

## AFRICA RISK CONSULTING

## Madagascar Monthly Briefing June 2019

## Madagascar Summary 21 June 2019

*President Andry Rajoelina's (2009-2014, 2019-present) Tanora malaGasy Vonona (TGV) party wins a majority in the national election and will form a coalition government with 10 parties that supported him during the 2018 presidential election. Rajoelina's majority gives him power to carry out the reforms he promised during his last tenure, such as abolishing the Senate. Independent candidates win 51 of the 151 seats in the National Assembly, giving them substantial weight if they vote as a bloc. Minister of energy, water and hydrocarbons Vonjy Andriamanga signs a framework agreement with the France-based Nouvelle energie hydroélectrique de l'Onive (NEHO) (new Onive hydroelectric power) consortium to construct a 1,500-gigawatt hydroelectric plant 100 kilometres south of Antananarivo. The plant is expected to be operational by 2024 and will increase national energy capacity significantly. United Nations (UN) deputy humanitarian chief Ursula Mueller warns of a drought-induced famine in southern Madagascar and asks the international community for urgent action.*

## President Andry Rajoelina's party wins a majority in national elections

Election results published on 15 June by Madagascar's electoral commission, **Commission électorale nationale indépendante (CENI)**, show the coalition led by President **Andry Rajoelina's** (2009-2014, 2019-present) **Tanora malaGasy Vonona (TGV)** party won the majority of seats in the **Assemblée Nationale** (national assembly).<sup>1</sup> Rajoelina's parliamentary majority gives him more power to carry out the reforms he promised during his last tenure. Provisional results show the Rajoelina-led coalition, the **Isika Rehetra Miaraka amin'i Andry Rajoelina (IRD)**, winning 84 of the 151 seats and former President **Marc Ravalomanana's** (2002-2009) **Tiako i Madagasikara (TIM)** opposition party winning only 16 seats. The IRD is made up of about ten parties that supported Rajoelina during the 2018 presidential election. The **Haut Cour Constitutionnelle (HCC)** (high constitutional court) may take several weeks to validate the results after they have examined any appeals.

2019 Malagasy parliamentary election results <sup>2</sup>	
Party	Seats
<b>Isika Rehetra Miaraka amin'i Andry Rajoelina (IRD)</b>	84
<b>Tiako i Madagasikara (TIM)</b>	16
<b>Independents</b>	51

ARC's Madagascar source said Rajoelina's victory is positive for Madagascar's political stability:

*"Rajoelina will be able to follow through with his agenda and campaign promises with his majority and will be a more effective president. Expect constitutional changes and the abolishment of the senate, as he promised during the campaign, though these moves are supported by most parties anyway. What will be interesting is whether he will use this time – where he controls both the executive and legislature – to push through policies that may not be*

<sup>1</sup> Africanews, 15 Jun 2019

<sup>2</sup> Africanews, 15 Jun 2019

*in the best interests of the Malagasy, but which are wanted by the major financial backers of the expensive campaign which brought Rajoelina to power.”<sup>3</sup>*

The head of President Rajoelina’s political affairs department, **Pierre Houlder Ramaholimasy**, said,

*“The results proclaimed assure us not only an absolute majority but also a fairly stable majority...the most important thing is that the President of the Republic will be able to work in complete peace during his term of office.”<sup>4</sup>*

Malagasy began voting in legislative polls on 27 May in what was widely seen as a second election between President Rajoelina’s TGV party and opposition leader Ravalomanana’s TIM party, following Ravalomanana’s defeat to Rajoelina in a run-off election to win the presidency in December 2018 (see *ARC Briefing Madagascar* January 2019).<sup>5</sup> Rajoelina defeated Ravalomanana in December’s presidential election, taking 55.66% of the vote against Ravalomanana’s 44.34%.<sup>6</sup> The two men have on a long-standing feud that has dominated politics since the early 2000s and has revolved around their fighting for high office. Malagasy voters largely avoided the ballot box during the May legislative elections, with a turnout rate of less than a third of registered voters (31%).

Independent candidates won 51 of the 151 seats in the national assembly, which gives them substantial weight if they unify under one of the central parties. The independent candidates are free to support any party of their choosing. Madagascar-based political analyst **Tohavina Ralambomahay** says *“too many independents in the assembly... will create changeable majorities,”* which can swing voting outcomes either way. Ralambomahay notes that the popularity of independent candidates is because *“many voters want to break the hold of the Rajoelina and Ravalomanana camps.”* Ralambomahay posits that the main political parties will fight to win over the independent members, which, in turn, will *“generate corruption and political instability”*. According to the representative for the **European Centre for Electoral Support (ECES)** in Madagascar, **Eva Palmans**, independent candidates are seen as a protest vote, and their popularity is because the population *“generally sees politics as something dirty”*.<sup>7</sup>

Opposition party members such as TIM’s **Mamy Rabenirina** have made allegations of election disruption and fraud.<sup>8</sup> Rabenirina said there were *“many irregularities”* during the election campaign, including an *“inconsistent”* voter list. The HCC has charged the CENI with investigating the claims.<sup>9</sup> Ravalomanana accused Rajoelina of fraud in the tense January presidential election campaign, but HCC chairman **Jean Eric Rakotoarisoa** ratified the election results.<sup>10</sup>

Corruption allegations against more than half of the country’s MPs overshadowed the campaign (see *ARC Briefing Madagascar* May 2019). Two weeks before the election, Madagascar’s **Bureau Indépendant Anti-Corruption (BIANCO)** (independent anti-corruption bureau) accused 79 deputies from the previous national assembly of corruption, alleging that they accepted bribes worth \$14,000 to vote in favour of former President Rajaonarimampianina’s electoral laws.<sup>11</sup> The issue threatens efforts to boost development in a country with significant natural resources but chronic underinvestment and a lack of infrastructure.

