



Republic of Botswana

BOTSWANA MINERALS POLICY

2022

**Ministry of Mineral Resources, Green Technology and
Energy Security**

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Table of Abbreviations

BDC	Botswana Development Corporation
BERA	Botswana Energy Regulatory Authority
BITC	Botswana Investment Trade Centre
CBM	Coal bed Methane
CEDA	Citizen Entrepreneurial Development Authority
DTCB	Diamond Trading Company Botswana
DBGSS	De Beers Global Sightholder Sales
GDP	Gross Domestic Product
GNRAS	Governance and Natural Resources Advisory Services Division (of the Commonwealth)
ICSID	International Centre for the Settlement of Investment Disputes
KPCS	Kimberley Process Certification Scheme
LEA	Local Enterprise Authority
Mct	Million carats
MMGE	Ministry of Mineral Resources, Green Technology and Energy Security
NDP	National Development Plan
NGO	Non-governmental Organisation
OGNRM	Ocean Governance and Natural Resources Management Section (of the Commonwealth)
PGMs	Platinum Group Metals
PPPs	Public Private Partnerships
SADC	Southern African Development Community
VITR	Variable Income Tax Rate

Foreword

Mining continues to play a very significant role in the economy of Botswana, and has contributed to the growth of other sectors. Apart from the world class diamond deposits that are being mined in Botswana, the country also has undeveloped abundant deposits of coal. Other mineral occurrences include gold, base metals, uranium, industrial minerals, a wide variety of semi-precious stones and several types of dimension stones. The mineral resource potential of the country is indeed abundant and has yet to be fully tapped for the benefit of the nation.

The Government is therefore committed to the development of the country's mineral deposits as demonstrated by the introduction of this Minerals Policy. The policy provides, in a compact and easily accessible manner, a strategic direction on management and development of the country's finite mineral resources. It was developed taking into account the emerging issues such as Beneficiation & Value Addition; Citizen Economic Empowerment and Local Participation and; the use of technology to produce man-made mineral products. It is anticipated to strengthen and outline the Government's role in minerals resource management and foster effective partnerships with the private sector while at the same time strengthening institutional frameworks.

The policy aims to promote the maximisation of economic benefits to the nation while enabling private investor to earn competitive returns. It also aims at achieving creation of a competitive environment to stimulate private sector investment in mineral development and creation of linkages with the rest of the economy; generation of employment opportunities for Botswana, and conservation and protection of the environment.

The Government, in administering the policy, will be guided by the principles of: ensuring timely development & implementation of mineral projects; fostering a competitive environment for investment, security of tenure, provision of a stable, transparent, progressive and predictable fiscal regime, protection of the environment, public safety, contribution to sustainable economic growth and support to sustainable livelihoods.

The Policy has been formulated through an interactive, consultative and participatory process by the Ministry of Mineral Resources, Green Technology and Energy Security with support from the Commonwealth Secretariat. The consultations included academics, the business community, and non-governmental organizations and their invaluable contribution is greatly appreciated. The policy is harmonized with the Botswana National Vision (Vision 2036), National Strategy for Excellence, National Development Plans (NDPs), Land Policy, Citizen Economic Empowerment Policy, etc which provide measures and initiatives for economic growth and the

economic uplift of the living standards of Batswana. It also resonates well with the African Mining Vision, and SADC Mining Protocol.

To continue to ensure that mining contributes to the economic growth of the country, the Government has created a conducive and enabling legislative, fiscal and institutional framework to attract private sector driven exploration for minerals with clearly spelt out criteria that will make it easy for mining investments to thrive. The Ministry of Mineral Resources, Green Technology and Energy Security has taken steps to revitalise and promote the mining industry through review of mining legislation and the formulation of this Minerals Policy that will further enhance Botswana as an attractive mining investment destination.



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1 Introduction

1.1 Context and National Planning Process

- 1.1.1 This Minerals Policy has been prepared through an interactive, consultative and participatory process by the Ministry of Mineral Resources, Green Technology and Energy Security (MMGE). A multi-disciplinary and multi-sectoral team was set up to formulate the policy with MMGE serving as the secretariat. The consultation commenced in 2010 as the country's minerals industry was recovering from the global economic down turn. The consultations included academics, the business community, and non-governmental organisations
- 1.1.2 The consultation process was conducted through nation-wide tours, which involved most district councils. Support was also received from the Commonwealth Secretariat in ensuring that the policy statements, objectives and strategies are consistent with best and sustainable international practices.
- 1.1.3 The Policy thus represents a vital source of guidance for decisions on minerals in the context of Botswana's sustainable development.

