

**AFRICA RISK CONSULTING****Madagascar Monthly Briefing April 2019**

---

**Madagascar Summary 29 April 2019**

*President Andry Rajoelina (2009-2014, 2019-present) postpones a referendum to change the constitution after the Haute Cour Constitutionnelle (HCC) (constitutional high court) rules that parliament must approve the draft text prior to a referendum. United Kingdom-based mining company Rio Tinto admits that one of its subsidiary mines, QIT Minerals Madagascar (QMM), encroached onto vulnerable land and could pollute a drinking water source. The World Health Organisation (WHO) reports that over 1,200 people have died in Madagascar due to a measles outbreak resulting from a lack of vaccination against the disease.*

---

**Rajoelina postpones referendum to change constitution**

President **Andry Rajoelina** (2009-2014, 2019-present) postponed a referendum on 25 April after the **Haute Cour Constitutionnelle (HCC)** (constitutional high court) ruled that parliament must approve the draft text prior to a referendum.<sup>1</sup> The proposed amendment text is not yet publicly available. The postponement is a minor setback for the referendum, which seeks to change **Madagascar's** constitution. Parliament was dissolved on 5 February in anticipation of legislative elections on 27 May (see *ARC Briefing Madagascar* February 2019), giving Rajoelina power to legislate by decree until the new parliament is convened.<sup>2</sup> Rajoelina called the referendum vote on 20 April, intending to hold the referendum in conjunction with the legislative elections.<sup>3</sup> While the HCC decision is not binding, Rajoelina stated that he would respect its opinion and wait to hold the referendum after the legislative elections.<sup>4</sup>

The opposition will welcome Rajoelina's decision to respect the HCC decision, given that he could have gone ahead with the constitutional referendum. Opposition leader and former President **Marc Ravalomanana** (2002-2009) criticised the previous timing of the proposed referendum, saying that any vote should take place after legislative elections and after those elected to the national assembly have been sworn in from early July.<sup>5</sup> Following the postponement of the referendum, opposition parties are now likely to have more say in the proposed amendments.

The new constitution would abolish the senate and devolve more powers to the regions through governors instead of regional chiefs.<sup>6</sup> The governors would have increased power and more resources to promote effective decentralisation,<sup>7</sup> which were issues that formed part of Rajoelina's main campaign promises.<sup>8</sup> Communications and culture minister **Lalotiana Rakotonirafy Andriatongarivo** said that abolishing the senate would save millions of dollars which could be used to build new universities, while the governor posts would allow more autonomy for the 23 regions, who would work with the national government to implement Rajoelina's policies.<sup>9</sup> Rajoelina has

---

<sup>1</sup> Africanews, 26 Apr 2019

<sup>2</sup> BBC Afrique, 26 Apr 2019

<sup>3</sup> L'Express Madagascar, 26 Apr 2019

<sup>4</sup> RFI Afrique, 27 Apr 2019

<sup>5</sup> Africanews, 26 Apr 2019

<sup>6</sup> Africanews, 26 Apr 2019

<sup>7</sup> RFI Afrique, 20 Apr 2019

<sup>8</sup> The East African, 22 Apr 2019

<sup>9</sup> BBC Afrique, 23 Apr 2019

stated he has no intention “of strengthening the power of the president of the republic or an extension of the presidential term”.<sup>10</sup>

The constitution has a number of contradictory articles that refer to referendums. Article 55 states that the president may resort directly to a referendum on any important national question, but also states in Article 163 that the president may only resort to a referendum in exceptional circumstances.<sup>11</sup> Similarly, opponents of the referendum argue that electoral colleges must be convened 90 days before the polling date in terms of a 2018 law, but at the same time the constitution states that the electoral and referendum campaign is 30 days, which could be interpreted to mean that an election can be called even 31 days prior.<sup>12</sup>

Political parties and analysts agree that constitutional change is necessary. The transitional government adopted the current constitution in 2010 when Rajoelina was in power after overthrowing Ravalomanana in 2009.<sup>13</sup> Former President **Hery Rajaonarimampianina** (2014-2018) had attempted to make changes at the beginning of 2018 (see *ARC Briefing Madagascar* January 2018) but stopped due to criticism of the timing, considering his mandate was expiring at the end of that year.<sup>14</sup> Rajoelina is likely to push for a referendum that will take place in the third quarter of 2019. While some opposition parties may claim that another election is too financially draining and that Malagasy people will have ‘voter fatigue’, the majority will support the referendum and seek to provide input to constitutional changes. The delay in holding the referendum and the requirement for the national assembly to pass the proposed text, will allow more transparency in the process.

