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The rift between President Mokgweetsi Masisi (2018-present) and former president Ian Khama (2008-2018) widens after Khama accepts the invitation of Tibetan spiritual leader, the Dalai Lama, to India. President Masisi visits Zimbabwe and facilitates a \$100m line of credit for Zimbabwe-based companies in a move that signals Botswana's change of policy towards Zimbabwe. The Botswana Public Officers Pension Fund (BPOPF) opposes South Africa-based telecommunications company MTN Group's plans to sell its 53% shareholding in local telecommunications company Masom Wireless Botswana to Zimbabwe-born founder Strive Masiyiwa. The government's plans to lift a hunting ban that former President Ian Khama imposed in 2014 attracts local and international criticism, and threatens the tourism sector.

Khama's Dalai Lama visit risks diplomatic dispute with China ...

Former president **Ian Khama** (2008-2018) has reignited a potential diplomatic row with **China**, one of Botswana's leading trade partners, in accepting an invitation to visit **Tibetan** Buddhist leader, the **Dalai Lama**.¹ The visit has also strained relations between Khama and President **Mokgweetsi Masisi** (2018-present). The Dalai Lama reportedly invited Khama to be chief guest and keynote speaker at a ceremony commemorating the 60th **National Uprising Day** on 8 March at the headquarters of the Tibetan government in exile in **Dharamsala, India**.² The Dalai Lama began his exile in India following an unsuccessful uprising against Chinese rule in 1959.³ The Chinese government regards him as a secessionist, and prohibits political leaders of other countries from meeting with him.⁴

The Botswana government reportedly refused to provide financial and logistical support for Khama's trip, in terms of the constitutionally sanctioned benefits for former presidents of Botswana.⁵ The permanent secretary to the president, **Carter Morupisi**, said that the government chose to abide by the "**One China Policy**", which regards Tibet as part of China and not an independent state.⁶ However, Khama disagreed, indicating that the government did not have the mandate to approve or reject his travel plans:

*"There are no conditions attached. I can go where I want, I can meet who I want, the government cannot start dictating to me who and where I can go."*⁷

During his presidency, Khama approved the Dalai Lama's planned trip to Botswana in August 2017, despite China's spirited diplomatic efforts for the Botswana government to prohibit the

¹ Southern Times, 11 Mar 2019.

² Southern Times, 11 Mar 2019.

³ Mmegi, 1 Mar 2019.

⁴ Mmegi, 1 Mar 2019.

⁵ Mmegi, 1 Mar 2019.

⁶ Southern Times, 11 Mar 2019.

⁷ Former president Khama, quoted in Mmegi, 9 Mar 2019.

Dalai Lama's into the country (see *ARC Briefing Botswana June – August 2017*).⁸ Khama indicated at the time that China had threatened to recall its ambassador to Botswana, and work with other **African** states to isolate Botswana.⁹ The threat was never realised as the Dalai Lama cancelled his proposed visit, citing exhaustion.¹⁰

Khama said that President Masisi's government has chosen a different approach:

*"Because of these new-struck relations between the current administration of Botswana, and China... they feel they have to do China's bidding and have succumbed to pressure from China to have no contact with people the Chinese do not like... During my time as president, I felt this was an affront to our sovereignty as a country, and that we can[not] be told who we can and cannot meet."*¹¹

Although Khama is no longer part of the government, his meeting with the Dalai Lama has symbolic significance.¹² Masisi's failure to provide support for Khama's travel to India, a constitutionally provided benefit of retired presidents, reflects the extent of Botswana's submission to Chinese influence and widens the rift between Khama and Masisi.¹³ The tensions between the two leaders further weaken the ruling **Botswana Democratic Party (BDP)**, making its electoral losses in the 2019 general election more likely.¹⁴

... as Masisi extends the olive branch to Zimbabwe

President Mokgweetsi Masisi indicated on 28 February that his government would facilitate a \$100m private credit facility to allow Botswana-based companies to invest in **Zimbabwe**.¹⁵ The move demonstrates a significant change in attitude on the part of the Botswana government towards Zimbabwe. Masisi's predecessor, former president Ian Khama, adopted a critical stance towards Zimbabwe's former president, **Robert Mugabe** (1980-2017).¹⁶ Masisi made the announcement during the inaugural **Zimbabwe-Botswana Bi-National Commission** conference in Zimbabwe on 27 February.¹⁷