1.2 Policy Objectives

- 1.2.1 The policy is intended to maximise national benefits from minerals development while providing a competitive environment for investors. The Government will ensure adherence to the environmental and other related policies for sustainability in accordance with the best international practices.
- 1.2.2 The Minerals Policy provides a framework for minerals development in light of the following challenges:-
 - a) dependency of Botswana's economy on minerals, more especially diamonds;
 - b) increasing competition for investors with other countries as more and more mining jurisdictions improve their policies and mineral potential;
 - c) The need for maximisation and equitable distribution of benefits such as revenues, employment generation, and local supply of goods and services;
 - d) the need to develop local upstream and downstream linkages to add value to minerals development in Botswana; and
 - e) The heightened consumer sensitivity to the issues of climate change, the environment and ethics.
- 1.2.3 The policy aims to achieve the following:-
 - a) maximisation of economic benefits to the nation while enabling private investors to earn competitive returns;
 - b) a competitive environment to stimulate private sector investment in minerals development;
 - c) improved linkages with the wider economy;
 - d) generation of local employment opportunities;
 - e) sustainable minerals development that support environmental conservation and protection;
 - f) increased opportunities for citizens to directly participate in mining, whether as contributors of capital, labour, goods or services, to the greatest extent possible consistent with the maintenance of commercial conditions attractive to minerals investment;
 - g) diversification within the minerals sector;
 - h) strategic and responsible management of geological and minerals-related information;
 - i) creation of a conducive environment for women participation in the mineral sector;
 - j) value addition and beneficiation; and
 - k) strengthening of local capacity for participation in mineral development.

1.3 The Role of Government in the Minerals Sector

1.3.1 In pursuit of the above objectives, the Government will focus on playing the following key roles:

a) Regulator

- i. Strengthening economic and financial policies to encourage private sector participation and sustaining investments in the mineral sector;
- ii. Optimising effective regulation of the sector and administering the relevant mining legislative and regulatory framework, including occupational health and safety, environmental protection and management, collection and management of revenue; and
- iii. Building institutional capacity to effectively administer the minerals sector.

b) Promoter and Facilitator

- i. Creating and enhancing a conducive environment for investment in the mineral sector;
- ii. Initiating and coordinating consultative mechanisms amongst Government, private sector, civil society and other institutions for the development of the mineral sector;
- iii. Developing and operationalizing a national integrated geoscience information system to improve access to old, new and reviewed geo-scientific models of mineral prospects as well as available prospecting ground and dissemination of up-to-date quality geo-science information to help promote mineral commodity investment opportunities;
- iv. Providing guidance to investors and facilitating communication with other relevant institutions;
- v. Building capacity of the Government institutions to identify feasible investment portfolios in mining projects;
- vi. Strengthening co-operation amongst higher learning and research institutions and investors to foster development of the minerals sector; and
- vii. Facilitating investment by Batswana in the minerals sector.

c) Service Provider

- i. Strengthening and coordinating technical service programmes for small scale miners;
- ii. Strengthening Government institutions responsible for providing technical and geoscientific services;
- iii. Strengthening the capacity of Government institutions responsible for administration of the minerals sector to offer extension services to small scale miners; and
- iv. Providing education and information of the minerals sector to the stakeholders and the general public.

d) Investor

- i. Effectively managing government interests in mineral projects;
- ii. Supporting infrastructure development for mining value addition/beneficiation projects; and
- iii. Exploring new investment opportunities.

1.4 Policy Principles

1.4.1 The guiding principles that underpin the development and implementation of Botswana's Minerals Policy are:

1.4.2 Fostering a competitive investment environment

In the quest to maximise national benefits, effective measures will be taken to creating a conducive and competitive environment for attracting and sustaining investment in mining and beneficiation projects.

