principles of trust and transparency as well as the alignment of parties. Without this, it would be difficult to deliver national objectives and the partnership would fail.

In 2014 the speaker put together a task team of ministry, industry and De Beers representatives to assess the diamond industry and formulate ideas for how it can survive during the downturn and remain sustainable in the long term. The government has already moved to implement some of the recommendations, and is committed to addressing issues of productivity through longer working days and hours. This will improve the average of 212 working days per annum to 283 days per annum. The government has also granted the diamond manufacturing sector another waiver from paying a diamond levy, and the industry will develop training programmes to support capacity building and beneficiation. Ideas for how beneficiation can be achieved will be infused in to the National Development Plan and the long-term post-2016 vision. The government has committed itself to significant investment in power and

² De Beers, *Turning Finite Resources in to Enduring Opportunity*, 2015, https://www.debeersgroup.com/content/dam/de-beers/corporate/images/impact-report/DEBo81_Impact_Botswana_Single_Low-res.pdf.

water infrastructure. The Ministry of Minerals, Energy and Water Resources is in the process of awarding a 300-megawatt power project to an independent power producer.

Botswana is a semi-arid country, and therefore the provision of potable water continues to be a challenge. The speaker argued that, barring the current drought, great improvements have been made with 95 per cent of the country now within 200 metres of potable water. Since the implementation of the national water master plan of the 1990s, five dams with a combined capacity of 700 million cubic metres have been built in the northern part of the country. Working with Lesotho and South Africa, Botswana will soon be included in the Lesotho highland scheme, which will allow water to be drawn from Lesotho.

Over the past six budget cycles, the ministry has received 20 per cent of the development budget, which was directed towards much needed water and power infrastructure. It is the speaker's aim to connect every part of Botswana to water and power.

Summary of Questions and Answers

Questions

The speaker was asked to highlight the most important potential new source of growth for Botswana.

It was asked whether the government has decided to implement feed-in tariffs for independent power producers (IPPs).

Onkokame Kitso Mokaila

The speaker argued that the source of growth with the greatest potential is the people of Botswana. They hold the greatest potential for growth and must be given the opportunity to demonstrate their capacity.

There are no feed-in tariffs, and the current results from IPPs are so positive that a feed-in tariff is not necessary. Feed-in tariffs will become more important with regard to renewable energy, but are not as necessary for coal-fired power stations.

Question

The speaker was asked what action the government can take to ensure that sales of diamonds pick up.

Onkokame Kitso Mokaila

The government is responsible for maintaining the integrity of the industry. The price has been falling for rough diamonds, so shareholders must discuss what sustainable actions can be taken. The pricing of diamonds will be discussed at the shareholders' forum.

Question

The speaker was asked for greater insight in to the government's beneficiation strategy in terms of what is being done to diversify away from reliance on diamonds.

Onkokame Kitso Mokaila

The government is pursuing multiple avenues to achieve diversification. It will buy more from local producers and businesses to reduce the reliance on imports. It is also important to invest in people to ensure that they can realize their full potential, and to allow Botswana to become a knowledge hub.

Questions

The speaker was asked for the key ingredient in Botswana's success and how it can encourage other countries to adopt good governance.

More information was requested on the Lesotho highlands water project.

Onkokame Kitso Mokaila

The speaker emphasized the importance of good governance and respect for the rule of law. The predictability of Botswana's legislation and the certainty that it creates has also been essential to the country's success. Good governance is a choice that countries can make; Botswana chose to govern the right way. Governments must allow themselves to be criticized as this is part of democracy.

Botswana has been able to negotiate becoming part of a water project that previously existed between Lesotho and South Africa. The works will now be extended to Botswana and a pipeline will run from just outside Johannesburg to southern Botswana. This cost is as of yet unknown.

Questions

The speaker was asked to elaborate on initiatives to mitigate the water shortage in the short and medium term.

More information was requested on the power station contract that will be handed to an independent contractor.

Onkokame Kitso Mokaila

In the short term – over one to two years – more boreholes will be drilled at Masama, which will add another 30 million litres of water to supplies. A new pumping station will be built, which will double the water supply from 60 million litres of water a day to 110 million litres. A 100-kilometre pipeline from Gabarone to Masama is to be built in addition to the existing pipeline, which will bring the water supply back up to previous levels over the next two years. In the longer term, there are plans to bring water from the Zambezi through a private-sector project.

There are two final tenders from IPPs for the power station that are currently being evaluated. It is intended for them to start the three-year project next year. The project should make Botswana a net exporter of power by 2018.

Question

The speaker was asked whether he perceives there to be a disconnect between society and resources, and whether the model of the diamond industry can be replicated in other sectors.

Onkokame Kitso Mokaila

The speaker argued that it is difficult to ascertain whether there is a disconnect between resources and society. Botswana has a young society, with more than 50 per cent of the population under the age of 35. Young people are more aggressive in voicing what they want, which is where the suspicion of the disconnect stems from. It is therefore important to create jobs for the youth.

The speaker said it was possible to replicate the diamond-industry model in other sectors. However, as Botswana is now very different to how it was at independence in terms of capacity, it must be assured that Botswana have a greater role.

Maximizing the Potential of Resource-Driven Economies

Bruce Cleaver, Executive Head of Strategy, De Beers Group

The speaker opened by highlighting the success of the partnership between De Beers and Botswana. Botswana and De Beers are not typical public-private partners and the partnership does not have all the answers and solutions. However, several useful lessons for all countries and other industries can be taken from the partnership.

The speaker highlighted the following factors as key to the success of the Debswana partnership: governance, political stability, sound investment of resource-generated wealth and shared long-term commitment.

Governance: each party must play an effective and responsible role on their side of the partnership with clear allocation and separation of roles. Partners must also consider shared objectives and hold equal responsibility for achieving those objectives.

Political stability: the predictability of the regulatory regime, security of tenure and consistency of policy are essential for successful partnerships. Foreign investors will only commit large sums to a country if there is security and consistency.

Investment of resource-generated wealth: performance is only maximized when investment is made to support the domestic future, for instance in education and training. This is essential to help develop an appropriate workforce. Investment must serve to create a local enabling environment in infrastructure, healthcare and enterprise development.

Shared long-term commitment: this is paramount for a relationship to flourish. The government of Botswana has shareholding in De Beers, and so there are mutual benefits to each partners' success. Objectives must be aligned and codified, with points of common interest and shared goals. Due to the nature of the project, the diamond industry is more focused on long-term investment than other sectors. The longer the foreign investors remain, the more time there is for local businesses to establish a fruitful relationship with them.

Above all it is important to ensure balance in a partnership, to allow each party to meet its targets, balance short-term and long-term wishes, and create effectively balanced governance structures.

Katso Tshipinare, Economist, Barclays Bank

The financial and economic crisis has exposed major weaknesses in African economies, particularly in terms of dependence on exports or a small number of sectors of the economy. This dependence makes countries vulnerable to fluctuations in commodity prices or even the impact of the weather.

There has been growth in Botswana for decades. For this to continue, the economy must be diversified. Botswana must move away from reliance on diamonds to support the broader economy. The demand and price of diamond has begun to level off while simultaneously the cost of an expanding workforce has led to deficits.

Building a diversified economic strategy does not occur in a vacuum; there must be an enabling environment. There are several key drivers including: investment, microeconomic stability, competitive

exchange rates, expansionary but responsible fiscal policy, good governance, the absence of conflict and a low level of corruption.

The speaker suggested the following actions to build a diversified and robust economy. First, mutually beneficial partnerships between the private and public sector must be created. The government should focus on fostering competition and innovation, and create a business environment that encourages private-sector growth. Deeper analysis to identify promising industries must be conducted, and more investment must be given to entrepreneurial innovation and research. Future plans must endeavour to start locally and expand globally, and aim to compete regionally and globally. The workforce must be trained in skills appropriate to entrepreneurship and private-sector employment. Policy initiatives must be tested, measured and evaluated before and during their implementation. Communication between the public and private spheres should be improved, as well as communication with citizens.

The speaker concluded that a strong, growing and sustainable diversified economy should be the goal of every country. Such an economy helps to ensure a stable political climate, improves the standard of living and creates jobs.

The transition from a diamond-centric to a diversified economy is a complex undertaking and requires changes in regulatory policies, education and training. Neither the public nor private sector can manage these changes independently. The collaborative efforts of all stakeholders are required and success will depend on how the parties work together. The speaker suggested that systems for measuring progress, and resolving conflict using fact-based decision-making should be created. The government can tap in to the existing strengths and talents of the people to build a thriving economy that supports expanded employment, sustains long term growth and solidifies Botswana's role in the global economy.

