

ANTI-CORRUPTION HELPDESK

PROVIDING ON-DEMAND RESEARCH TO HELP FIGHT CORRUPTION

OVERVIEW OF CORRUPTION AND ANTI-CORRUPTION INITIATIVES IN MADAGASCAR WITH A FOCUS ON THE NATURAL RESOURCE SECTOR WITH A SPECIFIC FOCUS ON GOLD

QUERY

Overview of anti-corruption initiatives in Madagascar, with a focus on the natural resource exploitation and stakeholder in anti-corruption.

Reviewer(s)

XXX, Transparency International

Date: XX XXXX 2018

SUMMARY

CONTENT

1. Overview of Corruption in Madagascar
2. Forms of Corruption
3. Specific sectors in natural resources
4. The Artisanal Gold Mining Sector
5. Legal and Institutional Framework
6. References

The Republic of Madagascar has witnessed repeated political instability, including coups, violent unrest, and disputed elections (BBC News 2018). Despite the return of democratic elections in 2013, after a 2009 coup, inefficient governance, poverty and economic instability fuel corruption push the population to dangerous mining, looting of forest resources and trafficking in wildlife products to sustain themselves.

Several natural resources like rosewood, sapphire, and vanilla are illegally exploited. Gold mining, on an artisanal and small scale, appears controlled by a network of powerful traders who are allegedly involved in smuggling. Government officials appear to be complicit or incompetent to stop the smuggling. Artisanal gold mines also continue to be hotbeds of human rights abuses.

Global climate change has had an adverse effect on Malagasy resources and populations with an increase in cyclonic activity, erratic weather patterns and severe drought. Nevertheless, there are several environmental organisations working to mitigate these effects.

While regulatory and institutional frameworks are more or less in place, the implementation of anti-corruption policies is lacking, while the state is described as repressing civil society activists and curbing journalistic freedom, especially with its recent (2017) Communication Code.

////////////////////////////////////

Author(s)

Kaunain Rahman Transparency International,
tihelpdesk@transparency.org

1. OVERVIEW OF CORRUPTION IN MADAGASCAR

Background

The Republic of Madagascar, an island country off the southeast coast of Southern Africa, and an erstwhile French colony right up to 1960, has witnessed repeated political instability, including coups, violent unrest, and disputed elections (BBC News 2018). The most recent coup in 2009 led to five years of political deadlock, international condemnation, economic sanctions negative economic growth, and diminished government revenues, undermining the political, social, and economic stability of the country (US Department of State 2017; BBC News 2018). Although the return of democratic elections in 2013 brought with it the resumption of international funding, the political situation remains fragile (Freedom House 2016; BBC News 2018).

Hery Rajaonarimampianina's election as president in 2013 brought fresh hope following the years of volatility in Madagascar (BBC News 2018). However, just 18 months into his presidency, the country's National Assembly voted to impeach him for failing to deliver on his election pledges, and though the bid failed, Mr Rajaonarimampianina's supporters and opponents remain at loggerheads (BBC News 2018). As of now, the country's political framework is constituted by a delicate arrangement of personal networks through which the administration of President Hery Rajaonarimampianina develops and implements policy (Freedom House 2017a). Despite the country's return to electoral politics through presidential, parliamentary, and municipal elections, few governing bodies are truly independent of the president (Freedom House 2017a). Political turmoil in the Malagasy island was such that by 2016, three prime ministers were appointed in three years in a chaotic process, in which the previous prime minister learned of his dismissal only after the announcement of the new and current one was made (Freedom House 2017a).

Corruption and a lack of government accountability remain problematic (Freedom House 2017a). Although giving or accepting a bribe is a criminal act and is subject to prosecution, the lack of enforcement

of existing legislation opens the door to widespread corruption (ITA 2016). High levels of corruption exist in all sectors but are reported to be most pervasive in judiciary, police, tax, customs, land, trade, mining, industry, environment, education, and health (ITA 2016). Other areas of concern are illegal mining and mineral resources smuggling, illegal logging, and foreign currency smuggling (KnowYourCountry 2017).

Madagascar is neither a regional financial centre nor a major source country for drug trafficking. However, Madagascar's inadequately managed 3,000 miles of coastline leave the country vulnerable to smuggling and associated money laundering (KnowYourCountry 2017). Criminal proceeds laundered in Madagascar derive mostly from domestic criminal activity such as tax evasion, tax appropriation, and customs fraud (KnowYourCountry 2017).

The current government has continually emphasised the importance of combatting corruption and began work in 2015 on a 10-year National Anti-Corruption Strategy (ITA 2016). Despite the strengthened rhetoric, however, significant, concrete results have yet to materialize (ITA 2016; France 24 2018). High profile traffickers of rosewood and other natural resources, rumoured to have high-level government connections, continued to escape prosecution and widespread perception of impunity for the well-connected endures amongst the masses (ITA 2016).

An interaction of several factors is described as creating a fertile ground for growing corruption in the island country (Baum et al 2017). These include the existing political culture based on patron-client networks, a large informal economy with high usage of cash and limited financial deepening, which makes it more difficult to track and control corrupt transactions, lack of judicial independence, and weak and underfunded anti-corruption institutions (Baum et al 2017).

Apart from the obvious political instability, the cost of this rampant unchecked corruption in Madagascar includes weakened state institutions, with a negative impact on citizens' confidence in public institutions, reductions in foreign and private sector investment leading to a slower development of the financial

sector, lower levels of human development, and environmental degradation (Baum et al 2017).

A 2017 paper published by the International Monetary Fund (IMF) found that the deterioration in governance was reducing Madagascar's economic growth by about ½ percent a year (or possibly more) and the tax revenue-to-GDP ratio by 3 percent or more, and it was corruption that was deemed to be associated with this reduced macroeconomic and political stability, potentially creating a vicious circle in the Malagasy context (Baum et al 2017). Nevertheless, the current World Bank economic update for Madagascar states that despite a challenging start due to two climatic shocks, Madagascar's economy is projected to grow at 4.1 percent in 2017. However, a note of caution stating that "improving the institutional environment is critical given the opportunities and challenges that lie ahead" comes attached to this update (

Madagascar remains among the poorest countries in the world and has shown little improvement in indicators of the well-being of its population over recent years. As mentioned earlier, over the past fifteen years, Madagascar's population has faced two political crises that have slowed economic growth, suffered severe climate shocks, and withstood the global rise in food prices. As a result, 70.7 percent of the people of Madagascar who were living in poverty in 2012 still have not seen any significant improvement in their welfare. An important explanation for Madagascar's persistent poverty is its lack of progress in generating remunerative employment in the non-agricultural and urban sectors (Osborne et al. 2016; World Bank 2017; World Bank 2018c).

Amnesty International (2018) also notes widespread poverty, with restrictions in access to food, water, health care and education in the country. The most significant human rights issues included arbitrary or unlawful killings and other security force abuses; life-threatening prison and detention conditions; lack of judicial independence; restrictions on freedom of

speech and press; pervasive corruption that led to impunity; lack of accountability in cases involving violence against women and children, including rape; and early and forced child marriage (US Department of State 2017).

The 2018 Amnesty International report further states that human rights supporters as well as environmental activists who protested against projects to exploit natural resources, or who made accusations of corruption against government officials were particularly at risk of harassment, arrests on trumped-up charges, or other abuses under the criminal justice system (CIVICUS 2017b; Amnesty International 2018). Permits are required to gather and protest and the authorities are known to restrict protests in a discriminatory manner, primarily preventing the political opposition from exercising this right (CIVICUS 2017b; Bertelsmann Stiftung 2018). Although conditions for journalists are improving, multiple challenges to free expression remain, including a restrictive communication code and cybercrime law, as well as low levels of internet access (CIVICUS 2017b).

Extent of corruption

Madagascar ranks 155 out of 180 countries, with a score of 24 out of 100, in Transparency International's (TI) [2017 Corruption Perception Index](#). The Worldwide Governance Indicators (WGI) by the World Bank also paint an unflattering picture of Malagasy conditions (refer to the table mentioned below with percentile ranks¹ of each categories).

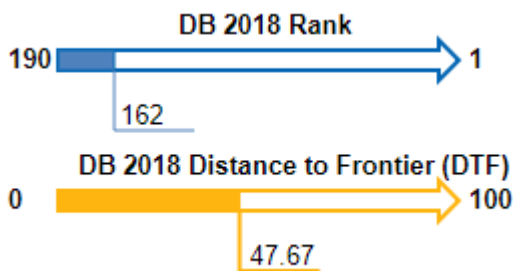
	2014	2015	2016
Control of Corruption:	21.6	20.0	16.3
Government Effectiveness:	8.7	8.7	10.6
Political Stability and Absence of Violence/Terrorism:	28.7	30.5	31.4
Regulatory Quality:	27.9	26.0	26.0
Rule of Law	26.9	29.3	25.5
Voice and Accountability:	31.5	34.5	37.4

Source: *Worldwide Governance Indicators, The World Bank 2018a*

¹ Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank (The World Bank 2018a). Percentile ranks have been adjusted to correct for changes over time in the

composition of the countries covered by the WGI (The World Bank 2018a).

The 2017 TRACE Bribery Risk Matrix places Madagascar in the 'high' risk category, while ranking it 180 out of 200 surveyed countries. Similarly, Madagascar's Doing Business² rank for 2018 is 162/190 with a Distance to Frontier³ (DTF) score measuring the distance the frontier (represented by the best performance on each of the indicators across all economies in the Doing Business sample since 2005) of 47.67, (The World Bank 2018b).

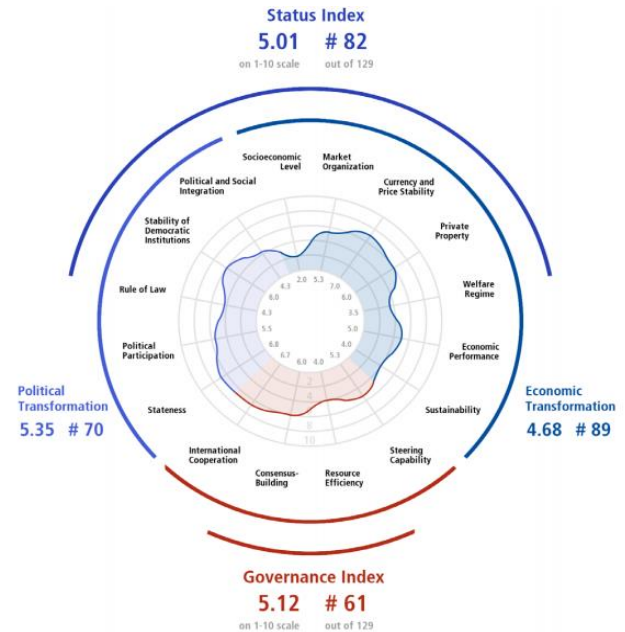


Source: Doing Business, The World Bank 2018b

Madagascar's economic freedom score is 56.8, making its economy the 119th freest out of the 170 surveyed in the 2018 Index of Economic Freedom by the Heritage Foundation. Its overall score has decreased by 0.6 point, with a significantly lower score for the government integrity indicator and declines in labour freedom and property rights outweighing improvements in fiscal health, business freedom, and monetary freedom (The Heritage Foundation 2018).

Bertelsmann Stiftung's Transformation Index (BTI) 2018 ranks the island country 82 out of 129 countries. In an earlier report from 2016, Bertelsmann Stiftung had noted that "widespread corruption" was a common phenomenon in everyday Malagasy life (Bertelsmann Stiftung 2016).

