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Demonstrators in Madagascar's capital, Antananarivo, cite irregularities in municipal elections after the Commission Électorale Nationale Indépendante (CENI) releases provisional results. The Isika Rehetra Miaraka amin-i Andry Rajoelina (IRD) coalition's candidate for mayor of Antananarivo, Naina Andriantsitohaina, looks set to defeat Tiako I Madagasikara (TIM) candidate Ny Rina Randriamasinoro. The CENI faces allegations of electoral list tampering. The International Monetary Fund (IMF) concludes its 2019 Article IV and Final Programme Review on Madagascar and warns about the government's failure to achieve indicative targets on domestically financed priority social spending. Contestation over the sovereignty accord of the Scattered Islands follows the Twitter announcement by France's President Emmanuel Macron (2017-present) of plans for a research station in the archipelago.

Claims of irregularities in municipal elections

Supporters of former president **Marc Ravalomanana's** (2002-2009) **Tiako I Madagasikara (TIM)** party are protesting the provisional outcome of the 27 November municipal elections claiming "irregularities, anomalies, and other abuses".¹ Allegations of electoral fraud may give rise to post-election protests. **Antananarivo** mayoral candidates **Eliace Ralaiarimanana**, **Faniry Alban Rakotoarisoa** and **Naina Andriantsitohaina** signed a "Charter of Good Conduct" in the run-up to the elections, pledging to operate in a credible manner, banning electoral fraud and any incitement of hatred towards opposition candidates (see *ARC Briefing Madagascar November 2019*).² The three candidates also agreed to accept the results pronounced by Madagascar's electoral commission, the **Commission Électorale Nationale Indépendante (CENI)**, expected on or before 14 January 2020.

Isika Rehetra Miaraka amin-i Andry Rajoelina (IRD) coalition candidate **Naina Andriantsitohaina** appears to have defeated TIM candidate **Ny Rina Randriamasinoro** in the race to become the next mayor of the capital, Antananarivo. Although the TIM seems less concerned about the results of its candidates in other municipal localities, including **Andoharanofotsy**, **Antsirabe**, **Antanifotsy** and **Ambatondrazaka**, its protests about the Antananarivo mayoralty is in keeping with its objective to end the IRD's rule and TIM's history of raising doubt over the credibility of CENI and the current regime.³ **Randriamasinoro** did not sign the charter.

TIM is not the only party to question how the elections have played out and to criticise CENI's handling of the electoral lists.⁴ The **Hery Vaovao ho an'i Madagasikara (HVM)** party of former president **Hery Rajaonarimampianina** (2014-2018) released a statement on 5 December saying that although it had remained silent after the 2018 presidential elections to maintain social peace, it would no longer do so.⁵ HVM national secretary general **Mohamed Rachidy** denounced the "non-respect of the fundamental right of the citizen to exercise his vote in a dignified electoral environment". The HVM is calling for a judicial investigation to identify and punish those responsible for these violations.

TIM and HVM claim that the electoral lists were altered after the finalisation date in May but CENI vice-president **Theirry Rakotonarivo** has assured citizens that there were no adjustments to the

¹ Madagascar Tribune, 7 Dec 2019.

² Madagascar Tribune, 13 Nov 2019

³ L'Express de Madagascar, 10 Dec 2019.

⁴ Madagascar Tribune, 2 Dec 2019.

⁵ Madagascar Tribune, 2 Dec 2019.

electoral lists.⁶ CENI states that aggrieved parties must request the administrative tribunal of the **African Development Bank** to investigate and that any findings of modifications to the lists will result in punitive measures against those responsible.⁷

If Andriantsitohaina remains in poll position after the finalisation of the results he will be the first elected mayor of Antananarivo in 60 years to belong to the same party as the incumbent president.⁸ This speaks to changing political attitudes in the capital and a possible end to the pattern of Tananarivians voting for an opponent to challenge the central power. The date of the release of the final results has been pushed back from 14 January to 28 February 2020.

IMF concludes Article IV review

International Monetary Fund (IMF) mission chief for Madagascar **Charalambos Tsangarides** conducted discussions from 11-25 November on Madagascar's 2019 Article IV review and final review of its economic reform programme as per the Extended Credit Facility (ECF) arrangement. The discussions included President **Andry Rajoelina** (2019-present), prime minister **Christian Ntsay**, economy and finance minister **Richard Randriamandrato**, interim energy, water, and hydrocarbons minister **Christian Ramarolahy**, outgoing **Banque Centrale de Madagascar** (central bank) governor **Alain Rasolofondraibe**, and new central bank governor **Henri Rabarijohn**, as well as senior officials, development partners, and representatives of the private sector and civil society.