Dorothee Gizenga, Executive Director, Diamond Development Initiative

The speaker stated that Botswana already does very well in terms of social-stakeholder engagement. Stakeholder engagement has evolved from marginal to a driving force for businesses and governments. It is important to have an open and inquisitive relationship with stakeholders as well as an internal culture receptive to early signals of threat and opportunity.

The public understanding of resource management is important. Although diversification is best driven through the private sector, it is important to engage citizens in the entrepreneurial aspects of private-sector development

Literacy, language and culture are obstacles to effective engagement. The speaker suggested the need for a strategy of stakeholder engagement that works regularly with stakeholders. Social media can be an important tool for stakeholder engagement.

Communication is of central importance as reputation is created through the combination of stakeholder experiences. Social reporting and third-party audits can lend credibility and transparency. It is important that communication is stakeholder-driven rather than solely one-way.

Dr Keith Jefferis, Managing Director, Econsult; Deputy Governor, Bank of Botswana (1999–2005)

The speaker stated that the ideal characteristics of the management of natural resources include the representation of broad national interests, an evidence-based foundation, long-term planning, awareness

of international best practice, and stability and consistency, with the ability to adapt as necessary. Individual deals with companies should be avoided and activities should remain transparent and accountable.

The components of such a framework include directly: legislation regarding mineral rights, taxation, spending of revenues and dealing with environmental issues. The indirect components are legislation regarding land, skills and immigration. The legal and policy environment itself is also relevant, including observance of the rule of law and contracts. The administrative system should be efficient and objective without any corruption.

The speaker highlighted the positives of the legal and policy framework in Botswana. Botswana has good rankings on international assessments on the sector and on corruption. Workers in the mining sector are generally happy with the legal framework and public-sector workers are treated well. The taxation rate is high but it is applied in a consistent and transparent manner, and the scope for individual companies to strike deals is next to non-existent. This allows private investors to receive a fair return on capital. In terms of spending, all mineral revenues are fully devoted to investment in physical and human capital or to financial savings; revenues are not used to finance recurrent expenditure.

The speaker next addressed the negatives of Botswana's legal and policy framework. First, the level of public understanding of mineral-sector policies is fairly low. Discussions on social media are based on a lack of understanding of how policies, revenue and spending work. While Botswana has been good at re-investing resource revenues, it is viewed as a weakness that no legal requirement for revenue to be spent on investment exists. Policy can be slow to change, leaving some policies behind the times. Botswana is not a member of the EITI as it perceives that its transparency is already strong. However, EITI standards actually go beyond what Botswana does; for instance taxes raised from individual companies are not shared and Debswana, the largest company in the economy, does not publish any private statements. Details of mining licences are also not published, and a set of agreements between the government and De Beers is not in public domain. The speaker therefore stated that progress is needed on transparency.

The diamond sector is not nearly as dominant in GDP as it used to be. However, exports are not as diversified as the economy, which has long-term sustainability implications. Diversification has been into non-exportables – goods and services consumed domestically and not traded internationally.

Summary of Questions and Answers

Questions

It was commented that it is important to create hope, especially for young people and that community projects are key in order to bring resources closer to the people. The speakers were asked for their opinions on who could best coordinate this.

Although Botswana is a prosperous country, it remains uncompetitive. The speakers were asked how it can finally move beyond middle-income status to fully developed status.

The speakers were asked how Botswana can move towards a framework that is more accountable, with greater transparency and reporting.

Keith Jefferis

The speaker agreed that Botswana is prosperous but not competitive. The status quo is not sustainable and Botswana must move towards an economy based on competitiveness and efficiency. Competitiveness needs a much higher profile in government policy than it currently enjoys.

Dorothee Gizenga

Botswana is evolving and the stakeholders changing. Any engagement strategy must recognize that and change over time. This is necessary to remain accountable to the people at all times. The impact of diversification must be explained very clearly.

Katso Tshipinare

The speaker commented that, when discussing competitiveness, GDP is a very crude measure.

Bruce Cleaver

The future of Botswana's youth is a big opportunity, but also a potential risk if not properly managed. Mineral policy remains poorly understood and therefore it must be considered what future stakeholders want to hear and how best to deliver this information.

Using Resources Responsibly

Feriel Zerouki, Head of Government and Industry Relations, De Beers Group

Consumer confidence is paramount in ensuring continued demand for diamonds. De Beers must use its leadership position to build and earn trust for the diamond brand to uphold the highest ethical standards and meet the consumers' expectations. To do so, De Beers must be aware of the ever-changing reputational concerns of consumers.

The speaker highlighted the importance of accountability and the need to strive for the highest ethical standards as sector leaders. Best practice principles (BPPs) are embedded in the culture of De Beers, and human rights are an integral part of the BPPs. De Beers is therefore committed to identifying, managing and reducing human-rights issues across the entire supply chain

De Beers works through the Kimberly Process³ in line with the BPPs to ensure that conflict diamonds are removed from diamond flows. De Beers has been involved in the Kimberly Process throughout, and launched the BBPs shortly after to cover the entire chain from exploration to retail. The speaker stated that over 371,000 people have been covered by the BPPs in 2015, making their outreach extremely significant.

De Beers only works with partners who comply with the BPPs. De Beers is also a founding member of the Responsible Jewellery Council (RJC). Adherence to the BPPs and membership of the RJC has become a must for doing business in the diamond industry. The entire De Beers group is RJC-certified and the BPPs are reviewed annually to keep ahead of changes. Clients and sightholders⁴ must comply with the BPPs, and there are in-depth screening processes to ensure this. Employees are now working in much better conditions, and there is less staff turnover.

The high standard of diligence has had a positive impact on De Beers and its partners. It is essential for maintaining consumer confidence and therefore commercially beneficial to the company and partners. It provides a common language across the industry, and allows shareholders and other stakeholders to check standards for themselves.

Ineke Van Der Weijden, Programme Director, Tokafala

The speaker discussed how profits made from diamonds could bring Botswana financial security. Although diamond wealth has achieved a great deal, it did not create a thriving diversified economy. The people of Botswana are an important resource. Therefore encouraging entrepreneurship can be pivotal to diversifying the economy, creating job opportunities and forming a solid middle class.

In response to the challenges that small and medium enterprises (SMEs) face in Botswana, the government, Anglo American, Debswana and De Beers have established a partnership to implement a three-year enterprise development programme, called Tokafala.

The speaker highlighted that such a programme can only achieve its impact if its scale is expanded and if it achieves sustainability. Since its start in January 2014, Tokafala has supported over 150 enterprises.

³ The Kimberley Process started when Southern African diamond-producing states met in Kimberley, South Africa in 2000 to discuss ways to stop the trade in conflict diamonds and ensure that diamond purchases were not financing violence by non-state armed groups.

⁴ A sightholder is a company on the De Beers Global Sightholder Sales (DBGSS) list of authorized bulk purchasers of rough diamonds ; see <http://www.debeersgroup.com/globalsightholdersales/en/about-dtc.html>.

Over 40 per cent of these are female-led or co-owned; two-thirds are from Gaborone; 60 per cent have no outstanding debt; 50 per cent are in traditional industries like consumer or industrial goods; and 68 per cent of individuals involved never participated in other enterprise programme. This suggests great diversity in the programme's output. There was a 60 per cent revenue growth over one year for the 2014 cohort; 12,000 jobs were supported; and 38 per cent managed to access finance.

In terms of lessons learnt, it is clear that SMEs do not function in isolation, and that a diversified economy cannot be created through SMEs alone. Smaller businesses need to be able to gain access to markets and be part of regional and international landscapes. The speaker suggested that bigger businesses like Debswana can help in this. It remains challenging for entrepreneurs to gain access to finance and to create links with financial institutions.

Going forward, it must be ensured that the programme's approach is tailored to what is needed. Tokafala will continue to expand to include more SMEs and to improve the link between small and larger business.

Andrew Bone, Executive Director, Responsible Jewellery Council

Consumer demand for responsible sourcing is growing. The 2006 meeting of the Kimberly Process, with Botswana as the chair, was the most successful one ever in bringing other African governments together to come under compliance. Botswana was willing and able to take a leadership role in protecting the equity of diamonds.

Diamonds are an emotional product, and protecting this emotional equity is a challenge. The RJC plays a key role in demonstrating that the diamond industry can lead in ethical behaviour and setting world standards.

The RJC has over 700 members and covers over 10,000 premises and over 350,000 employees in 60 countries. It provides training modules, webinars and a robust system of standards.

