

## AFRICA RISK CONSULTING

### Botswana Monthly Briefing April 2019

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#### Botswana Summary 17 April 2019

*President Mokgweetsi Masisi (2018-present) is elected unopposed as party leader at the ruling Botswana Democratic Party's (BDP) annual congress after his challenger, former foreign minister Pelonomi Venson-Moitoi, withdraws her candidature. Local and regional media report that Zimbabwe's Central Intelligence Organisation (CIO) foiled plans to smuggle money into Botswana via Zimbabwe to fund Venson-Moitoi's presidential campaign. State-owned Okavango Diamond Company unveils the world's largest, 20-carat blue diamond, "Okavango Blue", discovered at its Orapa Mine in 2018.*

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#### Khama cries foul as BDP elects Masisi as its 2019 election candidate ...

President **Mokgweetsi Masisi** (2018-present) was elected unopposed on 5 April as the substantive president of the ruling **Botswana Democratic Party (BDP)** and will stand as its candidate in the October 2019 general election.<sup>1</sup> His unobstructed election belies the deepening schism in the BDP between those who support Masisi and the faction that supports his predecessor, former president **Ian Khama** (2008-2018). Khama threw his weight behind **Botswana's** former foreign minister, **Pelonomi Venson-Moitoi**, who had planned to contest the position (see *ARC Briefing Botswana January 2019*).<sup>2</sup> This was the first time in the BDP's history that a current office bearer has faced a challenge to the position. However, Venson-Moitoi withdrew her candidature on 5 April saying that the voting process was rigged.<sup>3</sup> She also unsuccessfully attempted to have the **High Court** delay the election.<sup>4</sup>

Khama expressed disappointment with the BDP for the circumstances that led to Moitoi's withdrawal from the election.<sup>5</sup>

*"We have witnessed a situation in this ruling party that has never happened before... the measures and the extent they have gone to, the irregularities that we have seen creeping in, the cheating, the intolerance and the intimidation of opponents and the opponent's supporters is unprecedented."*<sup>6</sup>

Khama claimed his candidate would have won, if not for the irregularities:

*"I would like to put my head on the block and say she would have won. It's the party that's been taking steps to disadvantage her, and of course, he is the head of that party so it wouldn't have been a fair contest, it wouldn't have been credible. It's the kind of thing that during my time in office I would criticize in other countries where I saw elections were rigged."*<sup>7</sup>

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<sup>1</sup> Bloomberg, 5 Apr 2019.

<sup>2</sup> Bloomberg, 5 Apr 2019.

<sup>3</sup> Bloomberg, 5 Apr 2019.

<sup>4</sup> Bulawayo24, 9 Apr 2019

<sup>5</sup> Bulawayo24, 9 Apr 2019

<sup>6</sup> Former president Khama, quoted in Bloomberg, 5 Apr 2019.

<sup>7</sup> Bloomberg, 5 Apr 2019.

The BDP congress has traditionally been a rubber stamp event to confirm the incumbent as president.<sup>8</sup> However, the ongoing tensions between Khama and Masisi resulted in the congress being the latest proxy site for the dispute between the two leaders.<sup>9</sup> Khama indicated that he regrets appointing Masisi as his deputy, given the public and unprecedented intra-party conflict that has accompanied the two leaders' political differences.

*"He had a nature, a character which I just felt very close to and part of. What I'm seeing now is a totally different person than the one I knew. Regrettably and very unfortunately, I have come to realize that maybe I misjudged him, and now we have a situation where there is a bit of a standoff between himself and myself."*<sup>10</sup>

The dispute between Masisi and Khama has given rise to concerns in the **Southern African Development Community (SADC)** region because of its potential to introduce political instability to the relatively peaceful country, also regarded as **Africa's** most stable democracy.<sup>11</sup> Although Masisi won the BDP presidency, his strained political relationship with Khama is likely to continue, and Khama, who still enjoys considerable political support in Botswana, may attempt to weaken the BDP's chances of winning a parliamentary majority in the October general election.<sup>12</sup>

### ... as **Zimbabwe intelligence reportedly foils plot against Masisi**

Underlining the potential risk for a regional diplomatic dispute that the tension between Botswana's President Masisi and former president Khama holds, a **South Africa**-based newswire reported on 10 April that **Zimbabwe's Central Intelligence Organisation (CIO)** thwarted a plot against Masisi after disrupting a planned meeting between Khama, former foreign minister Pemoni Venson Moitoi and associates from Botswana and South Africa, on 30 March in **Victoria Falls (Zimbabwe)**.<sup>13</sup> The report demonstrates the intensity of political tensions between Masisi and Khama, and implicates individuals from South Africa and the **United States (US)** in the alleged plot to unseat Masisi through the ruling BDP's annual congress on 5 April in **Kang (Kgalagadi District)**.<sup>14</sup>

