U4 Helpdesk Answer

Overview of corruption and anti-corruption in Madagascar

Focus on the natural resources sector (especially rosewood, gold and wildlife)

Madagascar grapples with systemic corruption, a weak rule of law and porous borders with an abundance of natural resources, which has in turn given rise to various organised criminal networks dealing in illicit trade. The ongoing COVID crisis has only exacerbated environmental crime. While substantial research has been done on rosewood and tortoise trafficking, an understanding of the illicit gold sector is required. Trafficking routes for wildlife and precious stones or cannabis seems to be same, but it is yet to be determined if there are overlaps in crime networks.

Caveat: it ought to be noted that a screening of the public domain and conversations with anti-corruption activists reveals that there is a gap in the in-depth understanding of the actors, networks and corruption risks in the illegal gold mining and smuggling sector.

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Query

Please give an update of the Helpdesk Answer on Madagascar and provide an overview of the natural resources sector, the forms of corruption as they relate to the natural resources sector, the corruption risks, actors involved and the mechanisms used in the trafficking of three specific natural resources: rosewood, gold and wildlife.

Contents

MAIN POINTS

- Systemic corruption, weak rule of law and porous borders with an abundance of natural resources has given rise to various organised criminal networks dealing in illicit trade.
- Rosewood is the primary resource being illegally logged and smuggled out of the country, mainly to China. Actors in the trade have strong patronage networks with the political elite, and some rosewood timber barons are politicians.
- While there are several cases of gold smuggling that have come to light, there is a need for further research for an in-depth understanding of the various actors and networks involved.
- Wildlife trafficking is rampant with several species, including tortoises and lemurs being smuggled out of the country via land and sea.
- Harassment of those raising voices against corruption and environmental crime is on the rise.

Background

Political instability, government corruption and a lack of accountability have persisted since the previous overview of Madagascar (Freedom House 2020). That previous Helpdesk Answer on corruption and anti-corruption in Madagascar from 2019 can be found here.

The COVID-19 pandemic has sparked a strong recession in Madagascar, impeding years of progress towards poverty reduction and increasing poverty disproportionately among urban populations (World Bank 2020). The combined impact of global trade disruptions and domestic containment measures is estimated to have resulted in a GDP contraction of 4.2 per cent in 2020, similar to that observed during the devastating 2009 political crisis (World Bank 2020). Vulnerable populations, particularly those living in urban areas, were the most affected by job

losses in key manufacturing service sectors and the loss of income caused by the sudden contraction in activity. One report also notes that rural households were affected, but resilient agricultural productivity helped reduce the impact (Stocker et al. 2020).

Straddling the nexus of COVID-19 and corruption in the country was the case wherein the Minister of the Interior used development aid for COVID-19 recovery to purchase supplies from the company where his wife is a director (Transparency International 2020b).

While natural resources have been primary targets of corruption and trafficking on the island, environmental crimes have only intensified in Madagascar since the adoption of containment measures to limit the spread of COVID-19 (Rahman 2019; Ngounou 2020). For example, social and economic impacts of containment measures to limit the community-level spread of the pandemic have led rural populations[1] to turn to protected areas as a means of subsistence. Moreover, as noted by the Minister of the Environment and Sustainable Development, the situation has also provided temptation for traffickers to clear stocks of precious wood that they had hitherto hidden (Ngounou 2020).

The country scores 25/100 and ranks 149/180 in Transparency International's Corruption Perceptions Index (CPI) 2020. Freedom House (2020) on the other hand lists Madagascar as "partly free" with a score of 61/100. According to the Worldwide Governance Indicators, the control of corruption percentile ranks for the island were 14.9 and 15.9 for 2018 and 2019 respectively (World Bank 2019).

Rosewood and precious stone trafficking, smuggling of rare and protected species, corruption among customs and tax officials, the rigging of public procurement markets, drug smuggling, and kidnapping are some of the symptoms of generalised corruption. Due to weak institutions, activities such as money laundering through real estate purchases and trafficking in, for example, precious stones are proliferating and cannot easily be punished through the legal system. At the same time, a lack of information (an inadequate property registry, for example), imperfect tax and bank records, and limited international cooperation are obstructing the use of domestic and foreign information to tackle financial crime (Baum et al. 2017).

Forms of corruption in the natural resources sector

Trafficking of natural resources, public officials and bribery

According to a statement made by USAID mission director in the country, "Wildlife and timber trafficking are multi-billion dollar transnational criminal enterprises that rob Madagascar of its unique biodiversity and the Malagasy people of a sustainable future" (US Embassy in Madagascar 2021). Madagascar's weak central government and long and inadequately monitored coastline makes it vulnerable to all sorts of trafficking (Rahman 2019).

