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Security forces raid residences of allies of former president Andry Nirina Rajoelina (2009-2014). Rumours circulate that President Hery Rajaonarimampianina (2014- present) may call a snap presidential election. The opposition calls for impeachment of Rajaonarimampianina. The council of ministers appoints senior bureaucrats. Madagascar and Singapore sign a memorandum of cooperation (MoC). The International Monetary Fund (IMF) reaches an agreement with the Malagasy government on an extended credit facility (ECF). United Nations (UN) secretary general Ban Ki Moon visits Madagascar.

Security forces raid residences of Rajoelina allies

Malagasy security forces raided the residences of businessman **Mamy Ravatomanga** and opposition senator **Lylyson Rene Rolland**, allies of former president **Andry Nirina Rajoelina** (2009-2014), on 25 and 26 May.¹ The government claims security forces conducted the raids because of allegations that Ravatomanga and Rolland are linked to an alleged plot to “destabilise the government”.² Media reports describe the alleged destabilisation efforts as an attempted coup, however it remains unconfirmed.³ Rumours of an alleged coup appeared in the media as a response to eye witness reports that members of the military booed President **Hery Rajaonarimampianina** (2014- present) during a recent military ceremony.⁴

Ravatomanga is close to Rajoelina and is his former senior adviser.⁵ He is head of **Sodiat Group** and the daily newspaper **La Verité**, and formerly held a seat on the board of **Telecoms Malagasy (Telma)**. Ravatomanga is allegedly linked to illegal rosewood trafficking as well.⁶

Rumours of a snap presidential election

The respected **Indian Ocean Newsletter** reported on 20 May that Rajaonarimampianina may call a snap presidential election in December after Madagascar hosts the **Organisation Internationale de la Francophonie (OIF)** heads of state summit in November (see previous *ARC Briefing for Madagascar*).⁷ Rajaonarimampianina’s popularity is low, particularly in **Antananarivo**, despite his efforts to gain political traction after successful local elections last year (see previous *ARC Briefing for Madagascar*).⁸ Rajaonarimampianina’s advisers, mainly **Norbert Lala Ratsirahonana** and **Rakotonirina Manadafy**, have reportedly tried to persuade him that he is the only candidate who can organise and finance an election campaign at such short notice and therefore catch other more

¹ www.rfi.fr

² www.koaci.com

³ www.koaci.com

⁴ www.africa.tvcnews.tv

⁵ Multiple sources: Source, senior Madagascar Chamber of Mines official, Antananarivo; Source, former senior OMNIS official, Antananarivo; Source, political analyst, Antananarivo.

⁶ Source, political analyst, Madagascar

⁷ Indian Ocean Newsletter, 20 May 2016.

⁸ Indian Ocean Newsletter, 20 May 2016.

popular candidates off guard.⁹ Other probable candidates include Rajoelina; former ousted president **Marc Ravalomanana** (2002-2009) and his wife **Lalao**, who is the mayor of Antananarivo.¹⁰

Opposition members of parliament (MPs), on 31 May, called for the impeachment of Rajaonarimampianina and for early elections to take place. Oppositions MPs claim that Rajaonarimampianina has failed to address poverty, corruption and environmental issues and should no longer remain in power.¹¹ Opposition MP **Lalatiana Rakotondrazafy** said Rajaonarimampianina's continued rule is "*suicidal for the country*"¹² and early presidential elections are necessary to reverse Madagascar's decline.¹³ The opposition **Alliance républicaine de Madagascar (Armada)** (Republican alliance of Madagascar) said

*"[n]othing has changed, except as regards the prime ministers ... we need an early election after the resignation of the government."*¹⁴

Opposition MPs want to put a motion before parliament to impeach Rajaonarimampianina some time in June, however the exact date of the expected parliamentary motion is not clear.¹⁵ Early elections can only take place if the sitting president is impeached, dies or becomes incapacitated.¹⁶

Council of ministers appoints senior bureaucrats

The **Conseil des Ministres** (council of ministers) on 2 June confirmed the appointment of several senior bureaucrats.¹⁷ The new appointments, which come two months after Rajaonarimampianina appointed prime minister **Olivier Solonandrasana Mahafaly**, will slow the government's reform process as the new appointees get up to speed with their new roles.¹⁸

*"In general, it takes about three months for these officials who are beginning to master the intricacies of the sector where they are assigned ... it will be September or October before the newly appointed officials are working properly. This means that nothing concrete will happen until six months after the appointment of the prime minister... this does not favour economic growth ... the problems are compounded by the appointments and instability of the current regime observed in terms of the quasi-annual change of prime minister."*¹⁹

The council of ministers confirmed the appointment of a total of 19 senior bureaucrats. The high profile appointments include:

- **Misa Razafindrakoto**, deputy government secretary general;
- **Sahadi Tombosoa Kouthri**, CFO in the office of the prime minister;
- **Nivontsoa Zoliarinoro Rakotondrabe**, finance ministry social and administrative director;
- **Alberthe Elise Rakotoniaina**, finance ministry infrastructure director;
- **Harilala Onintsoa Raolisoa**, finance ministry reforms and training director;
- **Haja Henry Razafimandimby**, post and telecommunications ministry legal director;
- **Stephane Victor Rakotondrainibe**, post and telecommunications ministry projects and partnerships director.²⁰

⁹ Indian Ocean Newsletter, 20 May 2016.