The Kimberly Process did extremely well in targeting conflict diamonds. However, in terms of damaged perceptions, it has not provided a quick solution. The RJC therefore compliments this. Product scarcity, competition as formal supplies fall away and synthetics are all enormous problems. To get proper disclosure and greater discipline in the value chain, a serious and robust system of global standards is needed, as well as the flexibility to answer to stakeholders. This is a difficult time for the diamond industry; banks are nervous about the industry and therefore the RJC needs to provide assurance that the diamond industry is serious and that their money is worth investing.

Research has shown that millennials are well informed and connected, and care about the origin of diamonds. With the rise of social media, campaigns can have a larger impact. This is a challenge, and the industry needs to come up with answers. The RJC needs to raise its profile, and reach out to the consumer.

Summary of Questions and Answers

Questions

The speakers were asked whether they see the 2004 Small Business Act as helpful and whether Tokafala has taken on any entrepreneurs who previously worked in the cutting and polishing of diamonds.

The speakers were also asked the average length of time that entrepreneurs spend in the Tokafala programme and the annual cost of the programme.

It was commented that, rather than something that can be taught, entrepreneurship is an innate personal quality and not something one can be trained in.

Ineke Van Der Weijden

The speaker was not familiar with the Small Business Act, but in general Botswana has a favourable legislative environment for small businesses. Registration is relatively straightforward. There are a lot of products and services that are meant to be for SMEs but there is a lack of awareness of these services due to poor communication.

There are no people in the programme or any applicants who are former cutters or polishers. When looking at applicants it is considered whether they have an existing business that has the potential to grow bigger, and if there is an existing market.

Participants in the Tokafala programme spend anywhere between three and 12 months in the scheme, with the average being eight months.

The funding partners of Tokafala have so far committed \$2.5 million until 2016.

The speaker agreed that entrepreneurship is an innate ability, and emphasized Tokafala aims to teach participants the necessary business skills rather than training individuals in entrepreneurship.

Questions

The speakers were asked whether De Beers performs due diligence on sightholders during the three-year contracts and whether there is communication between De Beers and banks on these issues.

It was considered whether being a member of the RJC is an advantage in terms of greater access to finance and gaining more insight in to the diamond industry.

It was asked what criteria De Beers uses when it selects its sightholders.

It was asked who exactly owns Tokafala. It was stated that the programme remains relatively unpopular and unknown across Botswana.

Feriel Zerouki

The speaker stated that De Beers does run due diligence on sightholders during the three-year contract. There are two types of due diligence conducted; the first being BPPs, which are run on an annual basis and cover social, environmental and business integrity issues. An anti-money laundering programme is also conducted, which screens all directors, sightholders and ultimate beneficiaries on a cyclical basis on each site.

In cases of non-compliance De Beers does inform banks. All non-compliance is addressed and if a solution is not found the last resort will be termination of contract.

Ineke Van Der Weijden

The percentage of companies from the 2014 Tokafala cohort that were linked to Debswana was 24 per cent, although ideally this should be higher. The funders own the scheme, but the implementation partner

is an NGO. The speaker disputed whether the scheme is truly unpopular and unknown, as enrolment targets were exceeded.

Andrew Bone

Membership of the RJC does not guarantee access to finance, but it does demonstrate that a business is a serious player, and provides assurance and a competitive edge in access to finance in a competitive market. It is a robust system; members are audited again after the initial two years and again every three years following this.

Questions

It was asked how the Tokafala programme is being marketed and whether there are target industries that it wants to assist.

It was asked whether young Batswana who own start-ups could gain entry to Tokafala. It was further asked whether Tokafala supports any community projects and whether community outreach programmes are conducted.

Ineke Van Der Weijden

The Tokafala programme is currently based in Gaborone, and has recently expanded to Francistown although it does work with people from anywhere in Botswana, provided they can travel to Gaborone twice a month. For marketing the programme uses press outlets, advertisements and radio shows, and attends fairs and expositions.

When looking for entrepreneurs, the ideal profile is a locally owned existing business with great potential and with the owner as the operational manager. Start-ups are not explicitly supported, as Tokafala is designed to focus on existing businesses. However, the speaker did suggest that start-ups require greater support in Botswana.

Tokafala does not have any explicit community links, unless entrepreneurs are active themselves in communities. The programme does not support community organizations as the focus is on mentoring individuals.

Value Adding and Beneficiation: Lessons learned from De Beers

Paul Rowley, Executive Vice-President, Global Sightholder Sales, De Beers Group

The speaker stated that beneficiation is important to the future diversification of Botswana. This includes value addition in producer countries and downstream linkages as well as midstream manufacturing.

Beneficiation is not about corporate social responsibility (CSR); it is about sustainability and how competitive the industry can be. A key question to consider is how the diamond industry can compete in a global world.

The speaker considered how to ensure that the right value is secured for every carat mined. The current unpredictability across the world was highlighted, and it was emphasized that in this industry as in others flexibility is very important.

Jacob Thamage, Coordinator, Botswana Diamond Hub

Botswana does not currently have a mineral policy, although work is underway to develop one. The main principles that have guided the diamond industry thus far are the following.

1. The desire to maximize the economic benefits for the country while also allowing the private sector to earn a competitive return.
2. To encourage linkages with the rest of the economy for value addition.
3. The creation of a competitive environment to stimulate private-sector investment.
4. To generate employment and training opportunities for citizens.
5. To conduct all activities with proper environmental safeguards.

Value addition has been integral to the diamond industry for some time. Factories were opened in specific areas so as to help employment in rural areas. Value addition is not an easy undertaking, and there are still challenges such as getting citizens involved in business.

Balisi Bonyongo, Managing Director, Debswana

The speaker opened by highlighting that Botswana's competitiveness is far below its prosperity levels. In terms of what may be lacking, the speaker emphasized the importance of human capital.

Before Botswana gained independence, the education infrastructure was next to non-existent. At the time of independence in 1966, there were only 40 university graduates, 100 secondary school graduates and only one doctor for every 48,000 people. Human capital was therefore greatly underdeveloped.

The Debswana partnership has transcended four presidents, with human-capital development a key priority from the beginning. In 1969 Debswana sponsored the first four students to obtain appropriate skills for the mining industry. To date there have been over 1,000 graduates, some of whom now hold leadership positions in government and business.

Debswana also runs apprenticeship training schools in a variety of trades and supports many industries. The government is now following the same models in its technical colleges.

Through the diamond industry, Botswana has acquired world-class skills that will help the economy grow and the skills base has been widened.

The speaker highlighted the importance of creating a sustainable post-diamond legacy. Botswana is well poised to become a provider of mining services and a mining-knowledge centre, ready to take this knowledge in to the rest of Africa.

Dr Maria da Silva, Senior Policy Analyst, South Africa Chamber of Mines (2005–15)

The diamond industry is currently experiencing difficulties, with shrinking profit margins, difficulty in obtaining bank financing, high prices of rough diamonds, and decreasing demands and sales.

There is a need to adopt an approach of greater cooperation among industry players and other stakeholders. Partnership between government, labour and business is lacking in South Africa. This decline in beneficiation in South Africa is in sharp contrast to Botswana. The latter's success can be largely attributed to the partnership between the government and De Beers, creating an enabling environment lacking in South Africa.

The government in South Africa will need to facilitate an environment for the industry, including tax incentives, and encouraging banks to provide credit. Positive developments for South Africa include the proposal for an industrial development zone around O. R. Tambo international airport.

The speaker commended the De Beers initiative to encourage disadvantaged budding entrepreneurs to become future sightholders, but stated that the industry is not currently representative of the makeup of the nation.

Summary Questions and Answers

The speakers were asked why there are no schools of cutting and polishing in Botswana.

It was asked whether it would be better for diamond industries in Southern Africa to work together regionally rather than competing among themselves.

It was considered how sustainable beneficiation can be achieved in the face of the reality of youth unemployment and job losses.

The speakers were asked to comment on the mandate of Okavango Diamond Company, and on the value addition and beneficiation benefits from it, as well as how this is different to what De Beers is doing in Botswana.

As it was mentioned that the number of people employed in the industry declined in 2013, the speakers were asked how many people were employed in 2015.

Jacob Thamage

The speaker stated that efforts have been made to make it easier for expatriates to become the trainers of trainers. However, factories often prefer to train people in cutting and polishing themselves. This is an issue that is already being investigated, and conversations have been held with the Indian Diamond Institute since 2009. Automation is becoming increasingly important in the industry, and will require a different set of skills. These skills are more transferable, and therefore automation can lead to sustainability. The speaker said the mandate of Okavango was price discovery. For 40 years prices have depended on the estimations of De Beers. In 2015 just over 2,000 jobs were lost in the diamond industry, but the speaker said this is a phase that will end.