[1] The rural population is estimated to be 80.5 per cent of the total population in the country (Orange Madagascar 2019).

There continues to be widespread impunity for officeholders who break the law, especially with regard to the trafficking of natural resources. This is particularly the case for some members of political institutions – such as members of parliament – who, despite their involvement in trafficking, are not prosecuted. (Bertelsmann Stiftung 2020).

Trafficking is made possible through high levels of corruption (grand as well as petty corruption) in the country (Rahman 2019). 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 lives of the population (Baum et al. 2017).

Political corruption and patronage

Political corruption is both common and rarely prosecuted (Bertelsmann Stiftung 2020). Madagascar's anti-corruption agency (BIANCO) alleges that several legislators adopted an electoral reform package benefiting former president Hery Rajaonarimampianina in return for bribes in 2018 (Freedom House 2020). BIANCO gave federal prosecutors the names of 79 members of the National Assembly (over half of the total number of members) who are accused of being involved in the corruption scandal[2] (Trilling 2019).

Even at the highest level, presidents have consistently maintained significant informal networks of power (with the economic, religious and military elite). Such a move is often seen as a necessary condition for maintaining formal power as these groups have the potential to undermine democratically elected representatives (Bertelsmann Stiftung 2020).

A part of the private sector has close ties with those that hold political power, which facilitates consensus but sometimes distorts the situation (Bertelsmann Stiftung 2020). How patronage works is that economic networks struggle for power via strategic support of political candidates. In turn, a narrow group of political elites maintain their status by supporting the interests of their private sector patrons. As a result, lines between public and private expenditures are blurry and democratic accountability is reduced (Freedom House 2020).

Political corruption in the natural resources sector is prevalent. For example, many timber barons who run the trafficking trade are allegedly politicians or have close ties to government figures (Ong and Carver 2019). Malagasy political elites were able to control well-developed networks and capture resource rents (Frynas et al. 2017).

While corruption was thought to be pervasive at all levels of government, the current administration, however, has focused greater attention on countering corruption, leading to multiple convictions (US Department of State 2019). For example, Claudine Razaimamonjy[3], an unofficial

[2] The accused legislators took 50 million ariary (USD$14,000) to vote for the amendments during a secret meeting outside the country's capital (OCCRP 2019).
[3] It ought to be noted that Claudine Razaimamonjy was arrested when previous President Rajaonarimampianina was still in power. Razaimamonjy was arrested and investigated by BIANCO under the former regime, and her conviction is therefore the result of years of administrative/legal work.

advisor to the previous president, was imprisoned for seven years with hard labour and was required to pay a fine of 100 million ariary (US$27,000) for public fund embezzlement (US Department of State 2019). Nevertheless, anti-corruption experts are wary of the gap between words and actions when it comes to the governmental agenda of countering corruption. The speculation is that political motivations are guiding the anti-corruption campaign as the targets seem to be political opponents of the current regime (TI-MG 2020).

However, conscious exclusion of civil society in governance agenda setting and policy formulation and evaluation is cited as one potential cause of the continued lack of accountability and corruption at the political level (Bertelsmann Stiftung 2020).

State capture

An article from Political Geography (2017), published by an anonymous author for their protection, posits the emergence of a rosewood elite that has, since the 2009 coup, enriched themselves with illegal logging and trafficking in the country's north-eastern protected areas. Such activities have made multimillionaires of an elite few and profoundly reconfigured the country's geographies of power as such groups have supposedly leveraged their earnings to step into the national political arena and control the market to make even more illicit profit. These rosewood traders being voted into central offices in Madagascar's government could demonstrate how democratic institutions that are supposed to foster equality have been captured to sustain long-standing patterns of inequality (Anonymous 2017).

Focus areas

Rosewood

According to the United Nations Office on Drugs and Crime (UNODC), rosewood is the most trafficked form of flora and fauna in the world, measured by value or volume (Guo 2019). It is traded far more than elephant ivory, rhino horn and pangolin scales put together, and is often called the "ivory of the forest" (Ong and Carver 2019).

Illicit rosewood logging triggers problems that go beyond the removal of rare tree species. In the Malagasy context, which has "more genetic information per surface unit" than any other country in the world, tall rosewood trees serve as key nesting areas for endemic animals such as ruffed lemurs and, according to a 2018 study in the American Journal of Primatology, logging has "devastating consequences" on the indigenous species (Vasey et al. 2018).