1.4.3 Ensuring security of tenure

Security of tenure shall be enabled by clear, efficient and transparent processes regarding administration and interpretation of the regulatory framework. Administrative procedures will be reviewed and streamlined whenever necessary to remove undue delay and cumbersome processes. Any duplication and inconsistencies will be eliminated through harmonization of the laws associated with minerals development such as those dealing with taxation, land, protected areas and infrastructure.

1.4.4 Providing a stable, transparent, progressive and predictable fiscal regime

The Government recognises the importance of maintaining a transparent fiscal regime for mining operations. This can be achieved through progressive fiscal regimes which maximize revenues to the state while maintaining reasonable returns for the investors.

1.4.5 Ensuring protection of the environment and public safety

Mining operations can have significant negative impacts on the environment and public safety unless appropriate avoidance or mitigation measures are taken. The Government will establish and enforce safeguards that are consistent with responsible mining, taking into account the interests of stakeholders in accordance with internationally accepted best practices.

1.4.6 Contributing to sustainable economic growth

The Government considers that minerals are an engine of growth for Botswana's economy and are expected to continue being one of its key drivers. Priority will be given to the promotion of investment in the minerals sector, in order to grow the overall contribution of minerals to economic output. There will be emphasis on beneficiation or value addition activities to increase the contribution of the minerals sector.

1.4.7 Supporting sustainable livelihoods

All mineral rights are vested in the State for the benefit of all citizens. In the best interest of the nation, an enabling environment will be created for effective participation in the minerals sector by citizens and locally based companies. Capacity building and empowerment will be emphasised for growth and sustainability purposes. It shall be ensured that mineral revenues are prudently managed for the benefit of the nation and future generations.

1.4.8 Ensuring sustainable development of mineral resources

As part of the Natural Capital Accounting, Mineral Accounts will be updated to ensure sustainable development of the minerals sector. Mineral accounts provide input to other policy making processes, in particular the tracking of the national balance sheet (national assets), and public finance aspects of mineral revenues and spending.

1.4.9 Commitment to anti - corruption practice

The Government has zero-tolerance to corruption and is committed to acting professionally, fairly and with integrity in all business dealings. All business will be conducted in accordance with all applicable laws, rules and regulations and to the highest ethical standards. This commitment is embodied in the Ministerial Anti-Corruption Policies.

2 Situational Analysis

2.1 Mineral Potential

2.1.1 The mining industry has played an instrumental role in the development of the Republic of Botswana since its Independence. The development of world-class diamond deposits has paved way for consistent economic growth allied to the Government's financial prudence and development-oriented policies. This has resulted in considerable progress in the economic and social development of the country.

2.1.2 Botswana produces diamonds, coal, soda ash, copper, nickel, silver, gold, industrial minerals and semi-precious stones. Other known deposits are uranium, iron ore, coal-bed-methane and platinum group metals (PGMs). There are also known occurrences of other industrial minerals in Botswana such as talc, slate, feldspar, fluorite, phosphate, mica and barite.

2.1.3 Over 80% of the country has been covered by a detailed aeromagnetic survey. However, part of the country remains unexplored. The challenge, therefore, is to create an enabling environment for private sector-led exploration and development of the untapped mineral resources of Botswana in a sustainable and transparent manner. This will ensure that the mining industry makes further significant contributions to future economic growth and sustainable development in accordance with the economic development strategies of the Government and as set out in the current and future National Development Plans. Achievement of this goal will contribute to the vision of the type of society Botswana wish to create, which is the one in which poverty will have been eradicated and standards of living will have moved much closer to that of developed countries.

2.1.4 Without adequate water and energy the full potential of the country's potential cannot be fully realised. The country depends mainly on surface complemented by underground water. All the country's petroleum products are imported with electricity generation being met through coal fired power stations.

2.2 Legal and Regulatory Framework

2.2.1 The legal and regulatory framework is anchored on several statutory tools and powers housed under different institutions. The minerals policy is enshrined in the country's National Vision and the Botswana Excellence Strategy.

2.2.2 The principal relevant policy documents at the national level include:

- a) National Visions;
- b) Botswana Excellence Strategy;
- c) National Development Plans;

- d) National Water Policy;
- e) National Energy Policy;
- f) Land Policy; and
- g) Citizen Economic Empowerment Policy.

