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**Subject: Urgent Call to Protect Madagascar's Primary Forests: IMF Climate Resilience Package Risks Enabling Destructive Road Project**

Dear Managing Director Georgieva,

We, the undersigned Members of the European Parliament, write to express our urgent concern regarding the International Monetary Fund's (IMF) Resilience and Sustainability Facility (RSF) funding to Madagascar. This \$321 million package, while intended to enhance climate resilience, risks enabling infrastructure projects—specifically two roadways—that threaten Madagascar's last primary forests. This would jeopardize water availability, food production, energy security, and livelihoods, directly undermining the resilience this funding aims to support.

**Madagascar's Forests: Essential for Survival**

Madagascar's forests are the backbone of the country's water, agriculture, and energy systems, as well as its globally significant biodiversity. They serve as critical watersheds, buffering the impacts of increasingly severe cyclones and stabilizing regional climates.

- **Water Availability and Hydropower:** The Ankeniheny-Zahamena Corridor (CAZ) provides water to the Vohitra River, which powers the Andekaleka hydropower plant—Antananarivo's primary electricity source. This year alone, water shortages linked to deforestation and climate change have caused frequent electricity blackouts in the capital, severely disrupting daily life and economic activity.
- **Rice Production:** The CAZ corridor also supplies water to the Alaotra watershed, Madagascar's largest rice-growing region, critical for national food security. Damaging these watersheds would directly reduce agricultural output, exacerbating food insecurity in a country where 80.7% of the population already lives in poverty.
- **Tourism:** The forests are home to unique wildlife, such as the critically endangered Indri, which are major drivers of Madagascar's eco-tourism industry. Destruction of these habitats would decimate a key revenue source.

## The Road Projects' Devastating Impacts

The Antananarivo-Toamasina highway and the recently announced "Route du Soleil" pose severe environmental risks:

- The Antananarivo-Toamasina highway will cut through two protected areas, Anjozorobe Angavo and the CAZ corridor, which together house over 10% of Madagascar's remaining primary forests.
- The proposed route for the "Route du Soleil" risks fragmenting the Makira Natural Park, a biodiversity hotspot and critical watershed.

A landmark study by Laurance et al. (Science, 2001) reveals that road construction in tropical forests leads to deforestation and degradation of up to 95% of surrounding forests within 50 kilometers. Such deforestation would trigger irreversible damage, including increased illegal logging, slash-and-burn agriculture, and mining.

## Inconsistency with IMF Priorities

Priority number four of the RSF explicitly states the need to "Reinforce the Protection of Forests and Biodiversity." Yet, the current conditionalities tied to this funding fail to reflect this crucial goal. There are no safeguards in place to prevent the construction of roads that will decimate protected areas, undermining the very purpose of climate resilience funding.

Furthermore, Malagasy civil society groups with expertise in environmental issues were largely excluded from consultations during the RSF's design. This lack of local engagement has led to conditionalities that do not address critical threats, leaving forests vulnerable to large-scale destruction.

Once the weak conditionalities are met and the money is transferred to the Malagasy treasury, there is currently no mechanism in place to ensure that it won't directly fund these destructive roads. We consider this possibility extremely alarming.

## The EU's Role in IMF Funding

As EU member states collectively account for approximately 31% of IMF quotas, it is estimated that around **\$100 million** of the RSF funding originates from EU contributions. This significant involvement places a shared responsibility on EU countries to ensure that IMF funding aligns with environmental and social sustainability principles.

## Recommendations

To safeguard Madagascar's climate resilience and ensure that IMF funding achieves its intended purpose, we urge the IMF to:

1. **Strengthen Conditionalities:** Renegotiate RSF conditions to ensure that money is only transferred once there is a formal commitment that protected areas will not be affected by the road projects.
2. **Introduce a Safeguard on the use of the funding:** Explicitly prohibit using the funds for projects that threaten protected forests and biodiversity.
3. **Engage Local Stakeholders:** Conduct thorough and systematic consultations with Malagasy civil society and environmental experts to ensure transparency and effective monitoring of funded projects.
4. **Promote Sustainable Alternatives:** Encourage investment in sustainable solutions, such as a thorough modernization of the existing railways, that align with climate resilience and forest conservation goals.

## Conclusion

Madagascar's forests are not just ecological treasures; they are lifelines for water, food, energy, and tourism. Without them, the country's resilience collapses. We urge the IMF to ensure its climate funding supports sustainable development rather than enabling the destruction of critical ecosystems.

We stand ready to engage in further dialogue to address these urgent concerns and safeguard Madagascar's future.

Sincerely,

The Members of the European Parliament:

Annalisa Corrado (S&D, Italy)

Micheal Bloss (Greens/EFA, Germany)

Anja Hazekamp (The Left, Netherlands)

Manuela Ripa (EPP, Germany)

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