### Rio Tinto admits encroaching on vulnerable land

**United Kingdom**-based mining giant **Rio Tinto** admitted on 10 April that one of its subsidiary mines, **QIT Minerals Madagascar (QMM)**, encroached onto vulnerable land and could pollute a drinking water source.<sup>15</sup> While the government has not yet found evidence of water pollution in the concerned area, the encroachment increases the risk of an environmental problem in the long term and the breach itself creates a negative reputation risk for Rio Tinto. Madagascar-based environmental organisation, **The Andrew Lees Trust**, published its study on the buffer zone breach in September 2018, pushing Rio Tinto to respond in April 2019.<sup>16</sup>

QMM, which mines ilmenite near two lakes, **Besaroy** and **Ambavarano**, stated that waste sand was used to construct a physical barrier, called a ‘berm’, to prevent any kind of encroachment into protected areas, but the berms crumbled, reducing the size of the buffer zone with the lakes.<sup>17</sup> The waste sand from the berms contains radionuclides, which are used in the ilmenite extracting process, and would contaminate Besaroy Lake if there was contact.<sup>18</sup> Malagasy law requires an 80-metre buffer zone between investment activities such as mining, and sensitive areas such as lagoons, lakes and wetlands.<sup>19</sup> However, Rio Tinto appears to have conducted a cost-benefit analysis and found that complying with the buffer zone would result in a 9% loss of reserves and a non-optimal life of mine plan, considering the highest-quality ilmenite occurs near the lake.<sup>20</sup>

There is no evidence that any radioactive elements have entered the lake, but contamination would pollute both the lake and the estuary system that serves as a fishing and foraging ground for Malagasy

<sup>10</sup> France24, 21 Apr 2019

<sup>11</sup> Madagascar constitution, 2010

<sup>12</sup> Madagascar Tribune, 23 Apr 2019

<sup>13</sup> Africanews, 26 Apr 2019

<sup>14</sup> Madagascar Tribune, 23 Apr 2019

<sup>15</sup> Mining Tech, 10 Apr 2019

<sup>16</sup> The Ecologist, 9 Apr 2019

<sup>17</sup> Mining Tech, 10 Apr 2019

<sup>18</sup> Mining Tech, 10 Apr 2019

<sup>19</sup> The Ecologist, 3 Sep 2018

<sup>20</sup> Mongabay, 9 Apr 2019

in the area.<sup>21</sup> The risk is further increased by the threat of cyclones in southern Madagascar, where the QMM mine is based.

Rio Tinto stated that this was an “*unintended occurrence*”<sup>22</sup> and that it has moved the waste sand back towards the mines. The company has also offered \$1m in programmes over five years to improve environmental performance.<sup>23</sup> It does not appear that Rio Tinto will face any sanctions or penalties for breaching the buffer zone. The government’s environmental regulator, **L’office national pour l’environnement (ONE)**, which lists Rio Tinto as a sponsor, stated that

*“QMM’s violation of the buffer zone [was] ‘negligible’.”*<sup>24</sup>

Despite the ONE’s statement, Rio Tinto, and those with investments in mining companies, should be aware of the reputational risk involved with environmental degradation, particularly in the long term as it may take several years, or even a decade, for the full implications of the breach to take effect.

### Madagascar measles outbreak claims 1,200 lives

The **World Health Organisation (WHO)** has reported that over 1,200 people have died in Madagascar due to a measles outbreak resulting from a lack of vaccination against the disease.<sup>25</sup> There is a risk that the measles outbreak will continue to spread through the country, causing further loss of life, and possibly harm foreign investment if the government is unable to control the outbreak. The current outbreak is one of the largest in history, with over 115,000 cases reported since September.<sup>26</sup> This is the first measles outbreak in Madagascar in 10 years.<sup>27</sup> WHO epidemiologist **Dossou Vincent Sodjinou** says the epidemic is continuing to grow, though at a slower pace than in March.<sup>28</sup>