² Doing Business captures several important dimensions of the regulatory environment as it applies to local firms (The World Bank 2018b). It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labour market regulation (The World Bank 2018b). Although Doing Business does not present rankings of economies on the labour market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business,



Source: BTI 2018, Bertelsmann Stiftung 2018

According to the most recent Afrobarometer survey, published in January 2015 and taking into account data from 2014, the population's trust in existing institutions is relatively weak, a phenomenon explained by the high level of corruption (Pring 2015; Bertelsmann Stiftung 2018). This mistrust has increased since the previous Afrobarometer surveys (2005 and 2008), as corruption (perceived and real) has also increased, especially during the political crisis beginning in 2009 (Pring 2015; Bertelsmann Stiftung 2018). The study also found that while all surveyed governments received very poor ratings on their achievements in stopping corruption but citizens in Madagascar were the most critical, with nine-in-ten (90 per cent) saying their government is doing either fairly or very badly (Pring 2015). This result may in part be due to the revelation that as much as 40 per cent of the country's budget is lost to corruption (Pring 2015).

it does present the data for these indicators (The World Bank 2018b).

³ The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005 (The World Bank 2018b). An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier (The World Bank 2018b).

Coming to the 2017 Ibrahim Index of African Governance, Madagascar ranked 32 out of 54 for overall governance.

2. Forms of corruption

Political corruption and grand corruption

Madagascar has seen several multiparty elections and is one of the few countries in Sub-Saharan Africa that has been through several electoral transitions (Bertelsmann Stiftung 2018). Its electoral system tends to produce a one-party-takes-all outcome, and as a result, elected regimes tend to be hegemonic and exercise authoritarian governance practices (Bertelsmann Stiftung 2018).

The 2013 elections were the first to be organized by an Independent Electoral Commission (Commission Electorale Nationale Indépendante pour la Transition, CENI-T, Law number 2012-004 of 1 February 2012) with the support of the international community (Bertelsmann Stiftung 2018). However, the fact that the president appoints one of the nine members of the electoral commission could be seen as a challenge to the independence of the commission, especially since opposition parties do not appoint a representative. The National Assembly, the Senate, professional bodies and civil society appoints the other members of the commission (Freedom House 2015a; Bertelsmann Stiftung 2018). Another challenge to the independence of the electoral commission is how its budget is allocated by the government, meaning the government has the potential to influence the actions of the CENI due to its control over funding (Bertelsmann Stiftung 2018).

The separation of powers established by the constitution is weak in practice (Bertelsmann Stiftung 2018). Informally, presidents have consistently maintained significant informal networks of influence as a necessary condition of maintaining formal power, as these groups have the potential to undermine democratically elected representatives (Bertelsmann Stiftung 2018). The executive is the main authority, dominating the other branches, with the president holding vast powers; under Article 85, he/she appoints half the Senate seats, can convene extraordinary sessions of parliament and call for referendums (US

Department of State 2017b; Bertelsmann Stiftung 2018). In 2015, the National Assembly voted to impeach the president of the Republic, but the Constitutional Court threw out this action, calling the move “unfounded” (CIVICUS 2017a; Bertelsmann Stiftung 2018). Observers defined this as “a political rather than legal decision” and the political opposition accused the Constitutional Court of not being independent (Freedom House 2015a; Bertelsmann Stiftung 2018).

With about 230 registered political parties, the system is highly fragmented, volatile and polarized (Bertelsmann Stiftung 2018). However, polarization is affected by power relations; politicians will change party according to their interests and most will try to join the party in power (Bertelsmann Stiftung 2018).

All of this is reflected in weak rankings by the 2016-17 Global Competitiveness Index: transparency of government policymaking (second to the last, with rank 137 out of 138); efficiency of legal framework in challenging regulations (rank 128); and judicial independence (rank 126) (Baum et al 2017).

Petty corruption and trafficking

People perceive petty corruption to be a frequent feature in interactions with the public services administration, the police, the gendarmerie, and the judicial system. A large majority of the population believes that some civil servants are corrupt. This form of corruption has always been present in the Malagasy context and continues to thrive, plaguing the everyday life of common people (Baum et al 2017).

Madagascar’s weak central government and long and inadequately monitored coastline makes it vulnerable to all sorts of trafficking. The weakening of the rule of law has created a fertile ground for illegal logging and trafficking in rare woods as well as smuggling in illegal mining, gemstones, and protected flora and fauna, such as turtles. There are also reports of men, women, and children who are subjected to trafficking and forced labour (US Department of State, 2016).

3. Corruption risks in specific sectors of natural resources

Natural resource management (including environmental impact of natural resource exploitation and mismanagement)

Madagascar is one of the world's highest priority countries for biodiversity conservation due to its exceptional species richness⁴, the high number of unique plant and animal species; and the magnitude of threats facing these ecologically, culturally, and economically valuable resources (Ramamonjisoa 2016; USAID 2018b). There are more unique species of plants and animals living in Madagascar than on the entire African continent and more than eighty percent of its species can be found nowhere else on Earth. Therefore, the loss of one hectare of forest in this country can have a larger effect on global biodiversity than forest loss anywhere else on Earth, making Madagascar arguably the highest biodiversity priority on the planet (USAID 2018b).

However, Madagascar faces many problems with the management of these resources, and with its development more generally (Ramamonjisoa 2016). Illicit logging, illegal fishing practices, and unsustainable harvesting of threatened plants, animals, and minerals for unlawful trade continue to be common (Ramamonjisoa 2016; EITI 2018; USAID 2018b). This illegal exploitation of natural resources occurs even in protected zones, and in spite of the plans implemented by many different national and international actors, and the environmental degradation in Madagascar have not changed (Ramamonjisoa 2016).



Source: USAID 2018b

Without effective governance to protect natural resources from misuse, local populations increasingly disregard environmentally sound livelihood practices that have lasting long-term benefits, in order to meet immediate basic survival needs and prevent outsiders from appropriating their natural resources with impunity (USAID 2018b). As a result, increasing numbers of Malagasy are trapped in poverty and are at high risk for becoming still poorer as natural resource stocks are permanently depleted (USAID 2018b).

All of this has led to the emergence of multiple social and corporate groups that, in the absence of official leadership, play a prominent role in decisions pertaining to the utilization of natural resources (Ramamonjisoa 2016). An informal government consisting of a variety of actors at different levels (local, regional, and national) has taken the place of the formal government. Therefore, natural resources, and in particular forests, have become spaces for Mafia-like exploitations with environmentally damaging effects (Ramamonjisoa 2016). From forest conversion to the illegal exploitation of valuable wood, as well as the undertaking of mining activities in protected areas, these intermediary traders receive the most profit (Ramamonjisoa 2016).

John Knox, UN Special Rapporteur on Human Rights and the Environment, noted that "Illegal trafficking is also corrosive of good governance, because illegal traffickers use their proceeds to contribute to corruption, which I heard repeatedly has been a major threat to Madagascar's economic and environmental well-being. With respect to environmental protection in particular, corruption undermines all efforts to conserve the natural environment and to ensure that natural resources are sustainably used (Mandagate 2016).

The latest EITI disclosures (2013) show that Madagascar received \$192 million from extractive industry taxation (EITI 2018). Estimates show that the

⁴ The number of species within a given sample, community, or area (Millennium Ecosystem Assessment 2005).

extractive sector contributed to 2.1% of the country's GDP, a significant increase from 0.7% in 2012. However, the Malagasy state also loses revenue from mining, and in 2015 alone it has lost nearly \$1, 17,000 (Arson 2017). This loss of revenue may be due to non-payment of mining taxes by informal artisanal mining (royalties or dividends), but also by the difficulty of collecting these taxes from the large and small mines alike (Arson 2017). It should also be noted that even for the revenue that is collected, oftentimes the state fails to effectively transfer it to the Decentralized Territorial Communities, who are supposed to be among the main beneficiaries (Arson 2017).

When it comes to the mining sector, Madagascar has adopted the World Bank's strategy - their objective is to facilitate the granting of mining concessions; provide mining companies with favourable tax, legal and export regimes; secure investments; and guarantee free movement of capital (Association IRESA 2012). With a 2% mining tax, Madagascar is one of the most 'attractive' mining countries, and for investment projects in excess of 50 billion Ariary (approximately \$ 22 million US\$), the law on major mining investments provides even more favourable conditions: the corporate tax on profits is set at 25%, compared with that of 35% in the general tax regime; it even falls as low as 10% if the products are processed in the country (Association IRESA 2012). Ambatovy, one of the largest mining complexes serves as a perfect example of the attractiveness of the Madagascar legislation for private owners, with revenue shares of 80% for the shareholders, and only 20% for Madagascar (Association IRESA 2012). Although at first glance, the environmental laws of Madagascar, as applied to the mining and oil industries, appear to be strict, public authorities find it very difficult to enforce the laws (Association IRESA 2012).

Dialogue between multinationals and the Malagasy authorities is asymmetrical, with state authorities having little or no power, particularly in periods of crisis and when international aid has been suspended, and they often appear to merely record the decisions made by the major industrial groups (Association IRESA 2012). In Antananarivo, where the contracts are negotiated and most decisions are taken, the

conditions are far from optimal (Association IRESA 2012). The National Office for the Environment (ONE), responsible for delivering environmental permits and monitoring projects, is perilously short-staffed and also lacking sufficient funding and equipment, as it is materially dependent on companies in their daily work, including borrowing helicopters and other vehicles to inspect a production site that is difficult to access by road (Association IRESA 2012). An ex-staff member of one of the multinationals noted "The relationships are negotiated with the organisers, they have ONE in their pocket" (Association IRESA 2012). A source in the Ministry for the Environment, when interviewed by Friends of the Earth, underlined the corruption of the whole sector (Association IRESA 2012).

Legislation for the mining and oil industry sectors, aimed at making Madagascar more 'competitive', formalises this generalised corruption (Association IRESA 2012). For example, Article 222 of the mining laws stipulates, "reports and assessments carried out by the relevant bodies shall remain confidential for the duration of the validity of the concession rights. They may be published only once the concession rights have expired" (Association IRESA 2012). Extensive use of this article thus enables public bodies and corporations, who are frequently working hand-in-hand, to withhold information (Association IRESA 2012).

To sum it up, corruption in the Malagasy mining sector, primarily takes the form of rent seeking, where officials demand payment for licences or other bureaucratic sign-offs, and since this money does not filter through to the Malagasy people, it provides no benefit to the state (Heyman 2016). Other forms of corruption present in the sector are political interference, state officials gaining lucrative positions in mining companies and bribery (Heyman 2016).

It also ought to be noted that in Madagascar, as in the other countries of the South, extractive industries' activities are totally geared towards meeting the needs of the North (Association IRESA 2012). The multinationals exploit the non-renewable resources without paying a fair price for them, and export them to Europe, the United States or the emerging countries, particularly to China, who then massively

re-export manufactured products to the richest countries (Association IRESA 2012). By exploiting the natural resources of Madagascar, industrialised countries are aggravating global inequalities and expanding their 'ecological space' to the detriment of the populations and countries of the South (Association IRESA 2012).

