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**MULTILATERAL INVESTMENT GUARANTEE AGENCY**

**COUNTRY PARTNERSHIP FRAMEWORK**

**FOR**

**REPUBLIC OF TOGO**

**FOR THE PERIOD FY17-FY20**

**April 20, 2017**

**Côte d’Ivoire Country Management Unit**

**Africa Region**

**The International Finance Corporation**

**The Multilateral Investment Guarantee Agency**

**Sub-Saharan Africa Department**

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**The date of the last Interim Strategy Note FY08-FY12 for Togo was December 29, 2011.**

**CURRENCY EQUIVALENTS**

(Exchange rate as of April 11, 2017)

Currency Unit = Francs CFA

Francs CFA 618 = US$1

US$1.35 = SDR 1

**FISCAL YEAR**

January 1 to December 31

**ABBREVIATIONS AND ACRONYMS**

AF Additional Financing

AFD *Agence Francaise de développement* (French Agency for Development)

AfDB African Development Bank

ACE Higher Education Center

ASA Advisory Services and Analytics

BCEAO Central Bank of West African States

BFF Blended Finance Facility

BIDC West African Development Bank

BOAD West African Regional Development Bank

BRVM Regional Stock Exchange

CDD Community Driven Development

CG Consultative Group

CPF Country Partnership Framework

CPIA Country Policy and Institutional Assessment

CPPR Country Portfolio Performance Review

CPS Country Partnership Strategy CLR Completion and Learning Review

CSOs Civil Society Organizations

DO Development Objective

DPO Development Policy Operations

DSA Debt Sustainability Analysis

ECF Extended Credit Facility

EI Extractive Industry

EITI Extractive Industry Transparency Initiative

EU European Union

FCFA West African Franc

FDI Foreign Direct Investment

FNFI National Fund for Financial Inclusion

FY Fiscal Year (WB: July 1 – June 30)

GAFSP Global Agriculture and Food Security Program

GEF Global Environment Facility

GDP Gross Domestic Product

GIZ *Deutsche Gesellshaft fur Internationale Zusammenarbeit* (German Society for International Cooperation)

GPA Global Political Accord

GTFP Global Trade Finance Program

IBRD International Bank for Reconstruction and Development

ICR Implementation Completion Report

ICT Information and Communication Technology

IDA International Development Association

IDLM Integrated Disaster and Land Management

IFC International Finance Corporation

ILO International Labor Organization

IMF International Monetary Fund

INSEED National Institute for Statistics and for Economic and Demographic Studies

IP Implementation Performance

IPF Investment Project Financing

IPP Independent Power Producer

ISN Interim Strategy Note

ISR Implementation Status Report

KFW *Kreditanstalt für Wiederaufbau* (German Development Bank)

LCT Lome Container Terminal

JICA Japan International Cooperation Agency

MCC Millennium Challenge Corporation

MDG Millennium Development Goals

MGDP Mining Governance and Development Project

MGF MIGA Guarantee Facility

MIGA Multilateral Investment Guarantee Agency

MTDS Medium-Term Debt Strategy

PND National Development Plan

NGO Non-governmental Organization

OTR *Office Togolaise des Recettes* (Togolese Revenue Office)

PASA Agriculture Support Project

PASMIN Maternal and Infant Health and Nutrition Project

PBF Performance Based Financing

PEMFAR Public Expenditure Management and Financial Accountability Review

PER Public Expenditure Review

PERI2 Second Education and Institutional Strengthening Project

PFM Public Financial Management

PIU Urban Infrastructure Project

PIUs Project Implementation Units

PLR Progress and Learning Review

PNIASA National Agriculture Program

PPD Public Private Dialogue

PPIAF Public-Private Infrastructure Advisory Facility

PPP Purchasing Power Parity

PPPs Public Private Partnerships

PSW Private Sector Windows

PUDC Urgent Program of Community Development

QUIBB *Questionnaire des Indicateurs de Base du Bien-être* (Household Welfare and Consumption Survey)

REDD Reducing Emissions from Deforestation and forest Degradation

REDISSE Regional Disease Surveillance Systems Enhancement Project

RMF Risk Mitigation Facility

SCAPE *Stratégie de Croissance Accélérée et de Promotion de l’Emploi* (Strategy for Accelerated Growth and Job Creation)

SCD Systematic Country Diagnostic

SDG Sustainable Development Goals

SME Small and Medium Enterprises

SNPT *Société Nationale des Phosphates du Togo* (Togo National Company of Phosphates)

SOE State Owned Enterprises

SP-EAU Togo’s Assets Management Company for Urban Water and Sanitation

TA Technical Assistance

TAR Turn-Around Regime

TE Tertiary Education

TdE *Togolaise des Eaux* (Togo’s Water Utility)

TVET Technical and Vocational Education and Training

UN United Nations

UNDP United Nations Development Program

UNICEF The United Nations Children’s Emergency Fund

WAAPP West Africa Agricultural Productivity

WACA Regional West Africa Coastal Areas

WAEMU West Africa Economic and Monetary Union

WARCIP West Africa Regional Communications and Information Project

WBG World Bank Group

WDI World Development Indicator

WFP World Food Program

WGI Worldwide Governance Indicators

|  |  |  |  |
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FY17-FY20 COUNTRY PARTNERSHIP FRAMEWORK FOR TOGO

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**I. INTRODUCTION**

1. **This Country Partnership Framework (CPF), prepared jointly by the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA) presents the World Bank Group’s (WBG’s) proposed program for Togo during the period FY17 through FY20**. The CPF is aligned with the Government of Togo’s forthcoming National Development Plan (PND) for 2018–2022, which focuses on forging a solid, stable democratic nation with strong, sustainable, inclusive growth; equitable access to good-quality social services; and respect for the environment. This is the first full-fledged WBG country strategy in Togo since the Country Assistance Strategy of 1995.
2. **The overarching objective of the CPF is to help pave the way to more inclusive and sustainable growth in Togo, led both by a more dynamic private sector and more effective government policies, public investments and services**. The WBG’s strategy under the CPF emphasizes strengthening governance, including strengthening institutions and accountability, as a cross cutting theme integrated in three focus areas: (i) private sector performance and job creation; (ii) inclusive public service delivery; and (iii) environmental sustainability and resilience. The IDA18 special themes of climate change, gender, fragility, jobs and economic transformation, and governance and institutions are integrated in the CPF focus areas.
3. **The CPF seeks to take full advantage of the new IDA18 architecture and increased support for fragile states to scale up WBG support and promote joint IDA and IFC support**.The CPF pursues new avenues for mobilizing private sector investments in Togo by promoting WBG financing instruments to de-risk investment opportunities. Togo will benefit from the increased poverty orientation of the performance-based allocation under IDA18, with a doubling of IDA resources and expanded budget resources to implement a growing portfolio during the CPF period. The CPF also seizes on a window of opportunity to support the government’s ambitious efforts to stabilize the macroeconomic framework and mitigate fiscal risks, a prerequisite for sustainable growth. Given the substantial risks and challenges for government to sustain reforms proposed in the CPF program, two engagement scenarios are presented for IDA to support the twin objectives of poverty reduction and shared prosperity in Togo.

**II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA**

## 2.1 Social and Political Context

1. **Togo is a small country located along the West African coast on the Gulf of Guinea, between Ghana and Benin**. From its deep-water sea port in the coastal south to its northern border with Burkina Faso, Togo sits on a narrow territory of 57,000 square kilometers, only 100 kilometers wide, creating a natural corridor that lends itself well to the country’s ambitions of becoming a transshipment hub and logistics platform for the West African subregion. Just over a quarter of Togo’s population of 7.3 million people lives in the wealthier, more industrialized coastal area where the capital city of Lomé is located.
2. **The country is diverse in languages, ethnic groups, and geography**.While French is the official language, two native languages are considered national languages: Mina (a dialect of Ewé) is spoken in the south of the country and Kabiyé, in the north. While a majority of Togolese practice indigenous beliefs (estimated at 51 percent), there are significant Christian (29 percent) and Muslim (20 percent) minorities. The country’s geography ranges from a dry climate and savannas in the north, hills and mountains in the central part of the country, and savannas and woodlands giving way to extensive lagoons and marshes in the southern coastal area. Togo is blessed with natural assets, including mineral resources, land favorable to agriculture, and generally good rainfall, but it is also susceptible to increasingly unpredictable weather patterns.
3. **Togo is a fragile state that is still emerging from the effects of years of isolation and donor disengagement (from 1993–2007) due to political turmoil and economic mismanagement**. The death of President Gnassingbé Eyadéma in 2005, followed by the election of his son President Faure Gnassingbé a few months later, marked an important milestone in the country’s recent history, as it would be followed by political negotiations to advance democratic reforms and lead to the return of development partners. The 2005 presidential election results were widely contested by opposition groups, sparking a period of political confrontations and violence. Negotiations held in 2006 resulted in a Global Political Accord (GPA) signed by the ruling party and opposition, which led to free and fair legislative elections in 2007, with strong participation among opposition groups, and reforms in the military. This put the country onto a path of increased political and social stability and normalization of relations with international partners in a context of strong optimism.
4. **Implementation of political reforms has been slow and the question of reinstating presidential term limits remains a contentious topic**.[[1]](#footnote-1) Having won a third term in the 2015 presidential elections, President Faure’s UNIR party (*Union pour la République*) also holds a majority in parliament. A fragmented opposition continues to call for presidential term limits to be reinstated, along with other reforms from the 2006 GPA. Calls for local elections (which have not been held since 1986) have intensified over the years, and efforts are underway to hold these as part of the government’s decentralization agenda. In July 2016, the High Commission for Reconciliation and National Unity (HCRRUN), established by government in 2015 to implement the recommendations of a Truth, Justice, and Reconciliation Committee (CVJR),[[2]](#footnote-2) organized a workshop to discuss urgent political reforms (including holding local elections). A special commission on political reform priorities and a commission on decentralization were created in early 2017 to make progress on these agendas. The main opposition coalition remains critical of these political reform efforts. The next legislative elections are due in 2018 and presidential elections in 2020.
5. **Slow progress in boosting living standards has fueled social tensions over the past years, including strikes by different sectors**.The 2016-2017 school year has been disrupted by a delay in the start of the school year followed by persistent teacher strikes to demand better wages and benefits. Canceled classes have triggered student protests, which further aggravated the situation. In March 2017, the Government proposed measures to respond to teachers’ demands, which helped to calm tensions.

## 2.2 Recent Economic Development and Outlook

1. **Togo’s recent economic performance has been relatively robust**. Over the past three years, growth in gross domestic product (GDP) has averaged over 5 percent per year, which is higher than the average observed in Sub-Saharan Africa. While Togo has been subject to several negative shocks such as the economic decline in Nigeria and lower commodity prices of its main exports (phosphates, clinker), the Government adopted an ambitious public investment program that helped sustain aggregate demand in 2015 and 2016.
2. **On the supply side, the main drivers of economic growth have been agricultural production, extractive industries and trading activities**. Agricultural production, which accounts for approximately half of the country’s GDP and over 60 percent of employment, has benefitted from good climatic conditions and recent initiatives that have led to an increase in the productivity of cereals, cash crops and livestock. Extractive industries, especially the production of clinker/cement, trading activities, and transport and communications have also contributed to growth over the past few years.
3. **Inflation has remained under control**. Inflation averaged 0.9 percent in 2016 thanks to a prudent monetary policy followed by the Central Bank of West African States (BCEAO) and low food prices. Monetary expansion has been aligned with economic growth, while credit to the private sector expanded by about 10 percent per year, on average, between 2013 and 2016. The average lending rate was 8.6 percent in December 2016, slightly above the average within the West African Economic and Monetary Union (WAEMU) of 7.2 percent.
4. **The external current account deficit remains substantial**. Although exports declined because of lower demand from Togo’s main trading partners, the income and service balances have improved over the past 12 months. The current account deficit was financed by a combination of aid, non-concessional borrowing and inflows of foreign direct investment (FDI).
5. **The fiscal situation deteriorated sharply during 2015 and 2016**. The fiscal deficit grew from 5.8 percent of GDP in 2013 to over 9 percent of GDP during this period, while the central administration reported the accumulation of about FCFA 60 billion in arrears at the end of 2016, representing 2.5 percent of GDP. Concurrently, the public debt-to-GDP ratio grew rapidly to an estimated 80.8 percent of GDP, the highest in West Africa and above the WAEMU threshold of 70 percent of GDP. This shift was the result of the government’s decision to implement an ambitious investment program that reached almost 14.0 percent of GDP in 2016, up from 9.3 percent of GDP in 2013. While this program aimed to reduce the country’s significant infrastructure gaps, limited fiscal space led the authorities to borrow excessively, in particular on regional and local markets. One instrument used was pre-financing contracts with local commercial banks, with an explicit guarantee from the state, but these contracts were not adequately reported in government accounts or public debt data.
6. **Concurrent to the gradual deterioration of fiscal accounts, growing distress emerged in the local financial sector**. Two important public banks are considered to be insolvent and will require substantial capital injection from the Government, even after restructuring. The level of delinquent loans in commercial banks has also increased significantly, reaching approximately 20 percent of their portfolio at the end of 2016. Finally, several microfinance institutions are reporting a large and increasing share of bad loans, partly as a consequence of inadequate regulation.
7. **In early 2017, the Government—aware of the need to restore fiscal and debt sustainability—negotiated a three-year agreement Extended Credit Facility (ECF) with the International Monetary Fund (IMF).** The ECF program, to be presented to the IMF Board in May 2017, is based on a sharp cut in fiscal spending and an increase in public revenue, necessary to restore fiscal space and reduce the debt burden. The government has opted for a more prudent borrowing policy with new debts to be contracted principally on a concessional basis. The new spending policy will put more emphasis on social spending to help reduce the cost of fiscal adjustment to vulnerable groups and enhance human capital development in the longer term. The program also hopes to help restore the solvency of the banking sector by identifying a solution for the two state-owned banks operating with negative equity.
8. **To compensate for reduced public spending and mitigate its negative effect on economic growth, the government’s new program has a stronger focus on private sector development and more efficient public spending**. A series of reforms should improve productivity in agriculture, while a stronger business-enabling environment and improved transport services (including roads, ports, and airports) should underpin future growth of the industrial and service sectors, thanks to greater total factor productivity. Togo has important phosphate, clinker, and other mineral reserves that could play an important part in the country’s future economic development, though these activities have underperformed recently. Moreover, the Government is taking measures to seriously improve the efficiency of public spending, following Togo’s Public Investment Management Assessment (PIMA) report of 2016, which identified a 70 percent loss in impact of public investment projects due to inefficient practices. If these efficiency issues are addressed, this will help compensate for the reduction in public spending and help maintain the GDP growth rate at its current level.
9. **As a result, growth projections are expected to remain in the range of 5.0-5.5 percent over the next three years, with a gradual adjustment of the fiscal deficit and public debt to sustainable levels**. The overall fiscal deficit is expected to reach around 3.6 percent of GDP in 2018, down from 9.8 percent in 2016, while public debt will stabilize to around 78.1 percent of GDP by 2018 and is projected to decline further in the medium term. Inflation is projected to remain under the WAEMU target of 3 percent, while the current account deficit should gradually improve to around 8.3 percent of GDP in 2018, because of the projected increase in exports fueled by higher commodity prices and the resumption of growth in the global economy.
10. **Risks remain, especially in terms of achieving the level of fiscal adjustment required to restore sufficient fiscal space**. Cutting public spending has proved elusive in the past, and the Government will have to find a way to achieve fiscal sustainability and deliver public services at an affordable cost to a fast-growing population. This will require mobilizing further domestic revenue and achieving greater efficiency gains in public expenditures, including through better financial management, controls and possibly sanctions.
11. **Togo, as a small open economy, is vulnerable to a series of external shocks**. The economic situation of major trading partners such as Nigeria, Ghana and China has ripple effects in Togo’s economy. Higher oil prices would increase the import bill. To the extent that the Government will have to refinance its debt over the next few years, including on the regional market, the fiscal adjustment will also be vulnerable to increases in interest rates on both regional and international financial markets.
12. **The economy, especially the agriculture sector, is also exposed to climatic shocks**. Climate change has been identified as a major threat to agriculture in Togo because the majority of Togolese farmers are heavily dependent on rain fed agriculture. Periods of timely and abundant rainfall have usually been characterized by high agricultural production, whereas periods of sporadic and low rainfall, as in 2013, have led to poor agricultural performance.