¹⁰ Source, Madagascar analyst, United Kingdom.

¹¹ www.agenceafrique.com

¹² www.agenceafrique.com

¹³ www.agenceafrique.com

¹⁴ www.agenceafrique.com

¹⁵ www.agenceafrique.com

¹⁶ www.rfi.fr

¹⁷ CdM, 2 Jun 2016.

¹⁸ www.lagazette-dgi.com

¹⁹ www.lagazette-dgi.com

²⁰ Unless otherwise noted – www.orange.mg

Singapore & Madagascar sign cooperation agreement

Madagascar and **Singapore** signed a memorandum of cooperation (MoC) during the **Madagascar-Singapore Business Forum** held in Singapore on 18 May.²¹ The MoC and the forum will enhance economic and political ties between Singapore and Madagascar.²² Rajaonarimampianina said the forum would aim to deepen relations and strengthen the availability of Madagascan stakeholders to work with investors and businessmen in **Asia**:

“The memorandum focuses on the relationship between the state and the private sector, and on the sectors such as economy, education, development of small and medium enterprises.”²³

The forum and MoC is a follow-up to a Singaporean business delegation that visited Madagascar in December 2014.²⁴ Relations between Singapore and Madagascar had been tense since 2014 as Singapore is reportedly an entry point for the shipment of illegally exported Malagasy rosewood. Singapore district judge **Jasvender Kaur** in November dismissed a case against **Wong Wee Keong** and his company **Kong Hoo** for importing approximately 30,000 rosewood logs worth more than \$50m from Madagascar in March 2014.²⁵ The decision rested on the argument that the shipment was in transit to **Hong Kong** and not intended for import to Singapore.²⁶ Kaur said,

“There was no evidence to establish that the logs were imported into Singapore ... Accordingly, a permit was not required.”²⁷

The ruling sparked immediate criticism from the **Environmental Investigative Agency (EIA)**, a non-governmental organisation (NGO) that tracks the illegal timber trade, including rosewood trafficking from Madagascar.²⁸ The EIA says the judgment sets “*dangerous precedent*”²⁹ against efforts to stop trafficking in illegal timber. The EIA’s argument is based on that fact that both Madagascar and Singapore are signatories of the **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**. Trade in Malagasy rosewood is restricted under CITES.³⁰ Rajaonarimampianina said stopping the illegal export of rosewood was one of his top priorities when he took office in January 2014. However, the new government’s efforts have not yet succeeded in curbing illegal rosewood exports.

IMF and Madagascar reach agreement on ECF arrangement

The **International Monetary Fund (IMF)** announced on 8 June that it had reached an agreement with the Malagasy government on an extended credit facility arrangement (ECF).³¹ The objective of the agreement is to provide up to \$310m to finance sustained and exclusive growth initiatives in Madagascar through 2019. The agreement came after an IMF team visited Madagascar between 25 May and 8 June.³² The IMF board still has to approve the ECF arrangement, which is contingent on the Malagasy government completing necessary financing assurances.³³

IMF team leader **Marshall Mills** said the Malagasy government had built a satisfactory track record under the **Staff Monitored Program (SMP)** in place from September 2015 to March 2016, with

²¹ www.chine-informations.com

²² www.chine-informations.com

²³ www.chine-informations.com

²⁴ www.chine-informations.com

²⁵ news.mongabay.com

²⁶ news.mongabay.com

²⁷ news.mongabay.com

²⁸ news.mongabay.com

²⁹ news.mongabay.com

³⁰ news.mongabay.com

³¹ www.imf.org.

³² www.imf.org.

