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Madagascar Summary 7 October 2021

Switzerland-based non-governmental organisation (NGO), the Basel Institute on Governance, ranks Madagascar the seventh-highest risk jurisdiction for money laundering and terrorism financing in the 10th edition of its annual Anti-Money Laundering (AML) Index. The Global Initiative Against Transnational Organised Crime reports that Madagascar's vanilla industry is a magnet for corruption, money-laundering and criminality. Civil society organisation (CSO) Voahary Gasy Alliance launches a partnership with the United States (US) Embassy for Madagascar and Comoros to provide an Environmental Legal Clinic to promote good governance and improve prosecution for environmental crime. Fisheries and blue economy minister Paubert Mahatante signs Madagascar up to the Fisheries Transparency Initiative. CSOs petition the government for greater transparency as the government negotiates a new fishing agreement with the European Union (EU). US-based chocolate maker Beyond Good plans to sell green carbon credits for tree corridors across its 300 hectares of farmland in Madagascar. President Andry Rajoelina (2019-present) addresses climate change and Madagascar's continuing dispute with France over the Îles Éparses (Scattered Islands) at the United Nations General Assembly in New York (US). General 'Fidy' Andrianafidisoa, chief architect of the 2006 Ivato Naval Air Base coup d'état attempt, dies. Case numbers of Covid-19 decline but an outbreak of pneumonic plague in Itsay and Haute Matsiatra regions raises health concerns.

Madagascar named amongst worst money-laundering destinations...

Switzerland-based non-governmental organisation (NGO), the **Basel Institute on Governance**, has ranked **Madagascar** as one of the world's worst countries for money-laundering. The 10th edition of the annual **Basel Anti-Money Laundering (AML) Index**, released on 13 September, ranked Madagascar seventh globally as a destination at risk for money-laundering and terrorist financing.¹ The report is bad news for President **Andry Rajoelina** (2019-present) who has struggled to establish his anti-corruption credentials.

The report describes **sub-Saharan Africa**, which is assessed separately from the **Middle East and North Africa (MENA)**, as "high risk of bribery/corruption and financial transparency/standards".²

Top ten high-risk jurisdictions for money laundering and terrorism financing			
1	Haiti	6	Cayman Islands
2	Democratic Republic of Congo	7	Madagascar
3	Mauritania	8	Mali
4	Myanmar	9	Senegal
5	Mozambique	10	Uganda

¹ Basel Institute on Governance, 13 Sep 2021

² Basel Institute on Governance, 13 Sep 2021

... with vanilla in the spotlight ...

In further bad news for Rajoelina's anti-corruption efforts, the Switzerland-based coalition between law enforcement, politicians and civil servants, the **Global Initiative Against Transnational Organised Crime**, reported on 13 September that Madagascar's vanilla industry is a magnet for corruption, money-laundering and criminality.³ Madagascar produces up to 80% of the world's vanilla crop, most of which is produced by smallholding farmers in the Malagasy highlands and the **Sava** region.⁴ Global Initiative accuses the government of maintaining artificially high prices which, it claims, drives theft and violence in smallholding farmer communities.⁵ The Malagasy government set the export price of vanilla at \$350 per kilogramme in February 2020, after it dropped by 50% from its peak in 2018.^{6,7}

University of Antananarivo wood anatomy specialist **Harisoa Ravaomanalina** alleged in 2018 that the vanilla industry serves as a money-laundering opportunity to conceal profits from illegal rosewood logging, "*a big mafia is behind this and they're close to our government*".⁸ Rajoelina's first stint as president, 2009-2013, saw the highest rates of rosewood logging in Malagasy history.⁹ The government issued exemptions to rosewood loggers, which weakened legal precedent and police response.¹⁰ The **Africa Organised Crime Index**, a joint project between the **European Union (EU)**, **Enact**, a programme operated by **United Kingdom (UK)**-based **Institute for Security Studies**, international crime agency **Interpol**, and the Global Initiative, estimates that 2 million rosewood and ebony logs have been shipped from Madagascar since 2010. Rosewood is one of the key plants supporting Madagascar's biodiversity, specifically lemur habitats.