Table 1: Selected Economic and Financial Indicators

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|  | Est. | | | | Proj. | | | |
| Real GDP (annual % change) | 6.1 | 5.4 | 5.3 | 5.0 | 5.0 | 5.3 | 5.4 | 5.6 |
| Real GDP per capita (annual % change) | 3.3 | 2.6 | 2.5 | 2.2 | 2.2 | 2.5 | 2.6 | 2.8 |
| CPI, inflation (annual % change) | 1.8 | 0.2 | 1.8 | 0.9 | 1.5 | 1.9 | 2.0 | 2.0 |
| **Gross Domestic Investment** | 24.5 | 25.7 | 27.0 | 27.4 | 26.1 | 24.3 | 23.1 | 23.5 |
| -Public sector investment (% of GDP) | 9.3 | 11.3 | 13.0 | 14.0 | 11.7 | 9.5 | 8.0 | 8.1 |
| -Private sector investment (% of GDP) | 15.3 | 14.4 | 14.0 | 13.4 | 14.4 | 14.8 | 15.1 | 15.4 |
| **Government Budget** |  |  |  |  |  |  |  |  |
| -Total revenues and grants (% of GDP) | 21.5 | 20.5 | 21.9 | 21.7 | 24.7 | 25.2 | 25.9 | 26.0 |
| -Tax revenues (% of GDP) | 18.1 | 18.2 | 19.6 | 18.9 | 20.2 | 21.0 | 21.8 | 21.8 |
| -Total expenditure and net lending (% of GDP) | 26.6 | 27.3 | 30.8 | 31.4 | 33.5 | 27.9 | 25.7 | 25.4 |
| -Domestic Primary expenditure | 20.8 | 21.3 | 22.8 | 23.4 | 23.7 | 17.8 | 16.7 | 16.8 |
| -Overall Primary Balance, casher basis (% of GDP) | -4.7 | -6.4 | -5.4 | -7.2 | -6.2 | -0.2 | 2.0 | 2.0 |
| -Overall Balance, cash basis (% of GDP) | -5.8 | -7.9 | -7.8 | -9.6 | -5.7 | -3.6 | -0.7 | -0.4 |
| **External Sector**  -Current account balance (% of GDP) | -13.1 | -9.9 | -11.1 | -9.8 | -9.0 | -8.3 | -7.3 | -6.2 |
| -Exports (% of GDP) | 46.5 | 39.4 | 36.0 | 35.1 | 36.4 | 36.7 | 37.4 | 37.8 |
| -Imports (% of GDP) | -65.3 | -57.3 | -58.0 | -55.1 | -55.2 | -54.6 | -54.4 | -53.7 |
|  |  |  |  |  |  |  |  |  |
| External public debt (% of GDP) | 14.3 | 17.1 | 21.1 | 19.7 | 22.9 | 24.8 | 27.4 | 27.9 |
| Total public debt (% of GDP) | 56.4 | 65.2 | 75.6 | 80.8 | 81.3 | 78.1 | 73.0 | 67.8 |

*Source*: Government of Togo and IMF estimates and forecasts.

## 2.3 Poverty Profile

1. **Togo has made modest progress in reducing poverty in recent years, but poverty levels remain high**. Poverty rates declined from 61.7 percent to 55.1 percent between 2006 and 2015,[[3]](#footnote-3) and economic growth between 2011 and 2015 improved living conditions for most of the population, including those in the bottom 40 percent of the income distribution. During this period, rural areas and secondary cities saw a largely positive trend in consumption growth, the former due in part to growth in agriculture. Inequality (as measured by the Gini coefficient) declined slightly from 0.39 in 2011 to 0.38 in 2015. In internationally comparable terms, Togo has an extreme poverty rate of 49.2 percent. Togo’s ranking on the United Nations (UN) Human Development Index has fallen from 95th of 124 countries (the bottom 23 percent) in 1980 to 166th out of 187 countries (the bottom 10 percent) in 2013. While per capita incomes have gradually improved since 2000, they are far below Africa’s average (Figure 1) and per capita GDP is lower today than at its peak in 1980 (Figure 2). The difference in the evolution of per capita incomes and per capita GDP can largely be explained by remittances. In 2013 and 2014, the Togolese diaspora contributed CFAF 176 billion (US$337 million) and CFAF 182 billion (US$348 million), respectively, to Togo’s economy in the form of remittances, representing 8.7 percent and 8.2 percent of Togo’s GDP for the two respective years.

Figure 1: Average Per-Capita Income in Togo, 1961–2013

*Source:* World Development Indicator (WDI), staff estimates

Africa

Figure 2: Growth Rate and Real GDP per Capita

*Source*: WDI, World Bank.

1. **Poor people in Togo are more likely to be living in rural areas, working primarily in agriculture, and relatively isolated from markets and services**. Just over three-quarters (77 percent) of poor people live in rural areas, which have a higher incidence of poverty (68.7 percent) compared to Lomé (34.8 percent) and other urban areas (37.9 percent). Poverty generally increases as one moves away from the wealthier coastal Maritime region and north to the regions of Plateaux and Kara, then (south again) to Centrale, and finally to the driest region, Savanes, which borders Burkina Faso. Poverty rates for households with a young household head aged 15-29 have risen since 2011. Households with a more educated household head have higher consumption levels, while larger households, those in which a spouse of the household head has completed only primary education, and those with monogamous marriages (rather than polygamous marriages or widowed) are more likely to be poor. Poor people are more likely to be excluded from the formal financial sector, making it more difficult for them to smooth income shocks.
2. **Women are more likely to be living in poverty than men**. On average, female-headed households have a higher rate of poverty (57.5 percent) than male-headed households (54.6 percent). Female-headed households in rural areas are also more likely to be poor. Cultural and legal obstacles hamper access to opportunities for women and girls, particularly with regard to attending secondary school, earning incomes equal to those of men in the labor market, accessing inputs when working as small entrepreneurs, and enjoying secure land tenure in rural areas. Only 15 percent of Togolese women have access to a bank account. Stakeholder consultations undertaken for the CPF raised additional obstacles for women and girls, including a high rate of illiteracy (estimated at 49 percent for women in 2015), a higher dropout rate for girls in secondary school, the lack of services to promote women’s economic participation (such as formal affordable child care services, transport and energy services, and more flexible training and employment offerings for mothers), tax policies that penalize married women with children, and cultural biases that encourage women to participate in less productive enterprises.
3. **Togo’s non-poor population remains vulnerable to a variety of adverse shocks, including economic downturns, natural disasters, normal weather variability, and illness**.In 2011, over 50 percent of households in the bottom three quintiles of the consumption distribution claimed that drought or badly timed rainfall had adversely affected them in the previous year. Households also reported experiencing adverse price movements, crop and animal disease, floods, and illness of a household member in significant percentages. Soil degradation, high input prices, and weather shocks were reportedly more pronounced among poor people. Given such risks, approximately 22 percent of the population was recently estimated to have fallen into poverty as a result of temporary adverse shocks, and another 20 percent of the population was determined to be non-poor but vulnerable to falling into poverty. In 2015, 10 percent of people consume only 20 percent more than the poverty line, and 70 percent of the population lives on under US$3.10 per day (2011 Purchasing Power Parity, PPP).

## 2.4 Challenges to Poverty Reduction and Shared Prosperity

1. **The Systematic Country Diagnostic (SCD) identifies weak governance as the fundamental barrier to reducing poverty through inclusive growth in Togo**.According to the SCD,Togo’s centralized system of governance results in low levels of state capacity and weak incentives to formulate and implement policies that are favorable to poverty reduction. Conflicts of interest and a lack of accountability to citizens have resulted in weak government effectiveness in formulating and implementing policies that enable private economic activity (including in agriculture), prioritize and deliver public goods and services, and ensure sound fiscal governance.
2. **Despite** **steady improvements since 2005, Togo ranked low on the Worldwide Governance Indicators in 2015,[[4]](#footnote-4) although it performed above average for low-income countries, on all indicators except government effectiveness**. Government effectiveness is defined as “the quality of public services, the civil service and degree of independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.”[[5]](#footnote-5) In recent years, when Togo has made improvements in this indicator, as well as in control of corruption, growth has rebounded in subsequent years. Recent steps taken to increase transparency include the publication of public procurement audits and the reestablishment of a national anticorruption commission. Some progress has been made to improve budget transparency and public administration. The *Office Togolaise des Recettes* (OTR) was established to alleviate corruption and complexity in tax administration. Indicators of democratic governance have improved, and Togo’s ranking in the Economist Intelligence Unit’s Democracy Index improved from 164th out of 167 countries in 2006 to 130th in 2015. Togo was named a Top Reformer by Doing Business in 2015 for significant improvements on the cost of starting a business, registering property, protecting minority investors, and paying taxes, jumping from 164th in the 2014 rankings to 152nd in 2015 and then to 150th out of 189 countries in 2016.
3. **The scope and success of reform efforts have been limited, however, by a highly centralized governance system and the lack of strong, independent institutions that could ensure a more open and equitable distribution of resources**.The highly centralized nature of Togo’s governance framework leads to an inequality between those close to the power structure and those outside of it, and subsequently affects how resources are allocated among regions of the country. Decision-making remains highly centralized, and the decentralization agenda—which could introduce greater accountability and more equitable allocation of resources and service delivery at the regional and local level—has lagged. Meanwhile, a variety of policies, regulations, and state interventions impede healthy competition, productivity, and job creation. A high level of state ownership in commercial enterprises, such as phosphates, telecommunications, banking, and cotton, together with regulations that are more likely to favor them, creates an uneven playing field for private actors.
4. **Likewise, although Togo has taken significant positive steps to reform its tax administration, its tax system remains burdensome and, combined with regulations, creates a barrier to investment, formalization, firm growth, and job creation.** These issues also affect the agriculture sector, with policy, regulatory, and tax regimes driving a large wedge between producers’ potential and actual returns, constraining agricultural productivity and rural incomes. Governance issues also contribute to inadequate economic infrastructure services, marked by poor quality and high prices. Electricity and information and communication technology (ICT) services, which have a direct impact on the ease, security and cost of producing goods and providing services, are poorly regulated and managed, and along with scarce rural infrastructure, contribute to a less productive and competitive private sector, including in agriculture. These constraints combine to make it harder for firms to become formal, boost profits, grow their businesses, and create more and better jobs.
5. **The SCD also underscores additional constraints to poverty reduction and inclusion, notably weak health services and environmental degradation, as well as the disparity in access to basic services between urban and rural areas**. The SCD notes that poor health care is an economic burden that disproportionately affects poor children and women and represents a key constraint to inclusion and well-being. Figure 3 shows the disparity between rural and urban areas and the poorest and wealthiest in accessing health services, and the decline in access to health services since 2006. The SCD underscores the link between illness and environmental degradation, and highlights climate change as a long-term risk for sustainable development and poverty reduction. Other issues include the weak quality of education services and the skills mismatch. Combined with private sector constraints, these issues contribute to a high underemployment rate. With a population growth rate of 2.7 percent, Togo’s young population represents an able potential workforce to boost productivity, but youth unemployment and underemployment are elevated, and with 60 percent of the population at less than 25 years old and an urbanization rate of 4 percent per year, Togo faces challenges in providing social services for young people and creating jobs for its expanding working-age population.

Figure 3: Access to Health Services in Togo

*Source:* INSEED 2016 using QUIBB

Poorest Second Third Fourth Wealthiest Poorest Second Third Fourth Wealthiest

Urban Rural

1. **Reducing illicit financial flows (IFFs), money laundering and terrorism financing is a key challenge for the region, including for Togo.** The Government is addressing the issue through its contribution to the work of the Inter-Governmental Group Against Money Laundering in West Africa (GIABA), which has examined the vulnerability of West Africa to terrorist financing, illicit trafficking in narcotic drugs and psychotropic substances, money laundering arising from electronic counterfeiting and intellectual property theft, among others. Given the transnational nature of proceeds generating criminal activity in Togo, and the importance of incoming and outgoing financial flows related to corruption, tax evasion, misappropriation of funds, money laundering, drug and wildlife trafficking, trafficking in persons, and illicit smuggling and trafficking, Togo will need to strengthen efforts at the national and regional level to develop a risk-based approach to combat IFFs, including by enhancing international cooperation.

**III. WORLD BANK GROUP PARTNERSHIP STRATEGY**

## 3.1 The Government’s National Development Plan

1. **In late 2015, the Government launched the process of developing a new National Development Plan (PND) for 2018–2022**. The PND follows the SCAPE (2013–2017) and will provide a medium-term framework for integrating and implementing the Sustainable Development Goals (SDGs). To this end, SDG priorities and targets are being defined through a participatory process, with support from the UN, World Bank, and other partners.
2. **An early draft of the PND presents the initial strategic priorities for the country**. The PND’s principal goal is to forge a democratic nation that is solid, stable, open to the world, and structurally transformed, in which all local and regional authorities participate in a substantial way in strong, sustainable, inclusive growth, promoting equitable access to quality social services, and respecting the environment. In line with Vision 2030, the PND’s medium-term strategic objectives are:

**(1) Improving the well-being and development of the population**: The PND will focus on the Urgent Program of Community Development, the National Fund for Financial Inclusion, and the construction and rehabilitation of socioeconomic infrastructure and services needed to ensure the population’s well-being and to eventually establish a future middle class.

**(2)** **Boosting the productivity and competitiveness of growth sectors** and **(3)** **Strengthening infrastructure to support growth**: For Togo to become a leader in services and industry, this objective emphasizes improving the quality and reducing the costs of energy, telecommunications, and transport (air, sea, river, road, and rail)—services and infrastructure that drive growth and will help make Togo more competitive in the region and globally. The objective will also be achieved by developing the blue economy and positioning tourism, culture, sports, and communication to create jobs and wealth.

**(4) Promoting sustainable management of the territory, the environment, and living standards**: This objective focuses on promoting decentralization and balanced development of regions, transfer of resources, and skills to help develop the potential of each region; supporting preservation of the environment, management of natural resources, and adaptation to climate change; and implementing institutional and constitutional reforms to give all Togolese access to equal opportunities and adequate living conditions.

**(5) Strengthening governance and consolidating peace**: This objective emphasizes strengthening governance and the capacity of local and national actors; mobilizing resources, strengthening the management of public finances, and creating strong institutions and partnerships, notably between public and private spheres; promoting civics, citizenship, patriotism and entrepreneurship; strengthening human rights and democratic principles; strengthening justice, executive and legislative services and their financial and administrative autonomy.

1. The Government plans to complete preparation of the budgeting plan for the PND by March 2017 and expects to have the PND validated and adopted by May 2017.

## 3.2 World Bank Group Country Partnership Framework

### 3.2.1 Lessons Learned from the 2008 and 2012 Interim Strategy Notes

1. **Implementation of the ISNs for FY08–10 and FY12–13 hold important lessons for this CPF and for the WBG’s work in low-income fragile states more generally**. Following is a brief review of the key lessons learned during the two ISN periods. These lessons are explored in greater depth in the Completion and Learning Review (CLR) in Annex 2.
2. **As Togo continues to emerge from a period of reengagement with development partners, it remains important to have a long-term view of reformsto rebuild confidence in a context of political and economic fragility**. The experience of implementing annual stand-alone development policy operations (DPOs) under the ISNs highlighted the difficulty of translating a single-year policy focus into longer-term reform approaches, particularly in a context of gradual reengagement and limited capacity. Developing a longer-term policy perspective at the outset, aligned with a country-owned national development plan, would help to sequence and pace reforms.
3. **Political economy analysis is important, particularly in a fragile environment**.Experience in implementing both reforms and investment lending highlights the critical need for political commitment from the top down to ensure the feasibility and sustainability of reforms. International Development Association (IDA) projects supporting financial and private sector development reforms suffered from diminishing high-level commitment, and reforms remain incomplete. Implementation of the ongoing West Africa Regional Communications Infrastructure Project has been slow in part due to lack of progress reforming the sector.
4. **Selectivity and sequencing are critical to moving forward on a complex reform agenda**. Given the generally limited public sector capacity, a selective and sequenced approach offers the best chance of achieving results without straining client resources. Achieving this goal requires making difficult decisions about which interventions must be slimmed down or delayed in an effort to avoid an overly ambitious and, ultimately, underperforming program. Achieving this goal requires a careful balancing act between keeping the project design simple and remaining responsive to pressing needs.
5. **Intensive supervision and on-the-ground expertise are key to achieving sustainable results**. WBG interventions in Togo have been most successful, with the best chance for sustainability, in areas where specialists were regularly present in country to provide technical assistance, interact frequently with counterparts, and resolve problems as they arose.
6. **Effective monitoring of results depends on appropriate specification of expected outcomes and indicators**.Particularly in the case of a multisector DPO, program objectives and results indicators need to be realistic, feasible, and subject to clear and straightforward monitoring. Indicators need to be easily attributable to government actions, rather than depending on exogenous factors, and are most effective if already embedded in regular monitoring processes, either in country or under the auspices of an ongoing project.
7. **Community-driven development (CDD) approaches can achieve good development results where public services are weak and poverty levels high**. Projectsusing CDD approaches have had high success rates in Togo, both in specifically targeted CDD programs and as CDD elements embedded in sector-specific projects. The WBG can have a rapid impact on poverty through CDD, backed up by institutional structures that empower local communities by decentralized decision-making and that build capacity through sustained and targeted support.
8. **Close coordination with a wide range of development partners is critical to avoid compromising the efficiency of aid, overburdening public sector capacity, or working at cross-purposes vis-à-vis national stakeholders**. Close collaboration between the WBG and other donors greatly enhances the likelihood of making a sustainable impact and channeling country capacity as efficiently as possible. More efforts are needed to deliver on the Paris Declaration, and the WBG should create more opportunities to support country systems and performance- or results-based approaches to reduce transaction costs.