After returning from Zimbabwe, Masisi issued a statement disputing earlier reports in Zimbabwe's state-owned media that Botswana had pledged to give Zimbabwe a \$600m loan facility:

*"I want to clarify these reports that we are giving Zimbabwe hundreds of millions in loans, that is totally untrue. We are not giving them a single loan. [We only gave them] medical supplies made in Botswana, and supplementary feeding worth 2.1 million pula (\$197,600). There is \$100m credit from private banks in Botswana and Zimbabwe to help Botswana's private companies. What we have demanded, which we are waiting for, is a letter of guarantee from the Zimbabweans to counter our own guarantee."*¹⁸

The credit facility will not come directly from the Botswana government's coffers. Instead, private financial institutions in Botswana will provide the financing while the governments of

⁸ Southern Times, 11 Mar 2019.

⁹ Southern Times, 11 Mar 2019.

¹⁰ Timeslive, 12 Aug 2017.

¹¹ Former president Khama, quoted in City Press, 10 Mar 2019.

¹² Source, analyst, London

¹³ Source, analyst, London

¹⁴ Source, analyst, London

¹⁵ Reuters, 1 Mar 2019.

¹⁶ Reuters, 1 Mar 2019.

¹⁷ Reuters, 1 Mar 2019.

¹⁸ President Masisi quoted in Reuters, 1 Mar 2019.

Botswana and Zimbabwe provide guarantees for the loans.¹⁹

The arrangement is a notable departure from Khama's critical approach to dealing with Zimbabwe and a vote of confidence for President **Emmerson Mnangagwa's** (2017-present) government.²⁰ It also appears to be part of President Masisi's strategy to counter Khama's policies and attitudes on regional and international issues. During his presidency, Khama developed a reputation for both overt and subtle contempt for inter-governmental organisations in general (see *ARC Briefing Botswana October 2017*), and for Mugabe in particular:²¹

*"Khama ... frequently broke ranks with leaders from the **Southern African Development Community (SADC)**, and the **[African Union] AU** on several issues, including his withering criticism of Mugabe's rule."²²*

Masisi's actions to date demonstrate a more conciliatory and pragmatic approach to building regional solidarity.

Mascom's board opposes MTN's planned divestment from Botswana

The board of Botswana-based telecommunications company **Mascom Wireless** has rejected the plans of **South Africa**-based telecommunications company **MTN Group** to sell its 53% shareholding in the company to another South Africa-based telecommunications company, **Econet Wireless Global**, for \$300m.²³ The deal, which MTN revealed on 7 March, is part of its strategy to review its operations in **Africa** and in the **Middle East**, and raise \$1 billion from asset sales.²⁴ Mascom's founder, Zimbabwe-born entrepreneur **Strive Masiyiwa**, is reportedly behind the plans to buy back his controlling stake in the company, which he founded in 1998.²⁵

"MTN directors recently told the board that they had been approached with a buyout offer by an investor and that they were interested in offloading their shareholding to that investor... Masiyiwa [the investor] apparently wants to come back to significant equity through purchasing MTN's shares."²⁶

The **Botswana Public Officers Pension Fund (BPOPF)**, which is one of Mascom's shareholders and whose members dominate the Mascom board of directors, has reportedly opposed the planned sale, indicating that it has the first right of refusal to buy the shares.²⁷ The BPOPF is the second largest shareholder in Mascom after MTN, and its investment was valued at \$148m in the 2015/16 financial year.²⁸ The BPOPF reportedly questioned the valuation of the deal, and proposed that a due diligence be done before the planned sale proceeds.²⁹

The BPOPF's opposition to the planned sale also emanates from nationalistic sentiments on the part of some of the shareholders, who prefer that local shareholders take over MTN's

¹⁹ Deutsche Welle, 1 Mar 2019.

²⁰ Deutsche Welle, 1 Mar 2019.

²¹ VOA, 4 Oct 2017.

²² Source, analyst, Botswana

²³ Mmegi, 8 Mar 2019.

²⁴ Mmegi, 8 Mar 2019.