Despite logging rosewood being banned in Madagascar, it remains a big business. The last set of reliable figures from 2013 estimate that between US$250 and US$300 million in exotic timber, mostly rosewood, was illegally exported from the island that year (Sharife and Maintikely 2018). The main target area for illegal rosewood logging and trafficking is the north-eastern Sava region where a number of the rosewood barons mentioned earlier control the trade (Anonymous 2017; Sharife and Maintikely 2018; Ong and Carver 2019).

Organised Crime and Corruption Reporting Project (OCCRP) conducted an undercover investigation to understand the corrupt practices involved in the illicit rosewood logging business (Sharife and Maintikely 2018). Through information gained

from secret government documents, speaking to locals and so-called rosewood barons, reporters unearthed that the illicit trade is protected by powerful insiders with close ties to government officials and political players (Sharife and Maintikely 2018).

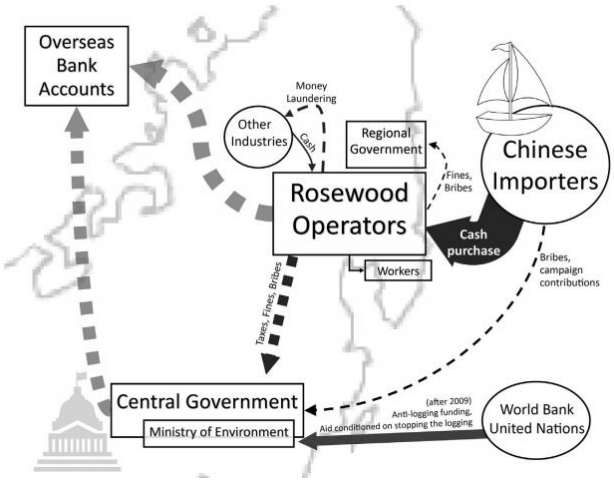

Figure 1: Map of financial flows and key players in the rosewood trade. Arrows approximate relative size and direction of financial flow. Dotted lines represent transactions of questionable legal status. Circles represent sources and squares represent sinks (Anonymous 2017).

There are several actors involved in the chain – from loggers, transporters, middlemen and agents acting as suppliers and negotiators to professional enablers such as lawyers, brokers, investors and accountants, legitimate traders and exporters, corrupt public officials including police, army, customs officers and regional leaders, as well as the rosewood barons (Anonymous 2017; Sharife and Maintikely 2018; Ong and Carver 2019). Rosewood barons often own their own shipping companies, with some even having links to top politicians (some allegedly have connections up to the office of the president) (Sharife and Maintikely 2018).

To get rosewood off the island, it is brought to coastal villages and transported via small boats to supply larger vessels in the open seas – with ships not having to enter official ports, the entire procedure on declaring freight items is averted (Anonymous 2017). Illegal rosewood is often disguised as and mixed with legal vanilla, with most rosewood traffickers also trading vanilla as a commodity (Sharife and Maintikely 2018). Thus, segregating rents generated from trafficked rosewood from profits generated from legitimate vanilla export proceeds of those involved acts as a significant challenge for investigating agencies (Sharife and Maintikely 2018).

While the final destination for trafficking is usually China, it is rarely mentioned as such on official records with the cargo being shipped through other destinations. The destinations of choice for most vessels carrying illicit rosewood are officially Mauritius, which being a tax haven does not require disclosure on the re-distribution of imported items, or Mombasa in Kenya (Sharife and Maintikely 2018).

However, since such ports are well patrolled, "friendly local networks" are leveraged to protect the illicit cargo from detection. Other transit points include small islands or "dark ports" in the Indian ocean such as Réunion, Mayotte and Comoros, where the trafficked rosewood can more easily be moved to other vessels and its country-of-origin disguised (Sharife and Maintikely 2018).

After changing ships, the rosewood is transported to various destinations in East Asia before reaching China. Some of these countries, such as Hong Kong and Singapore, are secretive tax havens. Others, like Myanmar, Laos and Vietnam, are renowned for their lax policing of maritime trade (Sharife and Maintikely 2018; Ong and Carver 2019).

