

AFRICA RISK CONSULTING

Madagascar Monthly Briefing November 2021

Madagascar Summary 8 November 2021

President **Andry Rajoelina** (2019-present) attends the **United Nations Climate Change Conference of Parties 2021 (COP26)** in **Glasgow (United Kingdom)**. UK-based NGO **Amnesty International** releases a report calling for greater support for climate-vulnerable countries, including Madagascar. President Rajoelina meets with his Seychelles counterpart, **Wavel Ramkalawan**, to discuss maritime security and illegal trafficking in Southern Seychelles and the broader Indian Ocean region. The **International Monetary Fund (IMF)** concludes a virtual visit to Madagascar forecasting 3.5% GDP growth and calling for reforms to revenue collection and social spending to support economic recovery. Retired general and former prime minister **Jean Ravelonarivo** flees Madagascar, allegedly bound for Switzerland, after the **Antananarivo Pôle Anti-Corruption (PAC)** (anti-corruption court) finds him guilty of embezzling funds from the **Caisse Nationale de Prévoyance Sociale (CNAPS)** (national social security fund). State-owned national airline **Air Madagascar** enters receivership before merging with subsidiary **Tsaradia** and rebranding as **Madagascar Airlines**. Madagascar reopens its air borders with Indian Ocean nations including **Reunion** and **Mauritius** and European destinations including **Milan (Italy)** and **Paris (France)**.

Rajoelina attends COP26

President **Andry Rajoelina** (2019-present) travelled to **Glasgow (United Kingdom)** to attend the **United Nations Climate Change Conference of the Parties 2021 (COP26)** from 31 October to 12 November.¹ Germany-based non-profit and non-governmental organisation (NGO) **Germanwatch** identified **Madagascar** as one of ten countries most vulnerable to climate risks in its **2020 Global Climate Risk Index**.² Rajoelina addressed the COP26 assembly on 2 November, speaking as leader of a "climate-vulnerable" country, alongside **Barbados** and **Nigeria**, highlighting the impact of climate change on Madagascar, which he noted the country has had little input in creating:

*"These consequences are disastrous, particularly for the South of Madagascar, which is facing famine caused by climate change."*³

Rajoelina said wealthy nations should provide funding and intervention programmes for the poorest and most vulnerable nations.⁴ Environment minister **Baomiavotse Vahinala Raharinirina**, speaking to France-based media channel **France24** on 4 November, noted the lack of

"budget from the polluters [...] to implement infrastructures and adaptation policies we are implementing in Madagascar".⁵

UK-based NGO **Amnesty International** published a report on 27 October calling on wealthy nations attending COP26 to cut emissions and fund intervention in "climate-driven humanitarian crises".⁶ Amnesty International secretary general **Agnès Callamard** described Madagascar as "on the frontline of the climate crisis":

¹ [The Africa Report](#), 27 Oct 2021

² [Germanwatch](#), 4 Dec 2019

³ [CNN](#), 2 Nov 2021

⁴ [France24](#), 4 Nov 2021

⁵ [France24](#), 4 Nov 2021

⁶ [Amnesty International](#), 27 Oct 2021

“For one million people, it means a drought of catastrophic proportion, and violations of their rights to life, health, food and water.”⁷

Callamard said current climate change predictions indicate that droughts are expected to become more severe, disproportionately affecting people in developing countries. In his COP26 speech, President Rajoelina referenced the UN **World Food Programme** report published on 26 August, which stated that one in two people in Madagascar do not have enough food.⁸ More than 1.14 million individuals in southern Madagascar are in need of emergency food and nutrition assistance.⁹ Rajoelina highlighted deforestation as a major concern for Madagascar, despite receiving criticism for his administration’s role in the practice of illegal rosewood logging (see *ARC Briefing Madagascar October 2021*). Lamenting the timber intensive process of charcoaling, President Rajoelina championed the use of bio-ethanol as an alternative fuel source:

“As a continent that only contributes three percent of greenhouse gas emissions, Africa cannot be left on its own to manage their increasingly harmful effects [...] I call on leaders from around the world to accelerate the mobilisation of \$100 billion for the Paris agreement so that we can fund energy transition policy in Africa.”¹⁰

Democratic Republic of the Congo (DRC) president **Félix Antoine Tshisekedi Tshilombo**, in his role as head of the **African Union (AU)**, also addressed the international community on 2 November, calling for greater support for poor and vulnerable nations to meet the \$25 billion required by Africa for a climate adaptation programme to be run by the **African Development Bank (AfDB)** in the next five years.¹¹

