



## Sustainability Policy Analysis (Team 2)

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### Background Information:

Madagascar's fossil fuel extractive industry is currently in an exploratory phase, with seismic scans and 75 test drilling sites primarily focused on the Southwestern region's Morondava and Majunga basins [1]. Since the discovery of oil in the early 20<sup>th</sup> century, international extraction industries have maintained an interest in the country's oil reserves. With several large projects moving forward, Madagascar's government anticipates the sector to contribute to the nation's economic development [2]. Coal deposits, while less plentiful, are under development mainly in the Southwest's Sakoia region [3]. Environmental concerns have followed these developments, such as the potential impact on the island's important ecotourism sector and already scarce potable water sources [4].

### Current Policy:

- Office of National Mines and Strategic Industries
  - Oversees the nation's fossil fuel extraction industries.
  - Facilitates the industry's development through geological surveys, administrative assistance, and international partnership development.
- Petroleum Code (amended in 2009 and 2016)
  - Sets the government's stake in all concessions at 10%.
  - Modernized existing regulations, some dating back to French colonial rule.
  - Standardizes contracts for concessions.

### Recommendations:

Madagascar must balance fossil fuel deposits' economic potential to protect the nation's rich endemic ecological resources. While the island nation ramps up oil, gas, and coal operations, the world is increasingly turning to more sustainable energy sources. Creating a long-term strategy that does not depend on the unstable fossil fuel market is essential to the country's future. The heavy oil sands common to the island are problematic and energy-intensive to exploit, leaving them especially sensitive to international market volatility. Pursuing alternative industries such as renewable power and ecotourism serve as a better option for sustainable economic development and a cleaner future for the nation's youth.

### Influential Policymakers:

Andry Rajoelina – National president (strong executive power, personal background in business).  
Rasoanaivo Fetinirina – Director general, Office of National Mines and Strategic Industries

## References:

- [1] Office of National Mines and Strategic Industries, "Exploration History," [Online]. Available: [https://www.omnis.mg/index.php?option=com\\_content&view=article&id=8&Itemid=129&lang=en](https://www.omnis.mg/index.php?option=com_content&view=article&id=8&Itemid=129&lang=en). [Accessed 2021].
- [2] R. Wilkinson, "Madagascar's oil fortunes evolving slowly," *Oil and Gas Journal*, 6 February 2012.
- [3] Pan African Mining Corp, "PAN AFRICAN MINING CORP.'S SAKOA SOUTH COAL PROJECT GREENLIGHTED BY MALAGASY GOVERNMENT," 7 May 2007. [Online]. Available: [https://www.kitco.com/pr/1731/article\\_05072007040505.pdf](https://www.kitco.com/pr/1731/article_05072007040505.pdf). [Accessed 2021].
- [4] C. Pons, "How will oil affect Madagascar's environmental riches?," BBC World Service, 25 October 2012. [Online]. Available: <https://www.bbc.com/news/world-africa-20075866>. [Accessed 2021].