The vanilla industry facilitates two types of crime: trade-based laundering, where vanilla prices are artificially inflated by rosewood traders purchasing the crop, and trafficking, where transport of vanilla is also used to traffic rosewood.¹¹ These illicit business practices weaken Madagascar's international standing in both the public and private sectors. Failure to address the illicit trade of rosewood also threatens an emerging commercial opportunity for Madagascar in terms of green carbon credits (see below).

Malagasy civil society organisation (CSO) **Voahary Gasy Alliance** on 25 September launched a partnership with the **United States (US) Embassy for Madagascar and Comoros** to provide an **Environmental Legal Clinic**, which will be based in **Morondava (Menabe region)**. The clinic aims to promote good governance and support transparency,

"to reduce corruption, improve the enforcement of environmental laws and increase prosecution rates of those committing environmental crimes".¹²

... amid plans for greater transparency in the fishing sector ...

Madagascar's ministry of fisheries and blue economy has announced its intention to join the international collaborative **Fisheries Transparency Initiative (FiTI)** to achieve transparency in marine management. Madagascar will join existing FiTI members **Mauritania, Senegal, Seychelles and Cabo Verde**.¹³ Fisheries and blue economy minister **Paubert Mahatante** noted in a letter to FiTI chairperson **Valeria Merino** published on 5 October that joining FiTI would allow Madagascar to

³ [Daily Maverick](#), 13 Sep 2021

⁴ [Daily Maverick](#), 13 Sep 2021

⁵ [Daily Maverick](#), 13 Sep 2021

⁶ [Rfi](#), 28 May 2020

⁷ [Food Business News](#), 6 Aug 2020

⁸ [Gulf News](#), 31 Mar 2018

⁹ [Transparency International](#), 10 Mar 2021

¹⁰ [Yale Environment 360](#), 29 Jan 2019

¹¹ [Daily Maverick](#), 13 Sep 2021

¹² [US Embassy](#), 25 Sep 2021

¹³ [Sea Food Source](#), 5 Oct 2021

*“improve delivery of public services, enhance transparency for responsible fishing and promote collaboration between all stakeholders in the fisheries and blue economy sector”.*¹⁴

The **World Bank** estimates that Madagascar’s fishing industry accounts for 7% (\$750m) of its gross-domestic-product (GDP) and 6.6% of total exports.¹⁵ FiTI **Southern Indian Ocean** regional coordinator **Will May** said Madagascar’s national authorities have demonstrated their understanding of *“the importance of an inclusive, participatory approach to fisheries management”* through their frequent mention of transparency in national strategy documents such as **La Stratégie Nationale de Bonne Gouvernance de la Pêche** (national strategy for good governance of fisheries), and **La Stratégie Nationale de Gestion de la Pêche Thonière** (national strategy for tuna fisheries management).¹⁶

A collective of Malagasy civil society organisations, including the Voahary Gasy Alliance, **Mihari Network**, **Rohy** movement, **Tafo Mihaavo** network and the Madagascar branch of **Germany-based Transparency International**, petitioned the government on 28 September for greater *“equity and transparency to ensure sustainable fishing”*. The petition was delivered amid negotiations for the next fishing agreement between the Malagasy government and the EU.¹⁷

... and carbon credit opportunity in the cocoa sector

US-based chocolate maker **Beyond Good** intends to begin selling carbon credits for land preserved by cocoa farmers in Madagascar.¹⁸ Beyond Good is partnering with US-based environmental organisation **Conservation International** and UK-based **Bristol Zoo** to preserve trees, under which the **Criollo** cocoa variety is grown.¹⁹ So far, Beyond Good and their conservation partners have identified six species of lemur on its 300 hectares of farmland. Beyond Good managing director **Ryan Kelley** said the company is planting corridors where lemurs can transfer safely, and measuring the amount of carbon that is sequestered.²⁰

Green carbon credits may offer a new industry for Madagascar, one that supports the local community and restores the country’s natural assets.

