

## AFRICA RISK CONSULTING

### Madagascar Monthly Briefing April 2022

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#### Madagascar Summary 7 April 2022

*President Andry Rajoelina (2019-present) reshuffles his cabinet again, appointing nine new ministers, including for mining and justice. The industry, trade and consumption ministry introduces a price cap system for food and other essential consumables including gas. Madagascar joins the Coalition for Disaster Resilient Infrastructure (CDRI) and petitions the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for permission to access stockpiles of illegally farmed rosewood to rebuild infrastructure. Environmental Investigation Agency (EIA) and Transparency International (TI) respond critically to Madagascar's request, noting the involvement of senior political figures who allegedly profited from illegal rosewood logging in 2009. The World Bank's Pandemic Preparedness and Basic Health Services Delivery (PPBHSB) project approves a \$134.9m loan to Madagascar to help improve pandemic response and basic health services. New cases of Covid-19 remain low; however, testing and treatment options are limited.*

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#### President Rajoelina reshuffles the cabinet again

President **Andry Rajoelina** (2019-present) has executed his fourth and long anticipated reshuffle of the cabinet, introducing some new faces and reappointing 21 former ministers. The reshuffle of the **conseil des ministres** (council of ministers) was announced on national radio on 16 March following an official evaluation of ministerial performance on 9 March.<sup>1</sup> The new 30-member cabinet comprises 27 ministers, two secretaries of state and one vice-minister.<sup>2</sup> The previous cabinet, which President Rajoelina announced in August, was composed of 32 members (see *ARC Briefing Madagascar Aug 2021*).

Rajoelina appears to have opted for some continuity by retaining ministers who occupy positions at the strategic ministries of finance, defence, public security and communication (see table below). Prime minister **Christian Ntsay** remains at the helm of the cabinet, which has been under his leadership since June 2018 when former prime minister **Olivier Mahafaly** resigned to comply with a court mandated consensus government.<sup>3</sup>

The latest cabinet includes nine new ministers. These are mines and strategic resources minister **Herindrainy Rakotomalala**; justice minister **François Rakotozafy**; foreign affairs minister **Richard Randriamandrato**; interior and decentralisation minister **Justin Tokely**; land management and land services minister **Pierre Holder Ramaholimasy**; transport and climate change minister **Rolland Ranjatoelina**; youth and sports minister **Tinoka Roberto Raharoarilala**; environment and heritage development minister **Marie-Orléa Vina**; and minister of water, sanitation and hygiene **Fidiniavo Ravokatra**.<sup>4</sup>

Several of the new appointees have previously held ministerial positions.<sup>5</sup> New foreign affairs minister Randriamandrato previously served as finance minister, while new water minister Ravokatra was previously minister of mines, and new youth and sports minister Raharoarilala earlier served as transport minister. **France**-based publication **RFI** indicates that Tinoka may be a strategic

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<sup>1</sup> [Xinhua](#), 16 Mar 2022

<sup>2</sup> [Xinhua](#), 16 Mar 2022

<sup>3</sup> [Reuters](#), 21 Jan 2019

<sup>4</sup> [Republikan'i Madagasikara](#), 16 Mar 2022

<sup>5</sup> [RFI](#), 16 Mar 2022

appointment to improve the administration's approval rating in the south-west of Madagascar ahead of the presidential election in 2023.<sup>6</sup>

New mines minister Rakotomalala replaces **Brice Randrianasolo**, who resigned and returned to **Morocco** only three days after his appointment in August following a social media campaign that flagged allegations of fraud against him.<sup>7</sup> The post has been managed by prime minister Christian Ntsay since then. Local publication **Madagascar Tribune** suggested at the time of Randrianasolo's departure that other ministers should guard against similar social media campaigns:

*"[The mining] ministerial portfolio is highly coveted by politicians and economic operators [...] low blows are innumerable to try to overthrow the minister or ministers who manage to head this department. Most often, they come from inside the ministry and from supporters of the regime in place. Guilty or not, Brice Randrianasolo has in any case lost all credibility in politics."*<sup>8</sup>

