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Prime minister Jean Ravelonarivo holds discussions with French prime minister Manuel Valls in Paris on enhancing bilateral relations. The mines ministry, mining investors and civil society continue to debate the draft mining code, which the government hopes to finalise as early as the end of September. Clashes between cattle rustlers, known as 'Dahalos', and security forces kill 23 people.

Prime minister Ravelonarivo holds discussion with French prime minister Valls

Malagasy prime minister **Jean Ravelonarivo** held talks with French prime minister **Manuel Valls** on 5 September in Paris (France).¹ The main focus in the meeting was a discussion on how to enhance relations between Madagascar and France. France is one of Madagascar's most influential international allies and aid donors. Valls said,

*"We are witnessing a turning point of the 4th Republic of Madagascar [with the election of **Hery Rajaonarimampianina** (2014- present)] and we want to reassure the Malagasy government of France's unwavering support."²*

Both Ravelonarivo and Valls indicated a commitment to work towards a revision of the cooperation framework agreement between Madagascar and France, which the two countries signed in 1973.³ The two prime ministers said they would set up an ad hoc committee of officials from both Madagascar and France to work on revising the agreement. Ravelonarivo said,

"... it is essential that new priorities and directions of the government are taken into account in this new framework agreement, to improve the efficiency of French aid..."⁴

The two prime ministers also discussed the re-establishment of the activities of the **Agence Française d'Expertise Technique Internationale (AFETI)** (French agency for international technical expertise) in Madagascar, which France suspended in 2009 after the coup that brought former president **Andry Nirina Rajoelina** (2009-2014) to power.⁵ Valls said he would send a team of French justice ministry officials to Madagascar to study the return of AFETI. Valls believes AFETI is an important development tool:

"Its main mission is to increase the mobilisation capacities of international expertise to better meet the growing needs of emerging and developing public policy in all development sector reforms, and the transfer of skills and training."⁶

Another important aspect covered in the meeting between Ravelonarivo and Valls was French support for the upcoming 16th **Organisation Internationale de la Francophonie (OIF)** summit, which will take place in Madagascar in November 2016.⁷ In particular, they discussed the implementation of safety equipment, logistics and protocol for guests and participants. Both prime

¹ Multiple sources: matv.mg; www.linfo.re; www.expressmada.com

² Matv.mg

³ Multiple sources: matv.mg; www.linfo.re; www.expressmada.com

⁴ Matv.mg

⁵ Multiple sources: matv.mg; www.linfo.re; www.expressmada.com

⁶ matv.mg

⁷ Multiple sources: matv.mg; www.linfo.re; www.expressmada.com

ministers also held a meeting with OIF secretary general **Michaëlle Jean**.⁸ As part of the preparations, **Malik Sarr**, the permanent representative to the **African Union (AU)** and the **UN Economic Commission for Africa (UNECA)** met with Malagasy foreign minister **Beatrice Atallah** to assess progress towards the IOF summit.

In anticipation of the OIF summit the government is currently working on the expansion of the **Ivato International Airport (IIA)** in **Antananarivo**, the renovation of the **Ivato International Conference Centre**, and the construction of a ring-road that connects the IIA with **Soavimasoandro**.⁹

Stakeholders continue to debate new draft mining code

The mines ministry, mining sector investors and civil society organisations are still discussing the draft mining code, which was originally tabled for discussion at the beginning of 2015 (see previous ARC Madagascar briefings). Progress remains slow but the government is hoping to have a final version by the end of September:

“There are many important aspects to the new mining code, which is still in discussion since last year. We have a meeting every 15 days ... and there is still a lot to discuss.”¹⁰

Consulting firm **Adam Smith International**, the contractor that the **World Bank** and the mines ministry mandated to prepare the draft mining code, has released the draft. However Adam Smith has not considered all the recommendations made at each of the review sessions.¹¹ The most discussed points during the review sessions include:

- Land rights;
- Mineral royalties and administration fees;
- A national mining company;
- State participation in private companies;
- The use of production sharing agreements similar to those in the oil and gas sector;
- Environment and social issues.¹²

The level of government involvement in new mining projects is a point of contention in the new code. The draft mining code as it stands would grant a new government mining company a 10% stake in large-scale mining projects.¹³ Another highly debated issue is the level and type of mining taxation. The draft mining code applies different levels of taxation to different products, which some members of the draft mining code review committee claim will lead to a rush of unplanned investment into lower taxed products.¹⁴ The government also wants lower taxes on processed minerals, in order to encourage companies to invest in local beneficiation operations.¹⁵ Civil society organisations are also calling for the government to address land rights issues. In a statement on 4 September, lands right advocacy organisation **Le Collectif pour la Defense des Terres Malgaches (Tany Collective)** said,

“The Tany Collective reiterates the need to extend the reflection with mining companies for land tenure security of Malagasy population [and] not only that of the investors. Long-term lease contracts have caused land grabs. The long leases, between 18 and 99 years, were often signed between the state and corporations, including mining, in Madagascar. Many examples have shown that long land leases have caused expropriations and evictions of Malagasy families from their land.”¹⁶

