











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Indicator	Score
4.1.1	Context
4.1.1	Context

4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A B C

Comments:

"The Pula Fund is a long-term investment portfolio. The fund was established in 1994 with the aim of preserving part of the income from diamond exports for future generations. By creating a separate investment portfolio, it was possible to provide more appropriate, longer-term investment considerations in the guidelines for its management. Foreign exchange reserves that are in excess of what is expected to be needed in the medium term are transferred to the Pula Fund and invested according to these investment guidelines. The Pula Fund is a Sovereign Wealth Fund (SWF) and, given the long experience in managing this fund, the Bank has been closely involved in international discussions regarding prudent management of SWF's and in the formulation of Generally Accepted Principles for SWF's."

The Pula Fund is ranked 6 (out of 10) by the Sovereign Wealth Fund Institute's Linaburg-Maduell Transparency Index.

References:

Bank of Botswana. Pula Fund History. - <http://www.bankofbotswana.bw/content/2009103013033-pula-fund>

Sovereign Wealth Fund Institute. Fund Rankings - <http://www.swfinstitute.org/fund-rankings/>

4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D E

Comments:

The Pula Fund is the responsibility of the Bank of Botswana.

Excerpt from the Auditor-General Annual Report 2010:

"BOB Pula Fund Share of Reserves

The figure of P4 005 753 000 has been reflected in the accounts of Botswana Government as the balance of revaluation reserves for well over, at least, 5 years without change. I have advised the Accountant General to take this matter up with Bank of Botswana with a view to its update, if appropriate."

References:



Bank of Botswana - <http://www.bankofbotswana.bw/content/2009103013033-pula-fund>

Auditor General Annual Report 2010 - <http://www.oag.org.bw/index.php?s=pula+fund&Submit=Submit>

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Indicator		Score
4.2.1	Comprehensive reports	25 
4.2.2.056	Audited reports	84 

4.2.1 Comprehensive reports

4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B C

Comments:

There is no specific information published about the Pula Fund. However, the Bank of Botswana Act language provides for complete discretion on the part of the Bank in collaboration with the government.

"(2) The Minister may decide to invest part of the Government's balances at the Bank in such long term investment funds, and the Bank shall set up separate investment accounts for such Government balances.

(3) The Bank, after consultation with the Minister, shall determine the policies, terms and conditions for any such long term investment funds including the selection of appropriate investments and the payment of dividends, which dividends shall be charged to the income of the Bank and to the Government investment accounts, as the case may be."

References:

Bank of Botswana Act, s. 35(2), 35(3) -
<http://www.bankofbotswana.bw/assets/uploaded/Bank%20of%20Botswana%20Act.pdf>

4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D E

Comments:

The Bank of Botswana Statement of Financial Position lists the Pula Fund balance in both the assets and liabilities columns. The asset side is the relevant Pula Fund (forex reserves) and the liability side is regular government deposits in domestic currency. The liability side is not in fact related to the Pula SWF.

References:

Bank of Botswana. Annual Report 2010, Statement of Financial Position.
http://www.bankofbotswana.bw/assets/uploaded/BoB%20AR%202010%20Main_1.pdf

4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D E

Comments:

Given that the Pula Fund is only reported as a line item, it is not understandable.

References:

Bank of Botswana. Annual Report 2010, Statement of Financial Position.

http://www.bankofbotswana.bw/assets/uploaded/BoB%20AR%202010%20Main_1.pdf

4.2.1.055: How often are financial reports published by the fund management or authority in charge?

Score: A B C D E

Comments:

The relevant information is found in the Bank of Botswana's annual report.

References:

Bank of Botswana. Annual Report 2010, Statement of Financial Position.

http://www.bankofbotswana.bw/assets/uploaded/BoB%20AR%202010%20Main_1.pdf

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?

Score: A B C D E

Comments:

The Pula Fund does not have separate financial reports because it is not a separate and distinct entity. Therefore, there are no financial reports that could be audited separately. However, the financial statements published by the Bank of Botswana are audited by the national audit office.

References:

Bank of Botswana. Annual Report 2010, Statement of Financial Position.

http://www.bankofbotswana.bw/assets/uploaded/BoB%20AR%202010%20Main_1.pdf

4.2.2.056b: Are the audited financial reports published?

Score: A B C

Comments:

The Bank's financial statements are audited and published. No separate audit of the SWF though.

References:


Bank of Botswana. Annual Report 2010, Statement of Financial Position.

http://www.bankofbotswana.bw/assets/uploaded/BoB%20AR%202010%20Main_1.pdf

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Indicator	Score
4.3.1 Legal Framework and Practice	72 

4.3.1 Legal Framework and Practice

4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B C

Comments:

Although the rules governing withdrawals are not defined as if it were a sovereign wealth fund, the central bank follows a policy established in the Bank of Botswana Act in 1994 for the composition of its foreign exchange reserves with the general goal of preserving a portion of the income from diamond exports for future generations. This separate portfolio follows longer-term investment considerations. The Bank of Botswana takes part of the income from diamond exports and any excess of what is expected to be needed in the medium term from foreign exchange reserves are transferred to the Pula Fund.

The Bank of Botswana has been closely involved in international discussions regarding prudent management of SWF's.

The Pula Fund has increased due to a sustained period of substantial balance of payments surpluses and successful investment strategy. "However, there have been instances of substantial outflow: notably in the period following the establishment of the Public Officers Pension Fund, which resulted in a substantial transfer of assets from Government; while, from late 2008, the turbulence arising from the worsening global economic slowdown resulted in some erosion of the Pula Fund, due to both the adverse market conditions and outflows needed to maintain the Liquidity Portfolio at required levels."

