

**MANAGING COVID FUNDS
COUNTRY BRIEF**

MADAGASCAR

INTRODUCTION

After recording its first case of COVID-19 on 20 March 2020, Madagascar has grappled with the ongoing spread of the virus and its broad economic fallout, while the impact of the pandemic in some southern regions of the country has been exacerbated by a severe drought and rising levels of food insecurity. As part of a national state of emergency introduced on 21 March 2020, international borders were closed, public gatherings were prohibited, and social distancing measures were imposed. Overseeing this was a coordination unit called the [COVID-19 Operational Command Center \(CCO\)](#), which was tasked with disseminating information and directing public health response efforts at the national, regional, and local levels. Although the emergency declaration was cancelled on 18 October 2020, restrictions were later reimposed on 26 March 2021 amid rising rates of infection and the circulation of new variants of the virus. More recently, the country launched its national vaccination campaign on 10 May 2021, with over 280,000 doses administered as of early September 2021.¹

Border closures and the introduction of confinement measures had a strong and immediate impact on the livelihoods of Madagascar's population. Exports of important commodities such as nickel and cobalt sharply declined, while the country's tourism industry reeled from a sudden loss of international visitors. Ordinary Malagasy, meanwhile – particularly those of lower socioeconomic status – struggled to earn wages and access markets as social distancing and quarantine requirements threatened the viability of the informal sector. To mitigate these disruptions and prevent further harm, the Rajoelina administration used a preexisting in-year budget amendment process as an opportunity to introduce new social assistance measures and other pandemic response initiatives. The resulting amending finance law (*Loi N°2020-010 portant Loi de Finances Rectificative pour 2020*) was promulgated on 29 July 2020, and introduced programs such as unconditional cash transfers and free and/or subsidized food and medical supplies, while also prioritizing the construction of new hospitals and clinics.

In Madagascar and every other country struggling to overcome COVID, responding in an open and accountable manner to the pandemic is not only a way for governments to show their commitment to the well-being of their citizens, but it is also important because open budgets have demonstrated [benefits](#), from reducing the risks of corruption to ensuring more equitable and effective policy outcomes. In other words, shortcuts and limitations are neither necessary nor inevitable. Even during severe crises, accountability can work if everyone does their part in an open and collaborative effort. An urgent and speedy response to a crisis, in other words, does not have to come at the expense of accountability.

To this end, civil society partners across 120 countries, including Madagascar, worked with the International Budget Partnership (IBP) to undertake a rapid assessment of “emergency fiscal policy packages” in the period from March to September 2020 — policy initiatives like Madagascar's first amending finance law for the FY 2020 budget mentioned above – which were aimed at addressing the impact of the COVID-19 emergency. The goal of this assessment was to identify how countries can improve both during and after the crisis.

This brief explains what we found and what actions Madagascar's government can take in order to strengthen accountability both during and after the COVID crisis.

¹ <https://covid19.who.int/region/afro/country/mg>

KEY FINDINGS

Limited transparency and oversight hindered legislators, state auditors, and citizens alike in evaluating the prioritization and efficiency of the government's initial COVID response, and the public had minimal opportunities to participate in its creation and in monitoring its execution.

The findings of our assessment in Madagascar indicate that the overall transparency of the first amending finance law was limited, with more information provided to the public on the law's introduction and only minimal details provided on its execution thereafter. In addition, neither citizens nor civil society were granted opportunities to participate in the formulation of the package. Participation during implementation, meanwhile, was restricted to the use of local committees (*loharano*) at the village level that supervised the distribution of social aid. Finally, while Madagascar's Parliament was able to vote on the first amending finance law in late June 2020, no debate or special COVID-focused committee was convened prior to its passage.

- 1. Decision making on the formulation of Madagascar's COVID response package did not solicit input from the public, including those most impacted by the crisis. Participation in the execution of the package, meanwhile, was limited to members of specialized village committees with narrow responsibilities.**

Citizen participation in the formulation of the emergency measures did not take place, excluding the public from having a voice in decisions on priority setting during the pandemic and depriving the government of contributions that could greatly improve the effectiveness of their actions. During the execution of response activities, meanwhile, *ad hoc* committees (*loharano*) at the *fokontany* level (villages and urban neighborhoods) were established to directly oversee the local allocation of resources provided by the government for the fight against COVID. However, membership in these *loharano* was restricted to *fokontany* chiefs and local elders rather than being open to all. Moreover, neither Parliament nor the Court of Accounts (Madagascar's supreme audit institution, or SAI) made use of any participation mechanisms during the introduction or execution of the *Loi de Finances Rectificative*.

Unfortunately, this finding aligns with a broader pattern in Madagascar in which citizens and civil society are given no formal opportunity to participate in and influence the annual budget cycle at the national level. The most recent [results](#) from the 2019 Open Budget Survey (OBS) found that no concrete mechanisms were in place as of the end of 2018 to provide everyday Malagasy the ability to take part in the formulation, monitoring, or audit of the central budget, even though participation mechanisms were incorporated into the government's timetable for formulating the draft budget.