The first legislative item Rajoelina’s party will address will be abolishing the Senate. Rajoelina attempted to do this unilaterally in April, under constitutionally mandated powers to legislate by ordinance after the previous national assembly ended on 4 February (see *ARC Briefing Madagascar*

<sup>3</sup> Source, analyst, Cape Town (South Africa)

<sup>4</sup> Africanews, 15 Jun 2019

<sup>5</sup> Africanews, 27 May 2019

<sup>6</sup> News24, 8 Jan 2019

<sup>7</sup> Norwegian Refugee Council, 19 Jun 2019

<sup>8</sup> L’Express de Madagascar, 17 Jun 2019

<sup>9</sup> L’Express de Madagascar, 20 Jun 2019

<sup>10</sup> Reuters, 8 Jan 2019

<sup>11</sup> News24, 27 May 2019

May 2019). Rajoelina says closing the senate will give more power to the region and save money, which he says the government would use to build universities.<sup>12</sup>

### Sahofika hydroelectric plant framework agreement signed

Minister of energy, water and hydrocarbons **Vonjy Andriamanga** signed a framework agreement during an official visit to **France** on 30 May for the **Nouvelle energie hydroélectrique de l'Onive (NEHO)** (new Onive hydroelectric power) consortium to construct the 1,500-gigawatt **Sahofika** hydroelectric plant located on the **Onive River**, 100 kilometres south of **Antananarivo**.<sup>13</sup> The French consortium is made up of construction company **Eiffage**, utility company **Eranove**, and **Paris** (France)-headquartered bank, **Themis Banque**.<sup>14</sup> NEHO will carry out preliminary studies, financing, construction, commissioning and maintenance. The plant will significantly increase the national energy capacity and support Madagascar's economic growth and social development. It will make sustainable energy the dominant share of the country's energy mix.

Madagascar and NEHO first signed the agreement for the Sahofika project in December 2016.<sup>15</sup> Construction costs are estimated to be \$895m, which the **African Development Bank (AfDB)** is expected to provide. A power purchase agreement is due to be signed with state-owned utility company **Jiro sy rano Malagasy (Jirama)** in August. Construction will begin in December with the first production set to start in 2024. The project will have a 60-metre-high dam, and the reservoir will cover an area of 6.7 square kilometres. The water will leave the reservoir and follow a 716 m drain line before reaching the power plant. It will be equipped with seven turbines capable of producing 200 megawatts of electricity per day. The plant's energy capacity represents half of the capacity installed in Madagascar. Eranove claims that the plant will cover the electricity consumption of approximately 1.5 million homes.<sup>16</sup>

President Rajoelina said at the framework signing ceremony in Paris:

*"Since independence from France in 1960, Madagascar's energy production has barely reached 400MW, mostly through fossil fuels. Electricity is a luxury product in Madagascar."*<sup>17</sup>

Rajoelina added that only 15% of Madagascar's population had access to power, which is among the most expensive in **Africa** at between \$0.33 and \$0.45 per kilowatt hour. Themis managing director **Tas Anvaripour** commented:

*"The project will reduce Antananarivo power grid shortages and meet the country's increasing demand in electricity across the country, estimated between 2,300 and 3,300 GWh a year."*<sup>18</sup>

Madagascar's energy balance shows that about 80% of its overall energy consumption is based on biomass, 17% on petrol, 2% on electricity and 1% on coal.<sup>19</sup> About 20% of the total population has access to electricity, which decreases to about 20% in rural areas. Hydropower provides approximately 68% of the country's electricity with six hydropower plants currently operational. There is a very limited national electricity grid between Antananarivo and **Antsirabé** and the rest of the electrified cities and villages rely on isolated small and mini-grids. Madagascar's government received funding from the **World Bank** in July 2018 and says it intends to use part of the proceeds to rehabilitate its electric distribution networks.<sup>20</sup>

<sup>12</sup> Africanews, 26 Apr 2019

<sup>13</sup> Africa Oil and Power, 30 May 2019

<sup>14</sup> Construction Review Online, 6 Jun 2019

<sup>15</sup> www.eranove.com

<sup>16</sup> www.eranove.com

<sup>17</sup> Global Construction Review, 3 Jun 2019

<sup>18</sup> Global Construction Review, 3 Jun 2019

<sup>19</sup> www.energypedia.info

<sup>20</sup> ESI Africa, 1 Jul 2019

## UN warns of drought-induced famine in the south

**United Nations (UN)** deputy humanitarian chief **Ursula Mueller** said during her visit to Madagascar on 6 June that recurring drought in Madagascar's south has left more than 360,000 people on the brink of famine, and called on the international community for urgent action and increased investment to avert the consequences.<sup>21</sup> Madagascar's **Grand Sud** region, which is worst affected, is severely underdeveloped and its people face high levels of malnutrition. According to the UN, 1.3 million people need food.