References:

Bank of Botswana. Pula Fund. <http://www.bankofbotswana.bw/content/2009103013033-pula-fund>

4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D E

Comments:

There amounts deposited are variable, since the deposits vary according to what is estimated to be necessary for macroeconomic objectives in are medium term. The excess is deposited into a long-term portfolio. That leaves room to changing rules.

References:

N/A

4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B C

Comments:

Although the rules governing withdrawals are not defined as if it were a sovereign wealth fund, the central bank follows a policy established in the Bank of Botswana Act in 1994 for the composition of its foreign exchange reserves with the general goal of preserving a portion of the income from diamond exports for future generations. This separate portfolio follows longer-term investment considerations.

The Bank of Botswana has been closely involved in international discussions regarding prudent management of SWF's.

The Pula Fund has increased due to a sustained period of substantial balance of payments surpluses and successful investment strategy.

References:

Bank of Botswana. Pula Fund. <http://www.bankofbotswana.bw/content/2009103013033-pula-fund>

4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: A B C D E

Comments:

"However, there have been instances of substantial outflow: notably in the period following the establishment of the Public Officers Pension Fund, which resulted in a substantial transfer of assets from Government; while, from late 2008, the turbulence arising from the worsening global economic slowdown resulted in some erosion of the Pula Fund, due to both the adverse market conditions and outflows needed to maintain the Liquidity Portfolio at required levels."

References:

N/A

4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?

Score: A B C

Comments:

There have been reductions to pay for other objectives, see Bank of Botswana's annual report 2010, p. 113.

"However, there have been instances of substantial outflow: notably in the period following the establishment of the Public Officers Pension Fund, which resulted in a substantial transfer of assets from Government; while, from late 2008, the turbulence arising from the worsening global economic slowdown resulted in some erosion of the Pula Fund, due to both the adverse market conditions and outflows needed to maintain the Liquidity Portfolio at required levels."

References:

Bank of Botswana. Pula Fund. <http://www.bankofbotswana.bw/content/2009103013033-pula-fund>

4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

Comments:

The Pula Fund is not a separate entity but managed by the Central Bank. The general requirement to disclose assets apply. See question 28. Public Service Act, s. 185 - <http://www.legislation.qld.gov.au/LEGISLTN/ACTS/2008/08AC038.pdf>

References:

N/A

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Indicator	Score
5.1.1	Context

5.1.1 Context

5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C D E

Comments:

Botswana is divided into ten local councils.

"The revenues of a council shall consist of—

- (a) such tax as the council is authorized by law to collect from the inhabitants of the area in respect of which the council has been established;
- (b) such rates as the council is authorized by law to impose;
- (c) rents from property owned or administered by the council;
- (d) all moneys derived from licences or permits issued by the council and all taxes, dues and fees imposed under lawful authority by the council;
- (e) interest on investments;
- (f) such royalties as may by law be payable to or receivable by the council;
- (g) donations, contributions and endowments;
- (h) reimbursements;
- (i) such grants as the Government may make to the council;
- (j) any other moneys which may by law be paid to or received by the council."

Despite these diverse sources, a substantial portion of revenue to local districts comes from the central government. Transfers are largely based on the needs of the various council's communities (factors include population size and geographic area).

"Every council shall, after considering a report from its Finance Committee, at least three months before the beginning of any financial year prepare and approve by resolution detailed estimates of its revenue and expenditure for the forthcoming financial year, and shall submit such estimates together with a copy of such resolution for the approval of the Minister who may either approve the estimates as submitted, or disallow such estimates in whole or in part, or refer such estimates back to the council for further consideration."

References:

Local Government District Councils Act, s. 44, 52(1) -

<http://www.gov.bw/Global/MLG/Acts/Local%20Government%20District%20Councils%20ACT.pdf>

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B C

Comments:

"A council shall not, except with the prior approval of the Minister, incur any expenditure which has not

been included in the estimates or supplementary estimates of the council, duly approved where necessary by the Minister, but may, after considering a report of its finance committee, and with the approval of the Minister, make re-allocations of any sum contained in such approved estimates: Provided that any person designated for the purpose in writing by the Minister may, within such limits as the Minister may direct, approve re-allocations without reference to the Minister."

References:

Local Government District Councils Act, s. 44, 52(1) -

<http://www.gov.bw/Global/MLG/Acts/Local%20Government%20District%20Councils%20ACT.pdf>

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Indicator		Score
5.2.1	Disclosure	20 

5.2.1 Disclosure

5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B C

Comments:

The amount transferred is dependent upon needs of the various local councils.

References:

Local Government District Councils Act, s. 44, 52(1) -

<http://www.gov.bw/Global/MLG/Acts/Local%20Government%20District%20Councils%20ACT.pdf>

5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D E

References:

Ministry of Finance and Development Planning. Budget Tables - http://www.finance.gov.bw/index.php?option=com_content1&parent_id=334&pparent=336&id=383

5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B C D E

References:

N/A

5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?

Score: A B C D E

References:

N/A

5.2.1.069: Do sub-national governments publish information on transfers received from central

governments?

Score: A (B) C


References:

N/A

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Indicator		Score
5.3.1	Legal Framework and Practice	100 

5.3.1 Legal Framework and Practice

5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B C

Comments:

Local councils apply for funds and the central government determines how much to allocate to each council.

References:

Local Government District Councils Act, s. 52

5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D E

References:

Local Government District Councils Act, s. 52 -
<http://www.gov.bw/Global/MLG/Acts/Local%20Government%20District%20Councils%20ACT.pdf>

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Context

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Indicator	Score
1.1	Context
1.1	Context

1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score: A B C **D** E

Comments:

It is mixed ownership because private property rights and tribal rights are protected.

Mines & Minerals Act, s. 3 - "Subject to the provision of the Mineral Rights in Tribal Territories Act, all rights of ownership in minerals are vested in the Republic and the Minister shall ensure, in the public interest, that the mineral resources of the Republic are investigated and exploited in the most efficient, beneficial and timely manner."

