

AFRICA RISK CONSULTING

Madagascar Monthly Briefing November 2024

Madagascar Summary 19 November 2024

The electoral campaign period officially begins ahead of the 11 December municipal and communal election. Increased political activity including rallies and demonstrations is expected. However, the threat of electoral unrest remains especially given the current frustration over persistent water and electricity disruptions in urban areas. These disruptions are expected to be a major electoral campaign issue as is the high levels of crime and banditry in Madagascar. The United States Agency for International Development (USAID) commits funding to projects in southern Madagascar. The Banky foiben'i Madagasikara (BFM) (central bank) maintains interest rates at their current levels.

Election campaigning begins countrywide

The official campaigning period for the upcoming 11 December municipal and communal elections began on 19 December which will see political parties intensify their activities across the country. This campaign period is set to last 21 days and conclude on 9 December - no campaigning is permitted the day before the election day per Madagascar's election laws.¹

Officials have eased restrictions on staging political rallies, demonstrations, and other events for the duration of the campaign period. This will be particularly significant in **Antananarivo (Analamanga Region)** where local security officials have imposed strict limitations on political activities outside of election campaign periods.

The upcoming election is expected to primarily be a contest between the two main coalitions, namely, the ruling **Isika Rehetra Miaraka amin'i Andry Rajoelina (IRD)** coalition and the opposition **Firaisankina Platform**. The IRD is expected to remain the dominant political force during these elections largely due to its strong support in Madagascar's rural areas and the strong unity within the coalition itself. The IRD is expected to be further bolstered by the fact that opposition voters will be divided between Firaisankina Platform and the smaller opposition coalition, **Kôlekitifa an'ny Malagasy**.² Efforts to unify these two platforms or at least establish some form of non-aggression pact have failed and the two coalitions have staged rhetorical attacks on one another ahead of the campaign period. This rivalry between Firaisankina Platform and Kôlekitifa an'ny Malagasy could potentially be particularly costly in the Antananarivo municipal election.

Antananarivo's election is expected to be the most fiercely fought of the municipal contests. The capital city is Madagascar's commercial and political centre as well as the country's most populous urban area. As a consequence, whoever is Antananarivo's mayor is a central political figure in Malagasy politics. Controlling the city government also enables a political coalition to leverage this influence to control by-laws around political gatherings and rallies.

The capital city's mayoral race has already experienced unprecedented disruption ahead of the election. The previous incumbent, **Richard Ramanambitana**, unexpectedly resigned on 26 August citing unspecified health reasons.³ Ramanambitana then passed away less than two weeks later on 12 September.⁴ He was then replaced by the current incumbent businesswoman and former municipal

¹ L'Express, 19 Nov 2024

² Midi Madagasikara, 5 Nov 2024

³ RFI, 29 Aug 2024

⁴ 2424, 12 Sep 2024

councillor **Harilala Ramanantsoa** as interim mayor on 28 August who was subsequently confirmed as the IRD's mayoral candidate (*see ARC Briefing Madagascar Oct 2024*).

The Firaisankina Platform also experienced significant disruptions to its preparations after electoral authorities barred former president **Marc Ravalomanana** (2002-2019) from contesting the election due to an ongoing tax dispute.⁵ Instead, the opposition coalition has fielded Ravalomanana's son, **Tojo Ravalomanana**, as its mayoral candidate for Antananarivo.⁶

Aside from Antananarivo, Madagascar's other major urban areas such as **Toamasina (Atsinanana Region)**, **Mahajanga (Boeny Region)**, **Antsirabe (Vakinankaratra Region)**, and **Toliara (Atsimo-Andrefana Region)**, are all expected to witness closely fought municipal elections. The Firaisankina Platform's support is strongest in these urban areas, and it is expected to focus its energy and resources on these races.

Elections in Madagascar are frequently marred by incidents of political violence and unrest stemming from the elevated political sentiment. There is a possibility that similar incidents of violence will occur ahead of the elections. This threat is elevated during large demonstrations such as rallies or marches in major cities.