The Madagascar Tribune's warning was prescient. In February, former justice minister **Herilaza Imbiki** was forced to resign as a result of a sustained social media campaign alleging his involvement in a bribery scandal and gold trafficking (see *ARC Briefing Madagascar March 2022*).<sup>9</sup>

In an apparent attempt to break from his history of questionable appointments, President Rajoelina has implemented a new programme contract and code of conduct for ministers. New and former ministers are required to sign the document prior to taking up their positions.<sup>10</sup> Rajoelina listed his full cabinet on the presidential **Facebook** page.<sup>11</sup>

Position	Appointee
<b>Ministers</b>	
Lands and resources	<b>Pierre Holder Ramaholimasy</b>
Economy and finance	<b>Rindra Hasimbelo Rabarininarison</b>
Defence	Gen. <b>Richard Rakotonirina</b>
Foreign affairs	<b>Richard Randriamandrato</b>
Justice	<b>François Rakotozafy</b>
Interior and distribution of powers	<b>Justin Tokely</b>
Public security	<b>Fanomezantsoa Rodellys Randrianarison</b>
Industry, trade & consumer development	<b>Edgard Razafindravahy</b>
Labour, employment, public works & social affairs	<b>Gysèle Ranampy</b>
Tourism	<b>Joël Randriamandranto</b>
Youth and sports	<b>Tinoka Raharoarilala</b>
Communications and culture	<b>Lalâtiana Rakotondrazafy Andriatongarivo</b>
Higher education and scientific research	<b>Elia Béatrice Assoumacou</b>
National education	<b>Marie Michelle Sahondrarimalala</b>
Public health	<b>Arivelo Randriamanantany Zely</b>
Transport and climate change	<b>Rolland Ranjatoelina</b>

<sup>6</sup> [RFL](#), 16 Mar 2022

<sup>7</sup> [Madagascar Tribune](#), 20 Aug 2021

<sup>8</sup> [Madagascar Tribune](#), 20 Aug 2021

<sup>9</sup> [la1ere](#), 16 Mar 2022

<sup>10</sup> [Midi Madagasikara](#), 16 Mar 2022

<sup>11</sup> [Facebook](#), 16 Mar 2022

Position	Appointee
Public works	<b>Jerry Hatrefindrazana</b>
Agriculture and livestock	<b>Harifidy Ramilison</b>
Fisheries and blue economy	<b>Paubert Mahatante</b>
Energy and fuel	<b>Andry Ramaroson</b>
Water, sanitation and hygiene	<b>Fidiniavo Ravokatra</b>
Crafts and technology	<b>Sophie Ratsiraka</b>
Technical education & vocational training	<b>Gabriella Vavitsara Rahantanirina</b>
Information technology, Post Office & telecoms	<b>Tahina Razafindramalo</b>
Population, social welfare & women's advancement	<b>Princia Soafilira</b>
Mines and strategic resources	<b>Herindrainy Olivier Rakotomalala</b>
Environment and heritage development	<b>Marie-Orléa Vina</b>
<b>Secretaries of state</b>	
National Guard at the Ministry of Defence	<b>Gen. Serge Gellé</b>
New cities and housing	<b>Gérard Andriamanohisoa</b>
<b>Deputy minister</b>	
Agriculture and livestock	<b>Dr Raymond</b>

### Government introduces price ceilings to manage inflation

The ministry of industry, trade and consumption has implemented a number of price ceilings on imported foodstuffs and consumables including sugar, flour, rice, cooking oil, gas and cement in a bid to protect Malagasy consumers from rapidly rising prices. The price of cooking oil has risen by 25% since February.<sup>12</sup> **Cercle de Réflexion des Economistes de Madagascar** (reflective circle of Madagascar economists) president **Rado Ratobisaona** stated on 19 March that most food products consumed in Madagascar are imported, leaving the country vulnerable to pandemic-fuelled inflation, infrastructural damage following a series of cyclones in January and February, and international events including the conflict in **Ukraine**.<sup>13</sup> Ratobisaona called on the government to act, asserting:

*“Even if the State has already made efforts to try to satisfy the local market with its company **State Procurement of Madagascar [SPM SA]**, we cannot absorb this general price increase all at once.”*<sup>14</sup>

The industry, trade and consumption ministry issued a decree on 5 April, citing its powers under Article 2 of Law 20 of 2018 (Loi 2018-20) to intervene in the event of lasting market supply difficulties.<sup>15</sup> The ministry issued its price cap decree following a series of consultations with importers, wholesalers and distributors that began on 31 March.<sup>16</sup> Despite a week of consultation, distributors and market traders have expressed fears that price ceilings will force retailers to withdraw products from shelves to preserve profits.<sup>17</sup> RFI claims that retailers, forced to lower their prices, will bear the brunt of price cap measures as wholesalers continue to sell at high prices.<sup>18</sup>

<sup>12</sup> RFI, 6 Apr 2022

<sup>13</sup> RFI, 19 Mar 2022

<sup>14</sup> RFI, 19 Mar 2022

<sup>15</sup> RFI, 6 Apr 2022

<sup>16</sup> **Ministère de l'Industrie, du Commerce et de la Consommation**, 31 Mar 2022

<sup>17</sup> RFI, 6 Apr 2022

<sup>18</sup> RFI, 6 Apr 2022

However, trade minister Razafindravahy states that the price caps do not aim to harm importers or the Malagasy people:

*“It is also necessary to look at the possibility of lowering prices by using other modes of transportation. For example, the supply of cities that have ports by boat: **Mahajanga, Antsiranana, Toliara.**”<sup>19</sup>*

The ministry published maximum prices of consumer products in **Antananarivo** and **Analamanga** regions on 5 April (see below)<sup>20</sup> and has deployed 400 controllers, which it describes as “*mission monitors*”, from the **Centre for Consumer Protection (CCP)** to markets including those in **Ivato, Talatamaty, Ambohidratrimo** and **Mahitsy** to educate consumers about the new price ceilings and encourage compliance by vendors.<sup>21</sup> Prices established by the ministry, are valid for three months before the ministry is obliged to revisit the decree.<sup>22</sup> It remains to be seen whether the government has the capacity to enforce its price caps and whether ministry officials will consider subsidising basic food staples to protect local retailers from rising global prices.

### Madagascar joins Coalition for Disaster Resilient Infrastructure

Madagascar joined the **Coalition for Disaster Resilient Infrastructure (CDRI)** on 4 April, becoming the 30<sup>th</sup> member to do so since **India’s** prime minister, **Narendra Modi** (2014-present), launched the initiative in November 2019.<sup>23</sup> The CDRI is a coalition of national governments, **United Nations (UN)** agencies, multilateral lenders and private sector representatives aiming to promote resilience in new and existing infrastructure projects to protect infrastructure networks from climate and disaster risks. The coalition is designed to help deliver the UN **Sustainable Development Goals (SDGs)**.<sup>24</sup> India’s ambassador to Madagascar, **Abhay Kumar**, welcomed Madagascar’s membership, noting:

*“It will help Madagascar to be better prepared for the natural disasters such as cyclones it faces almost every year.”<sup>25</sup>*

In March, the UN **Intergovernmental Panel on Climate Change (IPCC)** reported that increasing aridity has been observed in Madagascar, further fuelling drought and famine conditions in southern regions of the island.<sup>26</sup> Arid landscapes have exacerbated the impact of extreme weather, including cyclones **Batsirai** and **Emnati**, which made landfall in early 2022. The increasing aridity of farmland is attributed to deforestation in combination with climate change-driven periods of drought.<sup>27</sup> A lack of forest coverage allows high speed winds to sweep across the island, where forests would previously have slowed high-speed weather systems.<sup>28</sup> Deforestation has been linked to illegal logging practices, which the Rajoelina administration has failed to prevent, especially the lucrative rosewood trade from which Rajoelina has been accused of profiting (see *ARC Briefing Madagascar Sep 2018 & Nov 2021*).