Mines & Minerals Act 1999, s. 5(1) - "Subject to the provisions of this Act, the right to prospect for, to retain and to mine minerals may be acquired and held only under and in accordance with the provisions of this Act, notwithstanding any right of ownership or otherwise which any person may possess in and to the soil on, in or under which minerals are found or situate."

Mines & Minerals Act, s. 3(3) - "Nothing in this Act shall prevent a member of any tribe for taking, subject to such conditions and restrictions as may be prescribed, minerals from any land from which it has been the custom of members of that tribe to take minerals and to the extent that this is permissible under the customary of that tribe.

Protection in constitution - Constitution of Botswana, s. 8(1)(a)(iii)

"No property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except where the following conditions are satisfied, that is to say (a) the taking of possession or acquisition is necessary or expedient...(iii) in order to secure the develop or utilization of the mineral resources of Botswana."

References:

Mines and Minerals Act, s. 3, 5(1), 5(3) -
<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Constitution of Botswana, s. 8(1)(a)(iii) -
http://www.chr.up.ac.za/undp/domestic/docs/c_Botswana.pdf

1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score: **A** B C D E

Comments:

"Notwithstanding the provisions of this Act, the Minister may, in the public interest and subject to such

conditions as he may determine, authorize any person to undertake non commercial investigations into the geological resources of Botswana." (Mines and Minerals Act s. 5(4))

The responsibility of the Minister covers prospecting licenses (s.13), retention licenses (s. 25) and mining licenses (s.37).

References:

Mines and Minerals Act, s. 5(4), 13, 25, 27 -

<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

1.1.003: What licensing practices does the government commonly follow?

Score: A B C D E

Comments:

There is a detailed application process to obtain mineral rights and the royalty rates are set by legislation.

Note: Diamond mining currently accounts for more than one-third of GDP, 70-80 percent of export earnings, and about half of the government's revenues (CIA World Factbook).

References:

Mines and Minerals Act, s. 38, 39, 66 -

<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Ministry of Minerals, Energy and Water Resources. How to Obtain a Mining License -

<http://www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Minerals-Energy-and-Water-Resources-MMWER/Departments1/Department-of-Mines11/Mining-Licence-Retention-licence-and-Minerals-Permit/>

Mineral License and Mineral Permits Application Requirements -

<http://www.gov.bw/PageFiles/7995/ml%20mp%20applications%20guide.pdf>

1.1.004: What is the fiscal system for mineral resources?

Score: A B C D E

Comments:

In exchange for licenses, the government may obtain a working interest in the mining operation, and will obtain royalties, annual fees, and income taxes.

References:

Mines and Minerals Act, s.40, 66, 70 -

<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Ministry of Minerals, Energy and Water. Botswana Mineral Investment Promotion - 2008, s. 4 Fiscal Regime - http://www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Minerals-Energy-and-Water-Resources-MMWER/Reports-and-Publications/Annual-Reports/Department-of-Mines-Annual-Reports/?p_id=3691

1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: A B C D E

Comments:

The Minister may make regulations and impose penalties.

References:

Mines and Minerals Act, s. 80, 81-

<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

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Disclosure

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Indicator	Score
1.2.006 Information on licensing process	34 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	25 
1.2 Access to information and legislation	50 

1.2.006 Information on licensing process

1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B C D E

Comments:

All information described in (a) is provided, except that in Botswana all licenses are awarded on a first-come first-served basis, therefore there is no bidding process and no geographical area defined.

References:

Department of Mines. Mining Licence and Minerals Permits Application Requirements - <http://www.gov.bw/PageFiles/7995/ml%20mp%20applications%20guide.pdf>

Ministry of Minerals, Energy and Water. Botswana Mineral Investment Promotion - 2008 - http://www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Minerals-Energy-and-Water-Resources-MMWER/Reports-and-Publications/Annual-Reports/Department-of-Mines-Annual-Reports/?p_id=3691

1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B C D E

Comments:

The only publications on the Department of Mines website are very scant annual reports beginning in 2009.

References:

Department of Mines website - <http://www.mines.gov.bw/publications.php>

Government of Botswana publications - http://www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Minerals-Energy-and-Water-Resources-MMWER/Reports-and-Publications/Annual-Reports/Department-of-Mines-Annual-Reports/?p_id=3691

1.2 Contract transparency

1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?

Score: A B C **(D)** E

Comments:

The Mines and Minerals Act does not include any provisions requiring publication of mining licenses. No contracts are published on any of the government websites.

References:

N/A

1.2.008 Environmental and social impact assessments

1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?

Score: **(A)** B C

Comments:

Mining Application Form V requires submission of an environmental impact assessment study as well as an environmental management programme.

References:

Mines and Minerals Act, Mining Application Form V -
<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

.

1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?

Score: A B C **(D)** E

Comments:

Neither the Department of Environment nor the Department of Mines publish the environmental impact assessments that must be submitted with mining license applications.

The Environmental Impact Assessment Act requires consultations be held to inform the Environmental Management Plan.

References:

Department of Environmental Affairs - http://www.mewt.gov.bw/DEA/article.php?id_mnu=75

Department of Mines - <http://www.mines.gov.bw/publications.php>

Environmental Impact Assessment Act -
<http://www1.eis.gov.bw/EIS/Policies/Environmental%20Policies/CAP%2065-07%20Environmental%20Impact%20Assessment%20Act.pdf>

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?

Score: A B C

Comments:

There is no mention of any type of social impact assessment, however environmental protection is a primary concern.

Mines and Minerals Act. s. 14

"(1) The Minister shall grant a prospecting licence if—

(a) the applicant has, or has secured access to, adequate financial resources, technical competence and experience to carry on effective prospecting operations;

(b) the proposed programme of prospecting operations is adequate and makes proper provision for environmental protection;

(c) the proposed prospecting area is not the same as, nor does it overlap an existing prospecting area, retention area, mining area or minerals permit area in respect of the same mineral or associated mineral; and

(d) the applicant is not in default."