Utility disruptions, crime and safety expected to be key election issues

The threat of election-related unrest is particularly elevated given the widespread frustrations caused by the frequent electricity and water outages and ongoing security issues. Utility disruptions occur frequently in Madagascar but have worsened in recent months. (*See ARC Briefing Madagascar Oct 2024*). These worsening power and water outages have aggravated residents and led to numerous protests in recent weeks.

Over most months, protests have occurred in major towns across Madagascar but have been particularly bad in Antananarivo. The city's larger population, poor urban planning, and lack of regulatory enforcement have exacerbated these utility disruptions. In recent weeks protests state-owned utility **Jirama** have been recorded in the city's **Itaosy**, **Ampitatafika**, **Ambondrona**, **Andraisoro**, **Tsarahonenana**, **Ambatomaro**, **Analamahitsy**, **Andoharonofotsy**, and **Tanjombato** neighbourhoods.⁷ Such protests often involve blockading streets with burning barricades and threats of violence towards Jirama.

Unsurprisingly, the frequent utility disruptions are expected to be a leading issue during the upcoming municipal elections. President **Andry Rajoelina** (2019-present) appears to be cognisant of this and has issued numerous statements pledging to urgently address the situation.⁸ Notably, on 1 November, Rajoelina announced a raft of new measures to address the power and water disruptions including the development of new solar and hydroelectric plants. However, most of these measures will take years to realise. Rajoelina has sought to blame Jirama for the disruptions and claimed to have ordered the utility to fix its problems urgently. However, the president failed to indicate how this could be achieved given Jirama's deep structural challenges.

After utility provision, security issues are also expected to play a prominent role in the upcoming local elections. Madagascar suffers from a high crime rate in both urban and rural areas and banditry in Madagascar's rural regions is arguably the country's most pressing security concern.

Illustrative of the threat posed by these bandits (locally referred to as dahalo), four Malagasy police officers were kidnapped by a dahalo gang on 10 November in the **Sakaraha** district of Atsimo-Andrefana.⁹

⁵ Madagascar Tribune, 16 Sep 2024

⁶ Midi Madagasikara, 3 Oct 2024

⁷ Midi Madagasikara, 28 Oct 2024

⁸ Madagascar Tribune, 11 Nov 2024

⁹ L'Express, 11 Nov 2024

The incident occurred when the local police intervention force dispatched a unit to escort a villager who had reported a dahalo attack. However, while they were attempting to track the dahalo gang, bandits ambushed the unit and killed one officer and kidnapped four others.

The fact that the bandits were willing to directly attack the security forces and take them as hostages underscores the capabilities and confidence of dahalo gangs in rural Madagascar. These groups have also retained their operating capabilities despite repeated efforts to heighten security in rural Madagascar.

Although the threat posed by dahalo gangs will be a central electoral issue in the upcoming elections – as it was in previous elections – it should be noted that none of the competing coalitions appears to have a new or viable strategy for combatting banditry and urban crime in Madagascar.

United States commits development aid.

The **United States (US) Agency for International Development (USAID)** announced on 15 November that it would provide \$22.1m in funding to food security projects in southern Madagascar, highlighting Madagascar's reliance on external assistance to fund projects addressing its developmental challenges.¹⁰ Among the reasons Madagascar has struggled to address fundamental challenges such as utility provision and safety and security (see above) is the country's poor financial situation. Madagascar is among the least developed countries in the world and has substantial related challenges. Among the most serious of these is the persistent food insecurity in the country's southern regions.

The first project is operated by the US nongovernmental organisation (NGO) **Cultivating New Frontiers in Agriculture (CNFA)** and is located in Atsimo-Atsinanana. CNFA provides skills transfers to Malagasy farmers in the region and promotes sustainable improvements in food security agricultural processing, and production. The second project is run by the US-headquartered **Catholic Relief Services (CRS)** and is located in the **Androy** and **Anosy** regions. CRS projects in Madagascar focus on education, resilience, and health and nutrition issues. USAID expects its funding for the two projects to benefit over 88,000 households through improved food security and increased climate resilience.