Rajoelina addresses climate change at UN ...

President Andry Rajoelina addressed the **General Assembly** of the **United Nations (UN)** in **New York (US)** on 22 September.²¹ Speaking on the theme of **Covid-19** recovery, Rajoelina also criticised the global response to climate change. Rajoelina advocated for stronger intervention and global policy including *“the implementation of measures and sanctions to stop climate change”*, branding current efforts as *“lax”*.²² Rajoelina described Madagascar as *“a victim of climate change”*, claiming this has caused the country’s current food shortage. The crisis threatens 400,000 people with starvation in Madagascar’s Southern regions (see *ARC Briefing Madagascar June 2021*). Referring to the recurrent waves of drought in the south, Rajoelina noted:

*“The water sources dry up and all the means of subsistence become almost impossible. My compatriots in the south are bearing the weight of climate change which they did not participate in creating.”*²³

Rajoelina also leveraged his opportunity in addressing the UN to raise the topic of Madagascar’s dispute with **France** over the **Îles Éparses** (Scattered Islands), noting the slow progress of

¹⁴ [Sea Food Source](#), 5 Oct 2021

¹⁵ [Sea Food Source](#), 5 Oct 2021

¹⁶ [Sea Food Source](#), 5 Oct 2021

¹⁷ [NewsMada](#), 28 Sep 2021

¹⁸ [Bloomberg Green](#), 26 Sep 2021

¹⁹ [Bloomberg Green](#), 26 Sep 2021

²⁰ [Bloomberg Green](#), 26 Sep 2021

²¹ [Madagascar Tribune](#), 23 Sep 2021

²² [Africa News](#), 23 Sep 2021

²³ [Africa News](#), 23 Sep 2021

negotiations over the disputed territory (see *ARC Briefing Madagascar July 2021*).²⁴ The UN adopted resolution 34/91 on 12 December 1979, urging the French government to begin negotiations for the reintegration of the islands of **Juan de Nova**, **Europa** and **Bassas da India** in the Eparses archipelago. France failed to act upon the non-binding UN resolution, despite a second call by the UN in 1980. In May 2019, during an official visit to France, President Rajoelina and France's President **Emmanuel Macron** (2017-present) launched a joint commission to

“régler le problème des îles Eparses (settle the problem of the Scattered Islands)”.²⁵

The joint commission was disrupted by the Covid-19 pandemic and relations between Madagascar and France soured when France decreed in June the creation of a national nature reserve of the archipelago.²⁶ Rajoelina visited France in August but made little progress on the sovereignty of the islands.²⁷ In his address to the General Assembly, Rajoelina stated:

*“Madagascar has neither the power, nor the weapons and even less the pretension of wanting to declare a war. We have just faith in the legitimacy of our aspirations and in our right to decide the fate of our territory.”*²⁸

Rajoelina's address departed from his recent projection of strength in national communications. Political analyst **Solofo Randrianja** has interpreted the presidential narrative around a new cabinet, appointed in September, and the alleged coup attempt in August (see *ARC Briefing Madagascar August 2021*) as a bid to consolidate power and suppress opposition.²⁹ While Rajoelina's reference to climate change and asymmetric sovereignty disputes may not project power, it does shift blame away from Madagascar's leadership to a foreign sphere. Blaming predatory foreign figures may be Rajoelina's defence against rising claims of endemic corruption, money laundering and exploitation of natural resources including rosewood, vanilla and the blue industries in Madagascar (see above).

General Andrianafidisoa dies...

The death of one of Rajoelina's controversial and influential supporters may offer the president an opportunity to publicly break from Madagascar's turbulent political history. General **'Fidy' Andrianafidisoa**, former military general and director of the **Office des Mines Nationales et des Industries Stratégiques (OMNIS)** (mines and strategic industries office), died on 5 October.³⁰ General Fidy was infamous for the 2006 coup d'état attempt launched at the **Ivato Naval Air Base** in 2006. He was arrested and sentenced to 15 years of forced labour in **Tsiafahy (Analamanga region)** before his release in the transition period of 2009.³¹

Fidy hailed from the **Ambatondrazaka** capital of the **Alaotra-Mangoro** region and served as a politician upon his retirement from the armed forces. The renegade general was reportedly a supporter of President Andry Rajoelina in the 2019 election. Whether Rajoelina will leverage this opportunity to acknowledge the death of General Fidy and publicly support the democratic process remains to be seen.

