

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

BOTSWANA

Africa South

Dialogue | Trust | Partnership

office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Gaborone	Capital, financial and administrative hub	Banking, financial services, government contracts, services
Orapa / Jwaneng / Letlhakane diamond mines	Core diamond-mining operations (Debswana, 50/50 Botswana-De Beers joint venture)	Diamond mining, downstream polishing and sorting
Kalahari Copperbelt (Ghanzi / Ngamiland districts)	Established and expanding copper-cobalt mining zone, central to diversification strategy	Copper and cobalt mining and processing
Selebi-Phikwe / Francistown industrial corridor	Historic mining and manufacturing belt, subject to ongoing reindustrialisation efforts	Light manufacturing, mineral processing
Central and southern Kalahari lithium-exploration blocks	Emerging lithium-exploration frontier drawing international mining-company interest	Lithium exploration and future production
Chobe / Okavango Delta / Kgalagadi tourism zones	World-renowned wildlife tourism assets	High-value ecotourism, hospitality infrastructure
Southern solar belt (Kgalagadi / Kweneng districts)	Utility-scale solar development frontier under the proposed Green Economy Programme	Solar power generation, renewable IPP projects

INVESTOR ENTRY ROUTES

- **BOTSWANA INVESTMENT AND TRADE CENTRE (BITC) REGISTRATION AND FACILITATION:** The standard one-stop-shop FDI channel
- **DEBSWANA / DE BEERS-LINKED DIAMOND-SECTOR PARTICIPATION:** Subject to likely renegotiation of mining-revenue-sharing terms under the new government's domestic-value-capture agenda
- **KALAHARI COPPERBELT EXPLORATION AND PRODUCTION LICENSING:** Via the Ministry of Minerals and Energy, with ongoing regulatory and licensing reform
- **SECTOR-SPECIFIC INCENTIVE PACKAGES (PROPOSED):** Targeted at renewable energy, agriculture, tourism and technology under the UDC government's reform agenda
- **TOURISM EQUITY FUND AND ECOTOURISM CONCESSION ROUTES:** For hospitality and conservation-linked investment in the Okavango Delta and Chobe regions
- **GREEN ECONOMY FUND AND RENEWABLE-ENERGY IPP TENDERING (PROPOSED):** For utility-scale solar project development

MARKET-ENTRY OBSERVATION

Botswana's economy is emerging from two consecutive years of contraction - GDP fell 3% in 2024 and a further 0.9% in 2025 -driven almost entirely by a prolonged global diamond-market slump. Diamonds account for roughly a third of fiscal revenue and about three-quarters of foreign-exchange earnings, so the downturn hit the economy's two most important external balances simultaneously. The finance ministry now projects a 3.1% rebound in 2026, tied largely to a recovery in diamond output: Debswana, the 50/50 Botswana government-De Beers joint venture that produces about 90% of the country's diamonds, plans to raise output roughly 20% in 2026 to 18 million carats (from 15 million in 2025, itself a sharp cut from a pre-downturn norm of around 24 million carats), while restructuring to cut annual operating costs by a third to 6 billion pula (about USD 416 million) by 2028.