Rajoelina’s trip to the UK generated several cooperative opportunities. **Seychelles** president **Wavel Ramkalawan** (2020-present) met with Rajoelina on 1 November to discuss maritime security and illegal trafficking in Southern Seychelles and the broader **Indian Ocean** region.¹² The two nations agreed to organise a special conference between their foreign affairs ministries before the end of the year. The date has yet to be specified.¹³

IMF concludes virtual visit

The **International Monetary Fund (IMF)** concluded a five-week virtual visit to Madagascar on 25 October, the first of several reviews of a 40-month Extended Credit Facility (ECF) agreement.¹⁴ IMF economist **Frederic Lambert** led the discussions and stated upon conclusion of the visit that the IMF team and Malagasy authorities had reached a staff-level agreement on the first review of Madagascar’s economic programme under the ECF:

“The agreement is subject to approval by the IMF Executive Board, which is expected to consider the review in December. The review’s completion would allow the disbursement of SDR 48.88 million (about US\$69 million) to Madagascar to cover external and fiscal financing needs.”¹⁵

The IMF team projects economic growth of 3.5% for the Malagasy economy in 2021, following a contraction of 7.1% of GDP in 2020. This forecast will see the domestic objective of 2.5% GDP growth achieved and exceeded. With public debt remaining at 50% of GDP, the IMF stressed the importance of tax revenue mobilisation and social spending to support economic recovery. The IMF said planned tax reforms will reduce the high level of public debt, as Malagasy authorities aim to increase fiscal revenue by stepping up the fight against fraud, continuing their reforms of the tax and customs

⁷ [Amnesty International](#), 27 Oct 2021

⁸ [United Nations World Food Programme](#), 26 Aug 2021

⁹ [United Nations World Food Programme](#), 26 Aug 2021

¹⁰ [CNN](#), 2 Nov 2021

¹¹ [Bloomberg](#), 2 Nov 2021

¹² [State House of Seychelles](#), 1 Nov 2021

¹³ [State House of Seychelles](#), 1 Nov 2021

¹⁴ [Orange](#), 26 Oct 2021

¹⁵ [International Monetary Fund](#), 26 Oct 2021

administrations, reforming mining taxation in keeping with best practices, and introducing tax reforms geared towards strengthening social equity:

“The authorities will also seek to enhance the composition of expenditures by limiting transfers to state-owned enterprises and containing the wage bill and pension costs, while improving the execution of social and investment spending ... costly tax exemption regimes will eventually need to be revisited.”¹⁶

The IMF confirmed on 8 October that it would offer a \$124m extension of IMF debt relief to 24 low-income countries. This is the fourth approval of a debt relief tranche from the **IMF Catastrophe Containment and Relief Trust** and will expire, unless renewed again, on 10 January 2022.¹⁷ While the IMF did not name Madagascar in the debt relief statement, it is one of 25 low-income countries that has benefitted from the scheme.¹⁸

Former prime minister flees Madagascar...

The IMF assessment of public debt sustainability and planned reforms to public bodies and pensions came days after news that former prime minister **Jean Ravelonarivo** had fled Madagascar to avoid imprisonment and fines associated with the theft of “tens of billions” of ariary stolen from the **Caisse Nationale de Prévoyance Sociale (CNAPS)** (national social security fund) between 2010 and 2018.¹⁹ Ravelonarivo, who served as prime minister in 2015-2016 during the presidency of **Hery Rajaonarimampianina** (2014-2018), left Madagascar on 16 October, using a small motorboat to reach the nearby French-governed island of **Mayotte**, 340 km from **Nosy-Be** (northwest coast of Madagascar).²⁰ A Mayotte newspaper reported the arrival of the former prime minister on 16 October and his subsequent flight to **Paris** (France) on 22 October.²¹ Ravelonarivo is reportedly bound for **Switzerland**.²²

The **Antananarivo Pôle Anti-Corruption (PAC)** (anti-corruption court) tried Ravelonarivo *in absentia* on 27 September on charges of embezzling funds from CNAPS.²³ The **Bureau Anti-Corruption** (anti-corruption bureau) reported that €4m (\$4.6m) of CNAPS funding was used to construct a five-star hotel, with a helipad and leisure centre next to **Vontovorona** stadium (Antananarivo province). The construction company was owned by Ravelonarivo.²⁴ A source at the anti-corruption bureau, speaking to French newspaper **RFI** in March, stated:

“We had what was built evaluated by experts. They concluded that less than half of the work has been completed, but the construction company has been almost paid in full.”²⁵

The PAC ordered the seven defendants in the CNAPS embezzlement case to pay a total of Ar' 6 billion (\$1.5m) in damages to CNAPS, a small percentage of the “tens of billions” of ariary reportedly embezzled between 2010 and 2018.²⁶ The PAC handed Ravelonarivo a five-year prison sentence. It also found former CNAPS director general **Raoul Arizaka Rabekoto** guilty of embezzlement, sentencing him *in absentia* to ten years' hard labour and a fine of \$127,106.²⁷ Rabekoto fled Madagascar in February 2020 and is reportedly in hiding in Switzerland.²⁸ The disciplinary council of