Media reports in Botswana and Zimbabwe claim that Khama, Venson-Moitoi, BDP legislator **Samson Guma Moyo**, public relations consultant **Kabelo Binns**, former Botswana **Directorate for Intelligence Services (DIS)** director and Khama ally, **Isaac Kgosi** and Botswana-based businessman **Shaduff Baitse** flew from Botswana to Victoria Falls on 30 March for the scheduled meeting with a team from South Africa.<sup>15</sup> The delegation from South Africa included former US ambassador to the **United Nations, Andrew Young**, and South African businesswoman **Bridgette Motsepe-Radebe**, wife of South Africa's energy minister, **Jeff Radebe**. Motsepe-Radebe is also the sister-in-law<sup>16</sup> of South Africa's president **Cyril Ramaphosa** (2018-present).<sup>17</sup> The meeting was allegedly intended to establish strategies for buying votes during the BDP's congress to ensure Venson-Moitoi's win over Masisi.<sup>18</sup>

<sup>8</sup> News24, 5 Apr 2019.

<sup>9</sup> News24, 5 Apr 2019.

<sup>10</sup> Former president Khama, quoted by News24, 5 Apr 2019.

<sup>11</sup> Source, analyst, London.

<sup>12</sup> Source, analyst, London.

<sup>13</sup> CAJ News Africa, 10 Apr 2019.

<sup>14</sup> CAJ News Africa, 10 Apr 2019.

<sup>15</sup> CAJ News Africa, 10 Apr 2019.

<sup>16</sup> Bridgette Motsepe-Radebe is the sister of Ramaphosa's wife, Tshepo Motsepe.

<sup>17</sup> CAJ News Africa, 10 Apr 2019.

<sup>18</sup> Sunday Standard, 1 Apr 2019.

Motsepe-Radebe reportedly brought \$5.5m that Venson-Moitoi would use to buy votes at the congress.<sup>19</sup> However, Zimbabwean intelligence authorities reportedly received a tip-off regarding the planned laundering of the funds through Zimbabwe, and detained Motsepe-Radebe and her team upon arrival in Zimbabwe.<sup>20</sup> The CIO did not search Motsepe-Radebe's private aircraft to obtain evidence of the supposedly laundered funds, and deported her and her team back to South Africa.<sup>21</sup>

Authorities in Botswana are reportedly also investigating further claims of illegal campaign funding from South Africa through Botswana-based business entities.<sup>22</sup> The Botswana **Financial Intelligence Agency (FIA)** has frozen the bank accounts of a local company, **Avante Security Services**, on suspicions of having received illegal campaign funding on behalf of Venson-Moitoi.<sup>23</sup> South Africa's Motsepe family reportedly supports Venson-Moitoi's presidential aspirations in exchange for future mineral concessions, should she win the presidential elections.<sup>24</sup>

Venson-Moitoi and Motsepe-Radebe have disputed the reports, threatening to sue the media organisations that carried news articles detailing the allegations.<sup>25</sup> In a social media post, Venson-Moitoi indicated that,

*"I was not in Zimbabwe. My son was not in Zimbabwe either. He was in Kang and I was in Gaborone [328 km from Kang] at the parliamentary flat working with my campaign team. My lawyer will deal with [Botswana newspaper] **Sunday Standard** for the lie..."<sup>26</sup>*

Khama also dismissed the media allegations of his attempts to oust Masisi. In a public statement, he admitted to being in Victoria Falls and to meeting with Young and Motsepe-Radebe for a planned "reunion".<sup>27</sup> However, he disputed claims that Zimbabwean authorities had detained, interrogated, and deported them.<sup>28</sup>

*"The visit was not a secret mission as the Zimbabwean government had been notified... Former president Khama's entourage did not include Honourable Pelonomi Venson Moitoi, Kabelo Binns and Isaac Kgosi as alleged... there was no drama at all as contrary to the report that both Honourable Guma Moyo and Bridget Motsepe were harassed and deported at the airport...never at any point was there any discussion or consideration of smuggling money into Botswana... it is clear that this report was fake, meant to sensationalise topical issues, paint [former president] Khama as a money launderer, and portray him in bad light as a person who will go to all lengths to manipulate voters."<sup>29</sup>*

The reports follow claims of a planned military coup against President Masisi, which the Sunday Standard carried on 25 March.<sup>30</sup> The report claims that the **Botswana Defence Forces (BDF)** received "credible" intelligence from the **South African National Defence**

<sup>19</sup> Sunday Standard, 1 Apr 2019.