Politically, Botswana underwent its most significant transition in six decades in October-November 2024, when the Umbrella for Democratic Change (UDC), led by Duma Boko, ended 58 years of continuous rule by the Botswana Democratic Party in a peaceful, constitutional election. The new government has set out a reform agenda including bureaucratic simplification, financial and forensic audits, an independent anti-corruption agency, and sector-specific incentive packages for renewable energy, agriculture, tourism and technology -alongside an explicit push to capture more domestic value from mining, which may involve renegotiating existing agreements.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Heavy fiscal and foreign-exchange dependence on diamonds (roughly a third of revenue, three-quarters of FX earnings) amid a structural shift toward lab-grown-diamond competition	The 2026 growth rebound and broader fiscal position remain highly sensitive to a commodity the country does not fully control the demand cycle for	Track global natural-versus-lab-grown diamond demand trends directly rather than assuming the 2026 rebound is secure; prioritise genuinely diversified, non-diamond-linked investment theses
New government's domestic-value-capture agenda may lead to renegotiation of existing mining agreements, including Debswana's	Creates near-term regulatory uncertainty for mining investors, who may see shifting revenue-sharing or licensing terms	Engage directly with the Ministry of Minerals and Energy to confirm current contract terms before committing new mining capital; build renegotiation risk into financial models
Two consecutive years of GDP contraction (2024: -3%, 2025: -0.9%) ahead of a still-unconfirmed 2026 rebound	Signals the economy's narrow base and vulnerability to a single-commodity shock	Treat the 3.1% 2026 forecast as provisional pending third-quarter GDP data and actual diamond-output delivery
New government's reform agenda remains largely at the proposal stage (sector incentive packages, Green Economy Fund, Tourism Equity Fund) without finalised legislation or timelines	Investors cannot yet rely on specific incentive terms for renewable energy, agriculture or tourism projects	Monitor legislative progress directly with BITC rather than planning around proposed-but-unenacted incentive schemes
Landlocked geography with reliance on regional transport corridors through South Africa and Namibia	Adds logistics cost and complexity for both mineral exports and general trade	Factor regional transport-corridor reliability into supply-chain and export planning
Small domestic market (around 2.5 million people)	Limits scale for consumer-facing and domestic-demand-driven investments	Favour export-oriented, regional-market-facing or resource-based investment models
Early-stage critical-minerals strategy (copper, cobalt, lithium) still building out infrastructure and processing capacity	First-mover investors face less-developed logistics and processing ecosystems than in more mature mining jurisdictions	Assess specific site-level infrastructure readiness rather than relying on the national diversification narrative alone

INVESTOR RISK NOTE

Botswana remains one of Africa's most stable and best-governed democracies, underscored by the peaceful, constitutional transfer of power from the Botswana Democratic Party to Duma Boko's UDC coalition in October-November 2024 after 58 years of single-party rule -a genuine positive signal for institutional durability rather than a risk event. The investment risk that matters here is economic rather than political: Botswana's fiscal and external position remains unusually concentrated in a single commodity undergoing real structural pressure from lab-grown-diamond competition, and the new government's domestic-value-capture agenda, while reasonable in principle, introduces near-term uncertainty for mining investors until specific renegotiated terms are confirmed.

Investors should also treat the government's broader reform and diversification agenda - sector-specific incentives, the Green Economy Fund, enhanced anti-corruption institutions -as directionally credible but not yet operationally finalised. The gap between proposed reforms and enacted legislation is the near-term variable to track, alongside the pace and durability of the diamond-market recovery itself.

MARKET ACCESS

BITC's one-stop-shop facilitation, combined with Botswana's long-standing reputation for strong institutions, low corruption by regional standards, and political stability, continues to make it one of the more procedurally predictable investment destinations in Southern Africa.

The Kalahari Copperbelt's established copper operations and growing international interest in Botswana's lithium-exploration potential, together with SADC regional-integration opportunities for cross-border processing and logistics, position Botswana to capture a genuine share of global critical-minerals demand as it diversifies away from near-total diamond dependence.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Botswana Investment and Trade Centre (BITC)	Primary FDI facilitation and investment-promotion agency	Central registration and incentive-coordination contact for new entrants
Ministry of Minerals and Energy	Mining-sector licensing, regulation and the domestic-value-capture reform agenda	Confirm current and prospective mining-agreement terms before committing capital
Debswana (Botswana government / De Beers 50/50 joint venture)	Dominant diamond-sector operator, producing about 90% of national output	Central counterparty for any diamond-sector-linked investment or supply engagement
Bank of Botswana (central bank)	Monetary policy and banking supervision	Confirm foreign-exchange and banking-sector conditions
Ministry of Finance and Economic Development	Fiscal policy, budget and the 2026 growth-forecast trajectory	Monitor budget cycles and third-quarter GDP data releases
Office of the President / UDC government	Overall reform agenda: anti-corruption, judicial independence, sector incentive packages	Track legislative progress on proposed reforms directly
Botswana Tourism Organisation	Tourism-sector development and the proposed Tourism Equity Fund	Route for ecotourism and hospitality-sector investment

CURRENT INTERNATIONAL BUSINESS CHANNELS

The United Kingdom retains deep historical ties through De Beers' Debswana partnership, while South Africa remains Botswana's dominant regional trade and logistics partner given its landlocked geography. Oman has recently emerged as a notable new partner, signing energy and mineral-exploration agreements with Botswana in April 2026. Growing Asian battery-sector demand and Gulf capital interest are increasingly significant for the critical-minerals push, and the United States and European Union remain important diamond and development-finance partners.

