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Madagascar hosts the Organisation Internationale de la Francophonie (OIF) (International organisation of French-speaking countries) summit in Antananarivo from 22-27 November. Madagascar holds a conference for donors and investors in Paris from 1-2 December, where a range of donors, including the European Union (EU) and African Development Bank (AfDB), pledges over \$6 billion for development projects. Security forces arrest Augustin Andriamananoro, vice-president of opposition party, Miaraka Amin'ny Prezidà Andry Rajoelina (MAPAR). The government accuses Andriamananoro of leading protests against China-based Juixing Mines in September, although MAPAR contends the arrest is politically motivated. The United Nations (UN) calls for immediate assistance for the drought-stricken population in southern Madagascar. Finance and budget minister Gervais Rakotoarimama presents the 2017 budget, which proposes an almost 27% increase in spending compared to the 2016 budget.

Madagascar hosts OIF summit

Madagascar hosted the 16th **Organisation Internationale de la Francophonie (OIF)** (International organisation of **French**-speaking countries) summit from 22 - 27 November. The summit, held every two years, is the major meeting of French-speaking countries and marks the return of Madagascar to the international stage after several years of political isolation under former president **Andry Nirina Rajoelina** (2009-2014). Madagascar was scheduled to host the summit in 2009, but this was delayed after Rajoelina ousted then president **Marc Ravalomanana** (2002-2009).¹ **Switzerland** hosted the 2009 summit instead. Malagasy president **Hery Rajaonarimampianina** (2014-present) remarked in September that,

"This summit is an opportunity for the country, for the economy, for society, for the opening of Madagascar to the world."²

In preparation for the summit, Madagascar asked **Morocco** to send security advisers, as well as metal detectors, cargo-carrying scanners and other security equipment to help ensure security for the delegates.³ Additionally, in order to present a good image to foreign officials, the government banned motorbikes, rickshaws and carts from summit areas, as well as the use of sandals, or shoes in poor condition.⁴ As the population is already unhappy with the failure of the government to improve the economy and social services, local observers saw these regulations as potential tipping points for social protest against Rajaonarimampianina, who faces a period of unpopularity.

"Nobody knows what will happen in Madagascar politics, but we are all waiting to see what happens after the OIF summit."⁵

Twenty heads of state attended the summit, including French president **Francois Hollande** (2012-present) and **Canadian** prime minister **Justin Trudeau** (2015-present), as well as over 2,500 delegates.⁶ Hollande, the first French head of state to visit Madagascar in 10 years, was only in

¹ EWN, 24 Nov 2016.

² RFI Africa, 25 Nov 2016.

³ North Africa Post, 26 Nov 2016.

⁴ Madagascar Tribune, 15 Nov 2016.

⁵ Source, political analyst, Antananarivo

⁶ www.francophonie.org

Madagascar for a short period but held a 15-minute press conference with Rajaonarimampianina.⁷ Hollande's visit is a sign of an improvement in relations between the two countries. Many Malagasy have criticised France for supporting the non-democratic Rajoelina government.⁸

The OIF agenda covered issues of terrorism, climate change and the election of **Donald Trump** as **United States (US)** president.⁹ OIF secretary general **Michaëlle Jean** focused particularly on the terrorist threat in Francophone countries.

*"We Francophone countries paid a heavy price. Therefore, this summit has been an opportunity once more to reflect precisely on the situations we face."*¹⁰

Trudeau pledged \$112m in funding for African programmes during the summit.¹¹ Canada also co-sponsored a joint resolution with **Benin** to put an end to forced and child marriages,¹² which was passed along with resolutions regarding terrorism, sustainable energy and local development, among others.¹³ While many African countries, including the 31 African members of the OIF, may disagree with Trudeau's message, Rajaonarimampianina stated,

*"We are going to stand in solidarity with the rules of Francophonie in the defense of the rights of women, which is important, in the employment of young people, vocational education, and in terms of economic development."*¹⁴

The summit admitted four new members, including **New Caledonia** as an associate member, and **Argentina, South Korea** and the Canadian province of **Ontario**, as observers.¹⁵

The summit concluded without any major social protests. Political observers believe future opposition to the president will be centered on street protests, as commentators claim that the national assembly (parliament), which attempted to impeach Rajaonarimampianina in 2015, has now *"been bought by the presidency"*.¹⁶ The president lacks the support of a significant portion of the population, especially in the rural areas, and opposition parties will attempt to use the lack of confidence to unseat Rajaonarimampianina.

*"The political risk comes more from civil society than inside the government. There is no confidence for the president nor the government. It won't be a legal action to remove the president, but more social conflict in the form of protest. In Malagasy politics, it is not about being for someone, but about who has the money, so the risk comes from the population, not the parliament."*¹⁷

Madagascar secures \$6.4 billion in assistance at Paris donor conference

Madagascar secured \$6.4 billion in donor commitments during the **Conférence des bailleurs et des investisseurs** (Conference of donors and investors) held in **Paris** (France) from 1-2 December. The financial pledges, which are to be disbursed over the next four years,¹⁸ will help the Malagasy government reach the goals set in the **National Development Plan (NDP)**. The government

⁷ L'Espresso Mada, 29 Nov 2016.