2.2.3 The relevant legislation includes;

- a) Mines and Minerals Act;
- b) Diamond Cutting Act ;
- c) Precious and Semi-Precious Stones (Protection) Act;
- d) Mines, Quarries, Works and Machinery Act;
- e) Environmental Assessment Act;
- f) Unwrought Precious Metals Act;
- g) Explosives Act;
- h) Botswana Geoscience Institute Act;
- i) Petroleum (Exploration and Production) Act; and
- j) Botswana Energy Regulatory Authority Act.

2.3 Institutional Framework

2.3.1 The Ministry of Mineral Resources, Green Technology and Energy Security (MMGE) is responsible for the formulation, direction, co-ordination, development and implementation of national policies and programmes for the minerals and energy resources sectors. It formulates strategies for implementing the approved policies and programmes on minerals and energy. The minerals policy and programmes are implemented through the following departments or parastatals, Government companies and national committees:

2.3.2 Minerals Policy Committee

The Minerals Policy Committee provides strategic direction for minerals development at a high and national level. The Committee is made up of representatives from strategic institutions, namely Ministry of Finance and Economic Development, Bank of Botswana, Attorney General's Chambers, Ministry of Mineral Resources, Green Technology and Energy Security, and the Office of the President.

2.3.3 Minerals Affairs Division

The Minerals Affairs Division is the lead policymaking authority of Government on all matters of mining and mineral sector development. It is responsible for the formulation, implementation and monitoring of policies for the mining and minerals sectors, and sub-sectors. The Minerals Affairs Division gathers market intelligence (price trends, FDI movements, sectoral indicators of competing locations, track major developments in exploration, mining and beneficiation etc.) and promotes investment in minerals.

2.3.4 Botswana Geoscience Institute

The Botswana Geoscience Institute (BGI) is responsible for research in the field of geosciences, providing specialised geoscientific services, promoting the search for, and exploration of any mineral in Botswana, and managing and disseminating geoscience information. It also acts as an advisory body in respect of geoscience and geohazards affecting infrastructure and development.

2.3.5 Department of Mines

The overall objective of the Department of Mines is to ensure that the mineral resources of Botswana are developed and utilised in a sustainable manner. It is responsible for licensing and monitoring prospecting and mining operations, to ensure compliance with environmental, health and safety standards, and the related Acts and Regulations.

2.3.6 Diamond Hub

The mission of the Diamond Hub is to transform Botswana into a competitive World Diamond Centre. It is responsible for downstream development of diamonds, with particular emphasis on rough and polished diamond trading; cutting and polishing; jewellery manufacturing; and secondary trading of rough and polished diamonds.

2.3.7 Coal Development Unit

The Coal Development Unit was established in 2012 to facilitate development of the entire coal value chain which includes mining, coal washing, energy generation, transportation, storage at ports to shipping. Monetizing Botswana's coal is considered as a strategic project, and therefore its implementation is to be strategically coordinated for effective and efficient delivery, taking environmental management and carbon emissions into consideration.

2.3.8 Okavango Diamond Company

Okavango Diamond Company (ODC) was established to market and sell up to 15% of Debswana's run-of-mine production to facilitate secondary rough trading. The company is wholly owned by the Government but operates on a commercial basis. The company is open to expand its business network by entering into diamond trade commercial agreements with mining companies other than Debswana for the purchase of rough diamonds.

2.3.9 Minerals Development Company Botswana

The Minerals Development Company Botswana (MDCB) was established to manage the Government of Botswana's interests in mining companies and seek out new investment opportunities within and beyond Botswana.

2.3.10 Botswana Energy Regulatory Authority (BERA)

The primary mandate of the Botswana Energy Regulatory Authority (BERA) is to provide the economic regulation of the energy sector. BERA, among other things, also regulates the price of energy minerals that fuel price-regulated electricity generators.

3 Business Climate and Investment Attraction

The Government will create and maintain a competitive environment that supports private sector-led sustainable mineral exploration and production operations in Botswana. This will be done through a combination of measures such as progressive, competitive and transparent fiscal regimes, responsible minerals sector investment promotion, transparent measures for seeking redress and settling disputes, and effective regional and international integration.