Maria da Silva

The speaker stated that a regional approach and a theme of cooperation would make perfect sense. This would require a very concerted effort among the Southern African Development Community (SADC) countries to make it a priority with a unified set of policies in the diamond industry and in manufacturing. This is therefore unlikely to happen any time soon, but the potential is there, for instance a diamond training school in South Africa could take students from Botswana. This is an area that should be looked at more.

Paul Rowley

Regional relations are a major issue for sustainability, as, for instance, the movement of product between Southern African countries is almost impossible, yet there are no restrictions in India. Sightholders travelling from India to Botswana must travel through South Africa, which can destabilize an operation. There are simple changes that could be made to improve efficiency and sustainability.

Questions

The speakers were asked whether the relocation of De Beers sales from London to Botswana has achieved its objectives and if not what challenges exist.

It was asked whether the Mines and Minerals Act effectively supports industrialization within the mine and minerals sphere, and whether it is strong enough to support beneficiation.

It was commented that there are training sessions planned by Botswana universities focused on cutting and polishing, facilitated by Grant Thornton, which has arranged connections with sightholders and ensured that course content is relevant and will be accepted. This is planned to commence in 2016.

The speakers were asked what institutional arrangements should be put in place to achieve beneficiation and to connect resources and society.

It was asked whether there is too much focus on downstream beneficiation instead of upstream and horizontal possibilities.

The speakers were asked to expand on strategies and areas of specialization that Botswana could focus on in creating a mining-knowledge economy.

It was commented that if price discovery is the mandate for Okavango, then surely it should be purchasing and selling diamonds regularly to fully appreciate the highs and lows of rough diamond distribution.

Maria da Silva

The critical areas that have been raised and need greater attention include training and enterprise creation. Specific training is needed in the area of beneficiation, not just for foreign manufactures but for local entrepreneurs. Emphasis must be placed on connecting trainees to entrepreneurs and connecting entrepreneurs to markets.

Balisi Bonyongo

Debswana will continue to support local enterprises and will be intensifying efforts going forward. It will also encourage the Botswana Chamber of Mines to increase the supply base in the country and encourage companies to establish themselves there.

Jacob Thamage

The De Beers sales relocation has achieved its objectives and continues to do so. However, more work is needed to encourage tourism. The speaker stated that he did not believe that the Mines and Minerals Act has in any way inhibited industrialization.

Paul Rowley

For De Beers the relocation has exceeded expectations; transferring sales from London to Botswana, along with skills transfer has been a great success. The real test will be attracting foreign direct investment, which will not happen overnight. Tokafala and similar initiatives represent attempts to get involved in the supply chain. The real success of beneficiation will be entrepreneurship in Botswana and solving supply issues while encouraging local business.

Balisi Bonyongo

Solutions from the past will not necessarily be as effective in the future. The speaker emphasized the need to build on what the partnership has produced in terms of human capital when planning for the future. This knowledge and experience puts Botswana in a strong position to develop into a knowledge-based economy. Botswana must set itself up to serve the rest of the world, not just Africa. As mines come to an end, the legacy must be a new source of income that is international; which the speaker sees in mining-knowledge services.

The Impact of Diamonds on Botswana's Economic Environment

Ryan Short, Partner, Genesis Analytics Skills Transfers and Human Capital Building

The speaker stated that the economic impact of diamonds on Botswana is undoubtedly highly positive. In 50 years Botswana has on the back of diamonds transformed itself from a poor economy to a middle-income economy. The speaker illustrated the strong link between carat production and economic growth, suggesting that diamonds have driven the economy.

This success has been built by applying the following points.

1. Providing a political, policy and regulatory environment conducive to the long-term nature of investment and mining.
2. Locating diamonds and mining them efficiently.
3. Securing growth in global demand.
4. A fiscal and ownership regime that manages to capture a very high level of mineral rents.
5. Investing revenues in development rather than consumption, for instance in infrastructure, education and healthcare.
6. Tight fiscal control and careful planning.
7. Expanding the diamond value chain upstream and downstream.

The discovery of diamonds in 1967 turned Botswana's prospects around dramatically. Investment in mines catalysed other sectors and rapid economic growth made the country one of the most highly performing economies in the world for a period. This allowed for more government spending, which was well invested in infrastructure and human capital. Botswana therefore saw rapid improvement in GDP per capita and also in the Human Development Index.

The speaker next considered what should follow this great success. He highlighted that success has not always been coupled with recognition of the limitations of diamond-led growth. Resource-led growth has consequences; most obviously a dependency on diamonds. Botswana has been relatively successful in diversifying the economy, but there is still high dependency on diamonds for fiscal revenue. The speaker questioned whether Botswana has escaped the resource curse. The economic conditions where resources lead to a rapid depreciation of the economy have largely been avoided. However, the wealth of the diamond sector allowed for relatively high wages in the sector and in government, which has put inflationary pressure on other sectors and set high expectations of what people are willing to work for. This may have influenced the competitiveness of other sectors. Moreover, with rapid economic growth often comes high levels of inequality and Botswana is now the third-most unequal country in Africa. Diamonds have also led to a large public sector. This is not a problem in itself, but there has been little pressing need to increase the competitiveness of private sector. The speaker suggested that this has made Botswana complacent and created the skills mismatch that the private sector complains of. Most young people aim for the best job they can get, which is in government and therefore do not gain the skills the private sector would need.

The speaker concluded that diamonds have been an economic blessing, with the main economic impacts being rapid growth of the economy, growth in the fiscal base, investment in infrastructure and human capital, and a rise in levels of human development. On the other hand, negative impacts include rising inequality, the resource curse through inflation, dependence on diamonds for taxation and exports, and dependency on the state rather than competitiveness and productivity.

Dr Nicky Black, Head of Social Performance, De Beers Group

The speaker stated that the greatest development impact a business can have is through its core business activities, making it distinctly different to CSR activities. The report *Turning Finite Resources into Enduring Opportunity* set out to explore and understand the economic contribution of the partnership between Botswana and De Beers. The findings illustrate that the partnership has taken steps to maximize the value generated by diamonds for the sustainable economic and social development of Botswana.

A business must do no harm, and must understand its impact and seek to mitigate them. A business can harness its core impact to the benefit of development through the following.

1. The revenues it pays to government.
2. The wages it pays to the people it employs and the investment it makes in their skills.
3. The goods and services it purchases.
4. Reimagining its core business model in how it sells its product and who it sells it to.

Government revenues are the most significant contribution business entities have made to Botswana, and constitute a significant portion of total government revenue. Paying tax is the least a business can do in terms of contributing to society.

The Botswana partnership made human capital development a central pillar. In 2014 the partnership directly employed 8,000 people; 96 per cent were local citizens, who constituted 85 per cent of management positions. The partnership instils skills and experiences that help people beyond their work. Building local enterprise is a further way to support local economic development. Many leaders of Botswana have been supported by the bursaries provided by partnership.

Building local enterprise has long been recognized as a way to support economic development. In 2014 there was an almost equal split between international and local suppliers. However, the local manufacturing sector remains underdeveloped and continues to be a challenge.

Analysis shows that the partnership directly contributes \$4 billion to Botswana's economy, which is 25 per cent of GDP. The partnership also supports one out of 20 jobs.

Boikobo Paya, Director International Linkages and Partnerships, Botswana University of Science and Technology

The speaker argued that Botswana needs to become a knowledge-driven society. This is integral to sustainable development and it must be committed to innovation in all sectors.

Science and technology is crucial. There has been great improvement in education in recent years, for instance more schools are now electrified, including at least 33 per cent of primary schools. There has been a general increase in enrolment in tertiary education, but there is still a need for more focus on science and engineering education to help build knowledge. Students are not being educated in the topics most relevant to the market place.

There is a lack of information on young people who are not in education. In terms of transition, there is a large loss between secondary and tertiary, and youth unemployment remains high. Compared to other African countries, Botswana is performing worse in this.

Research and development is integral to a knowledge-driven society. Botswana is currently weak in this area. There are very few researchers in Botswana and the numbers of postgraduates must be increased, with focus on applied research rather than academic research.

Botswana should aim to become a hub that hosts innovative industries. The speaker proposed that the Ministry of Infrastructure, Science and Technology could create a natural research and innovation fund to give young people opportunities.

Summary of Questions and Answers

Questions

It was asked how, as a developing economy, Botswana can address inequality without jeopardizing the progress made so far. Moreover, it was asked whether in producing the aforementioned Botswana report the researchers talked to stakeholders other than the government and private sector, in particular citizens of Botswana.