The review indicated that plans to increase public investment and social spending require continued efforts to ensure increased revenues and to maintain transfers to the fuel and electricity sectors.⁹ The IMF raised caution regarding the failure to achieve the indicative target on domestically financed priority social spending, but noted recent improvements in the execution. An ARC source noted:

*"Compared to overall other African economies which haven't progressed, Madagascar's review's slight regression is still in the average. It can be improved, and the current reforms have not yet been taken into account and shown their effects."*¹⁰

In line with the **World Bank's 2020 Doing Business Rankings** (see *ARC Briefing Madagascar November 2019*), the review highlighted the temporary growth inhibitor in the first half of the year due to the delayed implementation of the budget after the 2018 presidential elections. The IMF said the 4.8% growth rate was aided by "dynamic credit conditions, and positive developments in mining, transportation, and services".¹¹ The review noted the inflation rate has steadily decreased since 2017, and is expected to be contained to 6% by the end of 2019.

The IMF forecasts for 2020 look promising, with growth rate expectations at 5.2% given greater public spending on infrastructure, health and education, and increased private sector activity in tourism, services, and light manufacturing. The IMF praised Malagasy authorities for satisfactory implementation of the ECF programme, achievement of the June 2019 performance criteria, and for meeting the indicative tax revenue collection target. The central bank was also praised for reducing exchange rate volatility and supporting the accumulation of reserves along with the management of liquidity. The review noted that these aspects had contributed to increased macroeconomic stability in Madagascar.

The IMF noted that the gap between reference and pump prices had resulted in the accumulation of small liabilities to distributors, despite the successful renegotiation of distribution margins on fuel prices. To avoid a petrol crisis such as that experienced in October (see *ARC Briefing Madagascar October 2019*), the IMF suggested "the need to adopt a pricing mechanism that aligns pump prices with

⁶ La Vérité, 3 Dec 2019.

⁷ La Vérité, 3 Dec 2019.

⁸ La Vérité, 5 Dec 2019.

⁹ Today News Africa, 25 Nov 2019.

¹⁰ Source, director within the gold sector, Antananarivo

¹¹ Today News Africa, 25 Nov 2019.

world price developments and to settle existing liabilities with distributors to avoid budget costs".¹² It was further noted that such a pricing mechanism would need to co-exist with targeted social measures to ensure that the poor are protected from future price fluctuations.

Sovereignty accord of Scattered Islands contested

France's President **Emmanuel Macron** (2017-present) announced on social media platform **Twitter** on 3 December a plan to establish a joint Franco-Malagasy research station on the **Scattered Islands**, an uninhabited archipelago¹³ set to be built in 2020.¹⁴ The five islets have been a source of dispute between France and Madagascar since the 1970s.¹⁵ Macron's Twitter announcement came as a surprise in the absence of any formal announcements on the issue of the restitution and full decolonisation of the Scattered Islands. Delegations from both countries met in Antananarivo on 18 November where they agreed on a mixed commission to determine the sovereignty of the islands.¹⁶ Macron's announcement occurred during his appearance at the **2019 United Nations Climate Change Conference (COP25)** held from 2-13 December 2019 in **Madrid (Spain)**. Malagasy government spokesperson **Lalotiana Rakotondrzafy** responded by emphasising that restitution of the islands is needed before talks regarding cooperation for a research station can commence.¹⁷

The territorial dispute dates back to a 1979 **United Nations** resolution which called on France to return the five islets to Madagascar, a request that has remained incomplete in accordance with international law. Negotiations between the two countries in 1990 and 2016 failed to achieve a consensus. The islands have significant oil and gas deposits with potential revenues estimated at several hundred billion dollars:

*"The basements of the **Mozambique Channel** would contain between 6 and 12 billion barrels of oil and between 3 and 5 billion cubic metres of gas."*¹⁸

The islands also offer vast developmental opportunities – construction of hydroelectric dams, housing, modernisation of communication routes, schools, universities, hospitals, electrification, and access to drinking water.¹⁹

Representatives of each region were set to debate the sovereignty of the islands from 9-11 December at the **International Conference Centre (ICC)** in **Ivato** as part of Madagascar's efforts to mobilise the public in gaining support for the return of what Malagasy leaders are deeming "*the Malagasy Islands*".²⁰ Emphasis has been placed on making the population aware of the importance of the ancestral legacy of the islands. Citizens, civil society, associations and political parties have been invited to bring ideas and proposals for the return of the islands in this "*final stage*" of collection of proposals and ideas. The information collected during these stages will be consolidated and a summary document prepared and submitted to President Rajoelina. It remains to be seen whether France will adhere to the UN resolution requiring it to open negotiations for the return of the Scattered Islands to Madagascar. Only then will it be possible to determine if the two countries will feasibly be able to 'co-manage' the proposed research station.