⁸ Source, political analyst, Antananarivo.

⁹ CBC, 25 Nov 2016.

¹⁰ AfricaNews, 27 Nov 2016.

¹¹ Africa Times, 29 Nov 2016.

¹² CBC, 25 Nov 2016.

¹³ www.francophonie.org

¹⁴ AfricaNews, 27 Nov 2016.

¹⁵ AfricaNews, 27 Nov 2016.

¹⁶ Source, government official, Antananarivo

¹⁷ Source, political analyst, Antananarivo

¹⁸ Moneyweb, 2 Dec 2016.

surpassed its initial target of \$5.4 billion,¹⁹ though it had received \$2 billion in pledges before the conference had started.²⁰

The **World Bank** pledged \$1.33 billion over three years, which consists of \$1 billion in grants and concessional loans for agriculture, education and infrastructure as well as a \$330m commitment from the **International Finance Corporation (IFC)**, the World Bank's private-sector lending arm.²¹ IFC regional director **Oumar Seydi** has prioritised the energy sector as a target for investment.

*"The number one priority, in my opinion, is the energy sector. Access to electricity is relatively low when comparing Madagascar to the rest of Africa, with only 4% of the rural population having access to electricity. It is a sector that is extremely important, because without this sector we can do absolutely nothing."*²²

During the conference, France-based construction companies **Eiffage** and **Eranove Group** signed an \$825m contract for the construction and operation of the 105MW **Sahofika** hydroelectric plant, which aims to increase access to electricity, a key hindrance to increased foreign direct investment (FDI).²³

Rajaonarimampianina stated at the conference that Madagascar must achieve 6.5% growth to alleviate poverty. Madagascar's annual growth currently stands at 2.8%.

*"We need at least 6.5% annual growth rate. It is the only guarantor of structural change that the country needs to reduce poverty."*²⁴

To achieve this level of growth, the government will need to show that it has fully recovered from the effects of the 2009 coup and that there is political stability.

*"The most difficult part of the job was to regain confidence from the business community. It's an ongoing process, [but] we are gaining momentum. We hope to reach 4.5% growth this year [2016], and depending on the success of the financing conference in Paris, we are confident that we can maybe reach 6% next year."*²⁵

Economy and planning minister **Herilanto Raveloharison** said the government aims to achieve this growth target by 2019.²⁶ Achieving this goal will depend on the government meeting the conditions of the loans, and on the donors following through with the pledges.

*"Donor conferences resemble beauty contests. They are big announcements, [but] these are just promises. These figures only show that donors are well disposed towards Madagascar and that is a good sign."*²⁷

MAPAR leader arrested for leading demonstrations against Chinese-run mine

Security forces arrested **Augustin Andriamananoro**, vice-president of former president **Andry Nirina Rajoelina's** (2009-2014) **Miaraka amin'ny Prezida Rajoelina's (MAPAR)** party, on 10 December. The arrest could be a signal that the government is attempting to curb opposition activities ahead of the 2018 elections. Andriamananoro is accused of leading unauthorised demonstrations in September against **Jiuxing Mines**, a **China**-based gold-mining company operating in

¹⁹ AfricaNews, 3 Dec 2016.

²⁰ RFI, 24 Sep 2016.

²¹ World Bank, 2 Dec 2016.

²² RFI, 3 Dec 2016.

²³ RFI, 3 Dec 2016.

²⁴ CNBC Africa, 2 Dec 2016.

²⁵ Source, member of the council of economic ministers, Antananarivo

²⁶ CNBC Africa, 2 Dec 2016.

²⁷ Le Monde, 6 Dec 2016.

Soamahamanina, about 70km west of **Antananarivo**.²⁸ Andriamananoro claims he attended the protests as they were held in his home area but did not lead the protesters.²⁹

Madagascar police attempted to arrest Andriamananoro in September during the protests,³⁰ but he fled to France before they could detain him.³¹ The police officers who arrested Andriamananoro reportedly did not show any administrative papers before taking him into custody,³² though Madagascar officials claim that Andriamananoro ignored a summons to appear, resulting in his arrest.³³ MAPAR spokesman Pierre Houlder denounced the arrest and claimed it was politically motivated.³⁴ Andriamananoro is a former telecommunications minister under the **Haute Autorité de Transition (HAT)** (high transitional authority) headed by Rajoelina after the 2009 coup.³⁵ Rajoelina intends to run for president in 2018.