References:

Mines and Minerals Act, s. 14 - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Peer Review Comments:

While the legislation does not specify these types of assessments (social impact), typically consultations are carried out with local communities, including with their traditional and political leaders to determine the impact on their communities and ways these can be lessened.

1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?

Score: A B C D E

Comments:

Social Impact Assessments are not required.

References:

N/A

1.2 Access to information and legislation

1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?

Score: A B C D E

Comments:

The Mines and Minerals Act is sufficiently specific, outlining royalties, taxes, and annual licensing costs.

References:

Mines and Minerals Act - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.**Score:** A B C **D** E**Comments:**

There is no legislation that provides for disclosure of any information in Botswana at this time. However, there is a Draft Freedom of Information Bill that went before Parliament in July 2011.

References:

Article 19. Draft Freedom of Information Bill - <http://www.article19.org/data/files/pdfs/laws/botswana-freedom-of-information-bill.pdf>


Article 19. Review of the Freedom of Information Bill. May 2011 - <http://www.article19.org/data/files/pdfs/analysis/memorandum-on-the-draft-freedom-of-information-bill-of-botswana.pdf>

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	45 

1.3 Legal Framework and Practices

1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A B C

Comments:

The Minister of Mines is in charge of awarding licenses. The Ministry is separate and distinct from Debswana, the state-owned company, which is a 50/50 joint-venture with De Beers.

References:

Mines and Minerals Act, s. 3 - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Debswana Governance Structure -

<http://www.debswana.com/About%20Debswana/Pages/Corporate%20Governance.aspx>

1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score: A B C D E

Comments:

The Mines and Minerals Act does not state a preference for national mining companies, however mining companies operating in Botswana are expected to give preference to employ citizens of Botswana in all phases of operation.

References:

Mines and Minerals Act, s. 12 - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score: A B C D E

Comments:

Although Part VI of the Mines and Minerals Acts outlines the requirements surrounding mining licenses, s. 51 omits mining licenses for diamonds from the applicability of these provisions. Therefore, any application to issue, renew, transfer or amend a license for mining diamonds is subject to negotiation without any restrictions (or transparency).

References:

Mines and Minerals Act, s. 37-51 -
<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score: A B C **(D)** E

Comments:

The Minister of Mines is the only authority required to approve contracts. Further, all parliamentary committees are not privy to the negotiations between government and diamond company due to commercial confidentiality.

References:

Constitution of the Republic of Botswana -
http://www.chr.up.ac.za/undp/domestic/docs/c_Botswana.pdf

Mines and Minerals Act - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

1.3.015: Is there a due process to appeal licensing decisions?

Score: A **(B)** C

Comments:

There is no mention in the Mines and Minerals Act or the Mining Guide that applicants will have any opportunity to appeal licensing decisions.

The news article included is an example where a company is awaiting the "final decision" for its mining license application.

Since the Minister of Mines negotiates the terms of contracts with diamond companies and there is no legislative oversight, licensing decisions may be open to change.

References:

Department of Mines. Mining Licence and Minerals Permits Application Requirements -
<http://www.gov.bw/PageFiles/7995/ml%20mp%20applications%20guide.pdf>

Mines and Minerals Act - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Olivia Soray Spadavecchia. MiningWeekly.com. AK6 mining licence may be granted early '08 - African Diamonds. December 3, 2007 - <http://www.miningweekly.com/article/ak6-mining-licence-may-be-granted-early-03908-african-diamonds-2007-12-03>

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?

Score: **(A)** B C

Comments:

The application to register a company with a share capital requires the disclosure of shareholder names and contact information.

References:

Government of Botswana. Application for Company - <http://www.gov.bw/Global/MTI%20ministry/new-companies-registration-forms.pdf?epslanguage=en>

Companies Act, s. 6-8 - <http://www.osall.org.za/docs/Botswana%20-%20Companies%20Act%2032%20of%202004.pdf> (too large to upload)

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Context

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Indicator	Score
2.1	Context 67

2.1 Context

2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A B C

Comments:

It is in the government's discretion to exercise the option to acquire up to a 15% working interest participation in a mine, so long as it is on mutually-agreed commercial terms and government is treated the same as other shareholders in terms of contribution to working interest.

References:

Mines and Minerals Act, s. 40 - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Ministry of Minerals, Energy and Water. Botswana Mineral Investment Promotion - 2008 - http://www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Minerals-Energy-and-Water-Resources-MMWER/Reports-and-Publications/Annual-Reports/Department-of-Mines-Annual-Reports/?p_id=3691

2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D E

Comments:

The government is treated just as any other shareholder in SOC joint-venture with DeBeers. Therefore, the physical commodities are never actually transferred to the government.

Debswana operates as a profit-maximizing company and the government benefits as a partner in said joint venture.

References:

Debswana Governance Structure - <http://www.debswana.com/About%20Debswana/Board%20of%20Directors/SitePages/Directors.aspx>

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

References:

Mines and Minerals Act, s. 66, 67 -











<http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

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Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	11 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	29 
2.2A	Quality of reports	50 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	11 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	5 
2.2B	Quality of reports	50 
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	N/A
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	N/A
2.2C	Quality of reports	N/A
2.2D.020	Does the Central Bank publish information on revenue generation?	22 
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	29 
2.2D	Quality of reports	100 
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A
2.2E	Quality of reports	N/A
2.2	Public sector balance	67 

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

2.2A.020.a: Reserves

Score: A B C **(D)** E

References:

N/A

2.2A.020.b: Production volumes**Score:** (A) B C D E**Comments:**

The Botswana Unified Revenue Service is semi-autonomous and closely associated with the Ministry of Finance and Development Planning.