In a bid to clean up the mining sector, no new mining permits for gold or gems have been issued by the government since 2010, only transfer, processing and/or adding new substance to permits may be allowed (Arson 2017). However, false mining permits are also known to make the rounds after the issuance of the 2010 order (Arson 2017). The greatest challenge perhaps, in streamlining these illegal mining activities is to trace the sale of the stolen minerals (Arson 2017).

Irresponsible natural resource management and exploitation that is fuelled by poverty, greed and corruption in Madagascar has disastrous environmental effects that may in time become irreversible (The Guardian 2017).

However, there exist various conservation efforts to combat the negative effects of corruption while preserving Madagascar's resources. These include (i) "Preserving Madagascar's Natural Resources Program," which sought to counter illegal and illicit natural resource extraction, was implemented by a consortium led by World Wildlife Fund (WWF) and comprised of Wildlife Conservation Society (WCS), Conservation International (CI), and TRAFFIC, was a three-year program (October 2013 – September 2016) (USAID 2018a); (ii) the Conservation and Communities Project (CCP) with its flagship programs - Hay Tao⁵, Mikajy⁶, Partnerships for Enhanced Engagement in Research (PEER), Peace Corps Interagency Agreement and US Forest Service Interagency Agreement (USAID 2018ab).

Particular commodities

⁵ Hay Tao will build out tools and knowledge resources in support of decentralized, community-driven natural resource conservation (USAID 2018b). Hay Tao is being implemented by PACT in partnership with World Resources Institute and the Coastal Resources Centre (USAID 2018b).

Rose wood

Rosewood - a lucrative timber commodity and a group of threatened and endangered tree species primarily limited to Madagascar's last remaining north-eastern forests has witnessed an increase in trade since 2000 due to escalating demand in China (Political Geography 2018). The coup d'Etat in 2009 triggered an outbreak of illegal logging for its timber, and since then, thousands of shipping containers of rosewood have been exported overseas, making multi-millionaires of an elite few in the northeast and profoundly reconfiguring the country's geographies of power (Political Geography 2018). A small group of individuals engaging in this illicit trade has led to the formation of a rosewood elite – not quite insurgents, but in a precarious relationship with the state – they have leveraged their earnings to gain popular support and secure offices within Madagascar's newly elected government (Political Geography 2018).

In 2009 an estimated 52,000 tonnes of precious wood (from 100,000 rosewood and ebony trees) was logged in northeast Madagascar, originating from Masoala and Marojejy National Park (Environmental Justice Atlas 2015). Another report by Global Witness from 2009 states that 30-115 cubic metres of precious rosewood, worth between \$ 88,000 and \$ 460,000, are being illegally harvested every day (Global Witness 2009). Apart from this, at least 500,000 additional trees and many miles of vines were cut to make rafts to transport the heavy ebony and rosewood logs, causing further harm to the forest ecosystem (Environmental Justice Atlas 2015). In 2009, approximately 36,700 tonnes were shipped in 1,187 containers, almost all to China, for a total export sale price estimated at \$ US 220 million (Environmental Justice Atlas 2015).

In the SAVA region, members of the timber syndicate are alleged to have pocketed 76 % of the timber wealth whereas the State collected just \$ US 15.3 million

⁶ It is a site-based conservation effort that works to reduce threats to targeted protected areas and High Biodiversity Value (HBV) ecosystems through improved management, increased economic opportunities, better access to social services, and support for natural resource tenure and property rights (USAID 2018b).

(Environmental Justice Atlas 2015). According to Global Witness and the Environmental Investigation Agency (EIA), 12 private operators and three main companies have benefited from illegal logging in Masoala, including three banks who allegedly facilitated the illegal timber trade (Global Witness 2009; Environmental Justice Atlas 2015). The syndicate and government administrators along every step in Madagascar's precious timber trade perpetrate fraud and corruption in a coordinated effort to maximize profit and minimize taxes and fines (Environmental Justice Atlas 2015). Poor governance and a lack of clarity in forest regulation have facilitated timber trafficking and undermined judicial control (Environmental Justice Atlas 2015).

Rosewood trafficking is a criminal offence in Madagascar, and the extraction from "sensitive zones, including protected areas and their peripheral zones" is prohibited since 2000 (Baum et al 2017). However, legal loopholes, "exceptional" export permits, and weak law enforcement have facilitated the establishment of a well-organized network of illicit trade (Baum et al 2017). This illegal logging also has harmful secondary effects – once illegal mining starts the habitat is disturbed, local people turn in desperation to the forests for resources, and poaching of endangered species escalates (Baum et al 2017). The law against the traffic of precious woods adopted in 2015 has strengthened law enforcement efforts against the trafficking in rosewood and ebony (Baum et al 2017). The international community has become engaged to stop the illegal traffic through the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and an action plan of protective measures, has been adopted (Baum et al 2017). Noting limited progress, CITES' standing committee in 2016 recommended that all parties suspend commercial trade of rosewood from Madagascar until the authorities have demonstrated increased enforcement actions. In particular, reports on seizures, prosecutions, and sanctions are expected (Baum et al 2017).

Vanilla

About 80 percent of the world's vanilla is grown on small family-owned fields on the Malagasy island, and

though it is the world's second most expensive spice, the vanilla farmers live in such deep poverty that some are locked into bottomless debt to intermediaries (Hansen and Lind 2016). In 2016, the prices for vanilla on the world market reached incredible highs at \$ 400 per kilo, while Malagasy farmers continue to sell their green vanilla beans for \$ 8 to \$ 34 per kilo, with three out of four farmers living on less than \$1 a day (Lind 2017). Due to such crippling poverty, child labour is widespread in the production of vanilla, and the farmers also have big problems with the valuable vanilla being stolen from their fields (Hansen and Lind 2016).

Intermediaries driving out to the remote villages buying vanilla and selling it to exporters - mix stolen and legitimate vanilla, making it impossible to differentiate (Lind 2017). Locals have often accused a heads of the gendarmerie (local police) for buying all the stolen vanilla, who happen to be the ones authorised to control the vanilla trade (Lind 2017). Thus, when it comes to getting justice for the vanilla theft, corruption and lack of resources make the authorities the enemy, rather than an ally (Lind 2017). During an investigative study by Al Jazeera, allegations of corruption and official involvement in the vanilla theft were presented to the Malagasy authorities, but they repeatedly declined to comment (Lind 2017).

Sapphire

Madagascar produces nearly 40 percent of the world's sapphire (Arson 2017). These gem deposits are found in the gravels of ancient riverbeds, some are unusually large and have an attractive blue colour (Perkins 2016). The discovery of a new mining site oftentimes leads to a "sapphire rush," wherein scores of people (mostly illegal miners) flood the newly found mining area (Perkins 2016). In 2016, when sapphire deposits were found in the rainforests of Didy in eastern Madagascar, more than 45,000 people stormed the regions, and the numbers were believed to grow by up to 1500 to 2000 a day (Perkins 2016). The adverse effects of this "rush" are magnified when the deposits happen to be located in areas of importance for conservation. For example, the latest rush was located in the Corridor Ankeniheny Zahamena (or CAZ), which

is home to more than 2,000 plant species found nowhere else on earth, and 14 endangered species of lemur (Perkins 2016; The Guardian 2017). In fact, more high-quality sapphires have been found in CAZ than the whole of Madagascar in the last 20 years, which is further feeding the “rush” frenzy (The Guardian 2017).

Mining involves removing of trees so that the gem-rich gravels can be dug up and sieved to find the precious stones (Perkins 2016). Apart from the dastardly effect on the environment, including pollution of renewable resources like land and water, there are also concerns that the miners increase bush meat harvesting, which is already a growing threat to lemurs and other wildlife (Perkins 2016). People living around such areas are not spared either - their cost of living rises, the education of a generation of children may be damaged as schools close with the staff switching to mining. Even basic facilities like potable water becomes scarce as there are suddenly thousands of new people living in an area (Perkins 2016; the Guardian 2017).

An anonymous source speaking to an investigator describes morbid conditions in these illegal mining areas - deaths from disease, violent conflict, and reports of rapes (Perkins 2016). While there have been reiterated demands to bring this profitable business out of the shadows so it can contribute to national development, many people from the region choose to see the benefits of such mining practices (Perkins 2016). In a smaller rush in 2012, after gems were first discovered in the area, the government sent in army troops and at the time, arrested and deported several Sri Lankan traders (The Guardian 2017). Though the conservation of CAZ has been hailed as a national priority by the Malagasy government, we are yet to see the on-ground implementation (The Guardian 2017).

It is believed that Sri Lankans smuggle the gems back to their country to be cut and exported for sale control 70% of the sapphire market (The Guardian 2017). About \$150 million worth of sapphires might leave Madagascar every year, though the exact figure is impossible to know, as the industry is not well regulated (The Guardian 2017). An observer while commenting on the sapphire mining noted,

“Everything’s pretty much illegal. There is no oversight, no taxes. It’s chaos” (The Guardian 2017).

Ilmenite

Ilmenite is a mineral used to make titanium dioxide, the white pigment commonly found in toothpaste, cosmetics, and paint. QIT Madagascar Minerals SA (QMM) mines it in the Taolagnaro region, at the extreme southeast of Madagascar. This company is 20 percent government-owned, with 80 percent belonging to the Anglo-Australian multinational, Rio Tinto (Association IRESA 2012). The social and environmental impacts of the QMM/Rio Tinto project are all the greater than regular large mines, given that the ilmenite mines are particularly intensive. According to an assessment, the mine will progressively destroy 6,000 hectares of coastal forests (Association IRESA 2012). The mining process involves the separation of ilmenite and zircon from the other heavy metals and sand by mechanical, magnetic and electrostatic processes. The tailings from these separations are then left behind in a pond, moving forward at the rate of a few metres a day, for several decades. The presence of monazite, a radioactive mineral, in the tailings, is greatly worrying for local populations (Association IRESA 2012). Upon being questioned about their environmental impact, Rio Tinto states, “their objective is to have a positive net impact on biodiversity” and the company never misses any opportunity to underline that the ecosystems that have been destroyed by extraction were going to be destroyed anyway by woodcutting for firewood and slash-and-burn agriculture (Association IRESA 2012).

There have also been a number of conflicts around issues of compensation for those relocated due to the mining project, particularly for households that have customary or collective land rights (Association IRESA 2012; Hatcher 2013). While the company has been accused of paying as little as five cents per square kilometre for land, Rio Tinto says the 147 households it relocated received \$1.40 to \$2.80 per square meter, in compliance with World Bank guidelines (Hatcher 2013). Disinformation regarding this issue abounds (Hatcher 2013).

Rare earth minerals

The first rare earth mining project in Madagascar is being headed by Tantalum Rare Earth Malagasy (TREM), a company owned by firms in Germany and Singapore, who holds the rights to the 92-square mile (238-square kilometre) concession, located on the Ampasindava peninsula in northwest Madagascar (Carver 2017a). This deal is deemed to be shrouded in opacity with the possibility of misconduct (Carver 2017b). An example of this collusion is an incident from 2015. Two high-level government officials were flown into Ampasindava on a TREM-chartered helicopter, a few months later, Madagascar's government decided that the Ambongomirahavavy mountain area, which is the source of 80 percent of the peninsula's water and had been slated for inclusion in the protected area, would remain part of TREM's concession (Carver 2017b).