Looking back at 2019 and ahead to 2020 ...

2019 saw Madagascar's new administration following the 2018 general elections initially battle with adjusting to new roles, as evidenced by the slow budget roll-out. As the year progressed, the new

¹² Today News Africa, 25 Nov 2019.

¹³ Two of the islands – **Juan de Nova** and **Europa** – and the **Bassas da India** atoll lie in the **Mozambique Channel** west of Madagascar, while a third island, **Tromelin**, lies about 450 kilometres east of Madagascar. The **Glorioso Islands** lie about 200 kilometres northwest of Madagascar.

¹⁴ RFI Afrique, 7 Dec 2019.

¹⁵ RFI, 19 Nov 2019.

¹⁶ RFI Afrique, 19 Nov 2019.

¹⁷ L'Express de Madagascar, 5 December 2019.

¹⁸ Association for Free Research and International Cooperation (AFRIC), 26 Sept 2018.

¹⁹ Madagascar Tribune, 5 Dec 2019.

²⁰ La Vérité, 9 Dec 2019.

government has found its feet and shows promise. President Rajoelina continues to maintain steps towards fulfilling his campaign promises – including the de-urbanisation of Antananarivo. Protests over the land required for this promise are unlikely to succeed, and it is probable that the rice farm land owners will need to accept the compensation being offered for their land. Decentralisation look set to encourage greater investment and reduce the negative consequences for Antananarivo.

The demonstrations over the recent municipal elections are likely to subside over the holiday period. Given a general lack of evidence of the alleged tampering, it is unlikely that the TIM will be able to prove electoral fraud. The CENI appears convinced that the electoral lists were not altered in any way and most suspect that the TIM is merely unhappy with the outcome. They will need to accept Ny Rina Randriamasinoro's defeat and let Antananarivo be led by the choice of the majority, the IRD's Naina Andriantsitohaina.

Madagascar would do well to incorporate suggestions made by the 2019 World Bank's Doing Business Rankings, and the IMF advisory points in the wake of the 2019 Article IV and Final Programme Review. For 2020, strengthening collection efforts for tax revenue targets, cross-checking information between customs and domestic tax administrations, and revising tax expenditures and exemption regimes are examples of steps that can grow Madagascar's economy. Improvements to governance, including anti-corruption efforts, are also encouraged in order to attract further private investment. The strengthening of the monetary policy framework is recommended in order for the central bank to accelerate financial inclusion, in addition to plans to submit the new banking law and the financial stability law to parliament.

Targets to tackle poverty will require increased public spending in the health and education sectors, and decreased public spending on subsidies to fuel and electricity operators. In order to make its business environment more attractive, Madagascar would do well to reinforce and strengthen its competition laws and their enforcement by independent regulators, and perhaps look at incentivising companies to ensure best practices. By increasing investments and social spending and ensuring fiscal sustainability, Madagascar's economy is likely to strengthen and grow in 2020.

Planner

25 Dec 2019 (**Madagascar**) Christmas Day (national holiday);
 1 Jan 2020 (**Madagascar**) New Year's Day (national holiday);
 28 Feb 2020 (**Madagascar**) Municipal electoral results expected to be released;
 26 Jun 2020 (**Madagascar**) Independence Day;
 2023 (**Madagascar**) Potential presidential elections

Chronology

10 Dec 2019 **Soalala (Madagascar)** *Africa News*. Cyclone **Belna** hits northwestern Madagascar;
 6 Dec 2019 **Morondava (Madagascar)** *Madagascar Tribune*. Former **Mahabo MP Ludovic Adrien Raveloson** is sentenced to five years' imprisonment for the destruction of of **Menabe Antimena**, the dry forest protected ecosystem on Madagascar's west coast;
 3 Dec 2019 **Madrid (Spain)** *L'Express de Madagascar*. **France's** President **Emmanuel Macron** announces a joint French-Malagasy research station to be built on the disputed **Scattered Islands**;
 2 Dec 2019 **Majunga Basin (Madagascar)** *AfricaIntelligence*. **United Kingdom**-based petroleum company **BP** is reportedly planning to announce its decision to withdraw from Madagascar in early 2020;

27 Nov 2019 **Antananarivo (Madagascar)** *L'Express*. Authorities conduct local election for mayors and municipal councillors with over ten million people expected to vote;

20 Nov 2019 **Antananarivo (Madagascar)** *Ventures Africa*. The **World Bank** approves \$140m in favour of **Madagascar's Connectivity for Rural Livelihood Improvement Project**, which seeks to enhance road connectivity in **Alaotra Mangoro, Anosy** and **Atsimo-Atsinanana**;

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Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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