The drought is caused by two years of erratic rainfall between 2015 and 2017 and aggravated by the **El Nino** phenomenon. During a three-day visit to Madagascar, Mueller warned of more frequent and severe weather events, such as droughts and cyclones. Mueller told **Reuters**,

*"We need to build their resilience so that they can withstand the next shocks of drought, flood, cyclones and epidemics, and improve their lives."<sup>22</sup>*

During her meeting with prime minister **Christian Ntsay** and President Rajoelina, Mueller commended the government on its efforts to lead comprehensive development action to end chronic needs in the Grand Sud region.

*"The Government, together with international partners, has made progress in addressing the root causes of recurrent humanitarian needs. However, more funding is urgently required to meet the humanitarian needs we have been unable to address. Innovative development programming is also crucial to increase resilience and disaster risk reduction, particularly for the most marginalised."<sup>23</sup>*

Western nations provided about 60% of the funds needed for emergency food aid last year, but an appeal by the UN and the Malagasy government for \$190m to help them bounce back from the crisis was only 1.5% funded. Mueller called on the international community for greater support during her visit in Madagascar:

*"During my three days in Madagascar, I saw the impact of climate change – with the poorest and most vulnerable people bearing the brunt of a phenomenon that they had no hand in creating...It's very important that the international community steps up for recovery and resilience building projects. It's a good investment to invest in preventing major events linked to climate change...There is a need for immediate humanitarian assistance to save the lives of 366,000 people that are in emergency levels of food insecurity – which is one step away from famine."<sup>24</sup>*

Madagascar is severely underdeveloped and lacks essential health, transport and utility services, which exacerbates the impact from natural disasters on its population of 26 million. According to the UN, approximately nine in ten people live on less than \$2 a day and more than 50% of children under five are chronically malnourished.<sup>25</sup> In the last two decades, the country has experienced 35 cyclones, eight floods and five periods of severe drought.<sup>26</sup>

<sup>21</sup> Reuters, 6 Jun 2019

<sup>22</sup> Reuters, 6 Jun 2019

<sup>23</sup> Reuters, 6 Jun 2019

<sup>24</sup> Reuters, 6 Jun 2019

<sup>25</sup> Africa Sustainable Development Report 2018, United Nations

<sup>26</sup> Africanews, 6 Jun 2019

## Planner

Jul 2019 **(Madagascar) Haut Cour Constitutionnelle** ruling on 28 May legislative election results expected

Aug 2019 **(Madagascar)** Municipal elections scheduled

## Chronology

19 Jun 2019 **Antananarivo (Madagascar)** *L'Express de Madagascar*. Discussion with **French** government begins over the sovereignty of the **Îles Éparses** or **Îles Éparses de l'océan Indien** (Scattered Islands) in the **Indian Ocean**;

19 Jun 2019 **Antananarivo (Madagascar)** *L'Express de Madagascar*. Military service becomes voluntary;

17 Jun 2019 **Antananarivo (Madagascar)** *L'Express de Madagascar*. The **Indian Ocean Commission (IOC) Electricians' Club** announces that the 45 hybrid power plants will not be privatised;

15 Jun 2019 **Antananarivo (Madagascar)** *France24*. The **Commission électorale nationale indépendante (CENI)** declares that President **Andry Rajoelina's Isika Rehitra Miaraka amin'i Andry Rajoelina (IRD)** coalition won 84 seats in the 151-seat national assembly;

14 Jun 2019 **Antananarivo (Madagascar)** *L'Express de Madagascar*. **Banque Centrale de Madagascar (BCM)** (Central Bank of Madagascar) governor **Alain Rasolofondraibe** announces the implementation of a new foreign exchange code by the year's end;

14 Jun 2019 **Antananarivo (Madagascar)** *L'Express de Madagascar*. State-owned **Air Madagascar** chairman **Eric Koller** says the company needs €25m (\$28.28m) to remain operational;

11 Jun 2019 **Antananarivo (Madagascar)** *EIN Newsdesk*. The **International Monetary Fund (IMF)** completes its programme review mission in **Madagascar** and expects the economy to grow by over 5% this year;

7 Jun 2019 **New York (United States)** *Reuters*. **United Nations** deputy humanitarian chief **Ursula Mueller** says southern Madagascar is on the brink of famine;

30 May 2019 **Antananarivo (Madagascar)** *Africa Oil and Power*. President **Andry Rajoelina** signs a framework agreement for **France**-based consortium to construct a 1,500 gigawatt hydroelectric plant;

29 May 2019 **Antananarivo (Madagascar)** *France24*. President **Andry Rajoelina** says he is confident that his allied parties will win a majority in the legislative elections despite opposition reports of voting anomalies;

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