References:

Botswana Unified Revenue Service. Annual Reports 2009 & 2010 - http://www.burs.org.bw/index.php?option=com_phocadownload&view=category&id=71&Itemid=152

Botswana Unified Revenue Service. Statistical Yearbook 2010.
<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>

2.2A.020.c: Information on prices**Score:** A B C (D) E**References:**

N/A

2.2A.020.d: Value of resource exports**Score:** A B C (D) E**Comments:**

Resource exports are not disaggregated from exports in general.

The Botswana Unified Revenue Service is semi-autonomous and closely associated with the Ministry of Finance and Development Planning.

References:

Botswana Unified Revenue Service. Annual Reports 2009 & 2010 - http://www.burs.org.bw/index.php?option=com_phocadownload&view=category&id=71&Itemid=152

Botswana Unified Revenue Service. Statistical Yearbook 2010.
<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>

2.2A.020.e: Estimates of investment in exploration and development**Score:** A B C (D) E**References:**

N/A

2.2A.020.f: Production costs**Score:** A B C (D) E

References:

N/A

2.2A.020.g: Names of companies operating in countryScore: A B C D E**References:**

N/A

2.2A.020.h: Production data by company and/or blockScore: A B C D E**References:**

N/A

2.2A.020.i: Cost of subsidies or social investments paid by mineral revenueScore: A B C D E**References:**

N/A

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

2.2A.020.j1: Production streams valueScore: A B C D E**Comments:**

BURS reports royalties and dividends on an aggregated basis. Therefore this question is answered with score A while questions on royalties and dividends are considered as 'not published'.

References:

Botswana Unified Revenue Service. Statistical Yearbook 2010.
<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>

2.2A.020.j2: Government s share in PSCScore: A B C D E**References:**

N/A

2.2A.020.j3: Royalties

Score: A B C **(D)** E

Comments:

The mineral royalties and dividends are provided as an aggregate value in the year book report.

References:

Botswana Unified Revenue Service. Statistical Yearbook 2010.

<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>

2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: **(A)** B C D E

Comments:

Reporting on revenue from the Mineral Tax is included in annual report.

References:

Botswana Unified Revenue Service - Annual Reports 2010 & 2009

2.2A.020.j5: Dividends

Score: A B C **(D)** E

Comments:

The mineral royalties and dividends are provided as an aggregate value in the year book report.

References:

Botswana Unified Revenue Service. Statistical Yearbook 2010.

<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>

2.2A.020.j6: Bonuses

Score: A B C **(D)** E

References:

N/A

2.2A.020.j7: License fees

Score: A B C **(D)** E

References:

N/A

2.2A.020.j8: Acreage fees

Score: A B C **(D)** E

References:

N/A

2.2A.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

N/A

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?**Score:** A B C D E**References:**

Botswana Unified Revenue Service. Statistical Yearbook 2010.

<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>

2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?**Score:** A B C D E**References:**

Botswana Unified Revenue Service. Statistical Yearbook 2010.

<http://www.cso.gov.bw/templates/cso/file/File/Botswana%20Statistical%20Year%20Book%202010.PDF>Botswana Unified Revenue Service. Annual Reports 2009 & 2010 - http://www.burs.org.bw/index.php?option=com_phocadownload&view=category&id=71&Itemid=152

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

2.2B.020.a: Reserves**Score:** A B C D E**References:**

N/A

2.2B.020.b: Production volumes**Score:** A B C D E**Comments:**

Most recent annual report available was for 2008.

References:

Department of Mines. Annual Report. 2008 -
<http://www.mines.gov.bw/DoM%202008%20Annual%20Report.pdf>

2.2B.020.c: Information on prices

Score: A B C **(D)** E

References:

N/A

2.2B.020.d: Value of resource exports

Score: A B C **(D)** E

References:

N/A

2.2B.020.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

References:

N/A

2.2B.020.f: Production costs

Score: A B C **(D)** E

References:

N/A

2.2B.020.g: Names of companies operating in country

Score: A B **(C)** D E

References:

Department of Mines. Contact Details. January 11 2007 - <http://www.mines.gov.bw/Mines%20-%20Leases%20%20Addresses.pdf>

2.2B.020.h: Production data by company and/or block

Score: A B **(C)** D E

References:

Department of Mines. Contact Details. January 11 2007 - <http://www.mines.gov.bw/Mines%20-%20Leases%20%20Addresses.pdf>

2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

N/A

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

2.2B.020.j1: Production streams value

Score: A B C D E

References:

N/A

2.2B.020.j2: Government s share in PSC

Score: A B C D E

References:

N/A

2.2B.020.j3: Royalties

Score: A B C D E

Comments:

In the 2008 Annual Report the Department of Mines reports that the percentage of mineral revenues generated by diamond royalties was 19.54%.

References:

<http://www.mines.gov.bw/Mines%20-%20Leases%20%20Addresses.pdf>

2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

N/A

2.2B.020.j5: Dividends

Score: A B C D E

Comments:

Dividend revenues are not published, however in the 2008 Annual Report the Department of Mines reports that the percentage of mineral revenues generated by diamond dividends was 78.27%.

References:

<http://www.mines.gov.bw/Mines%20-%20Leases%20%20Addresses.pdf>

2.2B.020.j6: Bonuses

Score: A B C D E

References:

N/A

2.2B.020.j7: License fees

Score: A B C D E

References:

N/A

2.2B.020.j8: Acreage fees

Score: A B C D E

References:

N/A

2.2B.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

N/A

2.2B Quality of reports

2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B C D E

Comments:

It is understandable, even if it is outdated and provides minimal information.

References:

Department of Mines. Annual Report. 2008 -
<http://www.mines.gov.bw/DoM%202008%20Annual%20Report.pdf>

2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?