Rosewood that has been illegally harvested in Madagascar is currently seized and stored domestically, since global trade in Madagascar rosewood has been banned since 2013 under the multilateral **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**.<sup>29</sup> At a CITES meeting held 7-11 March in **Lyon** (France), Madagascar representatives proposed the release and domestic use of 2% of the 30,000 logs currently held in its stockpile, citing a need to rebuild infrastructure.<sup>30</sup> The Malagasy representative noted the **Queen’s Palace**, located in

<sup>19</sup> [Ministère de l’Industrie, du Commerce et de la Consommation](#), 31 Mar 2022

<sup>20</sup> [Ministère de l’Industrie, du Commerce et de la Consommation](#), 5 Apr 2022

<sup>21</sup> [Ministère de l’Industrie, du Commerce et de la Consommation](#), 6 Apr 2022

<sup>22</sup> [Ministère de l’Industrie, du Commerce et de la Consommation](#), 31 Mar 2022

<sup>23</sup> [The Print](#), 5 Apr 2022

<sup>24</sup> [The Print](#), 5 Apr 2022

<sup>25</sup> [The Print](#), 5 Apr 2022

<sup>26</sup> [Reuters](#), 17 Mar 2022

<sup>27</sup> [Reuters](#), 17 Mar 2022

<sup>28</sup> [Reuters](#), 17 Mar 2022

<sup>29</sup> [CITES](#), 26 Sep 2019

<sup>30</sup> [Monga Bay](#), 29 Mar 2022

Antananarivo, needs reconstruction following a fire in November 1995 (see extract below).<sup>31</sup> The wood will be used exclusively for domestic purposes, possibly traded locally, and will only leave the island as items weighing under 10kg.<sup>32</sup>

The **Environmental Investigation Agency (EIA)** and **Transparency International (TI)** responded to the request in a joint press release labelling the request “*a dangerous precedent*”, highlighting a power grab by politicians previously implicated in rosewood trafficking:

*“While no high-level traffickers have been punished yet, it appears that people accused of being involved in illegal log trading have been promoted to the highest level of government. In October 2021, President Andry Rajoelina nominated **Erick Lambert Besoa** as senator and then vice-president of the senate [...] Besoa was one of the key rosewood barons who made his fortune trading logs illegally in the aftermath of the 2009 coup.”<sup>33</sup>*

Not only does the advancement of corrupt politicians and illegal logging in Madagascar expose the country to greater climate change risk, it endangers Madagascar’s relationship with foreign donors. The **European Union (EU)** delegation to Madagascar has reportedly commissioned a series of investigations into the Madagascar government, which it deems to be “*ineffective and inefficient*”.<sup>34</sup> Failure to pursue meaningful reform, despite consistent churn at ministerial level, may prove to be a disincentive to Madagascar’s donors and multilateral lenders. The international community is unlikely to reward failure to pursue judicial proceedings against scandal-ousted ministers and promotion of scandal-implicated senators.

#### BOX 1

### A Closer Look at the Queen’s Palace Reconstruction

The Anatirova or Queen’s Palace, located in the capital Antananarivo, is the former official residence of the sovereigns of Madagascar in the 19th century. It is part of the national cultural heritage and was converted into a museum, which was ravaged by a fire in November 1995. As a result, the interior decorations and roof were destroyed in the flames, while the structure of the building itself - with its pillars and foundations made of Malagasy tropical hardwood - was dangerously weakened.<sup>22</sup>

As part of the renovation process, in 2019, 360 cubic meters of palisanders were taken from a stockpile located at the Mahajanga port, then transported to the nearby Command of Development Forces (“Commandement des Forces de Développement”) before being moved to the yard of the private company Tropical Woods.<sup>23</sup> It is unclear what happened to the precious logs after this stage.