<sup>20</sup> Sunday Standard, 1 Apr 2019.

<sup>21</sup> Sunday Standard, 1 Apr 2019.

<sup>22</sup> Sunday Standard, 1 Apr 2019.

<sup>23</sup> Sunday Standard, 1 Apr 2019.

<sup>24</sup> Sunday Standard, 1 Apr 2019.

<sup>25</sup> Sunday Standard, 1 Apr 2019.

<sup>26</sup> Venson-Moitoi's social media post, quoted in Sunday Standard, 1 Apr 2019.

<sup>27</sup> Former president Khama's public statement, 4 Apr 2019.

<sup>28</sup> Former president Khama's public statement, 4 Apr 2019.

<sup>29</sup> Excerpts from former president Khama's public statement, 4 Apr 2019.

<sup>30</sup> Sunday Standard, 25 Mar 2019.

**Forces (SANDF)** and the **United Nations (UN)** of a planned coup in Botswana.<sup>31</sup> This resulted in the BDF deploying tanks near **State House** and the state-owned **Mass Media** complex that houses television and radio stations.<sup>32</sup> However, the SANDF “*dismissed with contempt*” claims that it provided such intelligence to the BDF.<sup>33</sup> Khama accused Masisi of orchestrating false news stories to build up local political support in Botswana ahead of the BDP’s congress.<sup>34</sup>

Although they are yet to be independently verified as true, the allegations of coup plots and money laundering are nevertheless part of the intrigue surrounding Khama and Masisi’s tussle for political power.<sup>35</sup> As head of state, Masisi has considerable advantage over Khama.<sup>36</sup> The factional disputes are likely to result in the BDP losing its parliamentary majority, or an outright electoral defeat against the opposition **Umbrella for Democratic Change (UDC)**, especially if the latter conducts a well-organised campaign against the BDP.<sup>37</sup> Khama is likely to use his considerable political clout to sway voters away from the BDP, to vote for the opposition as a way of frustrating Masisi’s chances of winning the presidential election.<sup>38</sup>

### Okavango Diamond Company unveils rare blue diamond

State-owned mining company **Okavango Diamond Company (ODC)** unveiled a 20-carat, blue diamond on 17 April, the largest ever of its type.<sup>39</sup> The find reaffirms Botswana’s global position as a leading producer of unique natural diamonds.<sup>40</sup> Blue diamonds are very rare, making up approximately 0.02% of mined diamonds in the world.<sup>41</sup> **Debswana Diamond Company Ltd**, a joint venture operation between the government and **United Kingdom-headquartered De Beers Ltd**, discovered the diamond at its **Orapa** mine in 2018, and estimates that the stone was formed between 500 million and 3 billion years ago.<sup>42</sup>

The ODC has not yet assigned a monetary value to the diamond, named “**Okavango Blue**”.<sup>43</sup> ODC’s chief executive officer, **Marcus Ter Haar**, indicated that only a handful of such blue diamonds have been discovered in the last ten years, and the Okavango Blue is the most significant in both size and quality.<sup>44</sup> The **Gemological Institute of America** has graded the diamond as “*Oval Brilliant Cut, VVS2 Clarity Diamond*”.<sup>45</sup> The classification means the diamond has one of the highest polished colour classifications that a blue diamond can obtain, making it of very high value.<sup>46</sup>

*“Everyone who has viewed the 20-carat polished diamond has marveled at its unique coloration, which many see as unlike as any blue stone they have seen before. It is*

<sup>31</sup> Sunday Standard, 25 Mar 2019.

<sup>32</sup> Sunday Standard, 25 Mar 2019.

<sup>33</sup> Times Live, 27 Mar 2019.

<sup>34</sup> The South African, 27 Mar 2019.

<sup>35</sup> Source, analyst, London

<sup>36</sup> Source, analyst, London

<sup>37</sup> Source, analyst, London

<sup>38</sup> Source, analyst, London

<sup>39</sup> Reuters, 17 Apr 2019.

<sup>40</sup> Reuters, 17 Apr 2019.

<sup>41</sup> ABC News, 17 Apr 2019.

<sup>42</sup> Reuters, 17 Apr 2019.

<sup>43</sup> Reuters, 17 Apr 2019.

<sup>44</sup> Reuters, 17 Apr 2019.

<sup>45</sup> Mining.com, 17 Apr 2019

<sup>46</sup> Mining.com, 17 Apr 2019.