Box 1. Stakeholder Consultations

**Stakeholder consultations carried out during the preparation of the 2016 SCD (2014 to 2016) and the CPF (2016 and 2017) inform the WBG’s strategy.** Consultations were held in all five of Togo’s regions to explore development priorities and constraints to poverty reduction, including more inclusive economic growth. Stakeholders included both government and nongovernment actors, consisting of central and local authorities, members of parliament, unions, private sector operators and associations, and civil society organizations (advocacy and development organizations, religious groups, women’s organizations, youth groups, and the media). Consultations were also held with development partners in Lomé.

Participants agreed that weak governance underlies many development challenges in Togo. They expressed a desire for more equitable distribution of public resources, for grievance and accountability mechanisms, for greater participation of non-state actors in development decisions, and for strengthened judicial services. Perceptions of corruption in the public administration were high, and weak capacity among public administrative staff was seen as a constraint to improved service delivery. Civil society participants sought assurances that WBG financing for Togo was closely monitored and not diverted. They also requested greater support from the WBG to help CSOs play an oversight role.

The challenge of coastal erosion was highlighted for increasingly dislocating coastal populations and livelihoods. In terms of human development, participants raised the issue of education quality and the disconnect between the skills training available for the labor force and the opportunities available on the market. Low salaries, limited job security, and lack of motivation for job seekers were also cited. Issues of irrigation, secondary and feeder roads, and decentralization were stressed in regions where there is a need to develop secondary cities and promote local development. These elements were emphasized as prerequisites to prevent further rural emigration and to keep young people engaged in agriculture and the local economy.

The lack of private sector competitiveness due to the tax system and expensive inputs (electricity, telecommunications, and other services), lack of transparency in public procurement, and the need for special attention to gender and fiscal policy and education—notably secondary and higher education—were also highlighted.

**3.2.2 Overview of Strategy**

1. **A fundamental challenge facing Togo as it seeks to transition from its status as a low-income fragile state to an emerging economy is weak governance that impedes more robust, inclusive and sustainable growth and has contributed to stagnant per capita GDP**. Governance reforms aimed at engendering a more inclusive growth process led by private economic activity are needed to build an economy that is more productive, creates more jobs and leads to a virtuous cycle of rising incomes, expanded fiscal resources, and an increased ability to pay for public services to improve well-being for a growing population.
2. **The CPF seizes on a window of opportunity created by an increased willingness on the part of the authorities to tackle key economic governance constraints in order to surmount the urgent development challenges facing the country**. These urgencies have been brought to the fore by significant budgetary difficulties resulting from rapid accumulation of domestic debt, fiscal constraints and delays in implementing reforms needed to make the economy more productive, as well as growing pressure from citizens for improved living standards, services and opportunities.
3. **The CPF renews the focus on strengthening governance in Togo, notably accountability, institutional effectiveness and citizen engagement**. At the same time, given the government’s fiscal constraints, the CPF will support improvements in the business environment and private sector performance to help generate more and better jobs, including increasing agricultural productivity to improve incomes, especially for the poorest segments of the population; efforts to empower communities and local governments to improve the delivery of basic social and infrastructure services in urban and rural areas; and reductions in the risks to sustainable development arising from environmental degradation and climate change.
4. **Given the substantial risks and challenges for government to sustain reforms in sectors with vested interests, the CPF proposes two engagement scenarios**. Under Engagement Scenario 1, IDA financing would support new investment operations and a programmatic DPO series (FY18 and FY19) which would be presented to the Board and implemented on the basis of two criteria: (i) an adequate macroeconomic framework, as monitored/evaluated by IMF and IDA; and (ii) satisfactory economic governance, as demonstrated by implementation of reforms supported by the FY18-FY19 DPO series.[[6]](#footnote-6) The proposed DPO series would provide the platform for policy reforms in key economic sectors to be adopted while, in parallel, IDA resources would finance investments and technical assistance.
5. **Under Engagement Scenario 2, IDA18 resources would be allocated only across the indicative investment financing program presented in Table 3**. Inthe absence of progress with reforms or if the IDA DPO series does not materialize or is interrupted, IDA would only support Investment Project Financing (IPF) (and potentially a Program for results (PforR)). Notwithstanding a doubling of IDA resources for Togo due to the increased poverty orientation of the performance-based allocation for fragile states under IDA18, the CPF seeks to be selective in proposing only a few new financing operations on the basis of the criteria discussed below. The CPF also promotes opportunities for IFC and MIGA to de-risk investment opportunities to attract more private investments.
6. **The CPF uses several criteria to select priority areas of support for the WBG program**. CPF priorities are guided by activities that: (i) engage in areas identified as priorities by the SCD to help Togo accelerate progress toward the twin goals of poverty reduction and shared prosperity; (ii) deepen engagement in sectors where the WBG has had the greatest impact in improving living standards and delivering results under the two previous ISNs; (iii) align with IDA 18 thematic priorities; and (iv) support commitments made by the World Bank to help Togo respond to urgent national priorities (such as coastal erosion). Figure 4 presents the CPF Focus Areas and objectives and the intersections with the SCD and government’s PND.
7. **The CPF will engage in areas identified as priorities by the SCD to help Togo accelerate progress toward the twin goals of poverty reduction and shared prosperity**. This includes a renewed approach to promoting private sector performance by removing governance bottlenecks (fiscal, regulatory and institutional) that distort economic activity, reduce productivity and hinder job creation; strengthening economic infrastructure and trade services to improve competitiveness, and improving access to and quality of health services.
8. **The CPF will deepen the WBG’s engagement in programs where past interventions have had the greatest impact**.The CPF will scale up existing support for CDD approaches and social protection programs, which have demonstrated that empowering local communities and decentralizing decision making with sustained support has a rapid impact on poverty in Togo. The World Bank will also extend its support for delivering basic infrastructure services in secondary cities, with an increased focus on strengthening governance and institutional capacity at the central and regional (municipal) level. IDA has been the largest development financier of these programs and has a comparative advantage based on the experience it has accumulated in Togo and globally. These approaches are also consistent with the recommendations of the 2015 risk and resilience assessment for Togo.
9. **The CPF prioritizes the IDA18 special themes of climate change; gender and development; fragility, conflict and violence; jobs and economic transformation; and governance and institutions.** The CPF has prioritized adaptation to climate change due to the significant cost of coastal erosion and natural disasters (drought and flooding) to the Togolese economy and the risks they represent to sustainable development (see Focus Area 3). In doing so, IDA also delivers on the commitments of the 2016 Africa Climate Business Plan and the UN Climate Change Conference (COP 21). The CPF integrates the IDA policy commitment to close gender gaps in education, maternal and reproductive health and economic activity (See Focus Area 2). The CPF integrates the recommendations of the 2015 risk and resilience assessment for Togo. Under IDA18, the country will benefit from the increased poverty orientation of the performance based allocation, with a doubling of IDA resources for fragile states. The CPF integrates the theme of jobs and economic transformation in Focus Area 1, including analytical work proposed on sources of growth and competitiveness, reforms to promote economic productivity, and investments to create jobs for women and youth. The CPF also makes use of the enhanced IDA18 instruments to improve risk-sharing in projects and crowd-in private capital through the Private Sector Window. The CPF also supports the IDA18 commitments on governance and institutions (cross-cutting theme), including domestic resource mobilization, public expenditure and financial management and procurement, governance of SOEs, improved service delivery, institutional capacity to respond to pandemics, citizen engagement and open, transparent, and inclusive governance.
10. **The** **CPF will minimize IDA engagement in sectors that the SCD does not identify as a priority for poverty reduction and where other development partners have a comparative advantage**. The SCD concludes that access to finance is not a significant constraint to poverty reduction in Togo, despite systemic weaknesses in the sector. However, recognizing the important role that the financial sector plays in spurring private sector activity and the World Bank’s comparative advantage in supporting financial sector issues, the CPF will include a financial sector assessment and technical assistance for restructuring state-owned banks, at government’s request. IFC will continue to promote access to finance through its financing products in the local banking sector. The CPF does not foresee significant IDA financing in water and sanitation services outside of community-level interventions and limited investments under proposed new operations. The French Agency for Development (AFD) and EU are supporting reforms and investments in the sector, and the World Bank has a modest engagement through the Water Support Partnership. The CPF also does not plan IDA financing for large irrigation or transport infrastructure.
11. **The new IFC 3.0 strategy will seek to create new and stronger markets**.IFC 3.0 targets sector-specific development strategies, leverages partnerships with the World Bank, IMF and other partners to drive reforms, and works to create the right regulatory conditions for the private sector. IFC’s creating markets agenda will include partnering with IDA to implement the cascade approach, which champions maximizing the crowding-in of private capital and minimize the public debt burden on clients. IFC will seek to scale up advisory services at the firm and market levels to build capacity in Togo. It will also, where appropriate, aim to increase own-account investment and mobilization, co-lending, blended financing and de-risking instruments such as those proposed by the IDA18 Private Sector Window. IFC’s objective is to enhance its investment and advisory work to support trade and public-private partnerships (PPPs) and promote private investments in infrastructure, agribusiness, manufacturing, services, the financial sector and SME development. IFC expects to work with MIGA which will explore opportunities to engage in Togo during the CPF period.
12. **The CPF proposes joint collaborations between practice groups to increase IDA’s effectiveness**. Possible synergies would include combining the institution’s knowledge and expertise in trade and commerce, agriculture, and education to promote competitiveness and build skills; bringing together the WBG’s expertise in governance and urban and rural resilience to support improved basic infrastructure services at the regional level; and linking health and social protection expertise to help Togo establish a targeting mechanism for social safety nets.

Figure 4: SCD Priorities, CPF Focus Areas and Objectives and Togo PND Pillars

|  |  |  |
| --- | --- | --- |
| **Selected SCD Constraints** | **SCD Priorities** | **CPF Objectives** |
| **CPF Foundational and Cross Cutting Theme: Governance**  Togo PND Pillar 5: Strengthen Governance and Consolidate Peace | | |
| * **Poor governance** (weak government effectiveness, control of corruption and accountability) | Improved value for money in public expenditures | Strengthen institutions and citizen engagement across the CPF program |
| **CPF Focus Area 1: Private Sector Performance and Job Creation**  Togo PND Pillar 2: Boost the productivity and competitiveness of growth sectors  Togo PND Pillar 3: Strengthen infrastructure to support growth | | |
| * **Barriers to entry and binding distortions to private activities (agricultural and non-agricultural)** * **High and distortionary taxes** * High cost of electricity for productive uses * Unreliable internet and costly telecommunications * Lack of local infrastructure * Weak Fiscal Governance | 1. Reduced fiscal risks  2. Growth in increasingly formal and productive off-farm businesses for more remunerative employment  3. Transformation of agriculture toward more productive, higher-value, and sustainable smallholder and commercial production | 1. Strengthen fiscal policy and debt management  2. Improve business environment and employment opportunities  3. Strengthen energy, ICT and logistics services |
| **CPF Focus Area 2: Inclusive Public Service Delivery**  Togo PND Pillar 1: Improve living conditions by providing universal access to  quality social services | | |
| * **Low accessibility and quality of health- related services and disease prevention** * Gender discrimination * Poor quality of education in poor and rural areas * Poor urban water services | 4. Improved health status of the population, especially poor and vulnerable people | 1. Strengthen health services  2. Strengthen basic services at the local level  3. Strengthen social safety nets for the most vulnerable |
| **CPF Focus Area 3: Environmental Sustainability and Resilience**  Togo PND Pillar 4: Promote sustainable management of the territory, the environment and  living standards | | |
| * Environmental Degradation and Climate Change – risks to sustainability | *National priority, World Bank commitment – COP 21 and Africa Climate Business Plan* | 1. Strengthen the management of productive natural resources  2. Strengthen resilience and adaptation of climate change |

*Note*: SCD binding constraints to twin goals in **bold** type.

### 3.2.3 Objectives and Planned Support

1. **The objectives of the CPF are structured around the anchoring and cross-cutting theme of governance and three focus areas**: (1) private sector performance and job creation; (2) inclusive public service delivery; and (3) environmental sustainability and resilience.

**Governance Cross-Cutting Theme**

1. **Recognizing the accountability challenges identified by the SCD, and given the weak capacity issues in Togo, this CPF program integrates institution-building and citizen engagement activities across the three focus areas**. This includes strengthening public and private institutions to address both supply and demand-driven governance, including private sector actors where the CPF seeks to strengthen the business environment; local and regional authorities where the CPF supports improved basic services, and citizen engagement in all three focus areas of the CPF. On the supply-side, the CPF will include support to strengthen key government institutions and relevant private institutions involved in delivering results under each Focus Area. The CPF results matrix highlights in bold text the relevant institution-building and citizen engagement activities contributing to proposed results indicators.

**Focus Area 1: Private Sector Performance and Job Creation**

1. Under this focus area, the CPF seeks to help Togo stabilize the macroeconomic and fiscal framework as a prerequisite for continued growth; support fiscal and regulatory reforms and investments aimed at growing the formal private sector and increasing agricultural productivity, access to markets, and stronger value chains; improve the quality of economic infrastructure services, and promote skills-building and employment opportunities in support of the government’s jobs agenda.

|  |  |
| --- | --- |
| **Focus Area 1** | **Economic Productivity and Job Creation** |
| CPF Objectives | * 1. Strengthen fiscal policy and debt management   2. Improve business environment and employment opportunities   3. Strengthen energy, ICT and logistics services |

**Objective 1.1: Strengthen Fiscal Policy and Debt Management**

1. **Among the government’s top priorities in 2017 is to begin restoring macroeconomic stability and fiscal consolidation to mitigate a fiscal crisis and reduce public debt to sustainable levels**. The government’s reform program includes measures to accelerate the implementation of key reforms in revenue administration and public financial management (PFM), strengthen debt management, address weaknesses in public banks, and safeguard social spending. The authorities will seek to mobilize additional revenues by further improving revenue administration and broadening the tax base, with an emphasis on overhauling the exemption and tax expenditure system. In coordination with the IMF, IDA is supporting the government’s reform efforts, including strengthening debt management by providing TA to strengthen capacity in the Ministry of Finance and help prepare a medium-term debt management strategy. IDA support to strengthen fiscal policy will also include analytical work on Togo’s tax framework to better understand its effect on growth, private sector activity and employment, and supporting the establishment of a fiscal policy unit at the Ministry of Economy and Finance; and continuously monitoring macroeconomic activities and having a dialogue on these issues with the authorities. Through the proposed DPO series, IDA would seek to promote economic growth through enhanced fiscal space and productivity in growth-enhancing sectors. The proposed DPO program could include measures related to improving efficiency and transparency in revenue mobilization and public expenditure management which would contribute to achieving Objective 1.1.[[7]](#footnote-7) The DPO program would complement reforms supported under the IMF ECF program and other budget support donors, namely AfDB and EU.
2. **A Public Expenditure Management and Financial Accountability Review (PEMFAR), prepared in 2016, provided a comprehensive analysis of public financial management issues and reform priorities in Togo**. Prepared in conjunction with the PEFA, the PEMFAR evaluated public expenditure trends and progress with PFM reforms, giving particular attention to agriculture and education sectors. The recommendations from the report included measures to upgrade Togo’s PFM system to be in line with the WAEMU directives for 2017 and to meet international standards, notably in the areas of mobilizing internal revenues, improving budgetary discipline, strengthening the management of public investments and improving the economic rationale for investment decisions, professionalizing public procurement personnel and strengthening accountability mechanisms, among others. The recommendations of the PEMFAR inform the proposed DPO measures on public expenditures and investments, as well as activities under a proposed IDA Economic Governance TA operation (FY18). The TA operation will support a range of activities to strengthen public expenditure management, public investment, public procurement, and budget and service-delivery monitoring and oversight by audit institutions and citizens. The EU, IMF, AfDB and IDA are collaborating to support the implementation of the PFM reform strategy adopted by government on the basis of the PEFA and PEMFAR.