³³ www.imf.org.

progress in most areas.³⁴ The IMF says positive external developments have enabled the central bank to boost reserves significantly and expects Madagascar's growth rate to increase to over 4% this year.³⁵ Mills said Madagascar has demonstrated a capability to sustain reforms:

"All quantitative targets have been met, except the one on net credit to the government, which resulted largely from a shortfall in external financing. The measures envisaged in the structural benchmarks were all implemented, although some with minor delays. Economic conditions have improved progressively during the SMP."³⁶

The extended credit facility aims to build on the government's national development plan and reverse Madagascar's deteriorating development indicators through strengthening macroeconomic stability, building more efficient public institutions and scaling up public spending on essential infrastructure.³⁷ Increasing revenue collection and enhancing the quality of public spending is central to the IMF programme.³⁸ Revenue measures aim to expand the tax base through the integration of the large informal sector through more effective inspections and audits, stricter control of tax credits and exemptions, and increased cooperation between the tax and customs administrations.³⁹ The IMF also noted that reform of state-owned power and water company **Jiroso Rano Malagasy (Jirama)** is an important aspect of the ECF agreement.⁴⁰

"Reform of the electricity and water company [Jirama] plays a key role in the government's programme. To transform Jirama into an efficient, financially healthy enterprise, the authorities have taken upfront measures, including raising electricity tariffs, which limit the need for government transfers."⁴¹

UN secretary general Ban Ki Moon visits

United Nations (UN) secretary general **Ban Ki Moon** visited Madagascar between 10 and 12 May.⁴² Ban's visit is a sign of Madagascar's full return to the international community, after five years of political isolation under the previous Rajoelina government.⁴³ Ban's visit also highlights the UN's commitment to helping the government with its economic, social and political reform process, as one of its main international development partners.⁴⁴

While in Madagascar, Ban addressed a joint session of the national assembly and senate.⁴⁵ He noted the challenges Madagascar faces and reaffirmed the UN's full support.⁴⁶

"I see huge challenges and even greater opportunities. I am concerned about the widespread poverty. Economic growth is weak. Unemployment is high. Water access is among the worst in the world. Only three in 10 children here complete primary school. They should be learning in classrooms, not labouring in jobs. Some one in three young Malagasy cannot read ... We stand ready to support all people in Madagascar. Most communities here lack health clinics, clean water and other basic services. The majority of children never go to secondary school. And many people have no access to justice. Natural disasters take a heavy toll. People suffer from cyclones, floods and locusts ... His Excellency the president has committed to building a prosperous and

³⁴ www.imf.org

³⁵ www.imf.org

³⁶ www.imf.org

³⁷ www.imf.org

³⁸ www.imf.org

³⁹ www.imf.org

⁴⁰ www.imf.org

⁴¹ www.imf.org

⁴² www.midi-madagasikara.mg

⁴³ en.starafrica.com

⁴⁴ en.starafrica.com

⁴⁵ en.starafrica.com

⁴⁶ en.starafrica.com

modern nation. The United Nations will support you in achieving the Sustainable Development Goals, our plan for a life of dignity for all people.”⁴⁷

Ban called on Malagasy politicians and parliamentarians to continue to enhance Madagascar’s democratic credentials with the establishment of an independent national human rights commission.⁴⁸ He also urged the government to act on its promises to operationalise the high court of justice and the high council for the defence of democracy and the rule of law.⁴⁹

Ban used his visit as an opportunity to launch the UN report on the cost of hunger in Madagascar.⁵⁰ The report paints an alarming picture of the impact of hunger.⁵¹ The report claims 50% of children suffer from stunting, and that under nutrition costs Madagascar more than \$1.5 billion each year or approximately 15% of GDP.⁵²

Ban emphasised the need to address corruption which is undermining Madagascar’s development.⁵³ He also commended the government for being among the more than 175 countries that have signed the **Paris Agreement** on climate change, and urged the national assembly and senate to ratify the agreement as soon as possible.⁵⁴

Implications

The raid on the residences of Rajoelina’s allies and coup rumours combined with speculation of snap presidential election and opposition calls for Rajaonarimampianina’s impeachment are indications that Madagascar’s political arena is becoming increasingly heated in the run-up to the 2018 presidential election.

The new senior government appointments will slow down the government’s reform process, as the new appointees get up to speed with their new roles. The Madagascar/Singapore MoC will promote Singaporean investment in Madagascar and also help to address the shipment of illegal rosewood exports through Singapore to other Asian markets.

Madagascar’s ECF arrangement with the IMF will help the government bolsters its economic reform process which has faltered due to a lack of available financing for broad-based sustainable development initiatives.

Ban’s visit to Madagascar is a sign of the international community’s continued commitment to assisting Madagascar’s economic, social and political reform process, after five years of political and economic isolation under the previous Rajoelina government.

⁴⁷ en.starafrica.com

⁴⁸ en.starafrica.com

⁴⁹ en.starafrica.com

⁵⁰ en.starafrica.com

⁵¹ en.starafrica.com

⁵² en.starafrica.com

⁵³ www.un.org

⁵⁴ www.un.org

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