*incredibly unusual for a stone of this colour and nature to have come from Botswana, a once in a lifetime find, which is about as rare as a star in the **Milky Way**... it is little surprise blue diamonds are so sought after around the world as only a very small percentage of the world's diamonds are classified as fancy colour, and of those, a select few can be classified as being "**Fancy Blue**".<sup>47</sup>*

ODC is the Botswana government's marketing and sales company. It has indicated that it will be promoting the diamond over the next few months, before putting it up for sale towards the end of this year.<sup>48</sup> Despite the government's strategies to diversify the economy, the diamond industry accounts for 80% of the country's export revenue.<sup>49</sup> Diamond revenue also accounts for more than half of the annual national budget.<sup>50</sup> Despite the triumphant, high-value find, Botswana's diamond industry is grappling with several challenges, including aging mines and declining global prices.<sup>51</sup> Botswana's mining revenues will fall by 4% overall in 2019, mainly because of a drop in demand, which affects royalties and dividends.<sup>52</sup>

### Planner

24 Apr 2019 **(Botswana) Bank of Botswana Monetary Policy Committee (MPC)** meeting;  
 21 May 2019 **(Botswana)** Mining Investment Conference and Exhibition;  
 10 Jun 2019 **(Botswana)** Botswana Resource Sector Conference;  
 27 Jun 2019 **(Botswana) Bank of Botswana MPC** meeting;  
 29 Aug 2019 **(Botswana) Bank of Botswana MPC** meeting;  
 10 Sept 2019. **(Botswana)** Electra Mining Botswana event;  
 October 2019 **(Botswana)** Scheduled general elections;  
 31 Oct 2019 **(Botswana) Bank of Botswana MPC** meeting;  
 5 Dec 2019 **(Botswana) Bank of Botswana MPC** meeting;

### Chronology

17 Apr 2019 **Gaborone (Botswana) ABC News**. State-owned **Okavango Diamond Company** unveils Botswana's largest and rare 20-carat blue diamond, showcasing the country as a leading source for unique natural diamonds;  
 15 Apr 2019 **Gaborone (Botswana) Journal du Cameroun**. President **Mokgweetsi Masisi** evades parliament's planned vote of no confidence by increasing legislators' remuneration;  
 12 Apr 2019 **Gaborone (Botswana) Journal du Cameroun**. Opposition **Botswana National Front (BNF)** accuses the **Chinese** government of meddling in Botswana's election by providing financial support to the ruling **Botswana Democratic Party (BDP)**;

<sup>47</sup> ODC CEO Marcus Ter Haar quoted in ABC News, 17 Apr 2019.

<sup>48</sup> ABC News, 17 Apr 2019.

<sup>49</sup> Mining.com, 17 Apr 2019

<sup>50</sup> Mining.com, 17 Apr 2019

<sup>51</sup> Source, analyst, London

<sup>52</sup> Reuters, 17 Apr 2019.

12 Apr 2019 **Gaborone (Botswana)** *Mmegi*. The **International Monetary Fund (IMF)** raises Botswana's economic growth forecast to 3.9% from 3.6%, signaling growing confidence in Botswana's economic prospects;

8 Apr 2019 **Gaborone (Botswana)** *Journal du Cameroun*. President **Mokgweetsi Masisi** says his government abides by the "One China" policy, in a notable policy departure from his predecessor, former president **Ian Khama**;

7 Apr 2019 **Gaborone (Botswana)** *Daily News*. President **Mokgweetsi Masisi** is elected president of the ruling **Botswana Democratic Party (BDP)** unopposed, after his challenger, former foreign minister **Pelonomi Venson-Moitoi**, withdrew her candidature;

5 Apr 2019 **Gaborone (Botswana)** *Bloomberg*. Former president **Ian Khama** criticises the ruling **Botswana Democratic Party (BDP)** for manipulating the party's electoral process to favour president **Mokgweetsi Masisi** against his challenger, former foreign minister **Pelonomi Venson-Moitoi**;

4 Apr 2019 **Gaborone (Botswana)** *Journal du Cameroun*. Former president **Ian Khama** refutes claims that he attempted to launder money to support former finance minister **Pelonomi Venson-Moitoi's** presidential campaign;

1 Apr 2019 **Gaborone (Botswana)** *Sunday Standard*. **Zimbabwe's Central Intelligence Organisation (CIO)** reportedly scuttled former president **Ian Khama's** meeting with **South Africa**-based financiers to plot president **Mokgweetsi Masisi's** removal from office;

27 Mar 2019 **Johannesburg (South Africa)** *Times Live*. The **South African National Defence Forces (SANDF)** dismisses reports that it provided intelligence to the **Botswana Defence Forces** about an impending military coup against President **Mokgweetsi Masisi**;

25 Mar 2019 **Gaborone (Botswana)** *Southern Times*. **Debswana Diamond Company** extends the lifespan of its **Jwaneng** diamond mine, which is one of the most valuable in the world;

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