KEY FINDINGS

2. **The government did not adopt key measures to enhance accountability, particularly transparency in the implementation of its COVID-19 fiscal response and the impact of relief efforts on vulnerable populations.**

Transparency in budget and policy implementation provides a way for the public to understand how the government's priorities have been executed and what has been achieved in concrete terms. In Madagascar, a lack of public reporting on implementation of the amending finance law and related policy initiatives.

After the enactment of the *Loi de Finances Rectificative*, actual expenditure figures during the implementation of the law were published for Madagascar's administrative units, such as the Ministry of Health; however, these data were not provided for individual programs, preventing the public from evaluating pandemic response measures at a more granular level. Furthermore, details on the actual amounts of government revenue and borrowing supporting COVID relief efforts were not released, with updated execution figures only being provided for donor funding. Finally, nonfinancial information on the achievement of planned outcomes, in the form of actual outputs or results, was not provided, nor were data published on the impacts of the amending finance law on vulnerable and/or poor segments of Malagasy society.

This dearth of information on the execution of pandemic response programs contained within the *Loi de Finances Rectificative* reduced the ability of civil society, lawmakers, and the Malagasy public at large to hold their government accountable for the effectiveness of these initiatives, or to identify success stories that could be further expanded and developed. The lack of disaggregated data regarding the impact of COVID response policies on vulnerable populations such as women, meanwhile, is particularly unfortunate, as [mounting evidence](#) has highlighted the disproportionate impact they have endured from the pandemic.

3. **Madagascar's Parliament had only a limited role in overseeing the government's initial fiscal response to COVID.**

While both chambers of Madagascar's Parliament (the National Assembly and Senate) were able to hold votes on the proposed first amending finance law in June 2020, no formal debate on the package was conducted in advance and lawmakers had only limited time to review the document. In addition, no specialized committee focusing on the COVID response was established, nor were existing committees granted new powers to review the amending finance law in greater detail. Finally, during implementation of the amending finance law, members of Parliament did not receive testimony from ministerial representatives on the execution of policies to counter the pandemic, and no formal written reports on the execution or audit of the COVID response effort were provided for their review.

RECOMMENDATIONS

Accountability beyond the crisis

Improving the practices observed in these findings will remain important even as Madagascar eventually moves beyond the COVID crisis. Achieving sufficient levels of transparency, participation, and oversight over the long term is crucial both for accountability and to ensure that public resources are used effectively and equitably. The 2019 OBS found that although Madagascar's government performed admirably in publishing most of the key budget documents assessed by the Survey ([making 7 out of 8 available to the public](#)), the comprehensiveness of the documents' content was fairly limited, resulting in an overall transparency level below the global average. In addition, the level of oversight exercised by the Parliament and Court of Accounts over the central budget cycle was "limited" and "weak" on the OBS scale, respectively, while no formal mechanisms were established for the public to participate in the process.

Based on our findings, we believe it is imperative to take immediate action on a set of measures to address the accountability shortcomings of Madagascar's COVID-19 fiscal responses, both during the crisis and beyond.

In light of this, we call on Madagascar's government to work with civil society to take the following steps:

Recommendation 1: Act now to strengthen transparency and accountability in ongoing responses to the COVID-19 crisis.

- Provide reports to the Parliament on a regular basis with current information on the execution of COVID fiscal response policies, including comparisons to initial expenditure projections.
- Disclose all details on procurement contracts linked to the emergency spending (including tenders, suppliers, contracts, and information on delivery), in [open formats](#) wherever possible.
- Take steps to publish additional information on the sources of financing underlying Madagascar's fiscal response to the pandemic, including the use of extra-budgetary funds and/or other off-budget instruments. In addition, the individual income sources supplying these funds should be released and information on both their total and program-specific expenditures should be provided.
- More nonfinancial information on the performance of COVID response measures should be released, including actual results on inputs and outcomes, as well as the impact of policies on poor beneficiaries, women and girls, and other vulnerable groups.

Recommendation 2: Introduce new mechanisms to allow more members of the public to participate in monitoring the introduction and execution of COVID-related fiscal responses.

- Civil society and ordinary citizens alike should be given more opportunities to engage with the government on the execution of COVID relief policies, as well as with relevant parliamentary and Court of Accounts actors in the purview of their respective monitoring responsibilities. While the use of *loharano* committees to oversee social aid disbursement at the local level is an important step, this mechanism is not widely accessible to ordinary members of the public who wish to participate.

RECOMMENDATIONS

- To make any new participation mechanisms more beneficial and responsive to the needs of everyday Malagasy, the executive, legislature, and SAI should provide the public with detailed information on both the intended goals and structure of the engagement, as well as substantive feedback on the interaction after the fact. In addition, explicit steps should be taken to ensure that Malagasy society at large is able and willing to access these mechanisms, including vulnerable and/or underrepresented populations.