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¹⁶ [International Monetary Fund](#), 26 Oct 2021

¹⁷ [Reuters](#), 8 Oct 2021

¹⁸ [Reuters](#), 8 Oct 2021

¹⁹ [Mayotte 1](#), 23 Oct 2021

²⁰ [Madagascar Tribune](#), 25 Oct 2021

²¹ [Mayotte 1](#), 23 Oct 2021

²² [Mayotte 1](#), 23 Oct 2021

²³ [RFI](#), 28 Sep 2021

²⁴ [RFI](#), 4 Mar 2021

²⁵ [RFI](#), 4 Mar 2021

²⁶ [RFI](#), 4 Mar 2021

²⁷ [RFI](#), 28 Sep 2021

²⁸ [RFI](#), 28 Sep 2021

the **Conseil Supérieur de la Magistrature (CSM)** (supreme judicial council) met on 27-29 October and voted to strike Rabekoto off the register of magistrates.²⁹

Reports of Ravelonarivo's abscondment have highlighted ongoing political tensions between France and the Malagasy government. Ravelonarivo is reportedly in possession of a three-year residence visa provided by French authorities in Madagascar.³⁰ The alleged assistance from French authorities openly defied a travel ban placed on both Ravelonarivo and Rabekoto by Malagasy authorities.³¹ France and Madagascar are entrenched in a feud concerning the control of the **Îles Éparses (Scattered Islands)** (see *ARC Briefing Madagascar July 2021*). The implication of French authorities in the flight of several key defendants calls into question the **European** power's motivation in the Indian Ocean region. It is unlikely that this ruling will dissuade future theft of government funds whilst defendants are capable of fleeing punishment, and paltry financial penalties reinforce the lesson that crime pays.

Allegations made by the defence's legal counsel also call into the question the rigour and discipline of the trial. Representative for the defence, Maître **Raoelina** alleges that the CNAPS embezzlement trial was politically motivated:

*"We no longer distinguish who is the real culprit. We have a new government that wants to show extreme diligence. They want to make this judgement an example, and impress the opponents, the politicians, everyone."*³²

The evasion of anti-corruption enforcement and the long-term embezzlement of funds from the national social security fund does little to restore faith in Rajoelina's government. President Rajoelina dismissed his cabinet on 12 August on the basis of "poor performance" and appointed a larger cabinet of 32 members on 15 August (see *ARC Briefing Madagascar September 2021*).³³

Madagascar reopens air borders with some Indian Ocean and European countries

The Madagascar council of ministers announced the reopening of air borders with Indian Ocean nations including **Reunion** and **Mauritius** on 13 October, permitting Reunion-based airline **Air Austral** and Mauritian-based airline **Air Mauritius** to resume flights to Madagascar.³⁴ Air borders with **Europe** reopened on 6 November, with newly formed **Madagascar Airlines** (formerly **Air Madagascar** – see below) and France's national air carrier, **Air France**, permitted to operate flights between Antananarivo and Paris.³⁵ Chartered flights between **Hell Ville** (Nosy Be island, northwestern Madagascar) and **Milan (Italy)** are also permitted.³⁶ On 25 October, the **United States (US)** revised travel restrictions, allowing passengers from Madagascar fully vaccinated against Covid-19 to enter the US provided their vaccinations meet US health department requirements.³⁷

Passengers arriving in Madagascar will be subject to mandatory Polymerase Chain Reaction (PCR) testing at a cost of €25 (\$28) included in the cost of an airline ticket.³⁸ Passengers arriving in Madagascar are required to isolate for 24-48hrs while awaiting the results of the PCR test. Passengers who test positive for Covid-19 are required to isolate for 14 days.³⁹

New cases of Covid-19 in Madagascar remain low, despite the lifting 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 8 November, Madagascar had no new cases or deaths linked

²⁹ [NewsMada](#), 3 Nov 2021

³⁰ [Madagascar Tribune](#), 25 Oct 2021

³¹ [Le Matinal](#), 25 Oct 2021

³² [RFI](#), 28 Sep 2021

³³ [Xinhua](#), 16 Aug 2021

³⁴ [Orange](#), 13 Oct 2021

³⁵ [Orange](#), 13 Oct 2021

³⁶ [Orange](#), 13 Oct 2021

³⁷ [Reuters](#), 25 Oct 2021

³⁸ [Orange](#), 13 Oct 2021

³⁹ [Orange](#), 13 Oct 2021

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to Covid-19 in the previous 24 hours or the past seven days.⁴⁰ As of 8 November, Madagascar had registered a total of 43,632 cases of Covid-19 in its population of 26.97 million, with 964 Covid-19-related deaths.⁴¹

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*).⁴² As of 8 November, 1.44% of the Madagascar population, 399,026 individuals, have received at least one dose of the Covid-19 vaccine, while 1.25% or 346,823 individuals are fully vaccinated.⁴³

Air Madagascar becomes Madagascar Airlines...