According to some scientists, going forward with the project would pose grave long-term threats to the local population and the surrounding rainforest, including a protected area home to endangered lemurs and other unique wildlife (Carver 2017a). The project has been beset by ownership uncertainty, an ongoing investigation into one of its owners for financial misconduct⁷, and permit delays. Now its concession, previously valued at over \$1 billion, has been reappraised at just \$48 million (Carver 2017a). This case serves as an example of the ongoing struggle with Madagascar's resource management and the ensuing corruption risks that it faces.

Fisheries

Life on the coast of Madagascar is increasingly precarious. In recent decades, the overexploitation of marine life has made it difficult for hundreds of thousands of small-scale fishers to make a living (Kessler 2018).

In 2018, a little-known private Malagasy association signed, in presence of Rajaonarimampianina's

counsellors, a mostly opaque 10-year, \$2.7 billion fishing deal — the largest in the country's history — with a group of Chinese companies that plans to send 330 fishing vessels to Madagascar (Kessler 2018; France 24 2018). Critics of the deal include the country's fisheries minister, who said he learned about it in the newspaper; environmental and government watchdog groups; and local fishers, who are already struggling with foreign competition for Madagascar's dwindling marine stocks (Kessler 2018; France 24 2018).

A representative of the artisanal fishing sector emphasized that "the state is robbing coastal fishermen of their livelihood" (Standing 2018).

Wildlife

Wildlife trafficking — poaching and illegal trade in wildlife and wildlife products — is one of the largest black markets in the world, measuring billions of dollars a year (USAID 2018c). It threatens the survival of iconic species as well as the security of nations and regions, economic development, and environmental health (USAID 2018C).

The most trafficked wildlife in Madagascar are as follows (USAID 2018C).

- Reptiles (e.g. Tortoises, Turtles, Chameleons, Geckos, and Snakes): Illegally collected for the exotic pet and medicine trade.
- Lemurs (All Varieties): Poached for bush meat and captured for the illegal pet trade.
- Marine Life (e.g. Seahorses, Exotic Fish): Illegally harvested for food as well as the exotic pet and medicine trade.
- Birds (e.g. Parrots and Other Exotic Birds): Illegally collected for the exotic pet trade.

Poverty, weak governance, corruption and complicity of public officials are enabling factors for this illicit trade, which is run like an organised crime syndicate that would traffic arms or drugs (USAID 2018c).

⁷ The company has been linked to John Soh Chee Wen from ISR Capital who currently faces charges for some of the worst financial crimes in Singapore's history. ISR is under investigation for a violation of Singapore's Securities and Futures Act, which covers crimes such as market rigging and stock manipulation. Prosecutors have linked ISR to the mastermind of a 2013 "penny stock scandal" that is considered one of the largest financial

crimes in Singapore's history; in a court document, they claimed that the so-called mastermind "was intimately involved in, and exercised influence over, the management and corporate affairs of ISR."

Oil

Madagascar is seen as a new frontier in oil prospecting. However, oil companies operating in Madagascar are making little real effort to become close to the local population. As often as not, they hold token public meetings where they limit themselves to presenting excessively technical projects without any critical feedback, all with the complicity of the authorities. These meetings take place in the provincial or district capitals that are often very distant from the villages that will be directly impacted. Furthermore, the documents on the projects, and sometimes even on the consultations themselves, are not translated into the Malagasy language, although only a handful of the inhabitants in the affected villages can speak French (Association IRESA 2012).

Local people rarely dare to complain, for fear of reprisals, the authorities do not protect them, and thus they often find themselves face-to-face with the multinationals that regularly try to gag or control any opposition from civil society (Association IRESA 2012).

In Madagascar, companies are required to pay tax on every barrel of oil produced. The level of this tax is linked to the quantity of the oil, and there is also a direct tax levied on each barrel of oil, linked to the tax on profits. As is generally the case in the oil industry, the legislation includes the principle of production being shared between the State and the company that has been granted the exploitation rights. This legal framework fails, however, to stipulate the percentage granted to each partner, and contracts are negotiated on a case-by-case basis under this law. The failure to include a specified compulsory share of the income generated by the oil industry is an important factor in the lack of transparency within the oil sector, and could become an open door to all sorts of corrupt practice (Association IRESA 2012).


4. Focus on gold/artisanal gold exploitation and smuggling

Background to the problem

Artisanal and Small-scale Mining (ASM) refers to informal mining activities carried out using low technology or with minimal machinery, and it is estimated that more than 100 million people worldwide rely on this sector for income, mainly in developing nations (Hentschel, Hruschka and Priester 2002; Fraser Institute 2012). In some areas, ASM takes place alongside large-scale formal mining leading to conflicts (Fraser Institute 2012).

Alluvial gold has been a key element of artisanal mining for centuries in numerous regions across Madagascar (World Bank 2010). Despite this, ASM for gold has been neglected as a formal activity, especially given that around a million people work in the sector, second only to agriculture (Filou 2016).

Artisanal mining, which is generally devoid of organizational structure, covers mainly the exploitation of precious stones and gold in Madagascar (EITI 2015). A Governance and Development Effectiveness Review conducted by the World Bank in 2010 lists the “gold value chain”:

	Agent	Activity Description
	Panners	Local individuals or small family groups pan for alluvial gold dust in current or former riverbeds. Often part-time in complement to agricultural activity. Gold panners often sell their findings daily to local grocery store owners, in return for goods or money. If they do not depend on daily sells, they can save their gold and skip one intermediary by selling directly on the weekly market.
	“Epicriere” (small grocery store owners)	A local “Epicriere” weights the gold, stores it and sells it every week to collectors on the market.
	Collector	(Often local) collectors buy gold from “Epicures” or directly from panners. They typically do not use their own money, but are financed by super-collectors who come before the market day to provide collectors with cash.
	Super Collector	Most super-collectors are not local, but come from the capital or a larger town.

(Limited visibility)	They typically run (finance) several collectors in different villages.
Gold trader/ Gold user (Limited visibility)	Gold traders buy gold from super-collectors, either to use it for wealth storage in some quantity or export it. Gold users are domestic jewellers who buy gold (in part) for their own production.

World Bank. (2010).

“Panners,” tend to engage in gold mining instead of gem stone mining mainly because of two reasons. Firstly, it is slow and steady work, with an average day’s work producing about \$2-\$2.50 worth of gold, whereas gemstone mining is all about striking lucky with an exceptional stone. Secondly, for the collectors and traders, gold holds a special place as a reliable monetary alternative in a turbulent commodity market. Vololona Rakotonomenjanahary, head of the National Gold Industry Agency (Anor) opines, “With gold, you can’t go wrong. With gemstones, there are issues of quality and size, but with gold, there is just one product” (Filou 2016).

Networks in Madagascar and abroad

Given the long-standing presence of gold mining in Madagascar, well-established trading networks have emerged controlled by an elite group of traders (World Bank 2017). These elites, mainly from Indo-Pakistani heritage have developed inroads within the Malagasy government and have attained a significant extent of state capture (World Bank 2010). Many politicians are even known to depend on these traders for their electoral campaigns (World Bank 2010). High-ranking public officials in gold mining areas such as Vohilava Ampasary typically tolerate or are partly actively involved in informal gold trafficking, indicating the extent of local state capture (World Bank 2010).

As mentioned earlier, the gold trade is dominated by influential exporters of Indian descent, who make high profits by trading large quantities (World Bank 2010). The importance of Indian families in the gold sector is the result of social networks that have grown around gold export (to India) for over a century – largely untouched by the central state (World Bank 2010). In order to evade domestic revenue taxes and to

transform gold into hard currency, practically the entire gold production is informally smuggled out of the country and sold abroad by these gold traders (World Bank 2010). Given its high value-volume ratio, enforcing export controls is difficult and costly for the state (World Bank 2010). (World Bank 2010).

What is interesting to note is that one estimate of Madagascar’s annual gold production is reckoned about 15 tonnes, worth about \$450 million, but virtually all of it remains under the radar (Filou 2016). Thus, this income generated by the marketing of gold usually ends up feeding the black market while creating a shortfall for the state, particularly because of the weak regulation of the sector, the failure of control by the government and the phenomenon of corruption (EITI 2015).

Officially, 2016 was the first year that Madagascar exported gold (Anor, the national gold agency set up in 2015, exported 500 kilograms, about \$15 million), yet in 2011, foreign countries (mainly the United Arab Emirates) reported importing \$250 million worth of gold and gemstones from Madagascar (Filou 2016).

A closer look at the gold value chain reveals the sequence of corruption in the Malagasy gold ASM sector. The first step for gold panning is obtaining a license, which is issued on a “first come, first serve basis” by the Bureau du Cadastre Minier de Madagascar (BCMM) through its main and regional offices whose operations are significantly hampered by their technical and financial inability (Arson 2017). According to the operators from Antananarivo, the suspension of granting of mining licenses in 2010 in order to clean up the mining sector, was a further boost to corruption. Despite the suspension, 500 permits were issued in 2015, on the pretext of that these requests were since before 2010 (Arson 2017). During operations, police often make arrests, as virtually all mines function illegally without permits. Once they make arrests, it creates another opportunity for corruption, as bribes are paid in exchange of releasing the ones who are arrested (Arson 2017).

Antananarivo is the final destination within Madagascar before gold is smuggled out of the country. Abuse of power, by airport officials due to be

being bribed, as well as infrastructural incompetence (lack of operational monitoring devices), are all factors that allegedly facilitate the smuggling of gold out of Madagascar (Arson 2017). Once the gold is smuggled out of Madagascar, it goes to hubs like Dubai, Nairobi or Mauritius before being smuggled to the final destination. India, UAE, Sri Lanka and Thailand are top destinations for the smuggled gold (World Bank 2010; Arson 2017; Ali, 2018).

Recent headlines profiled the incident involving two Malagasy nationals who were arrested at Mumbai International Airport in India for smuggling in gold worth \$ 148,000. They were flying in from Dubai (Ali 2018). The Malagasy smugglers admitted to having smuggled gold from hubs like Dubai and Mauritius on 26 occasions over the past two years (Ali 2018). They said that each time they would come to India with at least 5 to 7 kilograms in gold bars and sell them to jewellers in Mumbai (Ali 2018). Indian police have stated that the money obtained by selling this gold was transferred to banks at foreign offshore destinations using hawala⁸ channels (Ali 2018).

Problems associated with the gold sector

Artisanal mining in the Malagasy context is also associated with various other socio-economic problems such as child labour, poor health and safety conditions, limited education and health facilities, trafficking, and security issues (Filou 2016). The same unnamed individual from the capital states that conditions in the illegal and unregulated artisanal mines are dismal with children as young as five years old being used for gold mining. It is argued that formal recognition by the government could bring greater tax revenue and lead to mitigate the risks in this sector (Filou 2016). The head of the environment programme at the German development corporation GIZ, however, opines that any effort to streamline the ASM sector in Madagascar will only be as good as its implementation, as the country already has a basic legal and regulatory framework for the sector – it just is not implemented across the board (Filou 2016). He goes on to add that “Formalisation is seen as a

panacea – bringing people out of the shadows will reduce all negative impacts of artisanal mining – but it could be a vehicle for dispossession. There is a danger of not taking into account the impact it could have on the livelihood of people and the power dynamics between small scale mining, the government, NGOs and corporate players” (Filou 2016).