⁸ Multiple sources: matv.mg; www.linfo.re; www.expressmada.com

⁹ www.expressmada.com

¹⁰ Source, civil society member of draft mining code review body, Antananarivo

¹¹ Source, civil society member of draft mining code review body, Antananarivo

¹² Source, civil society member of draft mining code review body, Antananarivo

¹³ www.expressmada.com

¹⁴ www.expressmada.com

¹⁵ www.expressmada.com

¹⁶ terresmalgaches.info

Despite the lack of consensus, the mines ministry wants to publicly release a final version of the new draft mining code during the **International Forum on Madagascar Mining and Petroleum**¹⁷ conference, which will take place in Antananarivo between 23 and 25 September.¹⁸ The government's ultimate objective is to submit a new mining code for parliamentary approval during the next session of parliament between October and November.¹⁹

*"However, neither current investors, via the **Chambres des Mines**, nor civil society are satisfied with this code yet ... which will potentially scare away investment."*²⁰

Clashes between cattle rustlers and security forces kill 23

Clashes between security forces and cattle rustlers in **Ankazoabo** in southwestern **Madagascar** on 26 August killed eight soldiers and 15 cattle rustlers, known in Malagasy as '**Dahalos**'.²¹ A cattle breeder alerted security forces when rustlers stole 90 of his cattle.²² Cattle rustling is a Malagasy tradition that has fueled violence mainly in southeastern Madagascar.

*"Hunting the prized humped zebu cattle is a rural tradition among young Malagasy men who do it to prove their virility and valour. A symbol of wealth, zebu are at the heart of local culture in southern Madagascar, where they are eaten only at weddings or special celebrations, sacrificed for ancestor worship or in burial rituals."*²³

Clashes between security forces and cattle rustlers are not new. On 17 August 2014, 80 armed Dahalos stole 150 zebu from the village of **Tranomaro (Amboasary Sud District)**. A second attack took place on the same day in the village of **Mahaly** (Amboasary Sud District), in which Dahalos stole 300 zebu.²⁴

Violence related to cattle theft also plagued the Rajoelina government. In June 2012, a group of Dahalos ambushed a military patrol and killed 11 soldiers and police officers in southern Madagascar.²⁵ After the attack, the government classified southern Madagascar "*zone rouge*" (high risk).²⁶

*"After the June 2012 ambush, at least ten more police or gendarmes were killed and thousands of cattle stolen. In early September 2012, Rajoelina sent Malagasy special forces to attempt to capture or kill the Dahalo leaders. Since that time the gendarmes have managed to capture the supposed sorceress godmother of the Dahalo and a dozen or so individuals (half women) stated to be rustlers. In its campaign the army has burned a dozen or more villages thought to be the hideouts of the Dahalo and over 10,000 rural refugees have fled to the southern cities and towns."*²⁷

Army chief of staff **Beni Xavier Rasolofonirina** has promised to stop cattle rustling. After the latest August clashes, he said:

*"We now consider the Dahalo as enemies from outside that undermine the integrity of the nation. Our mission will not stop until the scourge is annihilated."*²⁸

¹⁷ United Kingdom (UK) based **Energy Exchange** in partnership with **Clarion Events** is organising the conference.

¹⁸ Source, civil society member of draft mining code review body, Antananarivo

¹⁹ Source, civil society member of draft mining code review body, Antananarivo

²⁰ Source, civil society member of draft mining code review body, Antananarivo

²¹ AFP, 27 Aug 2015.

²² AFP, 27 Aug 2015.

²³ AFP, 27 Aug 2015.

²⁴ Multiple sources: AFP, 17 Aug 2014; Global Voices, 19 Aug 2014.

²⁵ Source, political analyst, Madagascar

²⁶ Source, political analyst, Madagascar

²⁷ Source, political analyst, Madagascar

²⁸ www.zinfos974.com

However, Malagasy security forces remain stretched and underfunded. Madagascar has only one police officer for every 3,000 people or one police officer for every 60 square kilometres.²⁹ The new budget has allocated money for the recruitment and training of 1,200 new police officers³⁰ but this is unlikely to have a short-term impact on the security situation in southern Madagascar.

“There is lots of talk of more potential disturbances ... security especially in the rural areas is bad and getting worse.”³¹

Implications

France has remained a staunch ally of Madagascar, even during the years of the unelected Rajoelina government. Continued French support for Rajaonarimampianina’s new government is an important factor in mobilising international donor support, which is critical for Madagascar’s short-term economic development.

The government, mining companies and civil society agree that the new reformed mining code is necessary to attract foreign direct investment (FDI) to Madagascar and create conditions that will reduce the high levels of corruption in the extractive sector. However, they also agreed that the current law is not necessarily the problem. They claim the enforcement and application of the law is the main issue. Until they agree on a new mining code and adequate enforcement, FDI in Madagascar’s mining sector will remain subdued and faces further delays.

Sporadic inter-communal violence related to cattle theft will remain a problem in southern Madagascar, as the Malagasy security forces remain stretched and underfunded.

²⁹ La Gazette, 2 Aug 2014.

³⁰ La Gazette, 2 Aug 2014.

³¹ Source, political analyst, Madagascar

About Africa Risk Consulting:

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