²⁵ Mmegi, 8 Mar 2019.

²⁶ Anonymous Mascom source, quoted in Mmegi, 8 Mar 2019.

²⁷ Mmegi, 8 Mar 2019.

²⁸ Mmegi, 8 Mar 2019.

²⁹ Mmegi, 8 Mar 2019.

stake:

*"The [BPOPF] is capable of making an offer for those shares, and if they cannot, they could find partners... they could even list those shares to ensure **Batswana** benefit. This company has gained value from Batswana, and it will not be fair to allow some other deal to take that value elsewhere."*³⁰

The BPOPF's stance against Econet Wireless' bid for Mascom shares largely emanates from the substantial value that the pension fund stands to gain, should it acquire access to MTN's shares.³¹ Mascom is the BPOPF's most lucrative investment in Botswana.³² Its opposition to the takeover of shares by a foreign investor is likely to convey the message that the pension fund, which largely represents government employees, is hostile to foreign investment.³³

Botswana's tourism sector under threat from planned lifting of hunting ban

The Botswana government's intention to lift a hunting ban on elephants, which former president Ian Khama imposed in 2014, has attracted considerable opposition from several countries, with some threatening to boycott Botswana's tourism sector.³⁴ This is likely to have a negative impact on the tourism sector, Botswana's second leading foreign currency earner after diamonds.³⁵ Botswana has over 130,000 elephants, the largest elephant population in Africa and one of the most attractive aspects of Botswana's tourism sector.³⁶ Botswana has world-renowned conservation policies, which accounts for the growing number of elephants and wildlife in general.³⁷ However, there have been growing concerns over the dangers that the high wildlife population poses to humans.³⁸ Elephants attacked and killed 14 people between February 2018 and February 2019, while also trampling crops and attacking livestock.³⁹

President Masisi commissioned a review of former president Khama's hunting ban after taking over in 2018.⁴⁰ A ministerial committee conducted the review and submitted a final report in February, recommending that the government lift the hunting ban on trophy hunting, culling of elephants, and the use of fences to control the movement of wildlife.⁴¹ Local and international conservationists criticised the report's recommendations. **United Kingdom**-based conservationist **Charlie Mayhew** described Botswana's intention to review the hunting ban as disappointing:

*"It flies in the face of international efforts, including their own leadership of the **Elephant Protections Initiative**, to protect so many other populations that have been decimated by poaching across Africa... I am sure many people and visitors to Botswana will be horrified."*⁴²

A Botswana-based conservationist noted that although periodic elephant culls are necessary

³⁰ Anonymous Mascom source, quoted in Mmegi, 8 Mar 2019

³¹ Source, analyst, London

³² Source, analyst, London

³³ Source, analyst, London

³⁴ The East African, 13 Mar 2019.

³⁵ The East African, 13 Mar 2019.

³⁶ Bloomberg, 21 Mar 2019.

³⁷ The East African, 13 Mar 2019.

³⁸ The East African, 13 Mar 2019.

³⁹ The East African, 13 Mar 2019.

⁴⁰ The East African, 13 Mar 2019.

⁴¹ Bloomberg, 21 Mar 2019.

⁴² United Kingdom-based conservationist Charlie Mayhew, quoted in The Telegraph, 22 Feb 2019.

since elephants have few natural predators that would control their populations, Botswana's tourism sector would suffer from reputational effects of the planned cull:

*"Botswana does have too many elephants, and there is huge elephant-human conflict. [However], this is not economically viable and it doesn't take into account the reputational damage to the country. Better exploitation of sustainable tourism is a far better model."*⁴³

However, President Masisi rebuffed the criticism, saying that Botswana had the right to make decisions autonomously that would benefit the people of Botswana the most.⁴⁴ Masisi claimed that the government's decisions are evidence driven and conducted in a consultative way:

*"Where do they get the guts to tell us how we should take care of our wildlife when they do not have anything? I was in **England**, where I told them that their problem was they are talking about elephant issues as if there are no people in Botswana. I said to them that we will give you 200 elephants in England, and just let them roam all over just as you want them to in Botswana... I run a consultative government. We have a problem with wildlife conflict. I never said we will go all out and kill all elephants in Botswana. We are under attack, and these people are acting in concert with some Batswana... I am not going to be intimidated while wildlife kill our people."*⁴⁵