Measles outbreaks have become more common worldwide, including in the **United States (US)** where anti-vaccine campaigners (“*anti-vaxers*”) have pushed against the use of the vaccine. In Madagascar, however, the current outbreak is due to the low vaccination rate in the country.<sup>29</sup> Only 58% of Malagasy – around 14 million out of 25 million people – are vaccinated against measles.<sup>30</sup> Measles vaccinations are free in Madagascar but many Malagasy are unaware of this. In addition, many children are malnourished, which allows the disease to spread quickly.<sup>31</sup> Of the recent deaths, 79% were children younger than 14 years old.<sup>32</sup> The WHO started a mass vaccination campaign in March, its third in the country, with a goal of reaching 7.2 million children aged six months to nine years.<sup>33</sup>

The WHO reported that there is a “*clear trend*” around the world of an increase in measles outbreaks, though **Africa** has been the hardest hit with a 700% increase.<sup>34</sup> The numbers may be even greater, as reportedly only 10% of cases globally are reported.<sup>35</sup> The WHO cites reasons for the increase as misinformation, such as the anti-vaxer campaigns in the US, and a lack of resources for vaccinations, as in Madagascar and other developing countries such as the **Democratic Republic of the Congo** and

<sup>21</sup> Mongabay, 9 Apr 2019

<sup>22</sup> The Ecologist, 9 Apr 2019

<sup>23</sup> Mining Tech, 10 Apr 2019

<sup>24</sup> Mongabay, 9 Apr 2019

<sup>25</sup> Washington Post, 14 Apr 2019

<sup>26</sup> The Independent, 15 Apr 2019

<sup>27</sup> EDM Digest, 16 Apr 2019

<sup>28</sup> The Independent, 15 Apr 2019

<sup>29</sup> The Independent, 15 Apr 2019

<sup>30</sup> EDM Digest, 16 Apr 2019

<sup>31</sup> The Independent, 15 Apr 2019

<sup>32</sup> EDM Digest, 16 Apr 2019

<sup>33</sup> The Independent, 15 Apr 2019

<sup>34</sup> BBC, 16 Apr 2019

<sup>35</sup> BBC, 16 Apr 2019

**Kyrgyzstan.**<sup>36</sup> Measles was thought to have been eliminated from many parts of the world, but has become an issue once again in both developing and developed countries.

### Planner

27 May 2019 **(Madagascar)** Legislative elections scheduled

August 2019 **(Madagascar)** Municipal elections scheduled

### Chronology

28 Apr 2019 **Antananarivo (Madagascar)** *Africa Global Funds*. **Mauritius**-based private equity firm **Adenia Partners** exits from its **Madagascar**-based dairy producer and distributor, **Socolait**;

26 Apr 2019 **Antananarivo (Madagascar)** *PV Tech*. The government signs a financing facility agreement with **Germany**-based bank **KfW** to grow domestic renewable energy;

26 Apr 2019 **Antananarivo (Madagascar)** *africanews*. President **Andry Rajoelina** postpones the planned 27 May constitutional referendum;

23 Apr 2019 **Antananarivo (Madagascar)** *africanews*. Opposition leader **Marc Ravalomanana** accuses President **Andry Rajoelina** of trying to change the constitution against the will of the people through a referendum;

21 Apr 2019 **Antananarivo (Madagascar)** *France24*. President **Andry Rajoelina** calls a 27 May referendum on constitutional reforms, which would abolish the senate and give more powers to regions;

14 Apr 2019 **Antananarivo (Madagascar)** *TRT World*. The **World Health Organisation** reports 1,200 people have died due to a measles outbreak;

10 Apr 2019 **Antananarivo (Madagascar)** *Proactive Investor*. **United Kingdom**-based mining company **Bushveld Minerals Plc** arranges a \$1m loan facility with the **Development Bank of Southern Africa** to tide it over until it can reach financial close on the **Imaloto** thermal power station project;

10 Apr 2019 **Antananarivo (Madagascar)** *China.org.cn*. **China** will finance the rehabilitation of the **Vohemar-Ambilobe** national road for \$155m;

9 Apr 2019 **Antananarivo (Madagascar)** *Mongabay*. A **Rio Tinto**-owned mineral sands mine trespasses into a sensitive environmental zone, raising the risk that water could be contaminated and violating national law;

28 Mar 2019 **Antananarivo (Madagascar)** *Mining Review*. **United Kingdom**-based **Tirupati Graphite** commissions a 3,000 tonnes per annum graphite plant at its **Sahamamy Project**.

<sup>36</sup> BBC, 16 Apr 2019