INVESTOR PROFILE BEST SUITED

Botswana is best suited to critical-minerals investors (copper, cobalt and lithium) entering a jurisdiction with genuinely strong governance and growing international interest, diamond-sector participants comfortable engaging through the Debswana structure amid an evolving revenue-sharing conversation, and ecotourism and renewable-energy investors positioning ahead of the government's proposed Green Economy and Tourism Equity funds.

It is a weaker near-term fit for investors requiring immediate regulatory certainty in the mining sector, given the new government's still-unfinalised domestic-value-capture agenda, or for those seeking large-scale domestic consumer-market exposure given Botswana's small population.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm the Sector and Entry Vehicle

Determine whether BITC registration, a Ministry of Minerals and Energy licence, a Debswana-linked route, or a proposed sector-incentive package fits the project.

STEP 2: Engage BITC and the Relevant Sector Body Early

Open parallel conversations with BITC and, where relevant, the Ministry of Minerals and Energy or Botswana Tourism Organisation.

STEP 3: Assess Mining-Agreement and Policy-Reform Exposure

For mining-sector projects, confirm current contract terms and monitor the domestic-value-capture reform agenda directly before committing capital.

STEP 4: Secure the Licence, Concession or Incentive Agreement

Finalise the specific legal and commercial structure for the chosen entry route.

STEP 5: Launch and Monitor

Begin operations while tracking diamond-market recovery, reform-legislation progress, and critical-minerals infrastructure build-out.

WAVERLEY'S ROLE

- Independent due-diligence and structuring advisory across BITC, mining-licensing and sector-incentive entry routes
- Introductions to BITC, the Ministry of Minerals and Energy, Debswana and Botswana Tourism Organisation counterparts
- Ongoing monitoring of the diamond-market recovery, mining-agreement renegotiation developments, and reform-legislation progress
- Coordination with experienced local legal, tax and mining-sector advisory specialists

INVESTOR CALL TO ACTION

Investors seeking exposure to Botswana's emerging critical-minerals strategy, its diamond-sector recovery, or its tourism and renewable-energy diversification agenda are invited to engage Waverley for a confidential structuring consultation.

Intelligence → Structuring → Licensing → Market Entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Current pipeline items Waverley is tracking include Debswana's 2026 diamond-output recovery and its cost-restructuring program targeting a one-third reduction in operating costs by 2028; continued Kalahari Copperbelt copper expansion and emerging lithium-exploration interest; the new government's proposed Green Economy Fund, Tourism Equity Fund and sector-specific incentive packages as they move toward enacted legislation; and the April 2026 Botswana-Oman energy and mineral-exploration agreements as a template for further Gulf-linked investment.

POSITIONING

Waverley approaches Botswana as one of Africa's most institutionally stable and well-governed investment destinations, now navigating a genuine economic transition away from near-total diamond dependence under a newly elected reform-minded government.

Our role is to help investors capture the critical-minerals and diversification opportunity this transition is creating, while structuring mining-sector engagements with clear-eyed attention to the government's evolving domestic-value-capture agenda.

SELECTED SOURCES

- YourBotswana, "Botswana Economy to Grow 3.1 pct in 2026 Despite Diamond Sector Challenges, Says VP"
- Mining.com, "Botswana's Debswana Plans 20% Diamond Output Hike in 2026," June 2026
- YourBotswana, "Botswana Accelerates Copper, Cobalt and Lithium Strategy to Strengthen Post-Diamond Economic Resilience"
- eNCA, "Botswana's Governing Party Kicked Out After Nearly 60 Years," November 2024
- Webber Wentzel, "Botswana: A New Era of Governance and Investment"