***Results Indicators for Objective 1.1: Strengthen fiscal policy and debt management***

**Indicator 1:** Improved Debt-to-GDP ratio *(reduced from 77.4% in 2016 to 65% in 2020)*

**Objective 1.2: Improve Business Environment and Employment Opportunities**

1. **Under this objective, the WBG seeks to improve productivity and competitiveness, by supporting policies and investments that will lead to more formal businesses that can create more and better jobs and incomes**. To build on the analysis gaps identified in the SCD and strengthen the knowledge-base in this area, the CPF proposes analysis on: (i) sources of growth and competitiveness; (ii) Togo’s tax framework and its impact on growth and the private sector; and (iii) Togo’s land regime and its impact on private economic activity, urban development, commercial-scale agricultural investments, land-based resource management, and female-owned farms. This body of analytical work would inform several IDA operations under the CPF that would contribute to Objective 1.2.
2. **The proposed Sources of Growth and Competitiveness study (FY18) would examine issues related to sources of rural and urban growth, investment climate issues, export competitiveness, agricultural value chains and other issues related to private sector performance and competitiveness**. A future IDA investment operation on Competitiveness and Skills (FY19) drawing on this analytical work could include measures to improve the policy framework for investments and exports, attract export-oriented FDI, create backward linkages with domestic firms in high-potential sectors, and provide support to SMEs and for competitive value chains in agribusiness and other sectors, as well as investments in infrastructure.
3. **In light of the government’s urgent need to promote private sector-led growth and attract more private participation in infrastructure investments, the WBG would renew its support for public-private dialogue (PPD) and PPPs**. The PPD is needed to ensure that government policies affecting the business environment better respond to private sector needs and take into account the experiences and knowledge of the private sector. In addition, the Ministry of Economy and Finance has made establishing the legislative and institutional framework for PPPs a priority and seeks support to help identify priority investments suited to PPPs. The WBG would provide technical assistance to establish a PPP unit in the ministry with IDA and PPIAF trust fund support. The World Bank’s analysis of the tax framework and advisory support from the World Bank and IFC would also seek to help Togo improve the business environment and performance measured in *Doing Business*. The proposed analytical work on the land regime could also look at issues concerning modernizing the cadaster to facilitate private sector activities.
4. **Togo’s capacity to transform and diversify its economy will also depend on the quality and quantity of its skilled labor**. The disconnect between the jobs offered by the market and the education and skills provided through Togo’s education system contributes to the country’s high rate of underemployment. While the challenges of educational quality are being progressively addressed at the primary and lower secondary levels,[[8]](#footnote-8) vocational and technical training (TVET) and tertiary education (TE) do not respond to market needs. World Bank support to reform TVET and TE to develop skills needed to boost the Togolese economy could be envisaged as part of the proposed IDA operation to promote competitiveness. This support could be designed in close collaboration with both public and private institutions with a view to developing more relevant, professionalized training programs. The World Bank would seek to mobilize additional donor support for TVET and TE. AFD currently finances training programs in Lomé and is supporting an expansion of rural training centers. IFC is open to supporting private sector education and will continue to seek project promoters that satisfy its investment criteria.
5. **The CPF will seek to maximize skills-building and employment opportunities in IDA investment operations**. Proposed IDA operations under the CPF would include activities to assess the skills needed in specific sectors and incorporate training components with a focus on youth and women, as has been done for the IDA Transport and Logistics Facilitation Project (FY17) and the Urban Infrastructure Project (FY18). Under the Employment Opportunities for Vulnerable Youth Project (FY17), IDA is combining community service (including labor-intensive public works jobs), on-the-job training, and support for income-generating activities. The project will provide seed-funding, basic skills building, and other support for young men and women who have less than a primary school education, providing them with opportunities to launch microenterprises to help them secure more sustainable sources of income. The project has coordinated closely with GIZ’s youth employment program. IFC will continue to focus on maximizing job creation wherever possible in its investments. Several IDA operations include partnerships with local learning and research institutions, including the University of Lomé, and the World Bank will seek to promote such partnerships throughout its interventions during the CPF.
6. **Despite some productivity improvements in recent years, agriculture suffers from low productivity, shortages of key inputs and poor agricultural support services, resulting in low rural incomes**. Output growth in the sector has improved due to an increase in cultivated acreage and improvements in seeds, fertilizers and farming techniques. However, the SCD identified important constraints in the sector, such as: (i) poor-quality extension services and limited agricultural research capacity; limiting dissemination and adoption of new technologies; (ii) limited access to rural credit, which prevents farmers from acquiring improved seeds and fertilizers; (iii) insufficient rural infrastructure and problematic access to agricultural water for production purposes; and (iv) high taxation, which deters private investment in the sector.
7. **The WBG seeks to assist Togo in lifting these constraints to foster a more competitive sector with higher value-added productivity and better incomes**. Under IDA, additional financing for the Agriculture Support Project (PASA) and the West African Agriculture Productivity Project (WAAPP) in FY17 will contribute to these objectives and include scaling up support for agricultural productivity, value chain promotion, access to markets and finance, and efforts to attract private investment to the agricultural sector. These additional financing operations have been prepared to consolidate the results of the original operations and provide bridge financing while a new generation of support for agriculture is defined based on proposed analytical work. The proposed study on sources of growth and competitiveness would include a focus on rural growth, examining agricultural value chains and informing future IDA investments in agriculture. These programs support Togo’s national agriculture strategy (PNIASA), which also receives support from IFAD and GAFSP trust fund. Under the IFC program, an assessment of the agriculture value chains and support needs is being undertaken with a view to developing projects to finance and provide advisory services to small businesses and local banks. AfDB is recently active in the sector, with a new *Agropole* project launched in 2016.
8. **To harness the mining sector’s potential as a sources of sustainable wealth for the country, Togo needs to strengthen good governance practices related to transparency, accountability, and efficiency in the sector.** The IDA Mining Sector Governance and Development Project (MGDP), approved in FY15, is helping government establish mechanisms for monitoring extractive production data and a modernized mineral cadaster system to manage the registry of licenses and to monitor operations, inter alia. Support includes capacity-building to enforce environmental and social obligations, as well as mineral tax administration to help ensure that natural resources are transformed into national wealth and social development.The MGDP also supports the next generation of geologists and engineers through modernization of the curriculum at the University of Lomé and creation of broadly accessible information centers. The Extractive Industries Transparency Initiative (EITI) will complement sector support through annual publication of revenue flows and sector statistics and by hosting an Accountability Forum, a platform for dialogue with civil society.

***Results Indicators for Objective 1.2: Improve Business Environment and Employment Opportunities***

**Indicator 1:** Improved private sector regulatory performance, as measured by Togo’s Doing Business “Distance to Frontier” score *(improved from* *48.57 in DB17 to 55.00 in DB21)*

**Indicator 2:** Improved employment options for Togolese youth *(number of youths trained and launching/expanding microenterprises increased from 0 in 2017 to 10,000 in 2020)*\*

**Indicator 3:** Improved agricultural incomes *(average income of direct beneficiaries of PASA increased by 25% by 2020)*

*\*Baseline of “0” applies to the FY17 Employment Opportunities for Vulnerable Youth IDA operation.*

**Objective 1.3: Strengthen Energy, ICT and Logistics Services**

1. **Low effectiveness in the allocation of public investments and in the governance of infrastructure sectors has adversely affected the quality of Togo’s infrastructure services, which in turn hampers Togo’s growth potential**. In particular, the poor quality and high price of electricity and ICT services constrain Togo’s competitiveness and potential for inclusive growth. While national and rural road infrastructure is comparatively adequate and Togo’s transport sector is competitive within the region, continual improvement in logistics efficiency will be important to reinforce the country’s competitive advantage as a transport hub for the region.
2. **Poor governance of Togo’s electricity distribution company and a lack of independent regulation of the sector have undermined its ability to operate efficiently and in a financially sustainable manner**. The average tariff is less than the cost of service, leading to a financially unsustainable situation. In addition, lack of investment in and maintenance of the distribution system have resulted in severe voltage drops and system losses (technical and commercial) of as high as 20 percent. Meanwhile, Togo’s electrification rates are estimated at 30 percent, with 56 percent of households having access in urban areas compared to 6 percent in rural areas. A relatively high share of Togolese firms consider problems with electricity (both cost and reliability) to be a major constraint.Although supply is stable today, demand is growing and Togo will need to upgrade and rehabilitate the distribution system and install greater capacity to avoid future shortages by 2021. The Government estimates it will need another 100MW by 2018 to adequately meet demand. Togo also needs to invest in cheaper and cleaner electricity.
3. **Resolving the governance and financial crisis in Togo’s electricity sector is a key priority for the Government, as is upgrading the old distribution network and bringing electricity to rural communities; the World Bank, IFC and MIGA plan to work together (in collaboration with other development partners) to deliver a comprehensive program**. To support the required sector reforms and create an environment that would attract top-notch private sector operators that could be supported by IFC and MIGA, an IDA Energy Sector Governance and Access operation (FY18) will assist the government in developing a Least Cost Plan for generation and a master plan for electricity transmission, distribution, and access. The project will seek to improve the governance and management of the distribution utility, and undertake a study to establish appropriate tariff and subsidy levels to achieve financial equilibrium in the sector. The project is closely coordinated with the EU, AFD, AfDB, and KFW. IFC and MIGA would then seek to support independent power producer projects to increase Togo’s generation capacity and access. For example, IFC is considering financing the expansion of the Contour Global plant (which is currently operating at full capacity and providing baseload for the country). Contour Global is the country’s first and only IPP, which started operations in 2010 and in which IFC invested equity. IFC is also exploring a Scaling Solar program with the Government. In addition, IFC could contribute to sector reform work through its PPP advisory team, by supporting the Government in improving financial and operational performance in the electricity utility by bringing in private sector participation. The proposed DPO series could include measures to strengthen governance and consolidate the financial viability of the energy sector.
4. **The WBG will also pursue options to achieve universal access through rural electrification**. Achieving universal access through both on-grid and off-grid electrification to begin connecting more rural households could be included under an IDA additional financing operation, and IFC is seeking to provide financing for private sector options.
5. **WBG instruments will be used to de-risk power projects in Togo**.IDA could provide its traditional Partial Risk/Credit Guaranties or, if there are country envelope constraints, IFC could use the IDA Private Sector Window’s Risk Mitigation Facility (RMF) and/or MIGA could use the IDA Private Sector Window’s MIGA Guarantee Facility (MGF)[[9]](#footnote-9) to partner with investors in the sector.
6. **Improving the performance of Togo’s ICT sector is fundamental if Togo wants to improve the business environment, unleash job opportunities, and achieve its ambition of being a logistics platform for the sub-region.** Togo’s ICT sector is hampered by poor telephony and Internet services provided at high cost in a context of policies that are unfavorable to private investment. Various global indexes rank Togo’s ICT services as among the weakest. Togo is ranked 159th out of 175 countries on the global ICT Development Index (IDI),[[10]](#footnote-10) 160th on the IDI Access sub-index, and 165th on the IDI Use sub-index. In 2015, Togo ranked 179th out of 184 countries on the mobile-cellular price basket, 172nd on the fixed-broadband price basket, and 169th on the mobile-broadband price basket. More firms rate the quality of Internet and telecommunications services as a major or severe problem than any other constraint.
7. **The WBG is working on a joint response to support Togo’s efforts to build a more competitive and functional ICT sector**.The IDA West Africa Regional Communications and Information Project (WARCIP), approved in 2013, was designed to facilitate connectivity through the establishment of a carrier hotel (data center) to improve access to international broadband network and reduce the cost of communication services in Togo. Activities include strengthening policies, regulations and institutions in the sector. Under the CPF, the WARCIP would be restructured to better accompany possible measures under the new DPO series to strengthen the governance of the sector and promote greater competition. IFC, through its PPP advisory team, is exploring opportunities to help improve the operational and financial performance of Togo Telecom by bringing in private sector participation. Furthermore, IFC could consider providing acquisition financing (equity and/or debt) for the new potential participants, subject to IFC’s investment criteria and procedures.
8. **The quality of Togo’s transport and logistics services is also pivotal to leverage its geographic position and effectively connect people to markets, public services, and employment opportunities**. Togo can maximize the impact of significant recent investments and expansions in transport infrastructure by strengthening the quality of transport and logistics services at the port, air terminals and land border areas, as well as by easing passage on roads within the country. This would require improving regulation of trucking services, enhancing port efficiency, and reducing unnecessary roadblocks.
9. **To help Togo strengthen and maintain its comparative advantage in transport and logistics services, the World Bank and IFC will work together on the IDA Transport and Logistics Facilitation investment project (FY17) designed to strengthen the quality of trade logistics and trucking services, increasing efficiency and reducing the costs of trade in Togo**. These improvements would have a positive impact on private sector development and competition by, among other things, reducing the cost of doing business in Togo. Where possible, the project will emphasize female participation in capacity building programs. To promote jobs, the project provides various tools for micro operators of the trucking industry to create cooperatives and build capacity, while also providing existing operators with re-skilling opportunities to access better jobs. The project is aligned with support from the AfDB and EU (jointly financing the Abidjan Lagos Corridor project) and the Japan International Cooperation Agency (JICA).
10. **An important component of the IDA Transport and Logistics Facilitation investment project is access to finance for small operators in the trucking sector**.IFC is exploring options to provide financing for the truckers to modernize their aging fleet (trucks are on average 17 years old). One option would be a Risk Sharing Facility in a local bank, with potential support from the IDA Private Sector Window to provide a “first loss” that would be used to reduce potential losses to the bank and IFC. As this type of facility limits losses, it generally encourages banks to lend to SMEs in sectors they have historically been reluctant to enter. Another financing possibility would be the use of leasing. IFC could also support the project through its Global Trade Finance Program (GTFP), which offers banks partial or full guarantees covering payment risk on emerging market banks for trade-related transactions.

***Results Indicators for Objective 1.3: Strengthen Energy, ICT and Logistics Services***

**Indicator 1:** Expanded and improved electricity services in Lomé (*increased number of people provided with new or improved electricity service from 392,000 (22%) in 2018 to 432,000 (25%) in 2020*)and (*increased energy capacity* *by 50 MWh/year by 2020*)

**Indicator 2:** Reduced telecommunications services costs (*the cost of international wholesale capacity bandwidth price in euro/Mbps/month from 113 in 2016 to 50 in 2020*)

**Indicator 3:** Improved transport efficiency (*median transit time from Port of Lomé to Cinkansé border with Burkina Faso reduced from 8 days in 2016 to 6 day in 2020*) and (*Number of containers handled (M TEU Containers) from 0.5 in 2016 to 1.0 in 2020*)

**Focus Area 2: INCLUSIVE PUBLIC SERVICE DELIVERY**

1. **The SCD and other analytical work highlight challenges in public service delivery that result in weak human development outcomes and, consequently, limited inclusion**.The Government has made improving service delivery at the local level a top priority, in particular to promote basic social and infrastructure services and improve their quality. Under Focus Area 2, IDA will support these efforts by scaling up its support for social services—with a particular focus on strengthening health systems, including maternal and child health services and disease surveillance—and empowerment of local government and communities in selecting and delivering basic services. Interventions supporting actors and services at the local and regional level seek to also address issues around the inequitable distribution of resources across regions. This focus area emphasizes decentralized service delivery, citizen engagement and capacity building for: (i) local authorities in secondary cities to upgrade, expand, or build critical basic infrastructure services; and (ii) community organizations to select and deliver small-scale basic services. This Focus Area is consistent with the World Bank’s 2015 Fragility Assessment for Togo which recommends decentralized decision-making. IDA will also scale up its support for successful safety net programs in the poorest communities in all five regions of the country to ensure that the most vulnerable receive assistance in the effort to promote inclusion and well-being of Togolese citizens around the country.