It was commented that the quality of education is another important factor and it was asked what are the key issues in terms of quality of education that need to be addressed.

The speakers were asked how diamond revenues can be used as an incentive for innovation rather than a disincentive.

The speakers were asked whether the private sector has played its part in helping the government to produce graduates that are relevant to the market.

Ryan Short

The speaker agreed that the stakeholders interviewed for the report were primarily from the government and private sector, and that the research was framed at the national rather than community level. The researchers did however meet with a number of NGOs active at the grassroots level.

The speaker stated that inequality is a complex problem, but that two strands come to mind. For the very poor social transfers as seen in South Africa may prove beneficial and may lift many out of absolute poverty. For those not eligible for social transfers, job creation can help to tackle inequality.

The private sector must become more competitive and stop hiring in the public sector.

Boikobo Paya

The speaker stated that there is a large disconnect between academic institutions and industries, and that graduates therefore are unprepared for what industries require. The only way to address the relevance of graduates to the market is through close collaboration between institutions and industries. University courses need to be driven by the needs of industries, and therefore industries needs to be vocal about where there are gaps. A greater focus on research and development is essential to help Botswana's economy diversify.

Nicky Black

De Beers has been focused on formalizing engagement more with communities on the report's findings. Debswana has been building frequent and ongoing engagement with communities and a forthcoming report will focus on that.

In countering the challenge of inequality, job creation is a powerful driver. The speaker suggested that there is an important role for programmes such as Tokafala in promoting job creation. It is intended to take the programme to scale in partnership with the government over the next three years, to provide support particularly around microenterprises in rural areas. This should go some way towards assisting job creation.

Botswana's Infrastructure Development: Policy Priorities and Implementation

Hon. Nonfo Molefhi, Minister of Infrastructure, Science and Technology, Republic of Botswana

National infrastructure is primarily funded from the public purse; there is very little investment from the private sector in terms of the provision of infrastructure. Responsibility for infrastructure investment and maintenance is shared across several ministries. This fragmentation allows the load on individual ministries to be minimized.

Botswana is a transit route for trade; therefore the road infrastructure bears the heaviest burden. As there are no toll roads, the maintenance of roads is solely dependent on government funding. A small tariff may have to be considered so that domestic travel contributes to road infrastructure. Rail network development is continuing in order to link the north and south. The development of new rail lines is slow and requires large investments.

In terms of telecommunications services, there has been investment in undersea cables in the west and east, as well as other provisions that will help to facilitate investment and business.

Mining businesses will hold licenses for many years before they begin operations, but the infrastructure must be in place before they do so. It is therefore important that businesses work with the government as to how to schedule infrastructure development. The government must also provide an appropriate regulatory environment.

In 2015 Botswana began the official registration of engineers, with instruments for the registration of architects and quantity surveyors in development.

Education remains a challenge, particularly ensuring that people have the appropriate skills needed in the infrastructure and development sectors. More can be done to counteract the skills shortage, as currently most young people are not inclined to vocational education. Young people therefore need to be motivated to gain the skills needed for economic diversification.

The rising costs of construction, particularly in terms of imported materials, are a further challenge. Costs can be prohibitive in some cases. Projects also come with high maintenance costs and are becoming more complex, with their implementation requiring higher levels of skills.

Summary of Questions and Answers

Questions

The inadequate implementation of projects continues to be challenge, although this is being combatted through the introduction of professional registers. The speaker was asked whether similar provisions will be put in place for other professions.

It was commented that Botswana should consider accelerating the flow of trade across borders, which could be a stimulus for the diversification of the economy.

The speaker was asked whether the Trans-Kalahari railway line has been put on hold. The potential of coal for infrastructure development was also raised.

The speaker was asked to name the biggest challenge to attracting foreign private investment.

Nonofo Molefhi

The speaker stated that, when introducing professional registration councils, one must be careful to not damage businesses. There is provision in the act for the registration of other professions. Those at lower levels believe that the law has put them at a disadvantage, and so engagement with professional councils will continue to ensure that no one is left out. People will be helped to gain more skills so that they can obtain the right licenses. The speaker said that this will help improve confidence that the right people have been engaged to do projects.

The government is currently in discussions with neighbouring countries with regard to improving the facilitation of trade. The suggestion is for one-stop border post with Zambia across Kazungula Bridge and one in the south with Namibia. The speaker said that an agreement will be found.

The speaker invited Onkokame Kitso Mokaila, the minister of minerals, energy and water resources, to provide further information on the Trans-Kalahari railway line.

Onkokame Kitso Mokaila

As commodity prices are dropping, and as coal is at its lowest price in many years, the speaker highlighted that a rail line premised on just coal will not be sustainable. A feasibility study on the potential of the line as a multi-commodity line will go ahead. The speaker also suggested that the line should be a complete private-sector investment, and expressed the hope that the project will become more viable in the future.

Questions

The speaker was asked how technology can be utilized better, particularly in terms of encouraging more integrated solutions.

Nonofo Molefhi

For three years, thematic working groups have been developed in the government with the aim of addressing concerns about the lack of integration by bringing ministry portfolios together. Planning is now more guided by discussions through thematic working groups. The speaker has focused his interest and attention on science and technology, and recently established a community of mainly science-based institutions. More resources must be given to universities, directed at improving science education and attracting more students.

The Role of Downstream in Botswana's Development Story

Stephen Lussier, Executive Vice-President, Marketing, De Beers Group; Chief Executive, Forevermark

The speaker stated that the effective marketing linking diamonds with love has contributed to the success of the partnership between De Beers and Botswana. The value of diamonds lies solely in diamond jewellery and comes from how unique they are.

The speaker questioned how millennials can be attracted to buy diamonds in the digital world. Millennials are more responsible consumers and want to know the origins of diamonds. The building of the brand Forevermark was crucial in creating strong consumer awareness.

Summary of Questions and Answers

Questions

The speaker was asked why laser cutting has not been introduced in Botswana.

Combined with the ethical concerns of millennials, it was asked whether synthetics are major threat to the product.

It was asked how De Beers can address the growing concerns about 'doing no harm', especially in terms of mining and environmental degradation.

The speaker was asked to what extent Forevermark sees Africa as a market for diamonds.

Stephen Lussier

The speaker described the opening of a laser-cutting facility in India in 2015.⁵ This makes sense due to the desire for smaller diamonds in China. If it begins to make economic sense, a similar operation may be opened in Botswana.

The diamond industry must be prepared for the impact of synthetics. Undisclosed sales must be monitored and De Beers remains in a strong position when it comes to detection. The speaker stated that it is the task of De Beers to make sure that consumers understand the difference between real and synthetic diamonds.

Mining and the environment are becoming more important as the millennial audience is far more interested in these issues. Mining does not need to be environmentally damaging, and De Beers is very environmentally conscious; this issue is top of the agenda at executive meetings. The speaker agreed that the public perception of the diamond industry is not always the same as the reality. Incorrect and negative perceptions must be countered.

The speaker stated that Forevermark has opened in South Africa, and its first store has also opened in Botswana. The next step is to open a store in Gaborone.

Diversified Growth and Development

⁵ A Forevermark diamond inscription and grading operation, the International Institute of Diamond Grading and Inscription facility, was opened in Surat, India in March 2015.

Dr Malebogo Bakwena, Senior Lecturer in Economics, University of Botswana

The speaker considered why it is necessary to promote local content given that Botswana has avoided the resource curse. She suggested that the key issue is that diamond mining is finite, and a future without diamonds must be planned. The speaker highlighted that globalization has necessitated a shift to export-based activities.

The speaker criticized the perceived lack of coordination and lack of clear targets. Specific targets must be set so progress can be assessed more effectively. The private sector must proactively engage with the government and play an enabling role. SMEs should network and build alliances so that they can compete globally.

Tumi Mbaakanyi, President, Women in Business Association, Botswana

The speaker questioned whether indigenous, young and female Botswana have benefitted from diamonds. She highlighted the widening income inequality and the need for a solution. She was also questioned whether community projects are relevant, adequate and properly monitored.

The majority of women in business in Botswana are in the informal sector, and few are in mainstream industries. The speaker stated that women should play a greater role in engineering, mining and infrastructure. The creation of a microfinance fund provided by Debswana and managed by a local consultant was recommended, so as to benefit communities and small traders. She also suggested that the areas around mining towns could be cleared to create market areas. Programmes such as Tokafala should be expanded with quotas to ensure more women are included, and women should be encouraged to take technical courses. The speaker also suggested partnering women with men in business to allow women to gain an insight into industries.