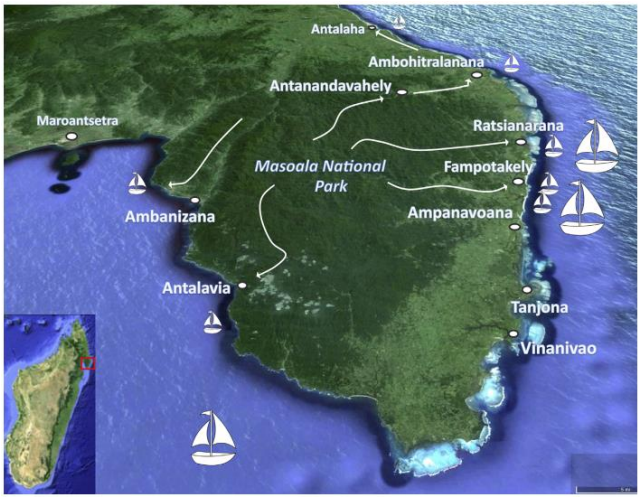

Figure 2: Map of the flow of logs from Masoala National Park. Rosewood logs travel from the park's interior to the villages and coastal boats for overseas shipment (Anonymous 2017).

The rosewood trade has been banned in Madagascar for decades, but the government has issued brief exemptions, most notably during two periods in 2009. This muddied the legal waters for years after the fact, allowing traffickers to claim their rosewood was harvested during an exemption period and therefore legal. In 2013, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) listed all types of Madagascar rosewood as Appendix II, prohibiting their trade except in the rare cases in which a local CITES authority has issued sustainability permits (Ong and Carver 2019). Later in 2017, CITES listed all the world's Dalbergia[4] species, as well as other rosewoods, under Appendix II, banning their trade (Ong and Carver 2019).

In 2018, to pay for conservation efforts, the government came up with a business plan which it laid before CITES to export rosewood that fell naturally as "acts of God" during a storm of 2013 (Sharife and Maintikely 2018). However, CITES partners such as the US asked how the government intended to distinguish between logged rosewood from those that fell naturally[5] (Sharife and Maintikely 2018). CITES ultimately rejected the plan (Carver 2018).

Apart from the supply side of rosewood corruption, the demand side in China also ought to be understood. A timber dealer based in Zhangjiagang, a hub in the rosewood business with shipments from Africa coming up the Yangtze, says that the trade environment is "dirty" with business without corruption being next to impossible (Ong and Carver 2019). The dealer admits that while traders know that most of the logs are illegally felled, when logs enter China with the "right" documents, they become legal (Ong and Carver 2019). Moreover, Chinese officials charged with inspecting large-scale rosewood warehouses are taken care of by "slipping money into the pockets" or "arranging women for them" (Ong and Carver 2019).

The current Malagasy president, Andry Rajoelina, led the country from 2009 until 2013 — the most intensive period of rosewood logging in the country's history. He is thought to be close to the

[4] Rosewood refers to the darkest and most uniformly coloured hardwoods in the genera Dalbergia and Pterocarpus, among others. Dalbergia from Madagascar and Asia-Pacific are generally darker and more valuable than the Pterocarpus of West Africa (Ong and Carver 2019).

[5] OCCRP undercover reporters learned that, a few weeks before the meeting, the government's inter-ministerial coordination body spent US$250,000 to do an audit of some 300,000 stockpiled logs. This was the wood they had hoped to convince CITES to allow them to sell. However, according to a confidential government document, just 10 of the 101 recognised stockpile owners allowed inspectors onto their premises. Owners are known to guard their valuable logs, paying private security guards — or sometimes state police — some US$80 to US$100 a month to watch over the wood. The reporters note that the majority of these stockpiled logs remain outside the control of the government (Sharife and Maintikely 2018).

timber barons, and environmental conservationists fear that another major rush to the rainforests could commence (Ong and Carver 2019). Under Rajoelina's earlier rule, rosewood trading was so pervasive that "a large, unexplained stash of rosewoods logs … at the presidential palace" was found (Sharife and Maintikely 2018; European Parliament 2017).

Activists countering timber trafficking have faced repeated harassment from traffickers and government officials alike (Sharife and Maintikely 2018; Ong and Carver 2019). Environmental activists say they face bribes and threats from traffickers on one side, and jail time and fines from the government on the other (Carver 2017). TI-MG and Voahary Gasy Alliance (AVG) state that if "journalists have been able to infiltrate an existing mafia network and identify specific details of its modus operandi, the government could have done likewise, if it had the political will to do so" (Transparency International 2018).

The global network of illicit rosewood trade has a large human cost as well. A report examining the illicit logging industry in Madagascar, for example, estimated that three out of every 10 loggers in the industry die in workplace related accidents. A local Malagasy politician confirmed to ENACT[6] researchers that high mortality rates at logging sites have become a major issue. The illicit logging sector is rife with child labour, and sexual exploitation[7]. While the environmental and economic impacts of the illicit timber trade have been widely discussed, what also needs to be taken into consideration is human impact in terms of the degradation of human rights, quality of living and prospects for communities living and working in and around illegal logging sites (Reitano and Randrianarisoa 2018).