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| **Focus Area 2** | **Inclusive Public Service Delivery** |
| CPF Objectives | * 1. Strengthen health services   2. Strengthen basic services at the local level   3. Strengthen social safety nets for the most vulnerable |

**Objective 2.1: Strengthen Health Services**

1. **Weak disease prevention and health care services are highlighted as a key constraint to inclusiveness and well-being due to the disproportionate impact on poor women and children**.Between 1998 and 2014, Togo made important progress in reducing the maternal mortality rate from 478 per 100,000 births to 401. However, the country fell well short of the 2015 MDG target of 160. The child mortality rate is high at 88 per 1,000 live births. Though severe malnutrition declined, chronic malnutrition increased from 23.7 percent to 29.7 percent between 2006 and 2010, concentrated in the northern parts of the country. Life expectancy at birth is low at just 59 years.
2. **Togo’s budget allocation for health services represents nearly 8 percent of the national budget, and the Government has provided subsidies for poor and vulnerable groups**. Despite these measures and weak health outcomes, users pay on average 50 percent of health costs, which creates a barrier to access and makes falling ill a catastrophic risk for impoverishment. The Government’s national health plan (2017–22) is being finalized and will seek tostrengthen health services and finance these more effectively, improve quality and access by removing financial barriers for users, and reduce the cost of services by promoting the use of more affordable drugs.
3. **The CPF proposes to scale up IDA’s engagement in the health sector and support the government’s efforts to improve services and health outcomes**.IDA is already engaged in the health sector through the Maternal and Infant Health and Nutrition Project (PASMIN, FY14), focusing primarily on malaria prevention and nutrition for mothers and infants, and the Regional Disease Surveillance Systems Enhancement Project (FY17), to strengthen early warning systems and responses to diseases. IDA financing will help to further strengthen Togo’s health systems by building on a performance-based financing (PBF) pilot in PASMIN to promote PPPs to deliver health services and further support reproductive, maternal, infant, and child health services. The PBF approach complements the World Bank partnership with UNICEF on nutrition and community care. TA would help develop a health care financing strategy and an evaluation of identification management systems for targeting purposes (jointly with the IDA Basic Services and Safety Nets operation). The Global Fund for AIDS, Tuberculosis and Malaria is a key financier and development partner in the health sector, and WHO and UNAIDS are also key partners.

***Results Indicators for Objective 2.1: Strengthen Health Services***

**Indicator 1:** Number of births assisted by a midwife or qualified nurse as a share of the total number of expected births *(63.5% in 2017 to 70% in 2020)*

1. **The World Bank will continue to support education sector activities, including the implementation of the Global Program for Education grant in Togo**. The Second Education and Institutional Strengthening Project (FY15) seeks to strengthen the quality of teaching and learning in primary schools and access to and equity in education, particularly for disadvantaged communities. The project also uses a participatory community-driven approach. The World Bank is also supporting a regional IDA higher education Center of Excellence (ACE) Project in Togo. ACE promotes regional specialization among participating universities to deliver quality training and applied research, with a focus on poultry sciences at the center established at the University of Lomé. In addition, IDA supports the follow-up to the Education SDI dissemination (FY16), citizen engagement activities to monitor teacher performance. Partnerships with universities and local institutions are also discussed under Focus Area 1. AFD and UNICEF are the WBG’s key development partners in Togo’s education sector.
2. **The CPF seeks to promote a more adequate and equitable allocation of public resources and more efficient performance of public expenditures for social services by supporting related analytical work and TA**. Specific activities include a proposed Public Expenditure Review (PER, FY18), and the proposed Economic Governance TA operation (Engagement Scenario 1) being prepared in coordination with the EU’s economic governance program. The CPF proposes an update of the SDIs in health and education in FY20.
3. **The World Bank will continue to update its knowledge on poverty during the CPF period and will prepare a programmatic poverty assessment, which would include a gender assessment**.The World Bank will continue to provide support to the National Institute for Statistics and for Economic and Demographic Studies (INSEED) during the CPF period. INSEED completed a household survey in December 2015 (QUIBB) and a baseline survey on living conditions among households in Lomé and its agglomerations in 2014. A proposed Trust Fund for Statistical Capacity Building (TFSCB) would finance an employment observatory with INSEED and ANPE (the National Agency for Employment Promotion). The results of the Gender Assessment would inform World Bank interventions and any adustments to the CPF following the PLR.

Box 2. Service Delivery Indicators in Togo

An assessment of service delivery indicators (SDIs) was undertaken in 2013 and has influenced policy and knowledge in the Togo program. Based on the revelation of weak teacher content-mastery, for example, the Ministry of Education reformed its remedial training for certain teacher categories in favor of primary-school content instead of more advanced pedagogical training. The results were also used in the SCD to highlight problems in education and health service delivery, and now support the development of a proposed IDA health sector operation to address weaknesses among providers (absenteeism, diagnosis, and care) and facilities (drugs). There is the potential to carry out further SDI evaluations to monitor progress and cross-country comparisons. A second round of SDIs in education will be done under the CPF.

**Objective 2.2: Improve Basic Services at the Local Level**

1. **Both urban and rural areas face challenges in delivering basic services**. Rural infrastructure is particularly scarce and poorly maintained, thus constraining growth and poverty reduction. Urban infrastructure services are under pressure as urban centers grow beyond their means to deliver adequate services. Togo’s urban population is projected to reach 50 percent of the total projected population of 10 million by 2030, but most urban centers lack the ability to mobilize resources to provide services, and public investment in urban infrastructure over the past five years represents less than US$3 per capita. Togo’s secondary cities and rural areas require urgent investments to provide basic infrastructure and social services and ensure the spatially balanced development of the country. Access to potable water is a particular challenge in rural areas, where less than 50 percent of the population has access. While the Government has put a particular emphasis on upgrading and rehabilitating key transport-related infrastructure, other basic infrastructure has received less attention. Faced with infrastructure investment constraints during the CPF period, including weak institutional and human resources capacity, Togo will need significant support in this area, including infrastructure improvements at regional and local levels.

1. **The CPF will scale up support for delivering basic infrastructure services at the local and regional levels using participatory, bottom-up approaches.** The Safety Nets and Basic Services Project (FY17) will support a national program to deliver rural community-level health, education, and basic infrastructure services—including small water works and rural roads, using CDD approaches. IDA will support infrastructure services in secondary cities and build capacity of central and local governments to better manage urban development and urban service delivery under a proposed Urban Infrastructure Project (PIU) in FY18. In parallel, the World Bank will preparea diagnostic on decentralized public services (FY18). The PIU and diagnostic work would inform an IDA operation (Quality Public Services) in the latter years of the CPF to scale up the PIU and to further build capacity for effective investment planning, intergovernmental financing, budget execution, decentralization of core sector service responsibilities, and citizen feedback on key services, while reinforcing transparency. The PIU operation is coordinated closely with the EU and AFD, which are financing water and sanitation components. KFW will focus on capacity building.
2. **The World Bank will support institutional strengthening of the water supply sector in Togo to help implement the recommendations of the Togo Urban Water Supply Sector (FY2015), through a grant from the Water Supply Partnership (FY2017)**. The TA will strengthen and facilitate the implementation of a new contractual framework for the urban water sector, including an innovative PPP between the Government of Togo, SP-EAU (the urban water holding company), and TdE (the operating company). The grant will also support a rapid diagnostic of rural and semi-urban water supply schemes, dominated by independent and informal small scale providers. The EU and AFD are the key development supporting water and sanitation programs in Togo.

***Results Indicators for Objective 2.2: Strengthen Basic Services at the******Local Level***

**Indicator 1:** Improved infrastructure services available at the local level *(students enrolled in rehabilitated or constructed schools under the BSSN project increased from 0 in 2017 to 21,400 in 2020)* and *(number of people in rural areas provided with access to improved water sources under BSSN project increased from 0 in 2017 to 41,200 in 2020)*

**Indicator 2:** Improved satisfaction with social services at the local level *(percentage of citizens satisfied with quality of and access to basic services in priority sectors improved from 45% in 2017 to 55% in 2020)*

**Objective 2.3: Strengthen Social Safety Nets for the Most Vulnerable**

1. **Given Togo’s high rates of poverty and vulnerability, social safety nets are an increasing priority for the Government**.Total expenditures on safety nets have been low as a share of the national budget and as a share of GDP. Targeting is not well developed and there is no national-level program. Togo will channel IDA financing to improve Togo’s social safety nets program through the Safety Nets and Basic Services project (FY17), building on the pilot experience initiated in 2008 as a response to the food, fuel, and financial crisis. The Government has signaled its ownership of these programs by co-financing the school feeding and cash transfer components, and launching its own labor-intensive public works program in urban areas. These activities constitute the first building blocks of a national safety nets system that the Government has been developing with the support of donors (World Bank, UNICEF, UNDP and ILO).
2. **Togo will use IDA financing to scale up support for school feeding and cash transfer programs during the CPF period**.Togo will broaden eligible beneficiaries (formerly limited to pregnant women and women with children under two years old) for these programs to make all poor households potentially eligible, while also promoting child nutrition and protection. The program is implemented in coordination with UNICEF and WFP. As part of the Safety Nets and Basic Services project, the program plans to support the building of national systems for targeting poor households and storing household information in a national social registry, which would be expected to be used across multiple programs, to strengthen safety nets nationally (to be supported jointly by IDA’s social protection and health sector activities).

***Results Indicators for Objective 2.2: Strengthen Social Safety Nets* *for the Most Vulnerable\****

**Indicator 1:** Increased number of households receiving cash transfers (*from 0 in 2017 to 40,000 in 2020*)

**Indicator 2:** Increased number of children receiving free school lunches (*from 0 in 2017 to 380,000 in 2020*)

*\*The baseline of “0” applies to the FY17 Basic Services and Safety Nets IDA operation.*

Box 3. Promoting Opportunities for Girls and Women–Integrating Gender Priorities in the CPF

**Support for promoting gender equality during the CPF period will adhere to the WBG’s Gender Strategy for FY2016–23, which focuses on four priority areas**: (i) promoting human endowments (including access to health services, post-primary education and transition to work, early childhood development and safety nets); (ii) promoting economic opportunities (by removing constraints to better jobs, including through training and child care services); (iii) removing barriers to ownership of assets (including assessing land tenure issues and improving access to financial services); and (iv) enhancing women’s voice and agency and engaging men and boys. A proposed Gender Analysis would help identify the most relevant gender gaps in Togo, what these gaps cost the Togolese economy in terms of lost productivity potential, and what it would take to close these gaps. The analysis would inform WBG support in the latter part of the CPF period. In the meantime, the CPF has been informed by the SCD, consultations, and a range of gender analytical work that satisfies the requirements of OP/BP 4.20.

**Focus Area 3: ENVIRONMENTAL SUSTAINABILTY and Resilience**

1. **Togo faces major environmental sustainability risks, which impose significant economic costs**. Environmental and resource degradation (including air pollution, declining water quality, coastal erosion, and land degradation) are estimated to cost 6.8 percent of GDP per year, entirely offsetting Togo’s 5 percent average annual GDP growth over the past decade.[[11]](#footnote-11) The CPF will support investments to strengthen the management of soil, coastal, and water resources and promote more integrated and effective mechanisms to mitigate the effects of natural disasters and climate change.

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| **Focus Area 3** | **Environmental Sustainability and Resilience** |
| CPF Objectives | * 1. Strengthen the management of productive natural resources   2. Strengthen resilience and adaptation to climate change |

**Objective 3.1: Strengthen the Management of Productive Natural Resources**

1. **Togo’s natural assets are subject to a vicious cycle of deforestation for biofuel, increased clearing of land for agriculture, worsening microclimates, declining availability of surface water, rising evapotranspiration, and declining yields**. The World Bank’s main instrument to combat land degradation and strengthen the management of natural resources is the Integrated Disaster and Land Management (IDLM) Project, financed by IDA, GEF, and other trust funds. The IDLM is helping urban and rural communities adapt to climate variability, change their farm practices, and improve their preparedness with the establishment of an early warning system to prevent flooding and implement more efficient interventions to respond to floods and flooding victims. The project uses a CDD approach and has supported small rural infrastructure construction and provided 20,000 direct jobs.
2. **The IDLM is complemented by REDD+ (Reduction of Carbon Emissions due to Deforestation and Degradation of Forests), a grant financed by the Forest Carbon Partnership facility to help Togo design a socially and environmentally sound national strategy to reduce emissions from deforestation and forest degradation**. The goal is to maintain forest cover at current levels, undertake a second inventory of national forest cover in 2020, improve forest governance by strengthening the capacity of stakeholders to implement the forestry legal framework, and train and assist private land owners and communities in forested areas to better manage plantations and to establish a cadaster of these properties. The project also helps to establish and make operational a grievance and redress mechanism. An IDLM additional financing (FY19) could support the preparation of new investments and measures to be implemented under the REDD+ strategy, and bridge any time gap. The REDD+ program is also supported by GIZ.

***Results Indicators for Objective 3.1: Strengthen the Management of Productive Natural Resources***

**Indicator 1:** Additional land area with Sustainable Landscape Management practices and/or climate resilient agricultural practices (*from 1,200 in 2017 to 2,000 in 2020*)

**Indicator 2:** Forest area brought under management plans (community and private forests) (*from 6,050 hectares in 2017 to 10,000 hectares in 2020*)

**Objective 3.2: Strengthen Resilience and Adaptation to Climate Change**

1. **Rising sea levels and changing sea and weather patterns, port construction, sand mining (now illegal) and the Akossombo Dam (Ghana) are the main causes of accelerated coastal erosion in Togo**.[[12]](#footnote-12) Erosion and flooding jeopardize economic assets, including roads, ports, housing and hotels. Importantly, livelihoods—in particular those of artisanal fishermen—and human lives are at risk. Climate change is likely to exacerbate the effects of poor coastal zone management. Climate scenarios for the West African region as a whole indicate an increase in the frequency and intensity of tidal waves and storm surge, which will exacerbate coastal erosion and damage to infrastructure and increase the displacement of vulnerable communities. In addition, water temperatures and changing precipitation patterns will affect the productivity of coastal lands and water.
2. **The Government has made addressing the issue of severe coastal erosion a top priority given its significant impact on coastal communities and economy activity.** The Government of Togo has identified a range of possible actions and interventions to build the ocean and coastal economies, namely port improvement, promoting PPPs, investing in sustainable management of marine resources, rationalizing the country’s coastal and marine fisheries and creating a strong, skilled workforce through training targeted on ‘blue’ sectors. In addition to these, there may be other opportunities within the maritime environment that have yet to be explored, including value-added industries for fisheries, transport, off-shore renewables, and skilled labor creation. Prioritizing and understanding the interlinkages between sectors and actions will be key to protecting natural capital while promoting growth and reducing poverty.
3. **The CPF seeks to support efforts to improve management of natural and man-made risks, including climate change, affecting targeted coastal communities and areas in Togo**. World Bank interventions would aim to: (i) *strengthen governance and knowledge* by creating national platforms for multisector dialogue between the authorities and key stakeholders; developing an adequate policy framework and tools to operationalize a coastal erosion strategy; and strengthening coastal and climate change information and knowledge as a basis for informed decision making; and (ii) *finance investments* to protect vulnerable areas from coastal pressures, such as erosion and flooding; coastal and marine pollution control measures; coastal integrated waste management; adaptation investments promoting climate-resilient coastal development in the urban, transport, tourism and other sectors of relevance.
4. **The World Bank will seek to achieve these objectives through the regional West Africa Coastal Areas TA (FY16), which includes preparing an investment plan for infrastructure and interventions to mitigate coastal erosion; and the on-going IDA IDLM project (FY12).** The proposed IDA and GEF-financed West Africa Coastal Areas (WACA) Resilience project (FY18) will be a flagship activity for this objective, however proposed results indicators would be reflected in the PLR (FY19). Participating countries in this regional project include Benin, Côte d’Ivoire, Mauritania, Sao Tomé and Principe, Senegal, and Togo. The project will also finance CDD through country-specific frameworks developed by the project and will be complemented by the Hydromet Modernization Project (Green Climate Fund grant), which will strengthen hydro-meteorological services and disaster management in Togo. The progress made toward this objective during the CPF period will be based on the IDLM project given that the results from WACA investment project are still to be defined.
5. **The World Bank is helping Togo to develop and implement its “Blue Economy Strategy” to optimize the country’s potential socioeconomic coastal and marine benefits**. The study makes an attempt to accurately assess the contribution of different sectors to the blue economy[[13]](#footnote-13) and help guide policy decisions. The study, along with accompanying TA, will inform the PND and help the authorities make policy decisions to address the challenges facing the development of the country’s blue economy, initiate the necessary reforms, and sequence priorities.