The speaker highlighted that there is limited access to funding in Botswana. To a great extent men are still the main property owners and, as banks often require property as security for loans, only women who have a supportive partner can access loans that way. The speaker suggested a credit guarantee scheme to help with this.

For inclusive engagement, companies like Debswana should employ locals, with quotas for women, regular research and development, and with a percentage of diamond sales going towards a fund to create greater access to finance.

Leta Mosienyane, President, Botswana Confederation of Commerce, Industry and Manpower

The speaker opened by stating that the government has been wise in investing diamond revenue in development such as in education and infrastructure. This allowed Botswana to become a lower-middle-income country. On the other hand, the speaker suggested that the government has been slow in releasing its grip on some economic activities where the private sector should have taken over.

The current economic climate adds impetus for Botswana to reform its business environment, and to create a globally competitive and diversified private sector. The speaker stated that reforms should focus on improving the business environment, including making it more efficient to pay taxes, start a business, and trade across borders. It was highlighted that education enrolment rates at all levels remain low by

international standards. It is in the interest of the government and private sector to find ways to improve the quality of education, especially the sciences.

Issues remains with attracting global talent as investors need certainty and predictability. Businesses require more than cash, they require linkages to create market access and knowledge transfer.

Business Botswana and De Beers global sales are working on a partnership to contribute to SME development. SMEs will be able to foster relationships with the top 10 GDP contributors of Botswana, through mentoring and sub-contracting. The speaker highlighted the importance of the growth of the private sector, especially SMEs.

Ross Harvey, Senior Researcher, Governance of Africa's Resources Programme, South Africa Institute of International Affairs

The speaker discussed the options for Botswana's economic diversification. He emphasized that it needs to harness what it has learned over the past successful decades as it moves in to less reliance on diamonds.

The speaker highlighted measurements that demonstrate Botswana's success. Household consumption has grown and in governance indicators Botswana has performed far better than its counterparts a result of the quality of its institutions. The quality of institutions is very important in a resource-rich country and is a determining feature of whether resources are captured by elites or used for development. Under-five mortality is also very low compared with other countries, and Botswana has done well in spite of a huge HIV burden.

The speaker argued that, in spite of assertions that the economy has not diversified, the extent to which the government relies on diamonds has decreased in recent years. In 2013–14 only one-third of GDP came from mineral revenues. However, other sources of government revenue may still be directly or indirectly reliant on diamond mining. The picture in terms of exports is bleaker, as 82.6 per cent of exports in 2013 were diamonds.

Botswana has significant mineral endowments other than diamonds; it is for instance abundant in coal, with indicated reserves of at least 9 billion tonnes. However, due to falling coal prices, combined with the pressures of climate change, and a lack of infrastructure to support the coal industry, over-reliance on coal is not a viable option. Iron-ore resources are also abundant, yet the requirements to extract it are again perhaps beyond Botswana's capacity.

The speaker stated that, when choosing a route forward, intensive market research must be conducted to see what are the actual demands in the region and globally.

The speaker encouraged linkages between mining and eco-tourism. In the transition period after diamonds, eco-tourism is likely to be the anchor that will see Botswana through.

Summary of Questions and Answers

Questions

It was commented that women are already involved in entrepreneurship programmes in Botswana, but it was also asked what could be done to increase their power and access to funding.

The speakers were asked whether there are opportunities for Botswana to exploit resources that are greatly required in the world.

It was asked why the opportunity to use diamond windfalls to trigger beneficiation is yet to be taken.

Ross Harvey

In the light of climate discussions at the 2015 United Nations Climate Change Conference,⁶ diversification cannot solely entail a move in to the exploitation of other minerals. At the same time, the abundance of natural resources cannot be ignored. It must therefore be considered how best to harness these resources. The speaker stated that adding value to them locally is better than exporting them in their raw form. Botswana's options are quite limited, but there are opportunities for innovations such as solar power.

Tumi Mbaakanyi

Although entrepreneurship programmes exist, few are directly targeted at women. The speaker called for more programmes and activities that specifically support them.

Leta Mosienyane

Lack of training is a major obstacle to skills transfers and the full participation of citizens in the economy. It must be ensured that locals can participate, and that vehicles are created to ensure equity of funding. Unless locals are actively participating in the economy, beneficiation is not sustainable.

⁶ The 21st Conference of Parties (COP21), held in Paris in November 2015, aimed to achieve a legally binding and universal agreement on climate change.

Lessons Learnt and Policy Responses

Alex Vines, Research Director, Area Studies and International Law; Head, Africa Programme

The speaker referenced a speech made at Chatham House by the former president of Botswana, Festus Mogae, in 2001 called 'Diamonds for Development'. He highlighted that the challenges mentioned in that speech 2001 have remained pressing to the present day, including worries about a mono-economy, over-dependence on diamonds, and major challenges of poverty, unemployment, diversification, shortage of skills and price volatility.

On the other hand, the speaker noted the need for change, in confronting new global realities. This is particularly the case for addressing millennials who see the world differently and want change. Globalization, water shortages, climate change and other issues need longer-term planning and strategy. Any economic plans going forward must consider the impact of climate change. Inclusive growth remains the single greatest challenge for development, but is vital for such a youthful continent experiencing generational change.

The speaker also highlighted importance of education and perceptions. This can be helped by greater transparency, disclosure and debate, as well as adherence to the best-practice principles. It is essential that the skills needed for growth in Botswana are encouraged and that education is better suited to a globalized world.

Diamonds are a special commodity, but the diamond brand is vulnerable to issues such as conflict diamonds and synthetics. Botswana has performed well and used its diamond revenue effectively. The diamond brand must be protected.

The speaker stated that diversification in Botswana in terms of politics, more pluralist debate and transparency is of the greatest importance. The image of Botswana as stable and open must be maintained and is crucial for continued growth and investment.

More emphasis must be placed on attracting foreign direct investment, as well as more investment in building knowledge, diversification in other industries and attracting high-level tourism. Highly educated citizens going abroad and returning with skills is of great importance.

The speaker also encouraged greater efficiencies, cutting back on expenditure and increasing export earnings.

Philippe Mellier, Chief Executive, De Beers Group

The speaker stressed the importance of shared objectives and collaboration, and the need for partners to focus on their own role. It is the obligation of corporate partners to make long-term investments and of the government to provide security of tenure.

The speaker focused on the insights from the history of the partnership that can inform future actions. He considered how De Beers can continue to support its government partners in shaping a sustainable, diversified economy and in nurturing a sustainable post-diamond landscape. Moving away from economic dependency on diamonds will be a great challenge. However, the government has shown wisdom in establishing the right structures and encouraging the right conversations. De Beers will

continue to engage and support beneficiation. The overall aim must be to create a development path that reduces long-term economic risk.

Conference Programme

A Chatham House Africa Programme and De Beers Group Conference
23–24 November 2015 - Gaborone, Botswana

Monday 23 November

- 08:00 – 09:00** Registration and Coffee
- 09:00 – 09:15** Welcome and Introduction
Dr Alex Vines OBE, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House
Bruce Cleaver, Executive Head, Strategy, De Beers Group
Gareth Mostyn, Chief Financial Officer, De Beers Group
- 09:15 – 09:45** Official Opening Address - Connecting Resources and Society in Botswana
Hon. Onkokame Kitso Mokaila, Minister of Minerals, Energy and Water Resources, Republic of Botswana
Chair: **Dr Alex Vines OBE**, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House
- 09:45 – 11:00** Session One: Maximizing the Potential of Resource-Driven Economies
Chair: **Jonathan Rosenthal**, Africa Editor, *The Economist*
Corporate-Government Relationships: The Success of PPPs
Bruce Cleaver, Executive Head, Strategy, De Beers Group
Building a Diversified Economic Strategy
Katso Tshipinare, Economist, Barclays Bank
Engaging with Social Stakeholders
Dorothee Gizenga, Executive Director, Diamond Development Initiative
Legislating for Development
Dr Keith Jefferis, Managing Director, Econsult; Deputy Governor, Bank of Botswana (1999–2005)
- 11:00 – 11:30** Coffee Break
- 11:30 – 13:00** Session Two: Using Resources Responsibly
Chair: **Muzong Kodi**, Associate Fellow, Africa Programme, Chatham House
Best-Practice Principles
Feriel Zerouki, Head of Government and Industry Relations, De Beers Group
Partnering with Enterprise Development
Ineke Van Der Weijden, Programme Director, Tokafala
Consumer Demand for Responsible Sourcing and Social Engagement