Gold

Gold mining in Madagascar exists essentially in the form of gold panning which is the extraction of gold deposits by artisanal processes. The main sites are in Betsiaka, Dabolava, Antanimbary-Maevatanana, Ambatolampy and Mananjary (Rahman 2019). Exploitation of gold in the Malagasy context is mostly illegal. Illegal, and thus by extension, unregulated, gold mining is not only embroiled in corrupt practices but it has massive environmental impacts as well (Rahman 2019). For example, forest loss due to mining is a recent and growing trend, and one wetland forest in Madagascar's main national park is on the verge of being wiped out (Gerety 2019).

In Madagascar, gold extraction is carried out by gold panners and gold permittees; marketing is carried out by collectors and jewellers; melting is attributed to the approved jewellers. The National Gold Industry Agency (ANOR) has tried to regulate this sector via the issuance of licences; however, small-scale and artisanal gold mining appears to be controlled by a network of powerful traders who are allegedly involved in smuggling, resulting in a significant loss of income to the state (Rahman 2019; IHARIANTSOA 2021).

While informal gold production remains a challenge to trace, in 2018, ANOR recorded 3,051.7 kg of gold being officially exported, for a total value of US$97,655,001.28 (EITI Madagascar 2019;

[6] Enhancing Africa's response to transnational organised crime – a European Union funded project

[7] Under-age girls from as far away as Nigeria are often forcibly trafficked to logging sites in these regions for sexual exploitation.

IHARIANTSOA 2021). The main destinations for Malagasy gold are Dubai, Hong Kong and Singapore (Rahman 2019; IHARIANTSOA 2021).

A governance and development effectiveness review conducted by the World Bank in 2010 lists the "gold value chain":

Table 1

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 sales, they can save their gold and skip one intermediary by selling directly on the weekly market.
Epiciere (small grocery store owners)	A local *epiciere* weighs the gold, stores it and sells it every week to collectors on the market.
Collector	(Often local) collectors buy gold from "épicerie" 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 (limited visibility)	Most super-collectors are not local but come from the capital or a larger town. 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.

Source: World Bank (2010).

Over the past five years, an increase in the illicit export of gold has been observed in Madagascar (IHARIANTSOA 2021). Among the most recent cases are the seizure of 25 kg of gold from Madagascar in Mauritius in October 2020, the attempted smuggling of 15 kg of gold to Dubai intercepted at Ivato airport in November 2020 and the seizure of 73.5kg of gold illegally exported from Madagascar to Johannesburg on 31 December 2020 (Linfo 2021; Freedom 2020).

Admittedly, since 2019, the Malagasy government has repeatedly declared their intent to clean up the gold industry through the application of sanctions against traffickers; nevertheless, such examples show that considerable quantities of gold continue to leave the country. Moreover, it must be noted that gold trafficking cases are often dismissed without trial (IHARIANTSOA 2021).

With respect to the recent case involving the smuggling of 73.5 kgs of gold, the Rajoelina government has come on the radar because the plane that flew the smugglers to Johannesburg is frequently used by the finance ministry (Africa Intelligence 2021).

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 significant state capture (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). To evade domestic revenue taxes and to transform gold into hard currency in Madagascar, 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).

Results extracted from the TI-MG's report on the analysis of corruption in the artisanal mining in Madagascar of gold and sapphire and published in 2017 lists certain risks of corruption in the gold sector in the country (RANDRIAARSON 2017; IHARIANTSOA 2021):

Table 2

Activities	Actors involved	Form of corruption	Risk ranking
Administrative phase: permit application	Inter-regional BCMM (*Bureau du Cadastre Minier de Madagascar*)	Influence peddling in high places, favouritism	Moderately frequent
Installation phase	CTDs (*Collectivités territoriales décentralisées*), landowner, traditional authorities	Active and passive corruption	Less frequent
Operation phase	Collectors, CTDs, mine inspectors, mine police, law enforcement	Bribery, abuse of office	Very frequent
Transformation phase	Mining inspector, law enforcement, jeweller, lapidary, trader	Extortion, bribery, abuse of office, illegal franchise	Moderately frequent
Transport phase	Large collectors, PAF (airport authorities) airport security, tarmac gendarme, law enforcement	Bribery, abuse of office, illegal franchising,	Moderately frequent
Export phase	Company, operators, PAF, tarmac police, customs, security, flight personnel, technical personnel, catering personnel, etc.	Abuse of office, clientelism, favouritism, active and passive corruption	Moderately frequent

For a detailed overview of artisanal mining in Madagascar please refer to the paper here. It also ought to be noted that a screening of the public domain and conversations with anti-corruption activists reveals that there is a gap in the in-depth understanding of the actors, networks and corruption risks in the illegal gold mining and smuggling sector.