3.1 Fiscal Regime

3.1.1 Policy statement

Government will maintain at all times a fiscal regime for mining operations that is internationally competitive and enables Botswana to obtain a fair share of economic rent generated from the sector. The fiscal regime will strike an optimal balance between investment attractiveness and revenue maximisation for the government.

3.1.2 Objectives

The Government will:-

- a) establish and maintain a transparent and progressive fiscal regime for minerals development which is competitive and conducive for private sector investment; and
- b) seek to enhance its share of mineral revenues while maintaining competitive returns to the investor.

3.1.3 Strategies

To achieve this objective, the Government will:

- a) apply fiscal regimes that optimize tax in a manner consistent with good-practice mining taxation ;
- b) ensure that the fiscal regime is progressive and imposes a reasonable fiscal burden on mineral operations;
- c) minimise the impact of “*front-end*” taxes by offering rapid depreciation of capital;
- d) develop robust internal systems to evaluate components of tax regimes to avoid leakages and guard against transfer pricing; and
- e) review terms of double taxation agreements and bilateral investment treaties (BITs) with host countries of mining companies.

3.2 Mineral Investment Promotion

3.2.1 Policy Statement

The Government will aggressively promote Botswana’s mining sector to the investment community.

3.2.2 Objective

The objective of the Government is to promote Botswana as a premium mineral investment destination.

3.2.3 Strategies

To achieve this objective, the Government will:

- a) collaborate with other stakeholders such as BITC, BTO, MDCB, Business Botswana etc.;
- b) utilise various channels of promotion such as conferences, online publications;
- c) avail online geological and mining data to improve accessibility; and
- d) promote the good that minerals do to the socio-economic wellbeing of Botswana.

3.3 Diversification in the Minerals Sector

3.3.1 Policy Statement

The Government will continue to facilitate development of various mineral commodities to widen the revenue resource base.

3.3.2 Objective

The objective of the Government is to stimulate interest and investment by the private sector in various mineral commodities.

3.3.3 Strategies

To achieve this objective, the Government will:-

- a) undertake baseline exploration programmes to provide geological information in a form that will facilitate easy data assessment by mineral explorers in selecting target areas for further mineral searches;
- b) develop a modern mineral cadastre system;

- c) facilitate the provision of necessary infrastructure for the development of various mineral commodities;
- d) facilitate the development of human skills and technological needs required by the sector; and
- e) invest in mineral related research and development.

3.4 Regional and International Integration

3.4.1 Policy Statement

The Government will continue to promote regional and international cooperation on mineral sector through bilateral and multilateral agreements.

3.4.2 Objective

The objective of Government is to fully align Botswana's minerals sector with regional and international minerals sectors and harness cooperation relationships for the betterment of its economic development.

3.4.3 Strategies

To achieve this objective, the Government will:-

- a) facilitate joint exploration and development of mineral resources with neighbouring countries;
- b) facilitate the transit of goods and services for effective mining operations;
- c) subscribe to the SADC Treaty, the SADC Protocol on Mining in and Africa Mining Vision 2050;
- d) support the development and harmonisation of regional mineral policies; and
- e) facilitate regional sharing of mining sector technology, information and skills.

3.5 Beneficiation and Value Addition

3.5.1 Policy Statement

The Government will facilitate the development of Botswana's entire mineral value chain in order to maximize economic benefits to the nation.

3.5.2 Objective

The policy objective is to enhance the domestic economic benefit from minerals development through beneficiation and value addition activities in Botswana.

3.5.3 Strategies

To achieve this objective, the Government will:-

- a) facilitate the development of mineral testing and research laboratories;
- b) ensure the development of training programmes that address skills deficiencies in the mining industry through establishing partnerships with private sector, research institutions and universities;
- c) encourage mining companies to include considerations for beneficiation and value addition in their mineral development plans;
- d) facilitate:
 - i. the setting up of smelting and refining facilities, where viable;
 - ii. the setting up of cutting and polishing facilities;
 - iii. local manufacturing of mining and mineral processing equipment;
 - iv. access to financial services for companies to execute mineral beneficiation projects;

- v. a cluster approach to the development of beneficiation initiatives and activities to explore shared synergies, resource pooling, and integrated planning;
- e) provide clear fiscal incentives for beneficiation projects and other side stream and downstream activities;
- f) ensure competitive and stable utility costs and facilitate the provision of necessary infrastructure; and
- g) encourage the establishment of beneficiation and value addition facilities in Botswana.