UN calls for immediate financial support to address growing food crisis

The **United Nations (UN)** on 18 November called for immediate financial support for farmers in Madagascar in order to address the growing food crisis that could worsen if crops are not planted by December 2016 and January 2017.³⁶ According to the latest **Integrated Food Security Phase Classification (IPC)** findings, 850,000 people, or half of the population in southern Madagascar, are facing hunger and are in urgent need of humanitarian assistance.³⁷ The IPC findings are an indication that food and nutrition security could worsen in the coming months unless humanitarian efforts are scaled up, in southern Madagascar, where 1.4 million people are considered food insecure.³⁸

“High levels of acute food insecurity will persist in southern Madagascar through the end of the lean season in February 2017 due to crop failures caused by this year’s drought. In the absence of assistance, poor households residing in worst affected areas are expected to face large food consumption gaps, in line with emergency food insecurity. Increased acute malnutrition and excess mortality are also likely.”³⁹

UN Food and Agricultural Organisation (FAO) director general **Jose Graziano da Silva** said immediate financial support is needed because,

“The planting season offers a small window of opportunity for local farmers to restore agricultural production... Thousands of families are already facing hunger. Missing the planting season now will result in a serious food and livelihood crisis and render their situation even more desperate.”⁴⁰

Southern Madagascar is likely to suffer drought impact well into 2017, according to reports on 6 December. The continuing drought will impact much of the rural population in the south and may deteriorate into a famine without increased humanitarian assistance. The drought has forced households to sell land and belongings to survive, but the increasing price of food has exacerbated the situation.⁴¹ Humanitarian agencies are struggling to find funds and **Jeanluc Siblot**, coordinator for the **UN World Food Programme (WFP)** in Madagascar has said that,

²⁸ RFI Africa, 30 Sept 2016.

²⁹ RFI Africa, 11 Dec 2016.

³⁰ Midi Madagasikara, 23 Sep 2016.

³¹ RFI Africa, 11 Dec 2016.

³² Madagascar Tribune, 12 Dec 2016.

³³ RFI Africa, 11 Dec 2016.

³⁴ RFI Africa, 11 Dec 2016.

³⁵ RFI Africa, 11 Dec 2016.

³⁶ www.un.org

³⁷ www.un.org

³⁸ www.un.org

³⁹ reliefweb.int

⁴⁰ www.un.org

⁴¹ New York Times, 6 Dec 2016.

"We need \$22m. So far we have only \$4.5m. And the WFP needs an additional \$50m. If we don't get any additional funding, the situation will not improve. We have some food for the next two months. We need something more."⁴²

Finance minister presents draft 2017 budget to parliamentary review committee

Finance and budget minister **Gervais Rakotoarimama** presented the government's 2017 draft budget to a parliamentary review committee on 22 November.⁴³ According to Rakotoarimama, the government's 2017 budget is focused on four main pillars: inclusive and sustainable economic growth, controlling inflation, achieving the goals of the government's NDP and adhering to **International Monetary Fund (IMF)** recommendations.⁴⁴ Total public expenditure will reach 6,560 billion ariary (A) (\$2 billion) in 2017 compared to A5,161 billion (\$1.57 billion) in 2016; an increase of 26.9%.⁴⁵ The government will allocate A3,666 billion (\$1.12 billion) to cover recurrent expenditures and A2,881 billion (\$880m) for capital investments. To enhance internal revenue generation the government plans to increase the overall tax rate from 10.8% in 2016 to 11% in 2017; and by a further 0.5% in both 2018 and 2019.⁴⁶ The 2017 draft budget is predicated on economic growth of 4.5% compared to 4.1% in 2016.⁴⁷ From 2017 to 2019, the government expects economic growth to average approximately 4.8%. The government expects average inflation to remain at 7.1% in 2017, the same as in 2016.⁴⁸

Implications

The successful hosting of the OIF conference without any major protest or security incidents is positive for Rajaonarimampianina and his government. Political observers in Madagascar were anxious that the lack of confidence in the government, and the stringent rules imposed on the population during the conference, might lead to major protests. Opposition parties have been attempting to bring on early elections and might have used any protests as a catalyst to call for Rajaonarimampianina to step down, especially since the national assembly is no longer a political threat (see above).

Rajaonarimampianina's government was able to raise \$6.4 billion at the donor conference in Paris, which is \$1 billion more than the original target. Part of this was pledged before the conference, but the large amount pledged could show that donors and investors are pleased with the actions of the current government. However, much will depend on the government meeting the IMF's targets before donors release any significant disbursements.

The recent arrest of an opposition leader may be a sign that Rajaonarimampianina and his government are hoping to remove or disqualify any potential opponents ahead of the 2018 election. The government has also been slow to deal with the charges against former president Ravalomanana, who was charged with murder during the 2009 coup.

Southern Madagascar has been drought-stricken for several months and international organisations have complained of a lack of domestic and foreign government action. The government does not have the financial resources and is reliant on the international donor community, though it is unclear whether any of the pledges from the donor conference will be used in the short term to help those in southern Madagascar.

While the success of the OIF and donors conference are positives, the continuing drought and risk of political instability may make it difficult for government to reach the goals set out in the finance

⁴² NPR, 5 Dec 2016.

⁴³ www.lagazette-dgi.com

⁴⁴ www.lexpressmada.com

⁴⁵ www.lexpressmada.com

⁴⁶ www.lexpressmada.com

⁴⁷ www.lexpressmada.com

⁴⁸ www.lexpressmada.com

minister's proposed budget. The large increase in the budget means that government will need to increase tax collection but also ensure sustained growth or risk falling short of revenue. This could lead the government to request further financial support from the international donor community.

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