As stated, the domestic gold and gemstone mining value-chain has primarily remained informal because the Malagasy mining administration is far from having the capacity to govern these resources (World Bank 2010). When it comes to mining of gold, corruption acts as one of the paramount obstacles to its development at both local and national levels (Arson 2017). According to figures in 2013, the amount of loss, only from the artisanal mining sector is \$ 250 million (Arson 2017). A recent study by Transparency International - Initiative Madagascar (TI-IM) found that it is almost impossible to assess the actual economic losses from the ASM sector due to its informal nature with complex dealer networks, which is shrouded in secrecy (Arson 2017). The powerful vested interests of influential Indo-Pakistani elite are likely to resist attempts to formalize gold exports, as well as oppose attempts to enforce central tax collection or control (Arson 2017).

For the subject of artisanal mining (legal or illegal), both inside and outside protected areas, a host of other issues need to be considered, such as regional imbalance in terms of access to education, few employment opportunities, lack of alternative income for the population around national parks, a collective lack of consciousness of the value of heritage and preservation of the environment (Arson 2017).

Solutions

There exist international regulations and guidelines to help mitigate such issues. The OECD Due Diligence Guidance (2016) provides a framework for detailed due diligence as a basis for responsible supply chain management of minerals, including tin, tantalum,

⁸ Hawala is an alternative remittance channel that exists outside of traditional banking systems. Transactions between hawala brokers are made without promissory notes because the system is heavily

based on trust and the balancing of hawala brokers' books. Hawala is illegal (Investopedia 2018).

tungsten and gold, as well as all other mineral resources (OECD 2016). Its aim is to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices (OECD 2016). Having a scope that is global, and applies to all mineral supply chains, the 2016 OECD Guidance may be used by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas (OECD 2016). The five steps that the Guidance states are as follows (OECD 2016).

- Step 1: Establish strong company management systems
- Step 2: Identify and assess risk in the supply chain
- Step 3: Design and implement strategy to respond to identified risks
- Step 4: Carry out an independent third party audit of supply chain due diligence
- Step 5: Report annually on supply chain due diligence

The OECD Guidance and the artisanal mining sector: One of the main areas of focus of the implementation programme of the Guidance is to ensure that international standards do not further marginalize workers of the informal sector. The OECD Guidance therefore entails an Appendix on “suggested measures to create economic and development opportunities for artisanal and small-scale miners” calling on all stakeholders to engage in legalisation and formalisation programmes of artisanal mining communities.

The objective is two-fold:

- To build secure, transparent and verifiable supply chains from mine to market and enable due diligence for legitimate artisanal and small-scale mining.
- To ensure that legitimate artisanal mining communities can benefit from ongoing trade in conflict-affected and high-risk areas, to support their development and thus contribute to the general improvement of the situation on the ground.

(Source: OECD, 2016)

The European Union, in 2017, adopted Regulation (EU) 2017/821 that lays down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas in accordance with the five steps of the OECD Guidance. The EU Regulation will enter into force in January 2021.

5. Legal and institutional framework

Overview

The Malagasy legal framework has various policies on corruption control and prevention. However, the government has not implemented these policies effectively, and corruption remains a serious issue, as does the lack of government transparency (Bertelsmann Stiftung 2018). Interestingly, according to the People and Corruption: Africa Survey 2015 citizens feel particularly effective as potential anti-corruption fighters in Madagascar with 70 per cent of respondents saying that they think that ordinary people can make a difference (Pring 2015). This result from Madagascar is particularly fascinating given that its citizens were the most critical of their government’s anti-corruption performance, which suggests that although the public perceive the authorities to be not doing enough, they still feel that they themselves could have an impact (Pring 2015).

International anti-corruption conventions

Madagascar ratified the United Nations Convention Against Corruption, as well as the African Union Convention on Preventing and Combating Corruption in 2004 (Bertelsmann Stiftung 2016). It is party to the UN Convention against Transnational Organised Crime since 2005 (Bertelsmann Stiftung 2016). Madagascar is also part of the Southern African Development Community (SADC) Protocol Against Corruption (Bertelsmann Stiftung 2016). It has not yet signed the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transaction (ITA 2017).

International environmental conventions

Madagascar is party to the following international conventions and treaties with respect to conserving the environment:

- Agreement on the Conservation of African-Eurasian Migratory Water birds - ratified in 2007.
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal - acceded in 1999.
- Cartagena Protocol on Biosafety - ratified in 2003.
- Convention on Biological Diversity - ratified in 1996
- Convention on International Trade in Endangered Species of Wild Fauna and Flora - ratified in 1975.
- Convention on Migratory Species – party since 2007.
- Extractive Industries Transparency Initiative (EITI) - member since 2007, EITI Status is yet to be assessed against the 2016 Standard.
- Kyoto Protocol⁹ - acceded in 2003.
- Minamata Convention on Mercury - ratified in 2015.
- Montreal Protocol on Substances That Deplete the Ozone Layer - acceded in 1996.
- Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, also known as the Nagoya Protocol on Access and Benefit Sharing (ABS) - ratified in 2014.
- Nagoya – Kuala Lumpur Supplementary Protocol on Liability and Redress to the Cartagena Protocol on Biosafety - signatory since 2011.
- Paris Agreement¹⁰ - ratified 2016.
- Ramsar Convention on Wetlands - acceded in 1998.
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade - ratified in 2014.
- Stockholm Convention on Persistent Organic Pollutants - ratified in 2005.

- United Nations Convention to Combat Desertification - ratified in 1997.
- United Nations Framework Convention on Climate Change - ratified in 1999.

Domestic anti-corruption framework

Madagascar's legislative framework incorporates an anti-corruption law passed in 2004 (law No. 2004 – 030). This law criminalizes active and passive bribery, abuse of power, embezzlement of public funds, influence trading, and favouritism (Bertelsmann Stiftung 2018). The law also details the penalties for violating its provisions (Bertelsmann Stiftung 2018). It has been indicated that these sanctions may not be sufficient and dissuasive (UNDP Ministry of Justice 2014; Wickberg 2014).

Law no. 2004 - 020 on laundering, detection, confiscation and international cooperation concerning the proceeds of crime adopted in 2004 criminalizes money laundering (IMOLIN 2018). The 2011 law on political parties prohibits corporate donations to political parties, but not anonymous donations (Bertelsmann Stiftung 2018). It requires political parties to regularly report on their finances, but no distinct oversight institution is distinguished, and there are no sanctions imposed in cases of non-compliance (Bertelsmann Stiftung 2018)

The 2004 anti-corruption law provides that the identities of both whistle-blowers and those accused of corruption be protected during an investigation (US Department of State 2013). Courts are not allowed to compel witnesses to reveal information that may identify whistle-blowers, and it is illegal to reprimand individuals who report corruption (US Department of State 2013). Whistle-blowers complicit in corruption are exempted from punishment if they report infractions prior to prosecution, and if complicit individuals are prosecuted and later facilitate the arrest of other suspects, their sentences are halved

⁹ Also known as the Kyoto Accord, is an international treaty among industrialized nations that sets mandatory limits on greenhouse gas emissions (TechTarget 2013). The greenhouse effect is the warming effect of the sun on greenhouse gases, such as carbon dioxide, that act to trap this heat in our atmosphere (TechTarget 2013).

¹⁰ The Paris Agreement is the new global agreement on climate change. It was adopted by Parties under the United Nations Framework Convention on Climate Change (UNFCCC) on 12 December 2015 (New Zealand Government 2018). It commits all countries to take action on climate change (New Zealand Government 2018).

(US Department of State 2013). However, the extent to which these provisions are implemented remains unclear (US Department of State 2013).

Madagascar's 2014 EITI Report confirms that there is no public register of beneficial ownership in the country and that the Ministry of Commerce only collects information about shareholders (EITI 2018). In some cases, physical persons are listed as owners, but the report does not confirm whether these are beneficial or legal owners (EITI 2018). In addition, Madagascar does not have a law on freedom of information (Freedom House 2015b).

Nevertheless, a 2017 report by the IMF (Madagascar: Selected Issues) highlights several new anti-corruption laws that have been adopted in recent times:

- The law against the traffic of precious woods in 2015: strengthens the repression against the trafficking in rosewood and ebony and provides for the creation of a special tribunal to try traffickers and their accomplices.
- The law on declaration of assets in 2016: (i) harmonizes the provisions on the declaration of assets; (ii) expands the definition of corruption offences; (iii) strengthens the protection of investigators, experts, judges, witnesses, and whistle-blowers; and (iv) facilitates the use of asset declarations in support of the public prosecution during trials.
- The law on anti-corruption centres in 2016: (i) ensures the operational independence of each anticorruption centre and (ii) establishes an independent committee at each centre that is responsible for staff recruitment and management, supervision, monitoring, and evaluation of the centre activities.
- The law on asset recovery, planned to be adopted in 2017 would: (i) establish a procedure for recovering assets acquired through corruption and activities related to money laundering, financing of terrorism, and organized international crime; (ii) harmonize procedures of seizure, freezing, and confiscation of assets; (iii) facilitate the seizure of assets during an ongoing

investigation; (iv) regulate the management of recovered assets; and (v) establish a procedure for monitoring and control of property that has been seized, frozen, and confiscated to ensure transparent management.

The implementation and long-term impacts of these laws are yet to be seen.

Madagascar has also drafted an Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) law which would allow authorities to, among other things, (i) investigate and prosecute the laundering of proceeds of corruption; (ii) require financial and non-financial institutions and professionals to carry out customer due diligence (CDD) and report suspicious activity; (iii) required enhanced CDD of politically exposed persons (PEPs), including domestic and foreign, as well as PEPs of international organizations; (iv) require transparency on beneficial ownership (Baum et al 2017). The 2017 IMF report states that it is imperative that Madagascar prioritises the adoption of appropriate AML legislation in line with the revised Financial Action Task Force (FATF) standards (Baum et al 2017).

Domestic environmental law

Madagascar's principal national law and policy on environment is the National Charter for Environment (Law 90-033) which lays down basic environmental principles and promulgated the National Environmental Action Plan (NEAP) and its three successive five-year phases (EP1 1992-1996, EP2 1997-2002, and EP3 2003-2007) (USAID 2014). The Charter requires an Environmental Impact Assessment (EIA) for all investment projects, which have been implemented through successive decrees and regulations on compatibility of investments with the environment known as "MECIE" (the current version being Decree 99-954) (USAID 2014). The Charter is noteworthy in that it pre-dates the Biodiversity Convention, but is based on similar principles, Madagascar may thus be considered a leader in this sense (USAID 2014).

In 2014 the Malagasy Government established the Ministry of Environment, Ecology and Forests (MEEF), which has decentralized units in each of the 22 regions of Madagascar called Regional Directors of Environment, Ecology and Forests (DREEF) which are then further subdivided based upon function (USAID 2014). Additionally, there are several agencies attached to the General Secretary of MEEF (USAID 2014).

- ONE: National Office for Environment
- MNP: Madagascar National Parks
- ANAE: National Association for Environmental Actions
- FANALAMANGA: Company in charge of 60,000 Ha of reforestation
- SNGF: National Forest Seeds Storage
- CNFEREF: Morondava Centre for studies and research on Environment/Forests
- OLEP: Unit fighting against marine oil pollution
- ONESF: National Observatory for Environment and Forests
- SAGE: Service support for Environmental Management

In 1996, Madagascar passed the Gestion Locale Sécurisée (GELOSE) law, then in 2001 the Gestion Contractualisée des Forêts GCF decree, and these statutes together provided the policy context and the legal framework for devolving forest management responsibility to local communities (USAID 2014). This has resulted in over 600 Community Based Natural Resource Management (CBNRM) contracts in the country (USAID 2014).