Pneumonic plague causes concern as Covid-19 cases remain low

New cases of Covid-19 remain low, following the end of the 17-month nationwide state of emergency on 3 September (see *ARC Briefing Madagascar September 2021*). The **World Health Organisation (WHO)** reported that as of 7 October Madagascar had no new cases or deaths linked to Covid-19 in the previous 24 hours, with only 113 cases detected since 4 October.³² As of 7 October, Madagascar

²⁴ [The Global Herald](#), 22 Sep 2021

²⁵ [Madagascar Tribune](#), 31 May 2019

²⁶ [Office Français de la Biodiversité](#), 14 Jun 2021

²⁷ [Africa Intelligence](#), 23 Aug 2021

²⁸ [Africa News](#), 23 Sep 2021

²⁹ [Africa Report](#), 18 Aug 2021

³⁰ [Madagascar Tribune](#), 6 Oct 2021

³¹ [L'Express](#), 27 Mar 2009

³² [World Health Organisation](#), accessed 7 Oct

had registered a total of 43,610 cases of Covid-19 in its population of 26.97 million, with 960 Covid-19-related deaths.³³ Despite low levels of new Covid-19 infections, a health ministry spokesperson confirmed that President Rajoelina and the cabinet would not meet to discuss opening Madagascar's borders until mid-October.³⁴

Madagascar joined the WHO vaccination access scheme **COVAX** in April after initially opting out of the programme and instead using a local herbal remedy named "**Covid-Organics**" (see *ARC Briefing Madagascar April 2021*).³⁵ As of 7 October, 0.89% of the Madagascan population, 246,158 individuals, have received at least one dose of the Covid-19 vaccine, while 0.71% or 197,001 individuals are fully vaccinated.³⁶

However, pneumonic plague has created new cause for concern in Madagascar. Government health authorities confirmed 22 cases of pneumonic plague on 15 September with 20 suspected cases in the Itsay and **Haute Matsiatra** regions (**Ambalavao** district).³⁷ Symptoms of the disease include fever, headache, weakness, shortness of breath, chest pain and cough. Amongst the confirmed cases, 19 have presented with pneumonic plague and three with bubonic plague, resulting in eight deaths. Health authorities report to have traced 1,064 individuals and delivered chemoprophylaxis (preventative drugs) including cotrimoxazole and doxycycline.³⁸

The WHO reports that plague is endemic in Madagascar, with 200-400 cases reported each year, usually concentrated in the central highlands with altitude of 700 meters or more.³⁹ The disease is most transmissible between September and April. The WHO cautioned that the ministry of health programme, the **National Strategy for the Prevention and Control of Plague**, is underfunded, and other factors have placed stress on national healthcare infrastructure including the Covid-19 pandemic and food crisis in the South.⁴⁰

*"The affected areas are geographically close to the capital of the country and the movement of the population increases the risk of spreading the disease to urban areas and other areas of the country. Thus, the risk at the national level is considered high, while at the regional and global levels this risk is low since there is no known history of exporting plague cases to other countries."*⁴¹

The **Pasteur Institute of Madagascar** conducted animal surveillance in the **Arivonimamo** district, reporting that 1.3% of rats caught during the test carried *Yersinia pestis*, the bacteria that cause plague. Madagascar has a 1% carriage threshold, above which districts are placed on 'alert'. Additional pulicidal index tests (measuring ratio of fleas to rat) revealed a ratio of 1.7% in Arivonimamo, 3.1% in **Faratsiho** (**Vakinankaratra** region) and 3.2% in **Besarety** (**Analamanga** region), all below the 5% threshold established by health authorities.