Andrew Bone, Executive Director, Responsible Jewellery Council

13:00 –
14:00 Lunch

14:00 –
15:00 Session Three: Value Adding and Beneficiation: Lessons learned from De Beers –
Panel Discussion

Chair: **Dr Alex Vines OBE**, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House

Paul Rowley, Executive Vice-President, Global Sightholder Sales, De Beers Group

Jacob Thamage, Coordinator, Botswana Diamond Hub

Balisi Bonyongo, Managing Director, Debswana

Dr Maria da Silva, Senior Policy Analyst, South Africa Chamber of Mines (2005–15)

15:00 –
15:30 Coffee Break

Session Four: The Impact of Diamonds on Botswana's Economic Environment

15:30 –
16:30 Chair: **Neo Moroka**, Resident Director, De Beers Botswana

Harnessing business for socio-economic development

Dr Nicky Black, Head of Social Performance, De Beers Group

The Economic Impact of Diamonds in Botswana

Ryan Short, Partner, Genesis Analytics

Skills Transfers and Human Capital Building

Boikobo Paya, Director International Linkages and Partnerships, Botswana University of Science and Technology

16:30 –
17:00 Botswana's Infrastructure Development: Policy Priorities and Implementation
Hon Nonofu Molefhi, Minister of Infrastructure, Science and Technology, Republic of Botswana

Chair: **Dr Alex Vines OBE**, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House

19:00 Conference Dinner

Welcome

Philippe Mellier, Chief Executive, De Beers Group

Tuesday 24 November

08:00 –
09:00 Coffee

09:00 –
09:30 Welcome
Dr Alex Vines OBE, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House

The Role of the Downstream in Botswana's Development Story

Stephen Lussier, Executive Vice-President, Marketing, De Beers Group; Chief Executive, Forevermark

**09:30 –
11:00**

Session Five: Diversified Growth and Development

Chair: **Sheila Khama**, Director, Africa Natural Resources Centre, African Development Bank

Promoting Local Content and Non-mining Domestic Industrial Development

Dr Malebogo Bakwena, Senior Lecturer in Economics, University of Botswana

Inclusive Engagement Supporting Diversification

Tumi Mbaakanyi, President, Women in Business Association, Botswana

Supporting Botswana's Business Sector

Leta Mosienyane, President, Botswana Confederation of Commerce, Industry and Manpower

The Role of Natural Resources in Diversifying Botswana's Economy

Ross Harvey, Senior Researcher, Governance of Africa's Resources Programme, South African Institute of International Affairs

**11:00 –
11:30**

Tea and Coffee

**11:30 –
11:50**

Concluding Session: Lessons Learned and Policy Responses

Dr Alex Vines OBE, Director, Area Studies and International Law; and Head, Africa Programme, Chatham House

Communiqué to be issued

Closing remarks

**11:50 –
12:00**

Philippe Mellier, Chief Executive, De Beers Group

Speakers' Biographies

Dr Alex Vines OBE is the head of the Africa Programme at Chatham House and director for Area Studies and International Law. He is also a senior lecturer at Coventry University. He chaired the UN Panel of Experts on Côte d'Ivoire from 2005 to 2007, and was a member of the UN Panel of Experts on Liberia from 2001 to 2003. He has worked as a UN election officer in Mozambique and Angola and served as a consultant for the UN Office on Drugs and Crime and for the Economic Community of West African States. Prior to this, he worked at Human Rights Watch as a senior researcher on business and human rights. He was awarded an OBE in 2008 in recognition of his work, including founding and developing Chatham House's Africa Programme.

Bruce Cleaver is the executive head of strategy at De Beers Group, with responsibility for strategy, corporate affairs, business development and technology. He is on the boards of all material investments of The De Beers Group of Companies, including Debswana, De Beers Consolidated Mines, Namdeb Holdings and De Beers Diamond Jewellers. He was appointed to the De Beers SA board in July 2008. Previously, He was a partner at Africa's largest law firm, Webber Wentzel, where he specialized in commercial matters and won several awards. He holds a BSc in applied maths, an LLB from the University of Cape Town and an LLM from the University of Cambridge.

Gareth Mostyn is the chief financial officer of De Beers Group. He previously worked as head of corporate finance at Anglo American. Before joining Anglo American, he worked at the BOC Group, where his senior roles included business unit finance director, director of corporate finance and regional finance director. He has an economics degree from Durham University, and trained as a chartered accountant with Coopers & Lybrand (now PwC).

Hon. Onkokame Kitso Mokaila is Botswana's minister of minerals, energy and water resources, a post he has held since October 2012. Prior to this, he was the minister of environment, wildlife and tourism. He is a former member of the Botswana Defence Forces. He has worked as the managing director of International Computer Limited Botswana, as general manager of Hyundai Motor Distributors in Botswana and as managing director of Unisys Botswana. He also founded the IT company Systems Consultancy and Services, where he held the position of the managing director until he was elected to parliament in 2004. He holds a BSc in Mechanical Engineering from the Indian Military College of Electronic and Mechanical Engineering.

Jonathan Rosenthal is *The Economist's* London-based Africa editor. Prior to this, he was *The Economist's* international banking editor, European business and finance correspondent in Berlin, and British business correspondent in London. He has written several special reports for *The Economist* on topics including international banking and Nigeria. He previously worked at Bloomberg News, and was the mining editor of Business Report. He won the Feature of the Year award at the WorkWorld Media Awards in 2008, and the following year he was named Reporter of the Year.

Katso Tshipinare is an economist at Barclays Bank, Botswana. Prior to this, he worked in the research and banking and currency departments of the Bank of Botswana, where he was instrumental in the formulation and implementation of macroeconomic policies – particularly the monetary and exchange rate policies. He has also worked for the Botswana Institute of Bankers, and as a lecturer and examiner at the University of Botswana Center for Continuing Education. He holds a BA in Economics from the University of Botswana, a BA Hons in Economics from the University of Cape Town, and a master's degree in Economics from the University of the Western Cape.

Dorothee Gizenga is the executive director of the Diamond Development Initiative (DDI), which addresses the development issues related to artisanal and small-scale mining. In this role, she oversees the provision of technical assistance for Kimberley Process countries, the implementation of formalization programmes in the Democratic Republic of Congo, and led DDI's development of the world's first standards for artisanal diamond production. She previously worked at Partnership Africa Canada where she was responsible for supporting the implementation of projects related to the Kimberley Process, the International Conference for Peace in the Great Lakes Region, and the prevention of violence against women in conflict zones. She has also held positions with the provincial government of Ontario and the government of Canada.

Dr Keith Jefferis is the managing director of Econsult Botswana, and is a former deputy governor of the Bank of Botswana. In his current role, he works on macroeconomic, financial and other development policy issues in Botswana and elsewhere in sub-Saharan Africa. He has consulted for African central banks and governments, in addition to UN agencies, the World Bank, the African Development Bank and the Southern African Development Community. His previous roles include senior research fellow at Botswana Institute for Development Policy Analysis, deputy director for the research department at Bank of Botswana and senior lecturer in economics at the University of Botswana. He has also served on the committee of the Botswana Stock Exchange and the board of Botswana Insurance Holdings Ltd, and currently sits on the Botswana Insurance Fund Management Investment Committee and the boards of Sefalana Holdings and RDC Properties.

Dr Muzong Kodi is an associate fellow of the Africa Programme at Chatham House. His research focuses on African natural-resource governance, corruption, artisanal mining, analysis of political and stakeholder risks and post-conflict reconstruction. He was previously an anti-corruption adviser for the UN Office on Drugs and Crime in the Democratic Republic of the Congo, the regional director for Africa and the Middle East at Transparency International and the director of the International Development Unit of Amnesty International. Muzong is a member of the board of directors of the Electoral Institute for Sustainable Development in Africa and of the Diamond Development Initiative. He serves on the academic advisory board for the International Anti-Corruption Academy. Since 2010 he has been a member of AngloGold Ashanti's independent expert sustainability review panel.

Feriel Zerouki is the head of government and industry relations at the De Beers Group. Prior to this, she was best practice principles manager and supply chain analyst at De Beers. She is an active participant in the Responsible Jewellery Council (RJC), where she served as a member of the Standards Committee and managed the first pilot project for RJC Certification in India and Dubai, in collaboration with Rosy Blue NV. More recently, she has represented De Beers as a member of the RJC diamond chain of custody subcommittee. Currently, she is on the boards of directors of the World Diamond Council and the Responsible Jewellery Council. She holds a degree in mathematics and business management.

