



Media Statement by Bench Marks Foundation

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BOTSWANA'S OBJECTIVITY IN DEALING WITH MINES AND NEPOTISM UNDER THE SPOTLIGHT

The state should take an independent stance in dealing with large multi-nationals where mining is a privately driven activity.

At the same time it should also avoid any suggestions of nepotism.

These two arguments are contained in the latest report - *De Beers, Botswana and the control of a country* - of the independent corporate social responsibility monitoring organisation, the Bench Marks Foundation.

In the report the Botswana government is urged to protect the rights of those who elect it, rather than sacrifice their human rights for the sake of corporate investment.

The study has also called for a process of alignment of the actions and expectations of all relevant role-players in the quest for sustainable development in communities that live next door to mines.

The study notes with concern that the Botswana's government's involvement in Debswana compromises its position as an independent arbitrator in issues relating to the impact of mining on society.

"In market economies where mining is a privately driven activity, the state must assume a strong and independent regulatory role. In Botswana, where government is a 50% shareholder in Debswana, its independence is clouded by its involvement," the study found.

"There is a strong perception that the Botswana government is the tool of De Beers rather than being an impartial arbiter," explained John Capel, the Chief Executive of Bench Marks Foundation.

"The Botswana government's 'marriage' to the leading diamond mining corporation in practice implies that the mining corporation almost has *carte blanche* as far as community and human rights, the environment and mining is concerned," the study says.

The research found that the Botswana government's relationship with De Beers is an "inappropriate marriage". The study said that there is a need to rationalise roles and responsibilities in the Botswana government.

“Lumping together minerals and water affairs, for example, is extremely problematic. The mandate of a minerals department is to promote mining which has a significant impact on water and a department of water’s mandate is not only to control and regulate the water supply, but to ensure the security of water in a water scarce country,” the study explained.

There is a need to separate the powers of the state and the interests of the mining sector, to separate specific and conflicting powers within ministries, and finally to separate the interests of the ruling party in Botswana from that of the defence force and that of the mining sector, the study recommends.

The study notes that there are extreme social problems in Botswana’s communities, and that the perception in the communities is that many of the problems are caused by the mines and their operations, as well as by government’s complicit participation in all of this.

Turning to the role of De Beers, the study says that contrary to its claims concerning the importance of the social license to operate, the company is not above nepotism in this respect.

“De Beers has a propensity to court the political elite in the countries in which it operates. Thus the vice-chairman of DBCM South Africa is the former premier of the Northern Cape Province, which also happens to be the leading diamond producing province in South Africa.

“In 2006 De Beers appointed Ms Sheila Khama, cousin of the current President Ian Khama, as CEO of De Beers Botswana. This kind of appointment, which points to political expediency, is a common tactic used by mining corporations throughout Southern Africa. It effectively places the political elite at the service of mining corporations and undermines democracy.”

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Bench Marks Foundation is an independent organisation monitoring corporate performance in the field of Corporate Social Responsibility (CSR) with the focus on social sustainability and economic empowerment. The organisation encourages CSR that goes beyond reporting mechanisms and focuses on the gap between policy and practice, thereby assisting civil society groups and corporations to move beyond philanthropy to more strategic interventions that benefit both the corporations and society. Central to Bench Marks’ agenda is how CSR is integrated into companies’ operations and ensuring that it is at the core of every decision making process.

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