Wildlife

Madagascar ranks 21/54 in Africa for criminality according to the Africa Organised Crime Index. The country is also reported to have severe problems in environmental crime markets (ENACT 2019).

Madagascar is one of the 17 countries identified by the United Nations Environment Program (UNEP) as megadiverse. Such a vast biodiversity in species coupled with high levels of criminality have given rise to a widespread wildlife trafficking circuit (Nelson and Cochrane 2020). The most trafficked wildlife in Madagascar are as follows (USAID 2021; Rahman 2019):

- reptiles (e.g., tortoises, turtles, chameleons, geckos, and snakes): illegally collected for the exotic pet and medicine trade. These seem to be the most trafficked.
- 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.

Systemic corruption is the key which enables such a thriving wildlife trafficking trade. For example, while it is forbidden to fish for sea cucumbers with diving equipment, the laws are not applied to

everyone, and those at the top of the illegal trade often go unprosecuted due to their influence and clientelist networks (Scarffe 2020).

Lemurs are the most threatened group of mammals on Earth, with 94 per cent of lemur species at risk of extinction. Circumstances leading to the decline of lemurs include widespread poverty, which leaves millions of people dependent on forest resources for survival, political instability, corruption and a lack of effective environmental law enforcement (LaFleur et al. 2019).

Over 18,000 radiated tortoises,[8] a rare and highly endangered species found only in Madagascar, were confiscated in 2018. These tortoises were meant for the illegal pet trade in Asia and showcased the large-scale organised wildlife trafficking business (Reitano and Randrianarisoa 2018).

A 2020 report by the Global Initiative Against Transnational Organised Crime on Trafficking Malagasy Tortoises shed light on the extensive network of criminal and corrupt actors who actively and consistently undermine the rule of law and governance to be able to run the illegal exotic animal trade (Nelson and Cochrane 2020). The country's vulnerability to endemic corruption, illicit financial flows, a pattern of demand (often pushed by popularisation on social media) and porous borders seem to drive the tortoise trafficking networks (Nelson and Cochrane 2020).

Madagascar's remaining forests and wildlife are typically found in remote areas, which in many cases are now protected. However, these places are inherently difficult to police due to limited resources and geography, and they are never far from the coast – which makes trafficking of high-value wildlife products from these remote sites to coastal cities easier (Nelson and Cochrane 2020).

The majority of Madagascar's population is rural-based, and, in the areas where they are present, tortoises are an important source of protein. Local people are therefore easily conscripted to poach live tortoises for a cash income, and local officials will often turn a blind eye. Exploiting this situation, tortoise traffickers use intermediaries to approach local communities to arrange for an order of tortoises; the intermediary then makes payment on collection and arranges transport of the tortoises before illegal export (Nelson and Cochrane 2020).

Another category of traffickers includes foreign nationals that are either based in or travel often to Madagascar. In one tortoise trafficking investigation, police officers reported that they had been immediately offered a US$6,800 bribe by the Malagasy nationals they had arrested, and there was subsequent pressure by a general to release the traffickers (Nelson and Cochrane 2020).

Crime convergence

Madagascar is known for rosewood trafficking, wildlife trafficking, trafficking of gemstones and gold, human trafficking for sex tourism, cannabis production and export, and low-level trafficking in other drugs and weapons. Research has identified various illicit flows that overlap with the same routes used by tortoise traffickers: cannabis and radiated tortoises travel by the same roads and

[8] There are two species of tortoises that are illegally trafficked: radiated and ploughshare. The ploughshare tortoise is one of the rarest tortoises on the planet,; with fewer than 50 adults thought to be left in the wild, each one is worth as much as US$50,000 on the global exotic pet market.

through the same checkpoints from the south-west to Antananarivo; tortoises and heroin are both trafficked through airports; and tortoises, cannabis and illegal migrants are smuggled by boat to Comoros (Nelson and Cochrane 2020). While these products all use the same routes – and likely the same facilitators who arrange transport and pay bribes to corrupt officials – there is no evidence that the same criminal networks are involved in moving both tortoises and other illicit products (Nelson and Cochrane 2020).