Score: A B C D E

Comments:

Although the reports are printed annually, it is unclear whether said reports are actually available each year.

References:

Department of Mines. Annual Report. 2008 -
<http://www.mines.gov.bw/DoM%202008%20Annual%20Report.pdf>

2.2C.020 Does a Regulatory Agency publish information on revenue generation?

2.2C.020.a: Reserves

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.b: Production volumes

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.c: Information on prices

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.d: Value of resource exports

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.e: Estimates of investment in exploration and development

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.f: Production costs

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.g: Names of companies operating in country

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.h: Production data by company and/or block

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

2.2C.020.j1: Production streams value

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j2: Government s share in PSC

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j3: Royalties

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j5: Dividends

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j6: Bonuses

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j7: License fees

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j8: Acreage fees

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C Quality of reports

2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?

Score: A B C D E

Comments:

The Department of Mines is the regulatory agency.

References:

N/A

2.2D.020 Does the Central Bank publish information on revenue generation?

2.2D.020.a: Reserves

Score: A B C D E

References:

N/A

2.2D.020.b: Production volumes

Score: A B C D E

Comments:

The Bank of Botswana Financial Statistics are published on a monthly basis and are available from 2009 through March 2012.

References:

N/A

2.2D.020.c: Information on prices

Score: A B C D E

References:

N/A

2.2D.020.d: Value of resource exportsScore: A B C D E**Comments:**

The Financial Statistics are reported on a monthly basis and on the website they are available from 2009.

References:

Bank of Botswana. Financial Statistics - <http://www.bankofbotswana.bw/content/2009110615035-botswana-financial-statistics>

2.2D.020.e: Estimates of investment in exploration and developmentScore: A B C D E**Comments:**

The category in the table is listed as Mining Development Expenditures.

References:

Bank of Botswana. Annual Report 2010 - http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

2.2D.020.f: Production costsScore: A B C D E**References:**

N/A

2.2D.020.g: Names of companies operating in countryScore: A B C D E**References:**

N/A

2.2D.020.h: Production data by company and/or blockScore: A B C D E**References:**

N/A

2.2D.020.i: Cost of subsidies or social investments paid by mineral revenueScore: A B C D E

References:

N/A

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

2.2D.020.j1: Production streams value**Score:** (A) B C D E**Comments:**

The Annual Report includes "Mineral Revenue" which is the aggregate of all revenues received from mining, including taxes, dividends, and royalties.

References:

Bank of Botswana. Annual Report Statistics -
http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

2.2D.020.j2: Government s share in PSC**Score:** A B C D (E)**Comments:**

The government does not enter into production sharing contracts.

References:

N/A

2.2D.020.j3: Royalties**Score:** A B C (D) E**Comments:**

Not published in a disaggregated form.

References:

Bank of Botswana. Annual Report Statistics -
http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score:** A B C (D) E**Comments:**

Not published in a disaggregated form.

References:

Bank of Botswana. Annual Report Statistics -
http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

2.2D.020.j5: Dividends**Score:** A B C D E**Comments:**

Not published in a disaggregated form.

References:Bank of Botswana. Annual Report Statistics -
http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf**2.2D.020.j6: Bonuses****Score:** A B C D E**References:**

N/A

2.2D.020.j7: License fees**Score:** A B C D E**References:**Bank of Botswana. Financial Statistics - <http://www.bankofbotswana.bw/content/2009110615035-botswana-financial-statistics>**2.2D.020.j8: Acreage fees****Score:** A B C D E**References:**

N/A

2.2D.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

N/A

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?**Score:** A B C D E**References:**

Bank of Botswana. Annual Report 2010 - Main Report -

http://www.bankofbotswana.bw/assets/uploaded/BoB%20AR%202010%20Main_1.pdf

Bank of Botswana. Annual Report 2010 - Statistics -

http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?

Score: A B C D E

Comments:

The Financial Statistics are published on a monthly basis and the Annual Report, which includes the detailed descriptions and explanations, is available annually.

References:

Bank of Botswana. Financial Statistics - <http://www.bankofbotswana.bw/content/2009110615035-botswana-financial-statistics>

Bank of Botswana. Annual Report 2010 -

http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

Bank of Botswana. Annual Report Statistics -

http://www.bankofbotswana.bw/assets/uploaded/AR%202010%20Part%20C_1.pdf

2.2E.020 Does any other government agency or entity publish information on revenue generation?

2.2E.020.a: Reserves

Score: A B C D E

References:

N/A

2.2E.020.b: Production volumes

Score: A B C D E

References:

N/A

2.2E.020.c: Information on prices

Score: A B C D E

References:

N/A

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

N/A

2.2E.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

N/A

2.2E.020.f: Production costs

Score: A B C D E

References:

N/A

2.2E.020.g: Names of companies operating in country

Score: A B C D E

References:

N/A

2.2E.020.h: Production data by company and/or block

Score: A B C D E

References:

N/A

2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

N/A

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

2.2E.020.j1: Production streams value

Score: A B C D E

References:N/A

2.2E.020.j2: Government s share in PSCScore: A B C D E**References:**N/A

2.2E.020.j3: RoyaltiesScore: A B C D E**References:**N/A

2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)Score: A B C D E**References:**N/A

2.2E.020.j5: DividendsScore: A B C D E**References:**N/A

2.2E.020.j6: BonusesScore: A B C D E**References:**N/A

2.2E.020.j7: License feesScore: A B C D E**References:**N/A

2.2E.020.j8: Acreage fees

Score: A B C D E

References:

N/A

2.2E.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

N/A

2.2E Quality of reports

2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?

Score: A B C D E

References:

N/A

2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?

Score: A B C D E

References:

N/A

2.2 Public sector balance

2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D E

Comments:

The government does not publish any information on Debswana or its financial balance, nor does Debswana publish this information. However, Debswana is only 50% owned by Botswana.