³³ [World Health Organisation](#), accessed 7 Oct 2021

³⁴ [Madagascar Tribune](#), 2 Oct 2021

³⁵ [VON](#), 1 Apr 2021

³⁶ [World Health Organisation](#), accessed 7 Oct 2021

³⁷ [ReliefWeb](#), 6 Oct 2021

³⁸ [ReliefWeb](#), 6 Oct 2021

³⁹ [World Health Organisation](#), 1 Oct 2021

⁴⁰ [World Health Organisation](#), 1 Oct 2021

⁴¹ [World Health Organisation](#), 1 Oct 2021

Planner

Mid October 2021 (**Madagascar**) President Rajoelina will meet with cabinet to discuss reopening Madagascar's borders;

2023 (**Madagascar**) Potential presidential elections

Chronology

6 Oct 2021 **Antananarivo (Madagascar)** *Orange*. State-owned air carrier **Air Madagascar** denies reports that three **Twin Otter** aircraft are for sale, after rumours emerged following several meetings to discuss recovery solutions for the struggling airline;

6 Oct 2021 **Ambohibao (Madagascar)** *Orange*. The **Independent Anti-Corruption Bureau** signs a partnership agreement with civil society organisation **Voahary Gasy Alliance** to establish an anti-corruption coalition, which will champion good governance and tackle illicit exploitation of natural resources;

6 Oct 2021 **Antananarivo (Madagascar)** *Global Cement*, **Kolos Madagascar**, subsidiary of **Mauritius**-based construction company **Gamma Civic**, begins importing cement to supply growing demand, and plans to establish a grinding plant in Madagascar by 2024;

5 Oct 2021 **Antsiranana (Madagascar)** *Madagascar Tribune*. General **Andrianafidisoa 'Fidy'**, a former military general and director of national mines and strategic industries, and alleged coup d'état instigator in 2002, has died;

5 Oct 2021 **Antananarivo (Madagascar)** *Sea Food Source*. Fisheries and blue economy minister **Paubert Mahatante** announces his ministry's commitment to join the global multi-party partnership **Fisheries Transparency Initiative (FiTI)**, joining **Mauritania**, **Senegal**, **Seychelles** and **Cabo Verde** to enhance transparency in the fishing industry and promote collaboration between all stakeholders;

5 Oct 2021 **Antananarivo (Madagascar)** *Orange*, Minister for industrialisation, trade and consumer affairs (MICC) **Edgard Razafindravahy** meets the **United Kingdom (UK)** ambassador to Madagascar, **David William Ashley**, to discuss partnership opportunities for the **APEi UK-AfOA Economic Partnership Agreement** currently in negotiation;

28 Sep 2021 **Antananarivo (Madagascar)** *Orange*. Minister for economy and finance **Rabarinirinarison Rindra Hasimbelo** attends an **International Monetary Fund (IMF)** meeting to prepare strategies to strengthen support for states weakened or affected by conflict;

26 Sep 2021 **Antananarivo (Madagascar)** *Bloomberg*. **United States (US)**-based chocolate manufacturer **Beyond Good** aims to begin selling carbon credits for cocoa farm reforestation programmes in partnership with US-not for profit environmental organisation **Conservation International** and **United Kingdom (UK)**-based **Bristol Zoo**;

22 Sep 2021 **New York (United States)** *The Global Herald*. Madagascar's President **Andry Rajoelina** addresses the **United Nations** General Debate 76th session, calling for greater collaborative action on climate change,

13 Sep 2021 **Antananarivo (Madagascar)** *Daily Maverick*. **Global Initiative against Transnational Organized Crime** study says **Madagascar's** vanilla industry has become a magnet for corruption, money laundering and criminality;

13 Sep 2021 **Basel (Switzerland)** *Basel Institute on Governance*. **Switzerland**-based NGO **Basel Institute on Governance** ranks Madagascar seventh in the world in its 10th annual edition of the **Basel Anti-Money Laundering (AML) Index**, indicating high-risk of money laundering;

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