3.6 Local Content and Citizen Participation

3.6.1 Policy Statement

The Government will promote meaningful participation of citizens as investors, suppliers, service providers in the minerals sector for the economic growth and development of the country.

3.6.2 Objective

The policy objective is therefore to significantly increase the level of citizen economic empowerment and participation in the minerals sector.

3.6.3 Strategies

To achieve this objective, the Government will:-

- a) regularly undertake comprehensive studies on entrepreneurship, mines life cycles, supply chains and potential economic linkages for optimising citizen participation, economic empowerment and training needs.
- b) provide support such as access to financial services and technical assistance for citizen owned enterprises to grow and supply local and export markets.
- c) support youth and women participation in mining projects through capacity building
- d) use of local drilling contractors in exploration and mining where available.
- e) encourage the development of locally based supply chains for mining inputs (transportation, explosives, safety equipment, etc); and
- f) encourage development of local manufacturing of mining and mineral processing equipment.

3.7 Safety, Health, Environment, Risk and Quality (SHERQ)

3.7.1 Health and Safety

3.7.1.1 Policy Statement

The Government will promote adherence to best industry practice on health and safety in the minerals development process to safeguard the health and prevent injuries to all.

3.7.1.2 Objective

The policy objective is to ensure that mining activities and operations conform to high standards of health and safety.

Strategies

To achieve this objective, the Government will ensure that:-

- a) mining operations specific occupational health and safety hazards are identified and managed consistent with the best international industry standards;
- b) adequate health & safety systems and facilities are in place for the mines and local communities; and

- c) comply with international standards and systems on occupational health.

3.7.2 Environment

3.7.2.1 Policy Statement

The Government will promote adherence to best industry practice on environmental issues in the minerals development process to protect the environment and ensure sustainable use of natural resources.

3.7.2.2 Objective

The policy objective is to ensure that environmental, economic and social considerations are integrated effectively in decisions on minerals issues and in the implementation of this Policy.

3.7.2.3 Strategies

To achieve this objective, the Government will ensure:-

- a) adherence to the polluter pays principle;
- b) the incorporation of science and research into the decision making process;
- c) mining operations are undertaken in accordance with an approved Environmental Management System consistent with the best international industry standards;
- d) operators undertake rehabilitation and mitigation of environmental damage arising from their operations;
- e) application of responsible mine closure, decommissioning and rehabilitation plans; and
- f) adequate financial provisions are in place for rehabilitation and reclamation.

3.7.3 Risk and Quality

3.7.3.1 Policy Statement

The Government will promote best international industry practice on risk and quality on issues of minerals development to achieve a safe and risk free environment at the workplace.

3.7.3.2 Objective

The policy objective is to ensure that risks are identified and assessed through a structured and comprehensive process to facilitate the formulation of risk reduction plans and action to improve the quality of the operations.

3.7.3.4 Strategies

To achieve this objective, the Government will ensure that mining operations:-

- a) have effective risk reduction and action plans;
- b) have established workplace and emergency preparedness in place; and
- c) comply with International Organisation for Standardisation(ISO) and International Labour Organisation (ILO) standards.

3.8 Mining and Other Land Use

3.8.1 Policy Statement

The Government recognises the importance of ensuring that the principles of equity and fairness apply in all land access matters concerning mineral resource development.

3.8.2 Objective

The objective of the Government is to derive optimal benefits from minerals development without compromising other land uses and protecting the rights of other users of land.

3.8.3 Strategies

To achieve this objective, the Government will ensure:-

- a) transparency and adherence to legislative and regulatory framework for land rights in Botswana, and other treaties and conventions to which Botswana is signatory; and
- b) that companies transparently and fairly obtain consent for access to land for mining operations.

4 Minerals Development and Strategies

4.1 Diamonds

4.1.1 Policy statement

The Government seeks to build on the success of the diamond mining sub-sector to transform the economy from heavy reliance on extraction and export to an industrialised one with more local processing and value addition to create wider economic linkages. Government will thus continue to refine and accelerate the implementation of strategies to further enhance skills development and value addition throughout the diamond value chain.