***Results Indicator for Objective 3.2: Strengthen Resilience and Adaptation to Climate Change***

**Indicator 1:** Percentage of households in targeted coastal areas at reduced risk of flooding and erosion (inland and coastal) (*from 10% in 2017 to 30% in 2020*)

**Indicator 2:** Priority actions of Blue Economy Strategic Framework integrated in National Development Plan and under implementation (*from not integrated in 2017 to integrated in 2020*)

## 3.3 Implementing the Country Partnership Framework

### 3.3.1 IDA and Trust Fund Resources

1. **Togo will benefit from scaled up IDA resources during the CPF period, covering the last year of IDA17 and the full IDA18 period**. Togo’s available IDA financing envelope during the CPF period (FY17–FY20) is expected to be as follows: under IDA17, Togo has a balance of SDR 65.5 million available in FY17; in addition, SDR 5 million of canceled IDA resources are available for recommitment to Togo in FY17, for a total of SDR 70.5 million under the IDA17 cycle. As a country at moderate risk of debt distress, Togo’s IDA allocation was provided as a mix of grants and credits during IDA17 period. Under the proposed IDA18 financing framework, Togo is expected to significantly benefit from the scale-up in concessional resources for fragile states, with a notional envelope of US$200–230 million equivalent for FY18–20.[[14]](#footnote-14) As in IDA17, grant eligibility in IDA18 will be determined based on the latest DSA available at the time the allocation exercise is performed for a particular fiscal year.
2. **Togo has been benefitting from additional resources under the exceptional re-engaging regime as a result of an extension of the phase-out period for the duration of IDA17**. Countries that benefitted from the regime, including Togo, will reach the end of the phase-out period in FY17 and revert to regular performance-based allocations in FY18 unless they are eligible for support under the Turn-around Regime (TAR). Togo has been a recipient of HIPC and MDRI debt relief. The tables below present the indicative IDA lending program for FY17 and IDA18, as well as the proposed ASA program.

Table 2: FY17 IDA Lending Program

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| --- | --- |
| **Project Name** | **(US$ millions)** |
| **Focus Area 1: Private Sector Performance and Job Creation** | |
| Agricultural Sector Support Project (AF) | 20 |
| West Africa Agricultural Productivity Project (AF) | 10 |
| Transport and Logistics Facilitation | 18 |
| **Focus Area 2: Inclusive Public Service Delivery** |  |
| Safety Nets and Basic Services | 29 |
| Employment Opportunities for Vulnerable Youth | 15 |
| Regional Disease Surveillance System Enhancement\* | 21 |
| **TOTAL IDA** | **113** |

*\*Includes US$14 million from regional IDA resources and US$7 million national IDA resources*

1. **Two engagement scenarios are proposed for IDA during the CPF period**. Under Engagement Scenario 1, IDA lending would include investment financing and a new programmatic DPO series (FY18 and FY19) which would be presented to the Board and implemented on the basis of two criteria: (i) an adequate macroeconomic framework, as monitored/evaluated by IMF and IDA; and (ii) satisfactory economic governance, as demonstrated by implementation of reforms supported by the FY18–FY19 DPO series. Under this engagement scenario, IDA18 resources are expected to be frontloaded in FY18. Under Engagement Scenario 2—in the absence of IDA DPO financing—IDA resources would only be used to finance proposed investment operations (Table 3). Given the higher risks associated with Engagement Scenario 1, the CPF results matrix reflects the results indicators of Engagement Scenario 2.

Table 3: Indicative IDA18 Financing Program

|  |  |  |  |
| --- | --- | --- | --- |
| **Fiscal Year** | **Focus Area 1:**  **Private Sector Performance and Job Creation** | **Focus Area 2:**  **Inclusive Public Service Delivery** | **Focus Area 3:**  **Environmental Sustainability and Resilience** |
| 2018 | Growth and Fiscal Reform DPO 1\* | | |
| Economic Governance Reform TA\* | | |
| Energy Sector Governance and Access | Urban Infrastructure Project | West Africa Coastal Areas Resilience Project |
| 2019 | Growth and Fiscal Reform DPO 2\* | | |
| Competitiveness and Skills | Health Services Support Project | Integrated Disaster and Land Management (AF) |
| 2020 | Energy Sector AF | Quality Public Services |  |

*Note: IDA18 operations are provisional and subject to availability of IDA resources*

*\*Included in Engagement Scenario 1*

1. **The CPF includes advisory services and analytics (ASAs) to underpin proposed WBG operations and dialogue**. ASAs are sequenced to precede key new investment operations as well as to provide the basis for the World Bank’s dialogue on key sector issues (Table 4). On-going analytical work also includes IFC and IDA *Doing Business* support, IFC trade facilitation and IDA macro-monitoring.

Table 4: Proposed Advisory Services and Analytics

|  |  |  |  |
| --- | --- | --- | --- |
| **Fiscal Year** | **Focus Area 1:**  **Private Sector Performance and Job Creation** | **Focus Area 2:**  **Inclusive Public Service Delivery** | **Focus Area 3:**  **Environmental Sustainability and Resilience** |
| 2017 | - Promoting PPPs  - Tax framework study  - Medium-term debt management strategy | - Post-Basic and Vocational Education Assessment | - West Africa Coastal Areas TA  **-** Blue Economy Strategic Framework |
| 2018 | Programmatic Public Expenditure Review | | |
| - Land Policy Assessment  - Financial Sector Assessment | - Impact of Energy Policy Reforms  - Programmatic Poverty and Gender Assessment  - Identification and Targeting for Social Services |  |
| 2019 | Sources of Growth and Competitiveness | Decentralized Service Delivery | TA for Blue Economy policy implementation |
| 2020 |  | - Service Delivery Indicators |  |

1. **The CPF program proposes a mix of investment and budget support financing, as well as piloting results-based approaches, and Togo is expected to benefit from the new IDA18 windows**. Togo is eligible for the refugee sub-window (with a refugee population equivalent to 1 percent of total population), although this has not been identified as a priority in the CPF. In addition, the country is potentially eligible to access IDA resources under the Scale-Up Facility (SUF), however, while the ECF program is in place, it would limit Togo’s ability to access SUF resources. Togo is well placed to benefit from the IDA18 Private Sector Window and the Regional Window.

* **Private Sector Window (PSW)**: IDA, IFC, and MIGA would pursue options for leveraging PSW resources to de-risk investments in energy (potentially for a new IPP); telecommunications (if Togo pursues a strategic partner), and potentially truck leasing. During the CPF, the WBG will pursue other opportunities to make use of this resource to leverage investments in a fragile environment.
* **Regional Window:** Togo expects to leverage regional IDA resources through its participation in the Regional Disease Surveillance Systems Enhancement operation (FY17) and the West Africa Coastal Areas Resilience Project (FY18). Additional projects could be considered that contribute to the CPF objectives.
* **Performance-based Financing**: IDA is piloting a PBF approach in the health sector, which would be scaled up under a new IDA health sector support project. It offers a unique opportunity for a PPP in the health sector as well asmobilization of Global Fund, GAVI, the EU, and UN agencies around jointly-agreed results established for each level of the health system.
* **Results-based Lending:** The IDA Economic Governance TA project (FY18) is expected to include disbursement-linked indicators and the IDA Quality Public Services (FY20) could be designed as a PforR operation.
* **Use of Country Systems**: The World Bank has agreed with Government to strengthen national institutions and increase their role in implementing IDA operations to promote the gradual use of country systems for staffing, budgeting, accounting, financial control, and disbursement functions.

1. **Trust funds will continue to play an important role in supplementing IDA financing during the CPF period**. Trust Funds are discussed under each focus area objective and a summary of key trust funds to be mobilized is provided below (Table 5).

Table 5: Trust Fund and TA administered by the World Bank

|  |  |
| --- | --- |
| **Fiscal Year** | **Ongoing (FY17) and proposed Trust Fund** |
| 2017  2018–20 | Global Agriculture and Food Security Program  Debt Management Facility (IMF-WB) |
| Water Sector Partnership (WSP)  Public Partnership for Infrastructure Financing (PPIAF) |
| Global Program for Education  Carbon Fund (REDD+)  Trust Fund for Statistical Capacity Building (INSEED and ANPE) |
| Green Climate Fund (Hydromet Project) |
| Nordic Development Fund  State and Peace Building Fund |

**Scaling up in-country support to implement the CPF program**

1. **With the doubling of IDA resources for Togo under IDA18, the WBG is committed to ensuring that adequate budgetary resources are provided for staffing on the ground to support the coordination and implementation of WBG programs**. While the Togo country office has benefitted from having a dedicated country manager based in Lomé since 2010/11 to oversee a growing portfolio, a number of key functions have been carried out by staff in neighboring offices or are shared with other offices, including the financial management and communications specialists positions. Despite task teams fielding adequate implementation support and supervision missions, the performance of operations would benefit from having dedicated in-country staff presence. Operations benefiting from local task team presence show more efficient and effective implementation of programs, with implementation issues resolved more quickly when they occur. Togo will benefit from additional in-country staff to deliver the CPF program beginning in FY18, including a dedicated operations officer, financial management officer, and energy and agriculture specialists. The operations officer and fiduciary team will play a critical role in intensifying portfolio monitoring and implementation support.
2. **As a Fragile States, Togo meets the criteria for applicability of paragraph 12 of OP10.0 of the new procurement framework**. This provision under the new procurement framework allows the use of the Hand-on Expanded Implementation Support (HEIS). The IDA Economic Governance TA will finance the HEIS if requested by the Government.

### Portfolio Status, Financial Management, and Procurement

1. **IDA portfolio performance has been broadly satisfactory**.As of March 27, 2017, the Togo portfolio is composed of six active national projects with a total commitment of US$108.84 million, three active trust funds with a total commitment of US$25.35 million, and four regional projects with a total commitment of US$81 million. Together, these projects represent a total commitment of US$215.19 million, with $113 million undisbursed. Overall performance of the portfolio in terms of financial management compliance is deemed satisfactory for seven projects and moderately satisfactory for two projects. The portfolio has a high rate of compliance with the Bank’s financial reporting requirements through the timely submission of IFRs and audits reports of acceptable quality.
2. **During the last three years, the Togo portfolio recorded a high disbursement ratio**. Disbursement ratios were 34.9 percent in FY14, 30 percent in FY15, 40 percent in FY16, and 27 percent for FY17 as of March 31, 2017. This performance is far above the objective set for the Africa region. The portfolio is in generally good health, but one operation is rated moderately unsatisfactory for development objectives/implementation progress (Global Partnership for Education Program, closing September 2018). Three projects will close during FY17. The proactivity index is 100 percent.
3. **Despite the Togo portfolio’s healthy disbursement rate, delays in procurement represent a binding constraint to the timely and effective execution of World Bank investment operations and public investments**. Among the issues that contribute to delays are: limited use of multiyear contracts, requiring contracts to be launched every year for the same services; an overly restrictive application of the procurement code leading to requests for proposals being prepared and launched only after the availability of credits is confirmed; requests for non-objections being regularly rejected by the National Procurement Commission due to their poor quality; delays in the tender and approval of bids for a variety of reasons; the extremely limited procurement capacities in ministries; and weak information and communications systems (to be rectified by the roll-out of SIGMAP). In addition to providing direct support to project implementation units (PIUs) to strengthen the capacity of procurement staff, the proposed Economic Governance TA will finance activities to professionalize procurement staff in the administration and address procurement bottlenecks.

**Table 6: Togo Ongoing Program as of March 31, 2017**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project Name** | **Fiscal Year** | **Credit (US$m)** | **Grant**  **(US$m)** | **Balance**  **(US$m)** |
| **Focus Area 1: Private Sector Performance and Job Creation**  1. Agriculture Sector Support Project (IDA and TF)  2. Mining Governance and Development (IDA)  3. West African Regional Communications Infrastructure (IDA)  4. West African Agricultural Productivity AF (IDA) | 2011  2015  2013  2017 | 9  15  30  10 | 19 | 1.7  12.5  24.6  10 |
| **Focus Area 2: Inclusive Public Service Delivery**  5. Community Development and Safety Nets (IDA)  6. Pilot Cash Transfer Program (TF)  7. Maternal and Child Health Support (IDA)  8. Global Partnership for Education Program (TF)  9. Africa Higher Education Centers of Excellence (IDA)  10. Regional Disease Surveillance Systems Enhancement (REDISSE) Phase II | 2012  2014  2014  2015  2015  2017 | 26.1  8 | 2.6  14  27.8  21 | 1.8  0.1  7.6  20.8  5.5  21 |
| **Focus Area 3: Environmental Sustainability and Resilience**  11. Integrated Disaster and Land Management (TF)  12. REDD+ Readiness preparation (TF) | 2012  2014 |  | 19.5  3.8 | 5.5  2.6 |
| **Total** |  | **98** | **107.7** | **113.0** |

1. **The WBG will work to strengthen public procurement practices, including the development of the electronic management of tender processes (e-procurement) that has been adopted under the Procurement Law, the introduction of a bidder prequalification process, and categorization of enterprises**. To improve the effectiveness of public procurement, the World Bank will help the Government professionalize procurement services and provide training in procurement for selected procurement units; support the establishment of a procurement strategy; and establish procurement-compliant review and auditing mechanisms.
2. **To mitigate the portfolio’s fiduciary risks, the World Bank has agreed with the Government to strengthen, rather than bypass, national institutions for gradual use of country systems for staffing, budgeting, accounting, financial control, and disbursement.** To date, Bank-financed investment operations in Togo are implemented by PIUs using the Bank’ financial management requirements and procedures. However, Togo’s portfolio will see a shift in reliance on PIUs toward national agencies. The Basic Services and Safety Nets, Employment Opportunities for Vulnerable Youth, and Urban Infrastructure Projects are all assessing institutional capacity to allow for implementation with national counterparts. To scale up the use of country systems, the Inspector General of Finances is sharing the function of internal audit with individual internal auditors at some PIUs and will be trained to be fully operational and carry out ex-post reviews on a bi-yearly basis.
3. **IFC has a rich investment program in Togo that covers transport, power, manufacturing, health, and SME finance**.IFC invested in the Lomé Container Terminal (a US$104 million loan for a state-of-the-art transshipment container handling terminal), Lomé Container Terminal II (US$11 million for terminal expansion), and Contour Global IPP (a US$10 million loan for 100MW power plant in Lomé). IFC currently supports the two financial institutions Ecobank Togo and Orabank Togo with trade. IFC has a risk-sharing facility with Ecobank Togo, which facilitates the provision of affordable and sustainable finance to promote growth of the SME sector, which is in turn expected to boost employment generation. All IFC projects are performing well. The complaints lodged against Lomé Container Terminal alleging that it is contributing to coastal erosion and affecting the population’s livelihood are being taken seriously. IFC adheres to the highest environmental and social standards through its Performance Standards. IFC is undertaking an internal review of the project, claims, and reports, and will revert to the Government when the process is complete.