The mining code dates from 1999 and a new code is being elaborated (EITI 2018). This code encompasses nearly all of the mining companies in Madagascar (EITI 2018). The QMM ilmenite project (a joint venture between Rio Tinto and the Government of Madagascar) is governed by the “Convention d’Établissement” and mining companies whose investment is more than 50 billion MGA (USD 16 million) are subject to the “Loi sur les Grands Investissements Miniers” (EITI 2018).

The evaluation team from the International Institute for Sustainable Development (IISD) in a report from 2015

has identified the following key strengths and weaknesses in mining laws and policies of Madagascar:

Strengths:

- The process of acquiring mining permits is clear, transparent, fast and efficient.
- Mining government revenues are generated through a combination of taxes on income, competitive fees and administrative charges applied consistently. Royalties are shared between the national and local budgets; and several cities use a transparent participatory budget system to make decisions on priority local expenses.
- Public participation is necessary in driving both environmental impact studies and environmental management plans, to be submitted both before the start of mining. The EIA also require the review and assessment of socio-economic impacts, in addition to environmental impacts.
- Large mines are required to ensure that their activities have a net positive impact on biodiversity. This includes the creation of conservation areas of biodiversity adjacent to mining sites that compensate for the effects of these and are co-managed by civil society organizations.
- The mining legislation requires the submission of a closure plan and mine rehabilitation before granting a permit, and plans should be developed with the participation of affected communities.

Weaknesses:

- Despite the appropriate legal and regulatory framework in place often, the government has the capacity, resources and limited staff to ensure the implementation, monitoring, and control laws and regulations. This significantly weakens the legal and regulatory framework.
- The freeze on issuance of new mining permits in place since 2010 severely limits the growth in the sector, reducing government revenues and discourages investment.
- The royalty rates are variable to adapt to changes in international commodity prices,

and are considered by many as being too favourable to the private sector at the expense of the national budget.

- Despite the legal requirement, companies are not required in practice to establish guarantee fund to cover the anticipated costs of closure and rehabilitation of the mine site prior to the start of mining activities. Closure plans do not require the evaluation of an independent expert third party, and they are not required to comply with international best practices.
- The sector of artisanal mining and small remains largely informal, and continues to be a source of conflict, environmental damage and loss of revenue.

The oil sector is governed by the Petroleum Code and by a 1997 decree, as well as by oil contracts signed between the Office of National Mining and Strategic Resources (OMNIS), the state-owned agency responsible for managing, developing and promoting Madagascar's petroleum and mineral resources, and companies (EITI 2018). A revision to the Petroleum Code is currently underway (EITI 2018)

In the petroleum sector, a one-time withholding tax of three other taxes is applied during the production phase (EITI 2018). During exploration, the fiscal regime is that of common law, stipulated by the General Tax Code (EITI 2018).

It ought to be noted that despite the government of Madagascar making strides to improve the effectiveness and transparency of state institutions charged with overseeing natural resource development, they have failed to arrest increasingly unfavourable perceptions of governance (Frynas, Wood and Hinks 2017).

7. Institutional framework for accountability

There happen to be several institutions for accountability. Nevertheless, it is imperative that anti-corruption agencies must also be provided with sufficient financial resources and be free from political interference. Donors originally financed many of these entities and the government's aim was to allocate 0.3 percent of GDP (about \$30 million) to the fight against corruption. Total 2017 budget allocations to the anti-

corruption centres, BIANCO, SAMIFIN, and CSI amounted to about \$2.5 million compared with requests of about \$6.5 million (Baum et al 2017).

Judiciary

Although the constitution and law provide for an independent judiciary, the judiciary is deemed to be susceptible to executive influence at all levels, and corruption remains a serious problem (US Department of State 2017b). There have been instances in which the outcome of trials appeared predetermined, and authorities did not always enforce court orders. Lack of training, resources, and personnel hampered judicial effectiveness, and case backlogs were "prodigious," according to Freedom House (Freedom House 2015a; US Department of State 2017b). Judges reported instructions from the executive to release accused sex offenders who were often, but not always, foreign citizens from donor countries.

The law provides for the right to a fair and public trial, but the courts have the authority to direct that a trial be non-public in order to protect the victim or to maintain public order (US Department of State 2017b). Prolonged incarceration without charge, denial of bail, and postponed hearings remain common (US Department of State 2017b). In addition, TI-IM reports how lengthy judicial procedures also facilitate corruption. For example, the average wait for a land dispute to reach court is 14 months, and many magistrates are ignorant of the latest legislation (Transparency International 2018).

Bureau independent de lutte anti-corruption (BIANCO)

The Independent Anti-Corruption Bureau, BIANCO was created by the anti-corruption law of 2004, and it is the agency formally responsible for combating corruption. It is in charge of the prevention of corruption and the implementation of the anti-corruption law, as well as spreading awareness regarding the issue of corruption.

BIANCO's work, however, is hindered by inadequate resources, and its independence is often questioned due to its proximity to the presidency, as the bureau is nominated by the President (Baum et al 2017). The

institution has also not managed to maintain accountability at ministerial level or above (Wickerberg 2014).

BIANCO does not have the mandate to start investigations on its own initiative, and it is seen as efficient to combat and reduce only low-level corruption, as it has been largely toothless about political and grand corruption (Wickerberg 2014).

BIANCO also finds itself in other tricky situations in quest for anti-corruption. For example, the law allows BIANCO to verify asset declarations forms. However, the current system is of limited assistance to anti-corruption efforts as there is no requirement to disclose assets beneficially owned and to publish the declarations, and there are no dissuasive sanctions for absence of declaration or false declaration (Baum et al 2017).

Thus, it comes as no surprise that it is regularly criticised by the population for being inefficient and lacking concrete results against the corrupt (Wickerberg 2014).

Comité de sauvegarde de l'intégrité (CSI)

Earlier known as the Conseil Supérieur pour la Lutte Contre la Corruption (CSLCC) from its creation in 2002 until 2006, Madagascar's Integrity Safeguard Committee (CSI) was developed as Madagascar's anti-corruption system and since its renaming its mission has been to watch over the country's integrity system, particularly the judiciary, and the judicial police (CSI 2017). Its areas of concern include human rights protection, promotion of the rule of law and anti-corruption (Wickerberg 2014). The committee is composed of seven members and its president is nominated by the President of the Republic (Wickerberg 2014). It plays a supportive role for BIANCO, which continues to take the lead on anti-corruption in the country (CSI 2017). It runs programmes on military ethics, integrity, local governance, good governance, electoral governance and natural resource governance (CSI 2017).

Service des Renseignements Financiers (SAMIFIN)

Madagascar also created a Financial Intelligence Unit (SAMIFIN) in mid-2008 to carry out research and financial analysis related to money laundering (Baum et al 2017). This national body is in charge of the fight against money laundering, corruption and the financing of terrorism. In terms of results, SAMIFIN has not yet made convincing strides (Linfo 2017).

Pôles anti-corruption (PAC)

It is an institution, within the criminal justice system specializing in areas of corruption, as well as the economic and financial offenses (Doris 2018). Scheduled to be set up in a few weeks, PAC will replace the Anti-Corruption Criminal Chain (CPAC), which had only managed to attain three convictions out of 115 suspicious transactions reports in 2016 (Linfo 2018). The PAC will be responsible for prosecuting, investigating and adjudicating corruption and related offenses as well as money laundering, as provided for in the international instruments ratified by Madagascar and the national legislation in force (Doris 2018).

La Direction Générale de L'Audit Interne

As one of Madagascar's audit institutions, the General internal audit directorate, under the supervision of the Ministry of Finance, is required to play a role in the fight against corruption via its control of the quality of public service, of the use of public finances and its audit missions. Observers note that the administration is understaffed and audits are rarely conducted (Wickerberg 2014).

Other stakeholders

Environmental donors

Due to global climate change, water levels are rising each year and weather patterns are becoming more unusual and extreme, making Madagascar one of the countries most exposed to cyclones in Africa (Ghoury 2016). In the past 20 years, Madagascar has been struck by 35 cyclones, 8 floods and 5 periods of severe droughts (a three-fold increase since the 1980's), causing \$1 billion in damages and affecting food security, drinking water supply and irrigation, public health systems, environmental management and

quality of life (USAID 2016). Climate change is expected to bring stronger cyclones and further droughts, which will have a dramatic impact on food security and infrastructure in the country (Ghourri 2016).

A Climate Change Risk Report for Madagascar by the U.S. Agency for Foreign Aid (USAID) in 2016 highlighted the various impacts of climate change for the island country including increased temperatures, reduction of key water resources and increased risk of diseases.

In such a scenario, initiatives to mitigate the effect of climate change becomes imperative for the island country. Various donors and international climate funds operate in Madagascar on climate change adaptation and mitigation support. Transparency International conducts research to assess gaps in the governance of these funds and proposes workable solutions to make sure their decision-making and policies are clean and safe from loopholes (Transparency International). The international funds present in Madagascar are as follows:

- Global Climate Change Alliance (GCCA): established by the European Union (EU) in 2007 to strengthen dialogue and cooperation with developing countries, in particular least developed countries (LDCs) and small island developing States (SIDS) (GCCA 2018).
- Adaptation for Smallholder Agriculture Programme (ASAP): It is the world's largest climate change adaptation programme for smallholder farmers. It is a dedicated financing window that receives climate finance from multiple donors and blends this with core resources of the International Fund for Agricultural Development (IFAD). It aims at making bilateral climate finance work for smallholder farmers to cope with the impacts of a warming climate while at the same time reducing carbon emissions (United Nations Climate Change 2015).
- Adaptation Fund (AF): It was established under the Kyoto Protocol of the UN Framework Convention on Climate Change, and has committed US\$ 477 million in 76 countries since 2010 to climate adaptation

and resilience activities (Adaptation Fund 2018).

- Global Environment Facility (GEF): It is an international partnership of 183 countries, international institutions, civil society organizations and the private sector that addresses global environmental issues. It was formed on the eve of the 1992 Rio Summit (GEF 2018).
- Green Climate Fund (GCF): Its aim is to limit or reduce greenhouse gas emissions in developing countries, and to help adapt vulnerable societies to the unavoidable impacts of climate change (GCF 2018).
- Least Developed Countries Fund (LDCF): Established in 2001 by the United Nations Framework Convention on Climate Change (UNFCCC), and managed by the GEF, it supports the world's most vulnerable countries in their efforts to adapt to the effects of climate change (GEF 2018b).
- Forest Carbon Partnership Facility (FCPF): focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries (activities commonly referred to as REDD+) (FCPF 2018).
- Climate Investment Funds (CIF): It seeks to accelerate climate action by empowering transformations in clean technology, energy access, climate resilience, and sustainable forests in developing and middle-income countries (CIF 2018).

Media

The 2017 Press Freedom Status for Madagascar by Freedom House is listed as "Partly Free." Despite attempts by several members of the media to formally draft a code of ethics, no such code exists (Freedom House 2015b). Madagascar ranks 54th on the 2018 World Press Freedom Index, gaining three places from the 2017 rank (RSF 2018). However, Reporters Without Borders (RSF) cautions that journalists continue to face danger covering topics such as

exploitation of natural resources and environmental issues as reasons for the drop in ranking (RSF 2018).