4.1.2 Objective

The objective of the Government for the diamond industry is to transform Botswana into a competitive world diamond centre through increasing value from the mining and selling of rough diamonds to local cutting and polishing, jewellery manufacturing, retail, and other downstream activities.

4.1.3 Strategies

To achieve this objective, the Government will;-

- a) facilitate:
 - i. the development of a diamond cutting and polishing industry;
 - ii. the development of a rough diamond trading sector;
 - iii. the development of a diamond exchange centre;
 - iv. the development of a diamond cluster;
 - v. Citizen participation and skills development in the diamond industry;
- b) promote:
 - i. the development of the jewellery manufacturing industry;
 - ii. the growth and sustainability of essential diamond industry support services;
 - iii. networking and collaboration between academia, public and private sector in order to enhance skills development in the industry;
- c) monitoring developments and trends in the diamond industry, such as synthetic diamonds, funding, competition etc.; and
- d) cooperating with other diamond producer countries in a bid to have their raw and uncut diamonds sold to processing facilities in Botswana.

4.2 Coal

4.2.1 Policy Statement

Measures will be put in place to exploit Botswana's coal resources through exploring clean coal technologies and technology transfer in the subsector in order to derive maximum benefit for economic diversification in an environmentally sustainable manner.

4.2.2 Objective

The objective of Government is to achieve optimal and sustainable utilization of the country's coal resources to drive economic growth through increasing the contribution of clean coal to Botswana's energy mix and establishing Botswana as a sustainable coal beneficiation hub in the Southern African region.

4.2.3 Strategies

To achieve this objective, the Government will:-

- a) promote local consumption of coal;
- b) facilitate the export of clean coal for power generation in the Southern African region;
- c) secure long-term coal supplies for energy/thermal power generation;
- d) utilise appropriate and environmentally friendly technologies for coal beneficiation (e.g coal to liquids, coal to gas and coal to chemicals);
- e) promote development of local coal consuming industries; and
- f) facilitate the development of support infrastructure.

4.3 Base and Precious Metals

4.3.1 Policy statement

The development of the base metals such as copper, nickel and iron ore and precious metals such as gold and Platinum Group Metals(PGMs) will be done in the most efficient, beneficial and timely manner. Emphasis will be based on the beneficiation and value addition of the raw mining products for optimal returns and utilising local and regional smelting and refining capacity where available.

4.3.2 Objectives

The objectives of the Government are to:-

- a) significantly increase the contribution of base and precious metals mining to overall economic growth; and
- b) transform Botswana into a competitive jurisdiction for private sector investment in the development of base and precious metals.

4.3.3 Strategies

To achieve these objectives, the Government will:-

- a) provide comprehensive geological information;
promote the use of new technologies for base metals mining, processing, trading and beneficiation;
- b) encourage domestic supply of concentrate for meeting local demand as a matter of priority without negatively impacting on the commerciality of projects; and
- c) facilitate the development of necessary support infrastructure.

4.4 Industrial minerals

4.4.1 Policy statement

The development and beneficiation of industrial minerals will be promoted to improve the competitiveness of domestic industrial minerals.

4.4.2 Objective

The Government's policy objective is to reduce the import of industrial minerals and products to Botswana by increasing the contribution of domestically produced industrial minerals for economic growth.

4.4.3 Strategies

To achieve this objective, the Government will:-

- a) identify, assess and quantify some industrial mineral resources
- b) facilitate:
 - i. citizen participation in the industrial minerals development;
 - ii. citizen skills development;
 - iii. access to funding for citizen-owned industrial minerals projects;
- c) minimise the use of river sand through use of alternatives; and
- d) promote :
 - i. joint ventures between citizens and foreign companies for industrial minerals projects ; and
 - ii. Locally manufactured industrial mineral products construction companies to source locally manufactured industrial mineral products

4.5 Coal Bed Methane

4.5.1 Policy statement

Government will create an enabling environment to attract and sustain private sector investments and development of coal bed methane.

4.5.2 Objective

The objective of Government is therefore to establish a conducive environment for Coal bed methane development.