Ineke van der Weijden is the programme director of Tokafala, an organization focused on entrepreneurship development in Botswana. She is also TechnoServe's programme development manager for southern Africa, where she has designed and implemented programmes on the agricultural value chain and entrepreneurship development in southern and eastern Africa. Prior to this, She was a management consultant for AT Kearney, and worked in Amsterdam, New York and Johannesburg. She holds an MSc in architecture from the Technical University of Delft and an MBA from IESE Business School.

Andrew Bone is the executive director of the Responsible Jewellery Council. He has almost 40 years of experience in the international diamond industry through his work for the De Beers Group of Companies.

He was previously the De Beers Group's head of government and industry relations. In this role he contributed to the development and implementation of the Kimberley Process, co-founded the Diamond Development Initiative, served on the board of the Extractive Industries Transparency Initiative and was vice-president of the World Diamond Council. He also managed a ground-breaking partnership between the World Health Organization and De Beers in the campaign to eradicate polio. He began his career with De Beers as a rough-diamond expert in central Africa. He was a visiting lecturer at Westminster University's business school, and is an alumni member of the University of Cambridge programme for industry.

Paul Rowley is the executive vice-president at Global Sightholder Sales, De Beers Group. He was previously the senior vice-president at Operations Mid-Stream, where he oversaw preparations for the migration of sales functions from London to Gaborone, and was acting managing director and executive director of the Diamond Trading Company (DTC) in Botswana. In this capacity, he was a member of the DTC executive committee in London and served on the boards of DTC Botswana and DTC Namibia. He was previously seconded to Kimberley, and while working in the purchasing department he gained extensive diamond buying experience in Angola, Antwerp, Congo and Guinea.

Jacob Thamage is the coordinator of the Botswana Diamond Hub, where he leads the development of diamond beneficiation and related processing activities in Botswana. Prior to this, he held several positions in Botswana's Ministry of Minerals, Energy and Water Resources, including working as chief mining engineer, director of mineral affairs, director of mines operations and deputy permanent secretary. He serves on the boards of the Botswana Innovation Hub, Tati Nickel Mining Company and Botswana Ash. He was previously on the boards of Okavango Diamond Company, Debswana Mining Company and Botswana Diamond Valuing Company. He holds a BA in Engineering (Mining) from the Technical University of Nova Scotia and an MBA from the Netherlands School of Business.

Balisi Bonyongo is the managing director of Debswana Diamond Company (Pty) Ltd. Prior to this he held multiple senior management and executive positions in the company, including working as chief operating officer. He began his career with Debswana in 1992 as a junior plant metallurgist. He has a B.Eng. in mineral engineering from the University of Leeds.

Dr Maria da Silva was the senior policy analyst at the South Africa Chamber of Mines, an advocacy organization representing the mining sector. She holds a PhD from the department of geography and environmental studies at the University of the Witwatersrand. In her thesis *From Dynamism to Dormancy: the Jewellery Industry in Johannesburg: 1925–2003*, she explored the paradox of South Africa as a resource-rich country in precious metals and minerals but with a negligible jewellery manufacturing industry. She was a deputy director in South Africa's department of trade and industry, where she focused on strategies to promote jewellery manufacturing as part of the department's broader initiative on industrial development.

Neo Moroka is the chief executive officer and resident director of De Beers Botswana. He has extensive experience in the public and private sector in Botswana, having previously served as minister of trade and industry. He started his working career in the public service in 1980. In 1984, he joined Barclays Bank and moved up the ranks until he left to work for BP in 1991, first as the General Manager for BP Botswana and Managing Director for BP Zambia in 1999. In the same year, he served as Commercial Director of BP South Africa responsible for BP commercial activities in 13 SADC countries.

Dr Nicky Black is the head of social performance at De Beers. She oversees a team with responsibility for social risk management and socio-economic benefit, community relations, and sustainability

reporting. She has over a decade of experience working in sustainability and human rights, with particular expertise in companies operating in high-risk and conflict-affected environments. She serves on several boards and advisory panels, including for the UN Global Compact and for the British government. She holds a PhD in Strategic Management, and degrees from McGill University and the University of Oxford.

Ryan Short is a partner at economics advisory firm, Genesis Analytics, and is head of the shared-value practice area. He is a development economist specializing in the societal impact of companies. He has been a corporate impact advisor to multinationals including Anglo American, Standard Bank, Liberty, Imperial Holdings, Emirates and Samsung. His expertise is in economic impact assessment, shared value and inclusive business strategy, political economy and stakeholder engagement. He was an advisor on the 2015 report on De Beers' contribution to Botswana.

Boikobo Paya is the director of international linkages and partnerships at the Botswana International University of Science and Technology (BIUST). Prior to joining BIUST, he held several roles with the government of Botswana, including working as the permanent secretary at the ministry of minerals, energy and water resources. He was previously chair of the board of the Diamond Trading Company Botswana, and on the boards of Debswana Mining Company (Pty) Ltd and of De Beers Botswana. He is currently a board member of African Copper. He obtained a BSc in Geology from the University of Botswana and an MPhil in Geology from the University of Portsmouth.

Hon. Nonfo Ezekiel Molefhi is Botswana's minister of infrastructure, science and technology. Prior to his appointment to this position in October 2014, he held cabinet roles included serving as minister of transport and communications and as minister of lands and housing. Before entering politics, he held various positions in government service, including as district officer for Selebi Phikwe. He is a member and patron of Botswana civil society organizations including the Botswana Association of Social Workers, the Botswana Workcamp Association and the Scripture Union – Botswana. He is the MP for Selebi Phikwe East, and holds a postgraduate diploma in Youth Development from the CYP Caribbean Centre.

Stephen Lussier is the chief executive of Forevermark, the De Beers Group of Companies' diamond brand. He is also executive vice-president, marketing, at De Beers Group. He has worked in the consumer marketing division of De Beers in London, and as market controller for the USA, Canada and Asia. He was formerly the head of the international consumer and marketing division, and served as managing director of the Diamond Trading Company. Before joining De Beers, he worked for NW Ayer advertising agency in New York. He holds an MBA from Columbia University and a BA from Boston College.

Sheila Khama is the director of the African Natural Resources Center at the African Development Bank. Prior to joining the bank, she worked at the African Center for Economic Transformation in Ghana where she led a gas, oil and minerals programme supporting policy-makers in sub-Saharan Africa. She previously held positions in Botswana's private sector in mining and financial services, including at Anglo American and First National Bank. She was CEO of De Beers from 2005 to 2010.

Dr Malebogo Bakwena is a senior lecturer in economics at the University of Botswana. Her research focuses on the resource curse and ways of diversifying resource-rich economies. She has worked as a consultant at Botswana's ministry of finance and development planning, and for the International Labour Organization, where she assessed the employment implications of the economic diversification drive, and the growth and employment potential of the services and agriculture sectors.

Tumi Mbaakanyi is the chair of the Women in Business Association Botswana. She is also a council member of Business Botswana, a board member and audit committee member of G4S Botswana and a

board member and finance committee chair at Tebelopele Voluntary Counselling and Testing Centre. She is the taskforce chair of the three-year Botswana Women Entrepreneurship Development programme coordinated by the Centre for Development Enterprise, and is a member of the Public Sector Committee at the Botswana Institute of Chartered Accountants and the SADC Trade Barriers to Trade stakeholders committee on quality and standards. She is a fellow of the Association of Certified Chartered Accountants and the Botswana Institute of Chartered Accountants. She is also a member of the Association of Certified Fraud Examiners.

Leta Mosienyane is the president of Business Botswana, and holds a position on the Botswana Economic Advisory Council. He is executive director at Mosienyane and Partners International, an architecture and urban design consultancy. He has co-chaired the advisory council for the Department of Architecture at the University of the Witwatersrand, chaired the Botswana Institute of Development Professions and served on the board of the South African Institute of Architects. He was appointed as a fellow of the Commonwealth Foundation in 1992.

Ross Harvey is a senior researcher at the Governance of Africa's Resources Programme in Cape Town. He is also currently pursuing a PhD in Economics at the University of Cape Town, where he has lectured in political economy. Ross was previously a researcher at the parliament of South Africa. He holds a B.Comm in philosophy, politics and economics, and an MPhil in public policy from the University of Cape Town.

Philippe Mellier is the chief executive of De Beers Group and a member of the De Beers SA Board. Prior to this role, he was executive vice-president of the Alstom Group, senior vice-president at Renault, chairman and chief executive of Renault Trucks at Volvo AB, and a member of the Volvo Group executive committee. He began his career at the Ford Motor Company, where he worked in various senior management positions. He has a degree in mechanical engineering from the École Nationale Supérieure de Techniques Avancées in Paris and an MBA from INSEAD.

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