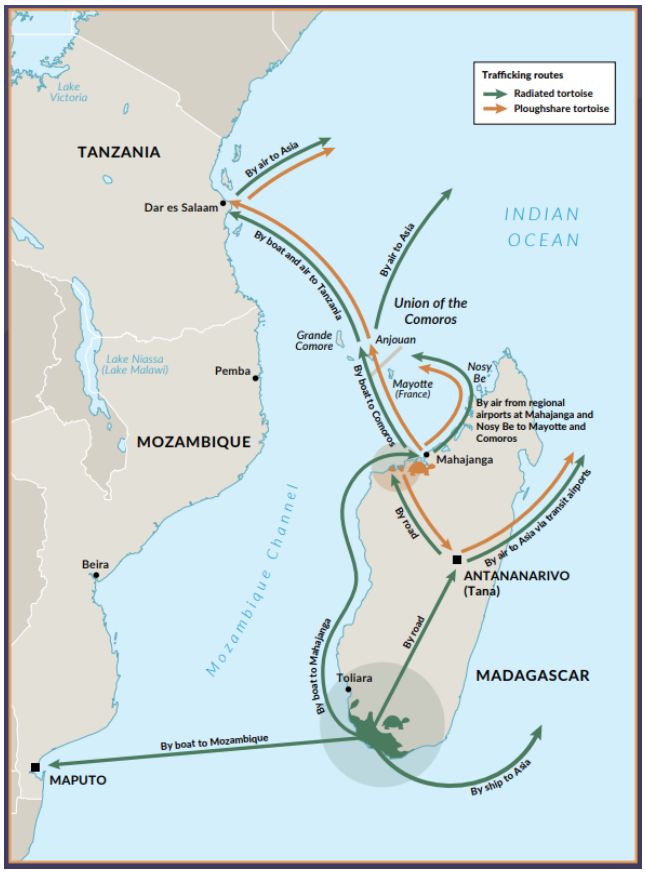

Figure 3: Major trafficking routes of ploughshare and radiated tortoises, within Madagascar and across the region (Nelson and Cochrane 2020).

Seizure data suggests that a majority of smuggling routes out of Madagascar often go via a transit country in Africa before reaching a destination country in Asia, most commonly Southeast Asia.

Most confiscations occur in Southern and East African transit states such as Mozambique, Kenya, Ethiopia and Tanzania, or other island nations/territories such as Réunion and Comoros. Destination country seizures often take place in Indonesia, Malaysia and Thailand and to a lesser extent the Philippines (Nelson and Cochrane 2020).

While some argue that addressing wildlife trafficking challenges is not a conservation issue, these are extensive problems requiring broader responses focused on improving governance, rule of law and crime prevention, and building resilience to organised crime (Nelson and Cochrane 2020). Successful projects dealing with the challenge can quickly fall apart. For example, despite efforts of a coalition of environmental advocacy groups known as AVG, based in Madagascar's capital city, Antananarivo, conducting sting operations to collect irrefutable evidence against traffickers, traffickers are often granted bail even after conviction (Gerety 2018). The most pressing needs, many conservationists suggest, are a deeper understanding of actors and networks wildlife trafficking, political will to enforce conservation laws and control of corruption (Gerety 2018).

Other sectors affected by corruption (related to natural resources)

Customs

While giving or accepting a bribe is a criminal act and is subject to trial by court in Madagascar, there is a lack of enforcement of existing legislation, which opens the door to widespread corruption.

High levels of corruption exist in all sectors but are most pervasive in the following areas: judiciary, police, tax, customs, land, trade, mining, industry, environment, education and health (ITA US Department of Commerce 2020).

There is anecdotal evidence of collusion between politicians, businesspeople and some customs agents permitting the clearance of imported shipments by larger, well-connected businesses with less arduous customs controls (Baum et al. 2017).

One interesting point is that if customs officers are exercising their duties, they may only be investigated or arrested with the authorisation of the minister in charge of customs, after the opinion of a technical committee placed under the aegis of the director general of customs, except in cases of in flagrante delicto involving their own responsibilities (IHARIANTSOA 2021).

One recommendation relevant to most public offices would be to strengthen entrance exams. This would apply for example to the ENMG (Ecole Nationale de la Magistrature), the military academy, national police, gendarmerie, IGE, customs officials, ENAF (Ecole Nationale de l'Administration Financière) and INFA (Institut National de Formation Administrative), which are currently overseen by the anti-corruption agency, BIANCO. The perception exists that many of the candidates passed their exams by corrupting officials (Baum et al. 2017).