4.5.3 Strategies

In order to achieve this policy objective, the Government will:

- a) commission coal bed methane studies for the development of the industry
- b) Facilitate:
 - i. the development of the requisite infrastructure
 - ii. research on innovative technologies for a more sustainable coal bed methane development;
 - iii. the development of domestic and regional markets for coal bed methane ;
 - iv. private sector participation in the gas industry through transparent and competitive legislative, regulatory, fiscal and contractual frameworks;
 - v. the participation of citizens in the coal bed methane value chain; and
 - vi. skills development.

5 Small Scale Mining

5.1 Policy statement

The Government will encourage and facilitate the sustainable development of small-scale mining in order to ensure the optimal development of small mineral deposits and to enable this sector to make a positive contribution to the local and national economy.

5.2 Objectives

The objective of the Government is to increase the contribution of small scale mining to the local and national economy.

5.3 Strategies

In order to achieve this objective, the Government will:-

- a) develop the legislative and regulatory framework for small scale mining;
- b) provide access to geoscience information on mineral deposits;
- c) ensure adherence to safe and environmentally sound mining and processing practices;
- d) facilitate:
 - i. local manufacturing and supply of modern mining tools, equipment and consumables for mining operations;
 - ii. access to funding for small scale mining operations through appropriate financial institutions such as the Citizen Entrepreneurial Development Agency (CEDA), Botswana Development Corporation (BDC) and other financial institutions;
 - iii. skills development (technical, financial and commercial) ;
 - iv. technology transfer from large scale miners to small scale miners through the promotion of partnerships
- e) coordinate:
 - i. needs-driven research by academia and industry to ensure that the information and technology resulting from such research is accessible to small scale miners;
 - ii. activities of Government and development agencies to promote the small scale mining sector, and
 - iii. creation of a platform for citizen participation, entrepreneurial skills development in the mining sector and other capacity building initiatives.

6 Synthetic Minerals

6.1 Policy Statement

The Government recognises that, with advances in technology, production of manmade mineral products such as synthetic diamonds of gem quality has become a reality. To the extent that the production of, processing of and trade in synthetic minerals in Botswana is consistent with the overarching national goal of achieving prosperity for all, these activities will be facilitated and promoted. The Minister responsible for minerals will ensure that only business activities that do not comprise the mineral policy overarching aim of promoting the maximization of economic benefits to the nation while enabling private investor to earn competitive returns, are permitted or licensed.

6.2 Objective

The objective of Government is to facilitate and promote the business of synthetic minerals only to the extent that it is value adding to the economy of Botswana.

6.3 Strategies

6.3.1 In order to achieve this policy objective, the government will:-

- a) monitor and evaluate developments and trends in the minerals industry (locally and globally);
- b) perform strategic cost-benefit analysis of on any synthetic minerals industry considered in Botswana; and
- c) formulate appropriate legislative and regulatory framework for the effective and efficient regulation of the synthetic minerals subsector.

7 Monitoring and Evaluation

7.1 Monitoring Framework

Government will develop and implement a monitoring and evaluation framework to ensure effective implementation of the Minerals Policy.

7.2 Implementation and Accountability

Government acknowledges that the implementation of the Minerals Policy will only be successful through ongoing accountability for, and assessment of, results. Government will therefore ensure the successful implementation, periodic review and necessary periodic update of the Minerals Policy.

Annex I

List of Relevant Legislation and Regulations

Mining legislation

- Mines and Minerals Act
- Petroleum (Exploration and Production) Act;
- Unwrought Precious Metals Act
- Precious and Semi-Precious Stones (Protection) Act
- Diamond Cutting Act
- Mines, Quarries, Works and Machinery Act

Regulations

- Mines, Quarries, Works and Machinery Act Regulations
- Export and Import of Rough Diamonds Regulations

Environmental law

- Environmental Assessment Act
- Water Act
- Wildlife Conservation and National Parks Act
- Herbage Preservation (Prevention of Fires) Act
- Forest Act
- Fish Protection Act
- Tourism Act
- Atmospheric Pollution (Prevention) Act
- Waste Management Act

Financial matters

- Customs and Excise Duty Act
- Value Added Tax Act
- Income Tax Act
- Mineral Rights Tax Act
- Capital Transfer Tax Act
- Botswana Unified Revenue Service Act

Energy law

- Electricity Supply Act
- Botswana Power Corporation Act
- Botswana Energy Regulatory Authority Act

Labour law

- Employment Act

Contacts

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