Tropical Woods was founded in 1994 and has specialized since 2017 in cabinet making, carpentry, interior design and contemporary furniture. It appears that the company has won the tender for the wood supply for the reconstruction of the Queen’s Palace. Tropical Woods reportedly claims that a tender took place and they won it. To this day, EIA and TI have not been able to locate any call for tender nor any administrative procedure regarding the selection of the wood supplier. In particular, it proved impossible to find any documentation in the computerized public procurement management system, where the information should be available according to the Public Procurement Code.<sup>24</sup>

1 - Extract, EIA/TI report, 3 Mar 2022

## Healthcare and pandemic preparedness update

The **World Bank’s Pandemic Preparedness and Basic Health Services Delivery (PPBHSB)** project has approved a \$134.9m loan to Madagascar to help improve pandemic response and basic health services.<sup>35</sup> A series of extreme weather events hit Madagascar in January and February (see *ARC*

<sup>31</sup> [EIA](#), 3 Mar 2022

<sup>32</sup> [Environmental Investigation Agency](#), 3 Mar 2022

<sup>33</sup> [EIA](#), 3 Mar 2022

<sup>34</sup> [Africa Intelligence](#), 14 Mar 2022

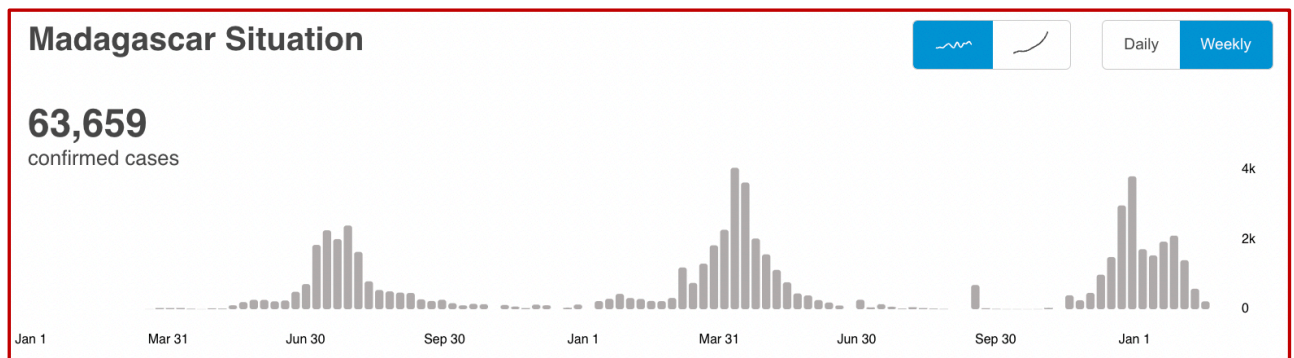
<sup>35</sup> [Relief Web](#), 29 Mar 2022

*Briefing Madagascar Mar 2022*), damaging Madagascar's infrastructure, displacing thousands and raising the risk of further healthcare crises.<sup>36</sup> The World Bank project is funded by \$50m credit and a \$50m grant from the **International Development Association (IDA)**, a \$15m grant from the **Global Financing Facility for Women, Children and Adolescents**, and a \$2.9m grant from the **Health Emergency Preparedness and Response Fund**.<sup>37</sup>

The project will facilitate a programme of health financing and human resource reforms, and enable the Malagasy government to implement the **National Action Health Plan for Health Security 2020-2024** and the **National Strategic Plan for Public Health Surveillance**.<sup>38</sup> World Bank country manager for Madagascar **Marie-Chantal Uwanyiligira** believes the project will

*"..enable Madagascar to weather future shocks and cushion its most vulnerable populations from the adverse impact of those shocks".<sup>39</sup>*

Extreme weather events have interrupted the capacity of Madagascan healthcare centres to test for and treat **Covid-19** infections. Recent statistics published by the **World Health Organisation (WHO)** suggest that Madagascar recorded no new cases of Covid-19 on 4 April.<sup>40</sup> A third wave of Covid-19 infections peaked in early January when new infections rose to levels last seen in March 2021.<sup>41</sup> The ministry of health reported 41 new cases of Covid-19 from 26 March-1 April and 22 Covid-19-related deaths; 27 new cases were recorded in the Analamanga region, seven in the **Vakinankaratra** region, five in **Haute Matsiatra**, and two further cases in **Atsimo Atsinanana** and **Melaky**.<sup>42</sup>