The fact that this funding is going to US-based NGOs further underscores the Madagascan government's limited capacity to drive such development projects.

Central bank maintains interest rates.

The **Banky foiben'i Madagasikara (BFM)** (central bank) **Monetary Policy Committee (MPC)** elected on 6 November to maintain the deposit facility rate (the interest banks receive for depositing money with the central bank) at 9.5% and the marginal lending facility rate (the interest rate banks pay when they borrow from the central bank overnight) at 11.5%.¹¹ This is despite the fact that the BFM estimated that inflation reached 7.8% in August (measured year-on-year).

It is possible that the BFM's cautious approach is because it has not yet had the time to ascertain the effect of the 50-basis point interest rate hike it implemented in August. Initial indicators show that inflation remained at 7.8% in September, suggesting that the hike did not have as strong an impact as initially hoped. As such, there is a strong possibility that the BFM will increase its interest rates once more before the end of 2024.

However, in order to have a meaningful impact in reducing inflation in Madagascar without undermining the consumer spending and investment required to spur economic growth, the government needs to accelerate its structural reform agenda. This includes improving the functioning of Jirama to reduce expensive power and water cuts, bolstering climate resilience, supporting local farmers to improve food sovereignty in the country, and securing better agreements to ensure more

¹⁰ US Embassy, 15 Nov 2024

¹¹ Madagascar Tribune, 6 Nov 2024

affordable and reliable fuel supplies to the island. Addressing these structural challenges will have a larger impact on stabilising inflation over the long term.

Planner

11 Dec 2024 **Madagascar** local government elections;

Chronology

15 Nov 2024 **Antananarivo (Madagascar) 2424**. According to the proposed 2025 finance bill the government is considering increasing taxes and implementing fiscal reforms while also expecting the public sector wage bill to increase by 0.84%;

15 Nov 2024 **Antananarivo (Madagascar) Midi Madagasikara**. The finance ministry is projecting that Madagascar's economy will grow by 5% of GDP in 2025;

15 Nov 2024 **Antananarivo (Madagascar) Mining Weekly**. **British-Australian** mining firm, **Rio Tinto**, commits to provide \$16m to an anti-deforestation project in **Madagascar's Makira Natural Park**;

13 Nov 2024 **Antananarivo (Madagascar) Andalou Agency**. A landslide kills at least 16 people in **Menabe Region**;

13 Nov 2024 **Antananarivo (Madagascar) Madagascar Tribune**. **Centre technique horticole de Tamatave (CTHT)** (Tamatave horticultural technical centre) forecasts a sharp drop in Madagascar's 2024 litchee harvest by as much as 50% due to excessive rain in the past year;

12 Nov 2024 **Antananarivo (Madagascar) L'Express**. Unknown assailants kidnap two children with albinism in the **Anosy Region** highlighting the threat posed to such individuals in rural Madagascar where people with albinism are targeted by body part traffickers;

8 Nov 2024 **Antananarivo (Madagascar) L'Express**. Officials quarantine the village of **Mangatany (Bongalava Region)** due to a suspected outbreak of the pneumonic plague;

30 Oct 2024 **Antananarivo (Madagascar) Mining.com**. **Japan-headquartered Sumitomo Corp** announces it has resumed nickel and cobalt production at the **Ambatovy** project after struggling with a pipeline issue in September;

25 Oct 2024 **Toronto (Canada) Mining Weekly**. **Canada's NextSource Materials** reveals that it has completed its first commercial graphite concentrate shipments from its **Molo** graphite mine in Madagascar;

25 Oct 2024 **Antananarivo (Madagascar) L'Express**. The **Council of Ministers** adopts a bill on the ratification of the **African Continental Free Trade Area (AfCFTA)**;

18 Oct 2024 **Antananarivo (Madagascar) L'Express**. Malagasy authorities banned travel to and from **Comoros** due to concerns about a cholera outbreak in the fellow **Indian Ocean Island** state.

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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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