

ALAIN TCHIBOZO

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Perhaps Mr. Tchibozo will now give us more details.

Alain Tchibozo

Thank you. First, the context of the Sahel countries is fairly complicated. The first challenge is that they are landlocked: they have no maritime access. To help them, to reach them, their neighbors' permission is needed to cross their territory, which is difficult. Moreover, these countries have very low population densities. They are vast and sparsely populated. Even if we could raise capital to build infrastructure, the cost would be high in proportion to the number of people using it. These two factors explain why, after years of efforts, as the minister said, despite their campaign against extreme poverty, these countries still lag behind the average in Africa, which itself is behind the other continents.

When everything is going well, our job at the Development Bank is to boost development. When the situation looks bleak, it is to boost development even more. The bank plays a sort of cyclical contract role in order to mitigate the effects of the crisis on people. However, as soon as we aim to help development, we run into hurdles managing priorities. We all know that in the Sahel countries, we need to significantly increase infrastructure in every area: transportation, roads, telecommunications. We are starting from a long way behind.

Moreover, some people perceive other problems as being more urgent, such as food security. This is a complex issue. Output is insufficient; agricultural productivity is very low. In Niger, the annual grain yield is a half-ton per hectare, four times lower than Côte d'Ivoire and 10 times lower than Brazil. So food security in Niger is complicated. Agricultural output in Côte d'Ivoire is high, but the surplus cannot be exported across the border because there are no roads. Food security remains a problem to manage.

The third point is energy. Access to energy is actually quite limited. While it exists in some cities, it is unaffordable or unsustainable and there is a lot of load shedding. Without energy, it is hard to install pumps to draw water. Without energy, it is hard to mechanize farming. Without energy, processing does not exist.

Given the amount of capital needed, the first question for the Development Bank is knowing how to manage priorities and in what order. Should we start with health? Education? What should we do first, build infrastructure or invest everything in energy? Fortunately, we have sun and wind so sustainable power can be used. Or should we start with agriculture?

The question remains an open one. The most urgent priorities are chosen by process of elimination. The good news is that all the continents are being mobilized. There is a tendency to say that many financial resources are needed to finance all the investments the Sahel countries need. In reality, we can mobilize financial resources. The challenge is mobilizing them over long periods of time and at the lowest possible cost. Obviously, if we are willing to pay a high cost, we have resources, but we cannot finance development at a cost that is much higher than the cost of the growth we want to create.

It is a complex equation. Four or five years ago, when interest rates in Europe and the United States were close to zero, resources flowed from Europe, Asia and America to the Sahel countries, especially since there was an economic rationale. Since February 2022 and the Ukraine crisis mentioned this morning, the situation has been a bit more complicated: interest rates and risk premiums are rising everywhere.

We are trying to meet the challenge. Our analysis suggests that the best way to reassure our partners that we can pay them back is to flex our equity muscle by telling them that even if countries default, the Development Bank has the capacity to absorb the defaults with our own funds. In no case will our capacity to pay them back be altered. This has been our battle for the past two years, a battle we intend to win. Victory will allow us to maintain long-term access to resources at affordable costs for all countries in our area, in particular the Sahel. This is the general overview.

Thierry de Montbrial

Thank you very much. After these explanations I want to push you a bit because you have been thinking primarily in economic terms. You have extensive international experience. You know that many analysts and critics focus on organizational inefficiency, corruption and underperforming elites everywhere, not only in your countries. The elites are highly criticized, which provides fertile ground for the spread of jihadist and revolutionary ideologies. I remind you that landlocked countries are not the only ones under threat: the risk of jihadist terrorism is thought to be spreading to the Gulf of Guinea countries. Very important countries, which I do not need to mention, are also under threat. This is a stark reality. Before giving the floor to two speakers with more security experience, I would like you to respond to what I have said.

[...]

Alain Tchibozo

I agree 100% with what the minister said. I have had a different experience. My responsibilities include negotiating with lenders, investors and those who would like to support us. However, conditions apply: they must of course agree and be willing to help us, but some conditions are relatively strict. Good governance is one of them. Reporting, transparency and training are others.

We have very good relationships with lenders from the Team Europe group. Every time they support us financially, they ask for an external audit of all processes, which we agree to, as this is required by all lenders. They ask us to bring our operating methods up to international standards, which we are doing. In addition, we agree on the budget they are willing to allocate



to us. After the discussion, they explain that in addition, we will have a budget to train our senior managers to comply with international standards.

You are right, all of our countries have governance problems. Major efforts are underway to overcome them. We get a lot of help and encouragement to improve our governance and training criteria.