Security forces

Reports have indicated that security forces are often engaged in corrupt trafficking networks. For example, rosewood barons keep many local security forces on their payroll to protect the illegally logged timber (Sharife and Maintikely 2018). Officials from the gendarmerie and law enforcement are known to be involved in the operations, transportation and export phases of illegal gold mining and smuggling (IHARIANTSOA 2021).

Militia groups in the country are known to use members from official security forces to fight the criminal circuits that they have been deployed to dismantle (PELLERIN 2017).

The police and military are unable to assert authority over the entire country, and areas in southern Madagascar are subjected to raids and violence by bandits and criminal groups. Security forces operate with little oversight or accountability for extrajudicial killings, particularly against cattle thieves, known as *dahalo* (Freedom House 2020).

Legal and institutional framework

The Malagasy legal framework has various policies on corruption control and prevention. However, the government does not implement these policies effectively, and corruption remains a serious issue, as does the lack of government transparency (Bertelsmann Stiftung 2020). For a detailed overview of the legal and institutional framework relating to corruption and the natural resources sector please refer to the document here.

The earlier *Plan National de Développement* or National Development Plan to counter corruption has been replaced by the P*lan Emergence Madagascar* (PEM) driven by Rajoelina's campaign document, IEM (Initiative Emergence Madagascar).

The 2019 to 2023 strategy has three main commitment areas related to good governance (Ministere de l'Economie et des Finances 2019):

- establish peace and security
- counter corruption with zero tolerance
- autonomy and accountability of local decentralised authorities

With respect to the environment, PEM highlights two commitment areas (Ministere de l'Economie et des Finances 2019):

- energy and water for all
- sustainable management and conservation of Madagascar's natural resources

Supported by the World Bank, the Malagasy government recently retained a consultant to develop a "stockpile verification mechanism and business plan" which was discussed at a multi-stakeholder meeting in 2018 and subsequently revised for presentation to the 70th meeting of the Standing Committee for CITES in October 2018. During this meeting, participants acknowledged some improvements in the latest draft of this plan, but the inclusion of a provision to provide US$7 million in compensation to traffickers in possession of felled rosewood stocks was strongly opposed by many CITES parties as well as by environmental NGOs. Critics felt that such a provision would be dangerous in the Malagasy context because it would reward those breaking the law and would risk triggering more illegal rosewood cutting. They also argued that such payments would set a dangerous precedent for CITES (Waeber 2019). The plan was ultimately rejected by CITES (Carver 2018).

Law n°2005-021 of 27 July 2005 of the mining code organises the mining sector in Madagascar. Decree n°2006-910 of 19 December 2006 sets out the terms of application of the mining code. The current mining code has been under revision since the beginning of 2020. The ministry in charge of mining is following a participatory approach in the revision process through the establishment of a multi-stakeholder committee representing the administration, mining operators (large and small mines), civil society and trade unions. The draft law on the mining code is supposed to be submitted to the national assembly for the May or June 2021 session (IHARIANTSOA 2021).

Other stakeholders

Media and civil society

Media access to certain official events has been limited to pro-government media and journalists. In 2019, a court finally acquitted Fernand Cello, a radio journalist based in the south of the country who was arrested in 2017 in connection with his investigative coverage of local corruption and abuse of authority (RSF 2020). The code of communication, a media law adopted in 2016, makes it possible to try media offences under the criminal code, potentially criminalising journalism. It provides for heavy fines for offences ranging from insult and defamation to the publication of "false news" – a vague charge that denies journalists the right to make a mistake. Covering influence-trafficking in connection with natural resources and the environment remains dangerous (RSF 2020).

Civic space has been shrinking in Madagascar. Activists and journalists reporting on corruption and trafficking rings are frequently targeted (Carver 2017; Gerety 2018; Gerety 2019). While there were no official reports of the government

monitoring online activity, a cybercrime law prohibits online defamation and has been used to prosecute social media users (Freedom House 2020). Since 2020, the cybercrime law also applies to journalists (Assemblee Nationale 2020).

For a detailed overview of media and civil society please refer to the document here.

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Annex 1: Table providing a corruption snapshot of the three natural resources.

Commodity	Forms of corruption	Actors involved	Mechanisms used
Rosewood	State capture, political corruption, bribery, collusion	Regional timber barons;	Sea route
Gold	Bribery, patronage, clientelism	Organised crime networks, law enforcement, customs, politicians	Sea and air route
Wildlife	Bribery, political corruption, patronage	Organised crime networks, law enforcement, customs, politicians	Sea and air route

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PARTNER AGENCIES

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