Masisi's rhetoric on the issue reflects the deep-rooted, underlying political dynamics in Botswana.⁴⁶ Since coming into office, he has sought to reverse and undo several aspects of former president Khama's policies (see above), and this includes the hunting ban:

*"That only brought to the fore a simmering conflict between President Masisi and Mr Khama, a feud which has ultimately proved to be the proverbial elephant in the room."*⁴⁷

Botswana's tourism sector depends on public relations and marketing the sector itself as well as the country at large.⁴⁸ The lifting of the ban is likely to lead to a decline in tourist arrivals in Botswana thanks to the negative publicity it has attracted before being implemented.⁴⁹ Although the lifting of the hunting ban may be necessary, the government needs to communicate this to local and international organisations in a way that will not alienate prospective tourists.⁵⁰

⁴³ Botswana-based conservationist quoted in The Telegraph, 22 Feb 2019.

⁴⁴ The East African, 13 Mar 2019.

⁴⁵ President Masisi quoted in The East African, 13 Mar 2019.

⁴⁶ Source, analyst, London

⁴⁷ The East African, 6 Feb 2019.

⁴⁸ Source, analyst, London

⁴⁹ Source, analyst, London

⁵⁰ Source, analyst, London

Planner

26 Mar 2019 **(Botswana) Canada-Africa** Business Conference
 21 May 2019 **(Botswana)** Mining Investment Conference and Exhibition;
 10 Jun 2019 **(Botswana)** Botswana Resource Sector Conference
 October 2019 **(Botswana)** Scheduled general elections;
 10 Sept 2019 **(Botswana)** Electra Mining Botswana event;

Chronology

13 Mar 2019 **Gaborone (Botswana)** *The East African*. President **Mokgweetsi Masisi** rebuffs criticism of his government's plans to lift a ban on wildlife hunting that former president **Ian Khama** imposed in 2014;

10 Mar 2019 **Johannesburg (South Africa)** *City Press*. Former president **Ian Khama** says he will explore the possibility of seeking foreign intervention to resolve political tensions between him and his successor, President **Mokgweetsi Masisi**;

8 Mar 2019 **Gaborone (Botswana)** *Mmegi*. The **Botswana Public Officers Pensions Fund (BPOPF)** opposes majority shareholder **MTN Group**'s bid to sell its 53% shareholding to founder **Strive Masiyiwa**'s **Econet Wireless Global**;

7 Mar 2019 **Johannesburg (South Africa)** *Fin24*. **South Africa**-based telecommunications provider **MTN Group** reveals plans to sell off its shares in **Botswana**-based **Mascom Wireless** as the start of a drive to raise \$1 billion through asset sales;

4 Mar 2019 **Gaborone (Botswana)** *Mining Review*. The annual **Fraser Institute's Survey of Mining Companies** for 2018 ranks **Botswana** as the highest ranked mining destination in **Africa**;

1 Mar 2019. **Gaborone (Botswana)** *Mmegi*. Former president **Ian Khama** accepts an invitation by the **Dalai Lama**, defying President **Mokgweetsi Masisi**'s recognition of the "One China" policy;

1 Mar 2019 **Gaborone (Botswana)** *Reuters*. Mineral resources minister **Eric Molale** says the government expects a 4% decline in mineral revenues in the 2019/2020 fiscal year because of a decline in royalties and dividends;

1 Mar 2019 **Gaborone (Botswana)** *Reuters*. President **Mokgweetsi Masisi** denies that his government has extended a loan worth \$600m to **Zimbabwe**, indicating that it has instead facilitated a private line of credit to Zimbabwe-based companies for \$100m;

28 Feb 2019 **Gaborone (Botswana)** *The Patriot*. The **Botswana** government is reportedly engaged in a diplomatic tiff with the **Chinese** government after Botswana government officials accused Chinese state-owned company **Jiangsu International** of corrupt conduct in Botswana;

27 Feb 2019 **Gaborone (Botswana)** *Journal du Cameroun*. The **Botswana** government issues a statement denying claims by former **Directorate for Intelligence Services (DIS)** head **Isaac Kgosi** that the intelligence organisation is planning to assassinate him;

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