In July 2016, a communication code was adopted by the parliament (Freedom House 2017a; Bertelsmann Stiftung 2018). This is viewed as a repressive law under which journalists will potentially face imprisonment (Bertelsmann Stiftung 2018). The law provides penalties of disproportionate fines for certain offenses committed in the press, including defamation. For example, article 23 of the code stipulates that defamation against a (foreign) state, a state body or the army is liable to receive a fine ranging from one million to six million Ariary or \$ 1,800; seven times the minimum wage (Bertelsmann Stiftung 2018). Article 30 introduces the highly questionable notion of “false news,” thus penalizing any potential journalistic mistake; however legitimate (Bertelsmann Stiftung 2018). There have been various demonstrations against this law without much success (Bertelsmann Stiftung 2018). A meeting between journalists and the president of the republic also failed to bear fruit (Bertelsmann Stiftung 2018). The various international organizations working in the field of media have made public their concerns about the code of communication (Bertelsmann Stiftung 2018).

Journalists, human rights defenders and environmental activists are frequently arrested and/or arbitrarily detained on trumped up charges (Freedom House 2015a; Bertelsmann Stiftung 2018). In 2017, an environmental human rights defender Raleva was arbitrarily detained and transferred days later to a prison in Mananjary. Raleva had been active in advocating for communities affected by a Chinese company mining gold in the Mananjary district, and he was arrested during a public meeting, organised by local authorities to announce the start of gold mining activities in Marokarima community, as he demanded that local authorities show the permit authorising such activities. Raleva is accused of using the title 'Head of District' during the public meeting (CIVICUS 2017a).

Radio journalist Fernand Cello was condemned to a suspended prison sentence of two years and a suspended fine of 720,000 Ariary (\$ 200) on the charges of stealing a cheque and forgery after four and a half months of pre-trial detention. Cello is known for

his investigative journalism into sensitive issues, and was detained and charged based on accusations from the owner of a local power company Cello had criticised on Radio Jupiter, the only independent radio station in Ihorombe province. Cello is still facing charges of defamation under the 2016 Code of Communication and “malicious allegations” and “verbal death threats” under the Criminal Code (CIVICUS 2017a).

Investigative NGOs

A host of investigative NGOs that campaign and report on the ongoing corruption and environmental issues. A few actively working in this sphere are as follows:

- Environmental Investigation Agency: It works to protect threatened wildlife, forests, and our global climate and in the Malagasy context routinely reports on rosewood trafficking, wildlife crimes, CITES updates and so on (EIA 2018).
- Global Witness: It is an international NGO working in the areas of natural resources, conflict and corruption (Global Witness 2018). It has conducted field investigations of illegal logging in Madagascar (Global Witness 2018).

Civil society

Civil society is rather weak in Madagascar (Bertelsmann Stiftung 2018). Although many associations and NGOs exist on paper and new organizations continue to be created, their actions are limited in terms of impact, especially in terms of playing a watchdog or advocacy role with regard to government institutions (Bertelsmann Stiftung 2018).

Among the factors that weaken civil society are politicisation; the lack of coordination or collaboration between different associations due to competition for limited resources; and a lack of social rooting on the part of organizations' leadership, which often act in their own interests instead of the general interest (Bertelsmann Stiftung 2018).

During the 2009 - 2013 political crisis, most bilateral and multilateral donors, such as the European Union (EU), GIZ, United Nations Development Programme (UNDP) and the Embassy of Norway, either halted environment and governance programs completely or modified programs to partner with CSOs or NGOs, as opposed to working with the “transition government” (USAID 2014). Only the World Bank Environmental Program Support Project and the FAO supported the government, though primarily indirectly (USAID 2014). In several cases, projects focused on food security, disaster response, and conservation. NGOs were affected by the decrease of funding and many were forced to decrease the scale of their programs or focus on specific geographies (USAID 2014).

Nevertheless, there are civil society organisations working on the ground to combat corruption in Madagascar. They are as follows:

- Transparency International – Initiative Madagascar (TI-IM): It has operated in Madagascar since 2002. Its areas of work include the production of studies and reports highlighting the mechanisms of corruptions, advocacy with the authorities for the implementation of reforms; targeted communications in the media to inform the public; collaboration with other actors of the civil society, state institutions, and the private sector (TI-IM 2018). It focuses on land, natural resources, transparency of public finances, and local Governance (TI-IM 2018). An example of the work being carried out by TI-IM is the anti-corruption legal advice centre set up in 2010 to provide free support to witnesses and victims of corruption (TI-IM 2018). The Centre works closely with municipal governments, and in one municipality, they have helped to hold to account a corrupt official who was supporting illegal logging practices¹¹ (Pring 2015).
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ): It has been working in Madagascar on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) since 1982. GIZ’s engagement in Madagascar currently focuses on conservation and sustainable use of natural resources, renewable energy, climate change resilience in agriculture, and decentralisation. An example of its work is the partnership with Symrise, Unilever and Save the Children, wherein GIZ is providing training for vanilla farmers to familiarise them with efficient growing methods and build their business skill (GIZ 2018).
- Alliance Voahary Gasy (AVG): It is a platform of 27 civil society member organizations working for the Malagasy environment. AVG aims to help establish the good governance of natural resources and to help ensure proper management of natural resources for sustainable development. The Alliance works in a number of fields including environmental justice and capacity building (Access Initiative 2018).
- Development and Environmental Law Centre (DELIC): It works on promoting community-based management of natural resources, legal literacy, community advocacy, and the adaptation of laws to climate change (Access Initiative 2018).
- Plateforme de Sociétés Civiles FAMARI Atsimo Andrefana: It works to help establish a basic structure in districts and municipalities for the management and governance of natural resources at the local level (Access Initiative 2018).
- Service d’Appui a la Gestion de l’Environnement (SAGE): It is an association that actively contributes to local development by focusing on the management of natural resources (Access Initiative 2018).

¹¹

In this case a local committee initially used official reporting mechanisms to inform a forest ranger and the police that trees were being felled in the area to make charcoal without the proper permits – a practice that had cause a local spring to dry up, leaving five local villages without their main source of drinking water.

However, the charcoal that was seized as evidence for the case disappeared. The committee then turned to the anti-corruption legal advice centre, which helped support them in filing a complaint with the ministry of forestry. The forest ranger was dismissed as a result.

4. REFERENCES

- Access Initiative. (2018). *Members in Madagascar*. <https://accessinitiative.org/network/country/madagascar/members>
- Adaptation Fund. (2018). *About*. <https://www.adaptation-fund.org/about/>
- Ali, A. (2018). *Two Madagascar men fly in with Rs 2 crore gold, held*. The Times of India. <https://timesofindia.indiatimes.com/city/mumbai/two-madagascar-men-fly-in-with-rs-2-crore-gold-held/articleshow/64534630.cms>
- Amnesty International. (2018). *Madagascar 2017/2018*. <https://www.amnesty.org/en/countries/africa/madagascar/report-madagascar/>
- Arson, H. (2017). *Analyse de La Corruption Dans | Le Secteur Minier Artisanal À Madagascar: Filière or et saphir*. Transparency International - Initiative Madagascar. https://transparency.mg/assets/uploads/page_content_document/OR_SAPHIR.pdf
- Association IRESA (Initiative pour la Recherche Economique et Sociale en Afrique). (2012). *Madagascar: The New Eldorado for Mining and Oil Companies*. <http://www.amisdelaterre.org/IMG/pdf/madagascareldoradooilmining-foefrance.pdf>
- Bailey, N. and Tobiasson, A. (2017). *Combating Illegal Exploitation of Natural Resources in Madagascar: Assessment of "Preserving Madagascar's Natural Resources" (Oct 2013 - Sep 2016)*. US Agency for International Development (USAID). https://www.usaid.gov/sites/default/files/documents/1860/Madagascar_SCAPES_Assessment_Report_-_final.pdf
- Baum, A., Engstrom, L., Esquivel Soto, Y., Eugster, J., Imam, P. and Oestreicher, G. (2017). *Republic of Madagascar: Selected Issues*. International Monetary Fund (IMF). <https://www.imf.org/~media/Files/Publications/CR/2017/cr17224.ashx>
- BBC News. (2018). *Madagascar country profile*. <https://www.bbc.com/news/world-africa-13861843>
- Bertelsmann Stiftung. (2016). *BTI 2016 — Madagascar Country Report*. https://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI_2016_Madagascar.pdf
- Bertelsmann Stiftung. (2018). *BTI 2018 — Madagascar Country Report*. http://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2018/pdf/BTI_2018_Madagascar.pdf
- Carver, E. (2017a). *Another blow to troubled Madagascar rare earth mine*. Mongabay Series: Conservation in Madagascar. <https://news.mongabay.com/2017/11/another-blow-to-troubled-madagascar-rare-earth-mine/>
- Carver, E. (2017b). *Troubled firm aims to mine Madagascar forest for rare earth elements*. Mongabay Environmental News. <https://news.mongabay.com/2017/08/troubled-firm-aims-to-mine-madagascar-forest-for-rare-earth-elements/>
- Chinhuru, W. (2015). *Madagascar fisheries ravaged by foreign plunder*. Equal Times. <https://www.equaltimes.org/madagascar-fisheries-ravaged-by?lang=en#.Wx9nvUiFPIU>
- CIVICUS. (2017a). *Madagascar: "Almost if not all environmentalists are under threat" - CIVICUS - Tracking conditions for citizen action*. <https://monitor.civicus.org/newsfeed/2017/10/13/madagascar-almost-all-environmentalists-under-threat/>
- CIVICUS. (2017b). *Madagascar - Overview*. <https://monitor.civicus.org/newsfeed/2017/01/01/madagascar-overview/>
- Climate Investment Funds (CIF). (2018). *About*. <https://www.climateinvestmentfunds.org/>
- Comité pour la Sauvegarde de l'Intégrité (CSI). (2018). *Comité pour la Sauvegarde de l'Intégrité - Madagascar*. <http://www.csi.gov.mg>
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). (2018). *Madagascar*. <https://www.giz.de/en/worldwide/322.html>
- Doris (2018). *Justice: le pôle anti-corruption bientôt fonctionnel*. La Gazette de la Grande Ile. <http://www.lagazette-madagascar.com/2018/03/06/justice-pole-anti-corruption-bientot-fonctionnel/>
- Environmental Justice Atlas. (2015). *Masoala rosewood illegal logging, Madagascar*.