**Table 7: IFC Investment Portfolio (committed balance)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Client** | **Sector** |  | **Committed Balance (US$ m)** |
| **Infrastructure** | | | |
| Lome Container Terminal Mobilization | Port | State-of-the-art transshipment container handling terminal at the Port of Lomé plus mobilization from 5 lenders. | 160 |
| Lome Container Terminal 1 | Port | 104 |
| Lome Container Terminal 2 | Port | 11 |
| CG Togo | Power | First independent power production (IPP) project | 14 |
| **Financial Instituations** | | | |
| ORABANK TOGO | Trade | Trade finance | 4 |
| Ecobank Togo | Trade | Part of IFC and AMC’s US$150 million investment in Ecobank Transnational (ETI) | 7 |
| Oragroup\* | Equity | Equity through a fund | 6 |
| Ecobank Togo SME RSF | Guarantee | Risk sharing facility (RSF) | 8 |
| Ecobank Togo | Trade | Trade finance | 5 |
| **Manufacturing, Agribusiness and Services** | | | |
| Heidelberg Cement | Building materials | Part of US$110 million equity investment in Heidelberg Cement in 7 African countries | ~35 |
| Clinique Biasa\* | Health | Equity through a fund | 1 |
| **Total** |  |  | **354** |

*\* through funds*

**Table 8: IFC Advisory program (as of December 31, 2016)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Project Stage** | **Project Name** | **Primary Business Line Name** | **(US$M)\*** |
| PORTFOLIO | Togo Trade Facilitation project | Trade and Competitiveness | 1.9 |
| PIPELINE | BOAD MOU – PPP Advisory | Cross-Industry Advisory Services | TBD |
| PIPELINE | Orabank - Risk management advisory | Finance and Markets | TBD |
| **Total** |  |  | **TBD** |

\*Total Funds Managed by IFC

### Monitoring and Evaluating CPF Performance and Results

1. **The World Bank’s performance will be measured according to results obtainable during the CPF, influenced mostly by ongoing operations or those prepared within the first two years of the CPF period**. The accompanying results framework (Annex 1) lists the specific outcomes the World Bank expects to influence through ongoing and planned operations and nonfinancial support under Engagement Scenario 2 (given the higher risks under Engagement Scenario 1), together with relevant measurement indicators, baselines, and targets. Results related to the cross-cutting theme of governance are highlighted in bold text in the results matrix.
2. **During the CPF period, macro-monitoring and fiduciary supervision updates will provide feedback on the effectiveness of targeted expenditures and identify bottlenecks in the flow of funds and implementation**. Country Portfolio Performance Reviews will provide a forum for raising policy and implementation issues and agreeing with counterparts on how to address these issues. The World Bank’s Implementation Status and Results Reports (ISRs) and Implementation Completion and Results Reports (ICRs) will also contribute to the monitoring and evaluation of the CPF.
3. **A Progress and Learning Review (PLR) will be prepared in FY19 to allow adjustments to be made to the CPF strategy and to update indicators for the results matrix** **based on new knowledge, program performance, or changing circumstances**. The PLR will also provide an opportunity to update the results matrix and reflect results should the CPF program based on IDA Engagement Scenarios 1 or 2. The PLR is particularly important for capturing IFC’s program, given the relatively opportunistic nature of private sector investments. A Completion and Learning Report (CLR) will be prepared in FY21 to evaluate the program’s performance and offer insights into the preparation of a follow-on CPF.

**The implementation of the new WBG Country Engagement Model in Togo has been supported by a communications plan, including a large and inclusive consultation process for both the 2016 SCD and this CPF**. Going forward, the WBG team will develop a comprehensive communications strategy to support the implementation of the CPF at its various stages—from Board approval through PLR to completion—to showcase key results achieved and share key lessons learned.

**IV. MANAGING RISKS TO THE CPF PROGRAM**

Table 9: Systematic Operations Risk-Rating Tool (SORT)

|  |  |  |
| --- | --- | --- |
|  | **Risk Rating** | **Rating (H, S, M, L)** |
| 1 | Political and governance | S |
| 2 | Macroeconomic | S |
| 3 | Sector strategies and policies | S |
| 4 | Technical design of project/program | M |
| S | Institutional capacity for implementation and sustainability | S |
| 6 | Fiduciary | S |
| 7 | Environmental and social | M |
| 8 | Stakeholders | M |
| 9 | Other | - |
|  | **Overall** | **S** |

1. **The overall risk to the CPF program is rated as Substantial** (Table 9). This assessment is based on the ratings for political and governance, macroeconomic, sector strategies, institutional capacity and fiduciary, which each present substantial risks to CPF implementation.
2. **Political and governance risks**. While the political and security situation in Togo is stable, questions regarding presidential term limits remain unresolved and potentially contentious, and create some risks for the Government. In particular, as the country is experiencing some fiscal difficulties and the Government has been unable to resolve growing teacher strikes and student protests in recent months, there are concerns that these events would be used to stoke political tensions. As the next presidential elections approach in 2020 and if some political reforms from the 2006 GPAs remain stalled, it could be difficult for government to maintain the reform momentum or take difficult decisions. In addition, political economy issues and vested interests could seek to delay certain reforms. Improving the WBG’s communication on the benefits of reforms for the success of the country’s development priorities, and helping government improve its communication, could help reduce the potential for tensions and provide space for the authorities to make difficult reforms. Helping the Government strengthen its responsiveness to public investment priorities in regions, towns, and communities, by strengthening the relationship between the state and citizens, and by supporting initiatives that have strong popular support, will help to reduce these risks. The CPF also seeks to mitigate these risks by supporting government efforts to deliver better services at the local level, strengthen accountability and citizen engagement and prepare for decentralization.
3. **Macroeconomic risks**. The medium-term outlook for Togo is threatened by the recent spike in public debt and large fiscal deficits. Public debt has risen from 56.4 percent in 2013 to about 80.8 percent of GDP in 2016, and is expected to decrease to about 73.0 percent by 2019, as overall debt grows at a significantly slower rate than GDP. The most recent DSA currently being finalized places Togo at a medium risk of external debt distress with heightened overall risk of debt distress. As a result, the Government has limited ability to borrow and invest in critical infrastructure and services.The World Bank seeks to help Togo mitigate the risks posed by its fiscal constraints through macroeconomic monitoring and dialogue, and through reforms to help Togo strengthen the macroeconomic framework, by promoting private sector investments and PPPs, and maximizing access to grants and concessional finance from development partners and IDA.
4. **Sector strategies and policies**.Togo’s performance in formulating and implementing sector strategies is mixed, and the SCD concludes that weak governance has led to policies and implementation that are not sufficiently pro-poor. Government spending in the past several years has diverged from the priorities of Togo’s second PRSP (SCAPE) and some sector strategies. While certain sectors have relatively good strategies, including in agriculture, education and health, they are not adequately funded and implementation and monitoring is mixed. Weak institutional capacity compounds these risks. The Government has committed to ensuring a better alignment between the budget and sector programs. IDA support for sector strategies (by providing investment operations that help implement them) and analysis provided under the FY17 PEMFAR and proposed PER will seek to also improve allocation of resources for implementing sector strategies.
5. **Institutional risks**.As a fragile state with a highly centralized governance structure and still rebuilding institutions and human resources capacity, there are institutional risks to successfully implementing World Bank-supported programs. Togo has maintained a CPIA rating of 3.0 for the past several years, reflecting weak public sector performance due to corruption, weak governance, capacity limitations, and accountability issues. The World Bank has strengthened key institutions that are engaged in implementing WBG programs and has helped establish new public institutions that have filled institutional gaps in service delivery. The World Bank will seek opportunities to strengthen country systems and further build institutional capacity to implement CPF programs, in particular where there has been adequate performance in the past.
6. **Fiduciary risks**.Togo is a high-risk fiduciary environment. To mitigate fiduciary risk of the portfolio, the World Bank agreed with the Government to strengthen, rather than bypass, national institutions for a gradual use of country systems for staffing, budgeting, accounting, financial control, and disbursement. To date, IDA-financed investment operations in Togo are implemented by PIUs using IDA financial management requirements and procedures. In order to scale up the use of country systems, IGF is currently sharing the function of internal audit with individual internal auditors at some PIUs level. In order to improve this arrangement, IGF staff will be periodically trained to ensure they remain fully operational and carry out ex-post reviews in a bi-yearly basis.

Annex 1. CPF Results Matrix[[15]](#footnote-15)

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus Area 1: Private Sector Performance and Job Creation** | | | |
| Despite growth rates averaging 5 percent over the past 10 years, Togo has been unable to sustain a pattern of growth that benefits a large part of the country’s labor force. The country’s growth potential has been hampered by inconsistent macroeconomic and fiscal management, which has recently led to a growing fiscal deficit and public debt-to-GDP ratio. Private investment, productivity growth, firm entry, labor productivity, and wage growth have remained low. Formal firms, which can provide more secure and better-paying jobs, are few, and most Togolese work in low-wage agricultural and farm activities. Agricultural productivity growth has been relatively flat since 1990. For Togo to accelerate and sustain poverty reduction and create more and better jobs, it will need to foster growth of private economic agents in both agricultural and nonagricultural sectors, through more effective government policies, public investments, and public services. | | | |
| **Objective 1.1: Strengthen Fiscal Policy and Debt Management** | | | |
| **Intervention Logic:** With a view to creating the fiscal space needed for improved public investment, better services, and higher-quality growth, the WBG will support the authorities in improving fiscal policy and debt management by providing TA to establish a fiscal policy unit and strengthen debt management at the Ministry of Economy and Finance; analyzing Togo’s tax framework to better understand its effect on growth, private sector activity, and employment; and undertaking macroeconomic monitoring activities and dialogue with the authorities. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **SDG 16**  Peace, Justice, and Strong Institutions  **SCD Pathway 3**  Reduced fiscal and political risks, and improved value for money in public expenditures | *1.1.1* ***Improved debt-to-GDP ratio***  Baseline: 77.4% (2016)  Target: 65.0% (2020) | * ***Strengthened debt management through World Bank-IMF joint TA to develop a medium-term debt management strategy in the context of the Debt Management Facility (FY17****)* | ***Advisory Services and Analytics***   * PEMFAR (FY17) * Long- and medium-term debt management (FY17) * DEMPA (FY17) * Tax reform study (FY17) * Programmatic PER (FY18)   ***Partners***  AfDB, EU, IMF |

|  |  |  |  |
| --- | --- | --- | --- |
| **Objective 1.2: Improve Business Environment and Employment Opportunities** | | | |
| **Intervention Logic:** Togo will need to improve productivity and competitiveness to accelerate the tentative structural transformation that is already underway, and to grow the number of formal businesses that can create more and better jobs and incomes for Togolese. To do so, the country needs to remove the policy and regulatory constraints that hinder domestic and foreign private sector activity and create a more level playing field between the public and private, domestic and foreign private sector.  The CPF will support this agenda by filling key analytical gaps on the land regime, sources of growth and competitiveness, and the tax framework; renewing WBG support for public-private dialogue; and working to address key gaps in skills and employment opportunities. IDA and IFC will continue to provide support on Doing Business reforms to improve private sector opportunities. The CPF will scale up support for agricultural productivity and innovation, diversification, access to finance, and promotion of private investment in the agriculture sector. The CPF will support improved incomes in agriculture and employment opportunities through IDA investment operations and improved business environment. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 2**  Boosting the productivity and competitiveness of growth sectors  **SDG 8**  Decent Work and Economic Growth  **SCD Pathway 1**  Growth in increasingly formal and productive off-farm businesses for more remunerative employment  **SCD Pathway 2**  Transformation of agriculture toward more productive, higher-value, and sustainable smallholder and commercial production | *1.2.1 Improved private sector regulatory performance, as measured by Togo’s Doing Business “Distance to Frontier” score*  Baseline: 48.57 (“DB17”)  Target: 55.00 (“DB21”)  *1.2.2 Improved employment options for Togolese youth, as measured by number of youths trained and launching/expanding microenterprises*  Baseline: 0 (2017)  Target: 10,000 (2020)  *1.2.3 Improved agricultural incomes, as measured by average increase in income among direct beneficiaries of PASA*  Baseline: 0% (2016)  Target: 25% (2020) | * *Ministerial orders (arêtes) adopted for decree on Construction Permits* * *Beneficiaries of labor market programs, including women*   Baseline: 0 (2017)  Target: 14,000 (incl. 7,000 women) (2020)   * *Number* *of young people preparing simple business plans*   Baseline: 0 (2017)  Target: 12,500 (2020)   * ***Strengthened MoA fiduciary and implementation capacity and engagement of civil society*** * ***PASA and WAAPP Steering Committee membership includes CSO representatives, who participate in decisions on project implementation and in supervision missions*** * *Improved agricultural productivity and value added in key commodities, as measured by:*   a. Increase in soybeans processed (tons) from 0 (2017) to 3000 (2020)  b. Increase in coffee output from 17,000 (2017) to 18,000 (2020)  c. Farm output subject to value addition increases from 18,100 (2017) to 25,000 (2020) | ***Operations***  **IDA:** Competitiveness and Skills (FY19); AF for West Africa Agricultural Productivity Program (WAAPP) Togo (FY17); AF for Agriculture Sector Support Project (PASA, FY17);  **IFC:** Risk Sharing Facility; Investments and advisory services to agribusiness and a value chain approach to strengthen competitiveness in the sector  ***Advisory Services and Analytics***   * Doing Business (IFC and IDA) (on-going) * **Tax reform study (FY17)** * **Land policy review (FY18)** * Sources of growth and competitiveness * Post-primary and vocational education study (FY17) * TA support for PPP (PPIAF) (FY17)   ***Partners***  AfDB, EU, and JICA |

|  |  |  |  |
| --- | --- | --- | --- |
| **Objective 1.3: Strengthen Energy, ICT and Logistics Service** | | | |
| **Intervention Logic:** Low effectiveness in the allocation of public investments and in governing infrastructure sectors has adversely affected the quality of Togo’s infrastructure services. In particular, the poor quality and high price of electricity and information and communication technology (ICT) services constrain competitiveness and inclusive growth. While national and rural road infrastructure is adequate and Togo’s transport sector is competitive within the region, continual improvement in logistics efficiency will be important to reinforce the country’s competitive advantage as a transport hub for the region.  The CPF will support the government’s priorities of resolving the governance and financial crisis in Togo’s electricity sector, upgrading the distribution network, and expanding access to electricity through an IDA investment operation. A joint World Bank-IFC-MIGA operation is also under consideration, which would include TA to prepare the development of new electricity generation facilities. In the ICT sector, the ongoing regional operation would be restructured to complete the construction of a carrier hotel with access to the international underwater cable, accompany the restructuring of state operators, and strengthen the regulator. An IDA operation on transport and logistics facilitation will work to strengthen the quality of trade logistics and trucking services, increasing efficiency and reducing costs. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 3**  Strengthening infrastructure to support growth  **SDG 7**  Renewable Energy  **SDG 9**  Industry, Innovation, and Infrastructure  Complementary steps to **SCD Pathway 1** | *1.3.1 Expanded and improved electricity services in Lomé, as measured by:*  a. Increased number of people provided with new *or improved electricity services*  Baseline: 392,000 (22% of Lomé) (2018)  Target: 432,000 (25% of Lomé) (2020)  b. Additional power produced as a direct result of IFC support, measured by the additional energy capacity expected to be produced (MWh/year)  Baseline: 205 (2016)  Target: 255 (2021)  *1.3.2 Reduced telecommunications services costs, as measured by: the International wholesale capacity bandwidth price in euro/Mbps/month*  Baseline: 113 (2016)  Target: 50 (2020)  *1.3.3 Improved transport efficiency, as measured by:*  *a. Median transit time from Port of Lomé to Cinkansé border with Burkina Faso*  Baseline: 8 days (2016)  Target: 6 days (2020)  b. *Number of containers handled* *(M TEU containers)*  Baseline: 0.5 (2016)  Target: 1 (2020) | * ***Master plan prepared for the generation, transmission, and distribution and the strengthening of the planning capacities of the Ministry of Energy and CEET*** * ***Tariff study conducted to establish appropriate tariff and subsidy to achieve financial equilibrium in energy sector****.* * ***CEET performance contract reviewed and management improvement plan implemented****.* * *Distribution lines constructed or rehabilitated under the Energy Sector Support project*   Baseline: 8,260 (2018)  Target: 8,900 (2020)   * ***Telecommunications sector restructured*** * *Carrier hotel completed / operational* * *Average port dwell time*   Baseline: 8.9 days (2016)  Target: 7 days (2020)   * ***Number of logistics businesses compliant with reformed legal and regulatory environment***   Baseline: 0 (2016)  Target: 10 (2020)   * *Number of companies officially registered as part of “trusted traders program”*   Baseline: 0 (2016)  Target: 10 (2020) | ***Operations***  **IDA:** Energy Sector Governance and Access Project (FY18); West Africa Regional Communications and Information Project (FY13); Transport and Logistics Facilitation (proposed FY17);  **IFC:** Contour Global thermal generation plant (100 MW); potential expansion of Contour Global plant; Global Trade Finance Program (GTFP); Lomé Container Terminal I (FY11) and II (FY15)  ***Advisory Services and Analytics***   * Poverty and social impact assessment of energy policy (FY18) * IFC Trade Facilitation (on-going)   ***Partners***  AFD, AfDB, EU, FIDA, KFW, GIZ, JICA, MCC |