State-owned airline Air Madagascar filed for bankruptcy and was placed into receivership on 14 October.⁴⁴ Chairman of the board **Mamy Rakotondriabe** said on 3 September that the airline had incurred a loss of \$70m prior to the Covid-19 pandemic, and subsequent travel bans had severely curtailed its activities (see *ARC Briefing Madagascar September 2021*).

The placement of Air Madagascar in receivership provided an opportunity for Malagasy officials to negotiate company debts with the airline’s creditors, including Air France, which leased two **Airbus A340s** to the Malagasy airline.⁴⁵ The **Tribunal de Commerce de Paris** (Paris commercial court) on 17 October levied a €46m (\$53.3m) charge against Air Madagascar, which is due to be resolved in arbitration proceedings between Air France and Air Madagascar.⁴⁶

Air Madagascar announced on 18 October that its parent company would merge with local domestic flight subsidiary **Tsaradia** to form a new rebranded airline, **Madagascar Airlines**.⁴⁷ The new airline will operate from 6 November with the use of a leased **Boeing 787**, which will service the Antananarivo-Paris line twice weekly.⁴⁸

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⁴⁰ [World Health Organisation](#), accessed 8 Nov
⁴¹ [World Health Organisation](#), accessed 8 Nov
⁴² [VON](#), 1 Apr 2021
⁴³ [World Health Organisation](#), accessed 8 Nov 2021
⁴⁴ [Jeune Afrique](#), 21 Oct 2021
⁴⁵ [L'Express](#), 18 Oct 2021
⁴⁶ [Tribunal de Commerce de Paris](#), 17 Oct 2021
⁴⁷ [L'Express](#), 18 Oct 2021
⁴⁸ [L'Express](#), 18 Oct 2021

Planner

2023 (Madagascar) Potential presidential elections

Chronology

6 Nov 2021 **Antananarivo (Madagascar)** *Orange*. Madagascar officials reopen air borders with **Europe**, allowing flights by state-owned airline **Madagascan Airlines** (formerly **Air Madagascar**) and **France**-based **Air France** to resume;

4 Nov 2021 **Glasgow (United Kingdom)** *France24*. Environment minister **Baomiavotse Vahinala Raharinirina** delivers a press interview while attending the **United Nations (UN) Climate Change Conference (COP26)**, describing Madagascar's climate crisis as a "wake-up call" for other world leaders;

4 Nov 2021 **Antananarivo (Madagascar)** *Orange*. The governments of Madagascar and the **United Kingdom (UK)** sign an **Economic Partnership Agreement (EPA)** following the UK's withdrawal from the **European Union (EU)** in 2020;

27 Oct 2021 **Antananarivo (Madagascar)** *France24*. **United Kingdom (UK)**-based NGO **Amnesty International** releases a report calling on the Madagascar government and other world leaders attending the **United Nations (UN) Climate Change Conference (COP26)** to "step-up" relief efforts in Southern Madagascar, which is experiencing a serious drought;

23 Oct 2021 **Antananarivo (Madagascar)** *Madagascar Tribune*. Former prime minister **Jean Ravelonarivo** flees Madagascar, after the **Pôle Anti-Corruption (PAC)** (anti-corruption court) issued a five-year prison sentence on 27 September, arriving in the French territory **Mayotte** on 16 October and departing to **Paris (France)** on 22 October;

23 Oct 2021 **Antananarivo (Madagascar)** *Orange*. Madagascar government reopens air borders between Madagascar and other **Indian Ocean** states including **Reunion** and **Mauritius**, with air travel between **European** nations and Madagascar set to resume on 6 November;

21 Oct 2021 **Antananarivo (Madagascar)** *Jeune Afrique*. Bankrupt Madagascar state-owned airline **Air Madagascar** will merge with subsidiary **Tsaradia** to form new entity **Madagascar Airlines**;

18 Oct 2021 **Antananarivo (Madagascar)** *L'Express*. State-owned **Air Madagascar**, currently in receivership, announces a new business plan including a merger with Madagascar-based domestic airline subsidiary **Tsaradia** and rebranding to **Madagascar Airlines**;

15 Oct 2021 **Antananarivo (Madagascar)** *Jeune Afrique*. State-owned airline **Air Madagascar** files for bankruptcy and is placed into receivership;

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