<https://ejatlas.org/conflict/masoala-rosewood-illegal-logging-madagascar>

Environmental Investigation Agency (EIA). (2018). *EIA Global*.
<https://eia-global.org/about>

Extractive Industries Transparency Initiative (EITI). (2018). *Madagascar*.
<https://eiti.org/madagascar#natural-resources->

Filou, E. (2016). *A million artisanal gold miners in Madagascar wait to come out of the shadows*. The Guardian.
<https://www.theguardian.com/sustainable-business/2016/nov/15/gold-rush-madagascars-artisanal-miners-could-benefit-from-global-downturn>

Forest Carbon Partnership Facility (FCPF). (2018). *About FCPF*.
<https://www.forestcarbonpartnership.org/about-fcpf-0>

France 24. (2018). *Poverty, corruption central themes in Madagascar's presidential election*.
<https://www.france24.com/en/20181107-madagascar-poverty-corruption-central-themes-presidential-election>

Fraser Institute. (2012). *Artisanal and Small Scale Mining (ASM)*.
<http://www.miningfacts.org/communities/what-is-artisanal-and-small-scale-mining/>

Freedom House. (2015a). *Freedom in the World: Madagascar*.
<https://freedomhouse.org/report/freedom-world/2015/madagascar>

Freedom House. (2015b). *Freedom of the Press: Madagascar*.
<https://freedomhouse.org/report/freedom-press/2015/madagascar>

Freedom House. (2016). *Freedom in the World Madagascar*.
<https://freedomhouse.org/report/freedom-world/2016/madagascar>

Freedom House. (2017a). *Freedom in the World Madagascar*.
<https://freedomhouse.org/report/freedom-world/2017/madagascar>

Freedom House. (2017b). *Freedom of the Press: Madagascar*.
<https://freedomhouse.org/report/freedom-press/2017/madagascar>

Frynas, J., Wood, G. and Hinks, T. (2017). *The resource curse without natural resources: Expectations of resource booms and their impact*. African Affairs, Volume 116, Issue 463.
<https://academic.oup.com/afraf/article/116/463/233/2968106>

Ghuri, N. (2016). *Climate change plagues Madagascar's poor: 'The water rose so fast'*. The Guardian.
<https://www.theguardian.com/global-development/2016/jul/07/madagascar-climate-change-plagues-poor-the-water-rose-so-fast>

Global Climate Change Alliance+ (GCCA). (2018). *What is the GCCA/GCCA+?*
<http://www.gcca.eu/about-the-gcca/what-is-the-gcca>

Global Environment Facility (GEF). (2018a). *About Us*.
<https://www.thegef.org/about-us>

Global Environment Facility (GEF). (2018b). *Least Developed Countries Fund - LDCF*.
<https://www.thegef.org/topics/least-developed-countries-fund-ldcf>

Green Climate Fund (GCF). (2018). *What is GCF?*
<https://www.greenclimate.fund/home>

Global Witness. (2009). *Illegal Malagasy timber trade worth up to \$460,000 a day*.
<https://www.globalwitness.org/en/archive/illegal-malagasy-timber-trade-worth-460000-day/>

Global Witness. (2018). *About us*.
<https://www.globalwitness.org/>

The Guardian. (2017). *'Sapphire rush' threatens rainforests of Madagascar*.
<https://www.theguardian.com/world/2017/apr/02/sapphire-rush-threatens-rainforests-of-madagascar>

Hansen, J. and Lind, P. (2016). *Vaniljens skjulte pris – bundløs gæld og børnearbejde*. Danwatch.
<https://old.danwatch.dk/undersogelse/vaniljens-skjulte-pris-bundloes-gaed-og-boernearbejde/>

Hatcher, J. (2013). *The White Stuff: Mining Giant Rio Tinto Unearths Unrest in Madagascar*. Time.
<http://world.time.com/2013/02/08/the-white-stuff-mining-giant-rio-tinto-unearths-unrest-in-madagascar/>

Hentschel, T., Hruschka, F. and Priester, M. (2002). *Global Report on Artisanal & Small-Scale Mining*. International Institute for Environment and Development.
<http://www.ddiglobal.org/login/resources/g00723.pdf>

Heritage Foundation. (2018). *Madagascar Economy*.
<https://www.heritage.org/index/country/madagascar>

Heyman, T. (2016). *Walking the tightrope: Madagascar balances mining and the environment - Mining Technology*. Mining Technology.
<https://www.mining-technology.com/features/featurewalking-the-tightrope-madagascar-balances-mining-and-the-environment-4894423/>

International Money Laundering Information Network (IMOLIN). (2018). *Law no. 2004 - 020*.
https://www.imolin.org/imolin/amlid/data/mag/document/law_no._2004_-_020_on_laundering_detection_confiscation_and_international_cooperation_concerning_the_proceeds_of_crime.html

International Trade Administration (ITA). (2016). *Madagascar - Corruption*.
<https://www.export.gov/article?id=Madagascar-corruption>

Investopedia. (2018). *Hawala*.
<https://www.investopedia.com/terms/h/hawala.asp>

Kessler, R. (2018). *Local fishers oppose \$2.7 billion deal opening Madagascar to Chinese fishing*. Mongabay Environmental News.
<https://news.mongabay.com/2018/11/local-fishers-oppose-2-7-billion-deal-opening-madagascar-to-chinese-fishing/>

KnowYourCountry. (2017). *Madagascar*.
<https://www.knowyourcountry.com/madagacar1111>

Lind, P. (2017). *The bitter taste of Madagascar vanilla*. Aljazeera News.
<https://www.aljazeera.com/indepth/features/2017/01/bitter-taste-madagascar-vanilla-170131073036652.html>

Linfo. (2018). *Madagascar: le Samifin note des obstacles dans la lutte contre le blanchiment*.
<http://www.linfo.re/ocean-indien/madagascar/724745-madagascar-le-samifin-note-des-obstacles-dans-la-lutte-contre-le-blanchiment>

Millennium Ecosystem Assessment. (2005).
<http://www.millenniumassessment.org/documents/document.767.aspx.pdf>

Mo Ibrahim Foundation. (2017). *2017 Ibrahim Index of Freedom*.
http://s.mo.ibrahim.foundation/u/2017/11/21165610/2017-IIAG-Report.pdf?_ga=2.132825998.1087748630.1511455454-546442040.1511455454#page=15

New Zealand Government. (2018). *About the Paris Agreement | Ministry for the Environment*.
<http://www.mfe.govt.nz/climate-change/why-climate-change-matters/global-response/paris-agreement>

Organisation for Economic Co-operation and Development (OECD). (2016). *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.
<http://www.oecd.org/corporate/mne/mining.htm>

Osborne, T., Belghith, N., Bi, C., Thiebaud, A., McBride, L. and Jodlowski, M. (2016). *Shifting fortunes and enduring poverty in Madagascar: recent findings*.
<http://documents.worldbank.org/curated/en/413071489776943644/Shifting-fortunes-and-enduring-poverty-in-Madagascar-recent-findings>

Padhy, S. (2017). *Graphite in Africa: Madagascar, Mozambique, Namibia and Tanzania*. Investing News Network.
<https://investingnews.com/daily/resource-investing/critical-metals-investing/graphite-investing/graphite-africa-madagascar-mozambique-namibia-tanzania-energizer/>

Perkins, R. (2016). *A 'sapphire rush' has sent at least 45,000 miners into Madagascar's protected rainforests*. The Conversation.
<http://theconversation.com/a-sapphire-rush-has-sent-at-least-45-000-miners-into-madagascars-protected-rainforests-69164>

Political Geography. (2018). *Rosewood democracy in the political forests of Madagascar*.
<https://www.sciencedirect.com/science/article/pii/S0962629816301755>

Pring, C. (2015). *Global Corruption Barometer - People and corruption: Africa survey 2015*. Transparency International and Afrobarometer.
https://www.transparency.org/whatwedo/publication/people_and_corruption_africa_survey_2015

Ramamonjisoa, B. (2016). *Madagascar's Mismanaged Environment*. World Policy.
<https://worldpolicy.org/2016/04/05/madagascars-mismanaged-environment/>

Reporters Without Borders (RSF). (2018). *Madagascar*.
<https://rsf.org/en/madagascar>

Standing, A. (2018). *Madagascar agrees to a 10 year fisheries agreement with Chinese consortium*. CFFA-CAPE.

<https://cape-cffa.squarespace.com/new-blog/2018/9/22/madagascar-gives-10-year-fisheries-agreement-to-chinese-consortium>

TechTarget. (2013). *What is Kyoto Protocol?*
<https://whatis.techtarget.com/definition/Kyoto-Protocol>

Use the first letter of the organisation for alpha ordering not THE

TRACE International. (2017). *TRACE Bribery Risk Matrix*.
<https://www.traceinternational.org/trace-matrix#180>

Transparency International. (2018). *Madagascar*.
<https://www.transparency.org/country/MDG>

Transparency International. (2018). *Women, Land, and Corruption Resources for Practitioners and Policy-Makers*.

Transparency International - Initiative Madagascar (TI-IM). (2018). *NOS ACTIVITES*.
<https://transparency.mg/nos-activites>

Transparency International (2018). *Clean Finance for a Clean Planet* (webpage)
https://www.transparency.org/whatwedo/activity/clean_finance_for_a_clean_planet

U.S. Department of State (2013). *Madagascar 2013 Human Rights Report*.
<https://www.state.gov/documents/organization/220342.pdf>

U.S. Department of State. (2017). *Madagascar 2017 Human Rights Report*.
<https://www.state.gov/documents/organization/277261.pdf>

United Nations Climate Change. (2015). *Small Farms, Big Impacts: Adaptation for Smallholder Agriculture Programme (ASAP) | UNFCCC*.
<https://unfccc.int/news/small-farms-big-impacts-adaptation-for-smallholder-agriculture-programme>

UNDP, Ministry of Justice. (2014). *Évaluation de la lutte contre la corruption a Madagascar*.
http://www.mg.undp.org/content/dam/madagascar/docs/2012_gouvernance/ouvrages/PUB2014_Rapport%20Lutte%20Corruption-HIGH%20RES-1.pdf

U.S. Agency for International Development (USAID). (2014). *Madagascar Environmental Threats and Opportunities Assessment*.

U.S. Agency for International Development (USAID). (2016). *Climate Change Risk Profile Madagascar: Country Fact Sheet*.
https://www.climatelinks.org/sites/default/files/asset/document/2016%20CRM%20Factsheet%20Madagascar_use%20this.pdf

U.S. Agency for International Development (USAID). (2018a). *Combating Illegal Exploitation of Natural Resources in Madagascar*.
<https://www.usaid.gov/documents/1860/madagascar-scapes-assessment-report-french>

U.S. Agency for International Development (USAID). (2018b). *Environment and Climate Change - Madagascar*.
<https://www.usaid.gov/madagascar/environment>

U.S. Agency for International Development (USAID). (2018c). *Combating Wildlife Trafficking | Madagascar*.
<https://www.usaid.gov/madagascar/environment/wildlifetrafficking>

Wickberg, S. (2014). *Overview of corruption and anti-corruption in Madagascar*. Transparency International.
<https://knowledgehub.transparency.org/helpdesk/overview-of-corruption-and-anti-corruption-in-madagascar>

Wildmadagascar. (2012). *Threats to Madagascar's Environment*.
<http://www.wildmadagascar.org/conservation/threats.html>

World Bank. (2010). *Madagascar Governance and Development Effectiveness Review A Political Economy Analysis of Governance in Madagascar*.
http://siteresources.worldbank.org/INTMADAGASCARINFRENCH/Resources/ESW_Gouvernance.pdf

World Bank. (2017). *World Bank Launches Madagascar's Economic Update*.
<https://www.worldbank.org/en/news/press-release/2017/11/23/world-bank-launches-madagascars-economic-update>

World Bank. (2018a). *Worldwide Governance Indicators*.
<http://databank.worldbank.org/data/reports.aspx?source=Worldwide-Governance-Indicators>

World Bank. (2018b). *Doing Business in Madagascar - World Bank Group*.
<http://www.doingbusiness.org/data/exploreeconomies/madagascar>

World Bank. (2018c). *Madagascar: Overview*.
<http://www.worldbank.org/en/country/madagascar/overview>

“Anti-Corruption Helpdesk Answers provide practitioners around the world with rapid on-demand briefings on corruption. Drawing on publicly available information, the briefings present an overview of a particular issue and do not necessarily reflect Transparency International’s official position.”