Despite a decree issued by the Conseil des ministres re-opening Madagascar's international borders on 5 March, a ban on flights to **South Africa**, implemented on 3 March (see *ARC Briefing Madagascar March 2022*), remains in place.<sup>43</sup> The ban will expire, and be eligible for renewal, on 3 June.<sup>44</sup>

Flights from **Europe** to Antananarivo have been operated by **Air France** and **Air Madagascar** since November (see *ARC Briefing Madagascar Nov 2021*). The same health restrictions apply to other international flights arriving in Madagascar, which include:

- Proof of a negative PCR test taken no more than 72 hours before boarding;
- Presentation of a reservation certificate for two nights and payment of at least one night at an approved hotel;
- Submission to a PCR test upon arrival (at the traveller's expense) and confinement until test result is known;

<sup>36</sup> [al Jazeera](#), 29 Mar 2022

<sup>37</sup> [Relief Web](#), 29 Mar 2022

<sup>38</sup> [Ministere Sante Publique](#), accessed 6 Apr 2022

<sup>39</sup> [World Bank](#), 29 Mar 2022

<sup>40</sup> [World Health Organisation](#), accessed 7 Apr 2022

<sup>41</sup> [World Health Organisation](#), accessed 7 Apr 2022

<sup>42</sup> [Ministere Sante Publique](#), 2 Apr 2022

<sup>43</sup> [Madagascar Tribune](#), 24 Feb 2022

<sup>44</sup> [Ch Aviation](#), 7 Mar 2022

- Treatment at an approved hospital or medical hotel in the event of a positive test.<sup>45</sup>

Since 23 February, domestic travelers flying within Madagascar are no longer required to submit to a **Rapid-Diagnostic Test (RDT)** three hours before departure.<sup>46</sup>

Madagascar joined the WHO vaccination access scheme, **COVAX**, in April 2021 after initially opting out of the programme and instead using a local herbal remedy named **Covid-Organics** (see *ARC Briefing Madagascar Apr 2021*).<sup>47</sup> As of 7 April, WHO data reveals that 1.09 million of Madagascar's 28 million residents have received at least one dose of a Covid-19 vaccine, while 3.97% of the population is fully vaccinated.<sup>48</sup>

### Planner

2023 (**Madagascar**) Potential presidential elections;

### Chronology

3 Apr 2022 **Antananarivo (Madagascar)** *RFI*. The ministry of industry, trade and consumption publishes a list of price caps for consumables including sugar, flour, rice, oil, gas and cement citing article 2 of law 2018-20 permitting government to control competition to alleviate market supply challenges;

31 Mar 2022 **Antananarivo (Madagascar)** *Midi Madagasikara*. The ministry of industry, trade and consumption launches a series of meetings in consultation with the importers, wholesalers and distributors of foodstuffs and gas to establish price caps for consumer staples;

29 Mar 2022 **Antananarivo (Madagascar)** *World Bank*. The **World Bank** approve the release of \$134.9m to support Madagascar through the **Pandemic Preparedness and Basic Health Services Delivery** project;

29 Mar 2022 **Antananarivo (Madagascar)** *Monga Bay*. Madagascar petitions the multilateral **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** to permit the use of illegally cut and stockpiled rosewood for domestic use and reconstruction;

16 Mar 2022 **Antananarivo (Madagascar)** *Xinhua*. President **Andry Rajoelina** reshuffles cabinet, which now includes 21 former ministers and six new faces, with three ministers moved to other departments;

<sup>45</sup> [Anadolu Agency](#), 5 Mar 2022

<sup>46</sup> [2424](#), 24 Feb 2022

<sup>47</sup> [VON](#), 1 Apr 2021

<sup>48</sup> [World Health Organisation](#), accessed 7 Apr 2022

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

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