



# SERGE EKUÉ

President of the West African Development Bank (BOAD)

**Jean-Claude Trichet, Vice Chairman of the Académie des sciences morales et politiques, former Chairman of the European Central Bank, Honorary Governor of the Bank of France**

Let me now introduce the speakers one by one. Serge Ekué is the President of the West African Development Bank (BOAD), he has also been in the private sector, and I would say he has a vision of both the private and public sectors, and of course the standpoint of a very important development bank. You have the floor.

## Serge Ekué

Thank you, Mr. President, thank you for having me. I will not take too long, I would just like to highlight four major key policy objectives we face in Africa in general, I would say, and more specifically in our region, Sub-Saharan Africa.

The first one is addressing food insecurity, which I think is a major threat we have to deal with in a region where the median age of the population is 20, and we all know that our population doubles every 25 years. That is a real threat in the context you previously described.

The second key policy objective relates to the way we should manage the shift in monetary policy. I have to say that when we met last year I was among those who believed that inflation would be a temporary stage but when we look at things in detail today, it appears we are moving into a new era. I would even say we are going back to the seventies, and I am sure you will remember that in the late nineties Mexico was getting access to capital markets at 18% 10 years maturity. That did not come as a surprise to anyone. Today, getting funding at 18% is a real challenge. The shift in monetary policy with this reality of the majority, not to say all our countries would no longer have access to capital markets, that is going to be a real threat and issue.

The third one is the way we will consolidate public finances and meet tighter financial conditions.

The last, surely not the least, is the way we will set the stage for sustainable and greener growth. Last year, at BOAD we launched a sustainable bond with EUR 750 million, six times oversubscribed. Back then, my credo was: cash being king, we would have to do whatever was necessary to get as much funding as we could.

My very last point is, I think to tackle these issues we need to see how to strengthen the tier 1 capital of our institutions, to answer to the one and only question that matters, which is who bears the first losses?

In a nutshell, Mr. President, this is what I wanted to say, and I could elaborate down the road.

**Jean-Claude Trichet**

Thank you very much indeed, Serge. It was very clear and concise and of course, we understand, very dramatic. You mentioned 18% and of course, I have the memory of Paul Volcker regaining control of inflation in the US at 14% or something. Then of course, a dramatic recession and dramatic financial crisis in the emerging world, Latin America first and then practically all of the emerging world, you are absolutely right. I take it that we are not in the same situation because the central banks are not nonchalant, if I can say that, they are not letting things go. They have decided, with some lagging, to regain control of the situation. Thank you very much for this very impressive and quite dramatic picture.