References:

Debswana. Annual Report 2009. <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx> (too large to upload)

2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?

Score: (A) B C D E

Comments:

The Mines and Minerals Act makes no mention of a natural resource fund. Botswana has the PULA fund, which is considered a sovereign wealth fund, though in many respects it is not. Since the entire balance sheet of the Central Bank is published, including the PULA fund and long term investments in annual reports, we chose the score A.

References:

Mines and Minerals Act - <http://www.mines.gov.bw/mines%20and%20minerals%20%20Act.pdf>

Bank of Botswana website - <http://www.bankofbotswana.bw/content/2009103013033-pula-fund>

2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?

Score: (A) B C

Comments:

The budget always includes resource revenue. The government does have a National Development Plan to guide the country's overall development.

References:

Ministry of Finance and Development Planning. Budget in Brief 2012/13 - http://www.finance.gov.bw/templates/mfdp/file/File/2012%20%20Budget%20in%20Brief_Final_%2031%20jan.pdf


Ministry of Finance and Development Planning. National Development Plan - http://www.finance.gov.bw/index.php?option=com_content1&parent_id=216&pparent=221&cat_id=236&id=237

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Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	57 

2.3 Legal Framework and Practices

2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B C D E

Comments:

Botswana Unified Revenue Service is responsible for collecting taxes and the Department of Mines is responsible for collecting mineral royalties.

References:

Botswana Unified Revenue Service, mandate - http://www.burs.org.bw/index.php?option=com_content&view=article&id=38&Itemid=136

Department of Mines. Annual Report 2008, mission statement - <http://www.mines.gov.bw/DoM%202008%20Annual%20Report.pdf>

2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B C D E

Comments:

"All revenues generated directly by line ministries are transferred to the Consolidated Fund. All expenditure is made through a centralised payments system. This arrangement provides effective control over the extent of extra-budgetary expenditure by the line ministries that can be undertaken. "

However, none of the government documents reviewed include any information about the revenues from the government owning 50% of Debswana.

References:

Public Expenditure and Financial Accountability Report. 2009. http://ec.europa.eu/europeaid/what/economic-support/public-finance/documents/botswana_pefa_report__en.pdf

Debswana website - <http://www.debswana.com/Pages/Welcome.aspx>

2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or

projects?**Score:** (A) B C**Comments:**

The Public Service Act requires public service employees to disclose any conflicts of interest to the chief executive. Therefore, government officials with a role in oversight in extractives must disclose their financial interests in extractives.

References:

Public Service Act, s. 185 - <http://www.legislation.qld.gov.au/LEGISLTN/ACTS/2008/08AC038.pdf>

2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?**Score:** (A) B C D E**Comments:**

The Office of the Auditor General reviews Botswana Unified Revenue Service annual reports.

References:

Finance and Audit Act, s. 29 -

<http://www.bankofbotswana.bw/assets/uploaded/Finance%20and%20Audit%20Act.pdf>

Office of the Auditor General website - <http://www.oag.org.bw/>

Auditor General Report 2010 - <http://www.oag.org.bw/wp-content/uploads/2011/2010-Annual-Report.pdf>

2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?**Score:** A B (C) D E**Comments:**

"36. Laying of audit records

(1) The Minister shall, within 30 days of the receipt by him of the Auditor-General's reports forwarded to him in accordance with sections 29(2) and 35, lay the same, without any alteration thereto, before the National Assembly.

(2) If the Minister does not, as required by subsection (1), lay any report mentioned in this section before the National Assembly, the Auditor-General shall send such report to the Speaker and the Speaker shall present the report to the National Assembly."

Although the Auditor General Annual Reports are published frequently and include a break down by ministry, the focus of the report is on expenditures (comparing warranted provisions to actual expenditures) - not discussing revenues.

References:

Finance and Audit Act, s. 36 -

<http://www.bankofbotswana.bw/assets/uploaded/Finance%20and%20Audit%20Act.pdf>

Auditor General Annual Report 2010, s. 75 - <http://www.oag.org.bw/wp-content/uploads/2011/2010-Annual-Report.pdf>

2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?**Score:** A B C D E**Comments:**

There are no audit reports specifically on resource-related revenues audited by a parliamentary committee.

However, more generally, the Public Accounts Committee is responsible for examining "the financial statements as well as audit reports on the statements of all government departments and constitutional institutions. It also examines the Auditor-General's reports, and other financial statements or reports referred to it. It may also initiate any investigation in its area of competence, and may perform other functions related to financial oversight or supervision."

References:

Attorney General Annual 2010 - <http://www.oag.org.bw/wp-content/uploads/2011/2010-Annual-Report.pdf>

Philippe Blanquefort. European Commission. Republic of Botswana: Public Expenditure and Financial Accountability Report. February 2009 - http://ec.europa.eu/europeaid/what/economic-support/public-finance/documents/botswana_pefa_report__en.pdf

2.3.032: Is this country an EITI candidate or compliant country?**Score:** A B C D E**References:**

EITI website - list of compliant and candidate countries - <http://eiti.org/countries>

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Indicator		Score
3.1.1	Context	33 

3.1.1 Context

3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A B C D E

Comments:

Debswana is 50% owned by the government and 50% owned by DeBeers. Debswana effectively dominates the diamond mining industry, however there is no legal monopoly - other companies may enter into the market.

References:

Debswana website - <http://www.debswana.com/Pages/Welcome.aspx>

Philippe Blanquefort. European Commission. Republic of Botswana: Public Expenditure and Financial Accountability Report. February 2009 - http://ec.europa.eu/europeaid/what/economic-support/public-finance/documents/botswana_pefa_report__en.pdf

3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A B C D E

Comments:

Botswana's government owns 50% of the shares and De Beers the other 50%.

References:

Debswana website - <http://www.debswana.com/Pages/Welcome.aspx>

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: A B C

References:

Debswana website - <http://www.debswana.com/Pages/Welcome.aspx>

3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?

Score: A B C

Comments:

Debswana is not listed in any government budget documents.






References:

Botswana Unified Revenue Service. Annual Report 2010 - http://www.burs.org.bw/index.php?option=com_phocadownload&view=category&id=71&Itemid=152

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Indicator		Score	
3.2.1	Comprehensive reports	33	
3.2.2.038	Does the SOC publish information on revenue generation?	30	
3.2.3.038.j	Disaggregated Revenue Streams	10	
3.2.4	Quality of reports	25	
3.2.5.043	Audited reports	34	

3.2.1 Comprehensive reports

3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B **C** D E

Comments:

Debswana publishes annual reports, which include the names of subsidiaries and mining operations, however no financial statistics are provided.

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C **D** E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.b: Production volumes

Score: A **B** C D E

Comments:

The Annual Report includes production values for each mine Debswana operates. Graph p.67 gives diamond sales volumes for 2010 compared to 2008.

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.c: Information on prices

Score: A B C D E

Comments:

Annual report 2009: p.67

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.d: Value of resource exports

Score: A B C D E

Comments:

Annual report 2009: p.67

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.e: Estimates of investment in exploration and development

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.f: Production costs

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.g: Names of companies operating in country

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.h: Production data by company and/or block

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.2.038.i: Quasi fiscal activities

Score: A B C D E

Comments:

Annual report 2009: p.50 for example.

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j Disaggregated Revenue Streams**3.2.3.038.j1: Production streams value**

Score: A B C D E

Comments:

Annual report 2009: p.67

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j2: Government s share in PSC

Score: A B C D E

References:

N/A

3.2.3.038.j3: Royalties

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j4: Special taxes

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j5: Dividends

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j6: Bonuses

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j7: License fees

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j8: Acreage fees

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.3.038.j9: Other (Describe below)

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.4 Quality of reports**3.2.4.039: Are the reports published by the state owned company understandable?**

Score: A B C D E

Comments:

There are no notes on methodology and the annual reports do not contain detailed information on revenues.

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?

Score: A B C D E

References:

<http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?

Score: A B C

Comments:

Debswana's 2009 Annual Report exhibits multiple quasi-fiscal activities around health and education, however no figures are included.

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?

Score: A B C

Comments:

Although the Debswana Annual Report clearly states that the company is 50% government-owned, there is no information on the company website nor on the Department of Mines website regarding the costs or revenues derived from operations.

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.5.043 Audited reports

3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?

Score: A B C D E

Comments:

Excerpt from the Debswana Annual Report - "The Audit Committee meets at least three times a year to monitor the adequacy of financial information reported to Shareholders, to monitor internal controls, accounting policies and financial reporting, and to provide a forum for communication between the Board, external auditors and internal auditors.

The Audit Committee meets the external and internal auditors and executive management regularly to consider risk management, review audit plans, review accounting, auditing, financial reporting, corporate governance and compliance matters. In particular, it reviews the annual financial statements ahead of submission to the Board and considers any matters raised by the auditors.

Both the Audit Committee and the Board are satisfied that there is adequate segregation between the external and internal audit functions and the independence of the external and internal auditors is not in any way impaired or compromised."

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.2.5.043.b: Are SOC audited reports published?

Score: A B C **D** E

Comments:

No information regarding the operations of the company is published by Debswana other than the annual reports.

However, in the section on Corporate Governance in the 2009 Annual Report, it states that the Debswana Board includes an Audit Committee that meets regularly with the internal and external auditors. It can therefore be inferred that SOC reports are audited.


References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

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Indicator	Score
3.3.1 Legal Framework and Practice	40 

3.3.1 Legal Framework and Practice

3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A B C

Comments:

The Botswana Stock Exchange (BSE) requires a listed entity to provide the BSE regular reports, including annual reports, semi-annual reports, quarterly dividend payments to shareholders and other significant information that is material such as cash flow statements. These reports are not published.

References:

Botswana Stock Exchange. Listing Obligations - http://www.bse.co.bw/guidelines_to_listing/obligations_of_the_listing.php

Peer Review Comments:

The SOC has no known obligation to publish its financial reports; such reporting is NOT available even to the country's parliament or auditor general's office.

The SOC is not listed on the Botswana Stock Exchange (BSE) and is thus NOT subject to the rules of the BSE.

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

Comments:

The Audit Committee monitors the adequacy of financial information reported to shareholders, including accounting policies and financial reporting. From this statement in Debswana's Annual Report, it would seem that the company complies with one of the internationally accepted accounting practices.

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A B C

Comments:

Unknown because Debswana does not publish audits conducted.

References:

Debswana Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?**Score:** A B C**Comments:**

No legislation was found requiring SOC officials to disclose information about their financial interests in Debswana.

References:

N/A

3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?**Score:** A B C**References:**

Debswana. Annual Report 2009 - <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?**Score:** A B C**Comments:**

The Annual Report only includes the following broad directives regarding board governance.

"The Board is accountable for the Company's activities and deals with all business of the Company not specifically delegated to Management or Committees, and monitors the use of resources to achieve the aims of the Company and the Group.

The Board meets at least three times a year and has various sub-committees to support the discharge of its functions, each with specific terms of reference that are determined by the Board, namely: Technical Committee, Audit Committee, Remuneration and Nominations Committee and Corporate Social Investment Committee. A register of Directors' interests is kept at the registered office of the Company and is available for inspection by the Board at any given time. General declarations of interests are submitted annually at the beginning of the year and updated whenever changes occur."

References:

Debswana. Annual Report 2009. <http://www.debswana.com/About%20Debswana/Pages/Reports.aspx>

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