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus Area 2: Inclusive Public Service Delivery** | | | |
| Poor people in Togo are more likely to be living in rural areas, to work primarily in agriculture, and to live in relative isolation from markets and services. The regions with the greatest poverty headcount also have lower access to services. In 2015, the Government made social inclusion a top priority and has budgeted significant resources in 2016 and 2017 to promote social infrastructure and services in poor communities. Improved pro-poor spending in social sectors, stronger social services, well-designed safety nets, and support for regional and local institutions are critical to ensuring that all Togolese have an opportunity to participate in their country’s development.This focus area emphasizes decentralized service delivery, citizen engagement and capacity building for: (i) local authorities in secondary cities to upgrade, expand, or build critical basic infrastructure services; and (ii) community organizations to select and deliver small-scale basic services. | | | |
| **Objective 2.1: Strengthen Health Services** | | | |
| **Intervention Logic:** The economic burden of poor social services—including weak disease prevention, poor health care, limited access to potable water, and the need for greater access to good-quality education—is high and disproportionately affects poor children and women, especially in rural areas. The CPF will continue the WBG’s support to Togo’s health sector through a maternal and infant health operation and a regional operation on disease surveillance, and a proposed IDA operation on health sector support would build on a performance-based financing pilot to strengthen health services, particularly for women and children. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 1**  Improving the well-being and development of the population  **SDG 3**  Good Health  **SDG 5**  Gender Equality  **SCD Pathway 4**  Improved health status of the population, especially poor and vulnerable people | *2.1.1 Improved maternal health care, as measured by the number of births assisted by a midwife or qualified nurse as a share of total number of expected births*  Baseline: 63.5% (2017)  Target: 70% (2020) | * *Pregnant women receiving antenatal care during a visit to a health care provider*   Baseline: 143,460 (September 2016)  Target: 230,000 (2018)   * *% of infants 5 months and younger who are exclusively breastfed in Plateaux and Centrale regions*   Baseline: 58% (2016)  Target: 65% (2018)   * *% of households with children under age 2 that have been visited by CHW to support feeding practices in Plateaux and Centrale*   Baseline: 35% (2016)  Target: 60% (2018)   * ***Capacity* *building for the CAMEG (pharmaceuticals purchasing center)***   Baseline: No (2016)  Target: Yes (2018) | ***Operations***  **IDA:** Maternal and Infant Health and Nutrition Services (FY14); Regional Disease Surveillance Systems Enhancement (FY17);  **IFC:** Clinique Biasa  ***Advisory Services and Analytics***  Identification and Targeting for Social Services (FY18)  ***Partners***  UNICEF, WHO, GAVI, Global Fund, USAID |
| **Objective 2.2: Strengthen Basic Services at the Local Level** | | | |
| **Intervention Logic:** Both urban and rural areas face challenges in delivering basic services. Rural infrastructure is particularly scarce and poorly maintained, thus constraining growth and poverty reduction. Urban infrastructure services are under pressure as urban centers grow beyond their means to deliver adequate services. Urban areas such as Lomé have seen an increase in poverty rates.  IDA will support a national program to deliver rural community-level health, education, and basic infrastructure services—including small water works and rural roads, using CDD approaches. IDA will also support infrastructure services in Lomé and secondary cities and build capacity of central and local governments to better manage urban development and urban service delivery. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 1**  Improving the well-being and development of the population  **PND Pillar 3**  Strengthening infrastructure to support growth  **SDG 9**  Industry, Innovation, and Infrastructure | *2.2.1 Improved infrastructure services available at the local level, as measured by:*  a. Students enrolled in rehabilitated or constructed schools under BSSN project  Baseline: 0 (2017)  Target: 21,400 (2020)  b. *Number of people in rural areas provided with access to improved water sources under BSSN project*  Baseline: 0 (2017)  Target: 41,200 (2020)  *2.2.2* ***Improved satisfaction with social services at the local level****, as measured by the percentage of citizens satisfied with quality of and access to basic services in priority sectors*  Baseline: 45% (2017)  Target: 55% (2020) | * *Number of additional classrooms built or rehabilitated at the primary level resulting from project interventions*   Baseline: 0 (2017)  Target: 480 (2020)   * *Improved community water points constructed or rehabilitated under the project*   Baseline: 0 (2017)  Target: 64 (2020)   * ***Improved capacity to obtain citizen feedback on key services***   Baseline: No (2017)  Target: Yes (2020) | ***Operations***  **IDA** Safety Nets and Basic Services (FY17); Urban Infrastructure (FY18); Quality Public Services (FY20)  **IFC:** Clinique Biasa  ***Advisory Services and Analytics***   * Public Expenditure Review (FY18) * Governance and Decentralized Service Delivery (FY19) * Water and Sanitation Program TA (FY17)   ***Partners***  AFD, EU, KFW, GIZ |

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| **Objective 2.2: Strengthen Social Safety Nets for the Most Vulnerable** | | | |
| **Intervention Logic:** Social safety nets are an increasing priority for the Government, and important progress has been made in the social protection sector in recent years, including through community-driven school feeding, labor-intensive public works, and conditional cash transfer programs.  Given the disproportionately high poverty rates in rural areas and the greater challenges in generating adequate livelihoods, the CPF will seek to improve rural incomes through agriculture sector support as well as through a Basic Services and Safety Nets project. The project will continue support for school feeding and cash transfer programs during the CPF period, broadening eligible beneficiaries and promoting child nutrition and protection. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 1**  Improving the well-being and development of the population  **SDG 1**  No Poverty  **SDG 2**  No Hunger  **SDG 4**  Quality Education  **SDG 10**  Reduced Inequalities  **SDG 11**  Sustainable Cities and Communities  Complementary steps to **SCD Pathway 3** | *2.2.1 Increased number of households receiving cash transfers*  Baseline: 0 (2017)  Target: 40,000 (2020)  *2.2.2 Increased number of school children receiving free school lunches*  Baseline: 0 (2017)  Target: 380,000 (2020) | * *Targeting mechanisms developed to identify poorest households*   Baseline: No (2017)  Target: Yes (2019)   * *National cross-program social registry launched*   Baseline: No (2017)  Target: Yes (2019)   * *Schools benefitting from school feeding program (of which those in the poorest 20% of cantons in their region)*   Baseline: 0 (2017)  Target: 160 (of which 90) (20201) | ***Operations***  **IDA:** Safety Nets and Basic Services (proposed FY17); Employment Opportunities for Vulnerable Youth (proposed FY17)  ***Advisory Services and Analytics***   * Post-primary and Vocational Ed (FY17) * IE of cash transfer program (FY17) * TFSCB on Observatory for Employment * Programmatic poverty and gender assessment (FY18+)   ***Partners:*** GIZ, UNDP, UNICEF, WFP |

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| **Focus Area 3: Environmental Sustainability and Resilience** | | | |
| Togo faces major environmental sustainability risks, and the cost of various forms of environment and resource degradation (air pollution, declining water quality, coastal erosion, and land degradation) are estimated at 6.8 percent of GDP per year, entirely offsetting average annual GDP growth rates over the past decade. Whether directly or indirectly, poor people are likely to be harmed by environmental degradation through deteriorating health, reduced agricultural productivity, or declining employment in sectors that depend on coastal assets. Measures aimed at improving the sustainability of natural assets and environmental stewardship are key to ensuring equity and shared prosperity, including from an intergenerational perspective. | | | |
| **Objective 3.1: Strengthen the Management of Productive Natural Resources** | | | |
| **Intervention Logic:** Adequate management and preservation of Togo’s natural assets is fundamental to strengthen the resilience and sustainability of the country’s development and poverty reduction efforts. Togo needs to pursue an integrated strategy to disrupt the vicious circle of deforestation and soil depletion, adverse microclimate impacts, reduced surface water, and declining rural productivity.  The CPF’s main instrument to combat land degradation and strengthen the management of natural resources is the Integrated Disaster and Land Management (IDLM) Project, which focuses on institutional capacity building for sustainable environment and natural resource management, implementation and expansion of best practices for environment and natural resource management in rural areas, and adaptation to climate change and disaster risk reduction. The CPF will complement this work with a REDD+ grant focused on preparing a strategy for improving the management of Togo’s forest resources | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 4**  Promoting sustainable management of the territory, the environment, and living standards  **SDG 13**  Climate Action  **SDG 15**  Life on Land  Complementary steps to **SCD Pathways 2 and 3** and **SCD long term sustainability risks** | *3.1.1 Additional land area with sustainable landscape management (SLM) practices and/or climate-resilient agricultural practices in areas targeted by PGICT project*  Baseline: 1,200 (2017)  Target: 2,000 (2020)  *3.1.2 Forest area brought under management plans (community and private forests)*  Baseline: 6050 hectares (2017)  Target: 10,000 hectares (2020) | * *Number of CDD initiatives applying SLM tools and approaches*   Baseline: 75 (2017)  Target: 200 (2020)   * *Area covered by monitoring system for land use vegetation cover and related carbon accumulation estimate*   Baseline: 350,000 ha (2017)  Target: 500,000 ha (2020)   * *REDD+ strategy finalized and under implementation*   Baseline: No (2017)  Target: Yes (2020) | ***Operations***  **IDA:** Integrated Disaster and Land Management (IDLM) AF (FY19);  **Carbon Fund:** Reduction of carbon emissions due to deforestation and forest degradation (REDD+) (FY 15)  ***Partners***  GIZ |

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| **Objective 3.2: Strengthen Resilience and Adaptation to Climate Change** | | | |
| **Intervention Logic:** Togo’s coastal areas are particularly vulnerable, as they are subject to erosion, flooding and marine pollution. A significant portion of Togo’s coastline is eroding at an average yearly rate of 6–10 meters per year, and the pace is accelerating. In addition to rising sea levels and changing sea and weather patterns, the main causes of erosion have been port construction, sand mining (now illegal), and the construction of a dam in Akossombo (Ghana), which prevents inland sediments from reaching the coast. Failing to put in place a more permanent solution will result in high costs.  A regional West Africa Coastal Areas Resilience Investment project is currently under preparation to help improve management of shared natural and manmade risks, including climate change, affecting targeted coastal communities and areas in the region. The CPF will also support a proposed Hydromet project (Green Climate Fund) to strengthen hydro-meteorological services and disaster risk management and improve the performance of existing hydro-meteorological stations.  Under the CPF, and in response to the Government’s request, the WBG will continue its analytical work and TA on the Blue Economy to help Togo optimize its potential socioeconomic coastal and marine benefits while sustainably managing its resources. This will directly inform the preparation and implementation of the PND at all levels, including improving the governance structure, developing new policy tools, strengthening capacities, and organizing the informal sector. | | | |
| **Country Development Goals** | **CPF Objective Indicators** | **Supplementary Progress Indicators** | **WBG Program** |
| **PND Pillar 4**  Promoting sustainable management of the territory, the environment, and living standards  **SDG 13**  Climate Action  **SDG 15**  Life on Land  SDG 16  Life below water | *3.2.1 Percentage of households in targeted coastal areas at reduced risk of flooding and erosion (inland and coastal)*  Baseline: 10% (2017)  Target: 30% (2020)  *3.2.2 Priority actions of Blue Economy Strategic Framework integrated in National Development Plan and under implementation*  Baseline: No (2017)  Target: Yes (2020) | * *Action Plan for the development and adaptation to climate change of Togo’s coastal areas finalized and adopted*   Baseline: No (2016)  Target: Yes (2018)   * *Modular multi-risk early warning system (EWS) managed by the National Platform for Disaster Risk Reduction*   Baseline: 1 module (Floods) (2017)  Target: 2 modules (Floods and Erosion) (2021)   * *Grey, green, and/or hybrid infrastructure in place to decrease shoreline erosion and reduce coastal risks*   Baseline: 3 (TBC) (2016)  Target: 4 (2020)   * *Number of rehabilitation and protection interventions (drainage canals, riverbank protection, etc.) implemented*   Baseline: 26 (2017)  Target: 50 (2020)   * *Number of meteorological and hydrological stations equipped*   Baseline: 19 (2017)  Target: 35 (2020)   * *Blue Economy Strategic Framework finalized and adopted*   Baseline: No (2016)  Target: Yes (2018) | ***Operations***  **IDA:** IDLM (FY12); West Africa Coastal Areas (WACA) TA (FY16); WACA Regional Investment Project (proposed FY18)  **GCF, GFDRR, and IDA**: Hydromet Project (proposed FY18)  **GEF**: Integrated Watershed Resource Management of Mono River and Chenal de Gbaga (FY18)  ***Advisory Services and Analytics***   * Multi-sectoral TA on operationalization of the Blue Economy Strategy (FY17) * Blue Economy Strategy Policy Note (FY17)   **Regional**   * West Africa Coastal Areas ASA (FY17) * West Africa Coastal Areas Management TA (FY17)   ***Partners***  French Ministry of the Environment  AFD  AfDB (TBC)  WAEMU  Abidjan Convention |

**Annex 2. Completion and Learning Review**

**Togo: Completion and Learning Review for FY2008-2015**

Including Interim Strategy Notes for FY2008-2010 and FY2012-2013

March 2017

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| --- | --- |
| **Period Covered** | FY2008-2015 |
| **Date of Latest Country Assistance Strategy** | June 1995 |
| **Date of Country Re-engagement Note** | November 2004 |
| **Date of First Interim Strategy Note** | May 2008 |
| **Date of Second Interim Strategy Note** | December 2011 |
| **Authors** | Adam Nelsson  Amanda Green |

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**Abbreviations and Acronyms**

AAA Analytical and Advisory Activities

AF Additional Financing

CAS Country Assistance Strategy

CDD Community Driven Development

CDP Togo Community Development Project

CEET Togo Electric Energy Company

CEM Country Economic Memorandum

CPF Country Partnership Framework

CRN Country Reengagement Note

CPS Country Partnership Strategy

DP Development Partner

DPG Development Policy Grant

DPL Development Policy Lending

DPO Development Policy Operation

DPNR Development Policy Needs Review

EFA-FTI Education for all Fast Track Initiative

EIREP Emergency Infrastructure Rehabilitation and Energy Project

EITI Extractive Industry Transparency Initiative

ERGG Economic Recovery and Governance Grant

ERIREG Economic Recovery and International Re-Engagement Grant

FY Fiscal Year (WB: July 1 – June 30)

GDP Gross Domestic Product

GNI Gross National Income

HD Human Development

HIPC Heavily Indebted Poor Countries

HPAI Highly Pathogenic Avian Influenza

IPRSP Interim Poverty Reduction Strategy Paper

ICR Implementation Completion Report

ICT Information and Communication Technology

IDA International Development Association

IMF International Monetary Fund

ISR Implementation Status Report

JSAN Joint Staff Assessment Note

LICUS Low Income Countries Under Stress

M&E Monitoring and evaluation

MDRI Multilateral Debt Relief Initiative

NSCT *La Nouvelle Société Cotonnière du Togo/*The New Cotton Society of Togo

PBA Performance Based Allocation

PEM Public Expenditure Management

PEMFAR Public Expenditure Management and Financial Accountability Review

PER Public Expenditure Review

PFM Public Financial Management

PPP Public Private Partnership

PRSC Poverty Reduction Support Credit

PRSP Poverty Reduction Strategy Paper

PRSP PR Poverty Reduction Strategy Paper Progress Report

QUIBB *Questionnaire des Indicateurs de Base du Bien-être*/household welfare – and consumption survey

SCAPE *Stratégie de Croissance Accélérée et de Promotion de l’Emploi/Strategy for accelerated growth and job creation*

SDR Special Drawing Rights

SIGFIP Integrated System of Public Finance Management

SNPT *Société Nationale des Phosphates du Togo/*Togo National Company of Phosphates

SOTOCO *Société Togolaise de Coton*/Togolese Cotton Enterprise

TA Technical Assistance

TF Trust Fund

VAT Value Added Tax

WB World Bank

$ refers to the US dollar.

1. **Introduction**
2. ***This Completion and Learning Review (CLR) evaluates World Bank Group (WBG) programs and performance in the Republic of Togo from fiscal year (FY) 2008 to the present.*** The most recent WBG Country Assistance Strategy for the Republic of Togo was prepared in 1995. In 2008, following a six-year suspension in International Development Association (IDA) financing, the WBG fully reengaged in Togo and prepared two successive Interim Strategy Notes (ISNs) for FY2008–10 and for FY2012–13. Based on a review of the operational support, technical assistance, and knowledge and coordination services provided by the WBG under the two ISNs,[[16]](#footnote-16) this CLR assesses the extent to which expected outcomes were achieved, evaluates the WBG’s performance in designing and implementing the ISN programs, and draws lessons for the preparation of the forthcoming Country Partnership Framework for FY2017–20.
3. ***The first ISN for FY2008–10 aimed to help Togo recover from a long period of instability and suspension of aid, and to begin laying the foundations for sustained, shared growth over the medium term.*** Following a decade-long political and economic crisis, Togo went into non-accrual status with IDA in 2002, and the WBG suspended operations. A Country Reengagement Note (CRN) was prepared in 2004, paving the way for resumption of analytical and advisory work financed through a Low-Income Countries Under Stress (LICUS) Trust Fund. Presidential and legislative elections were successfully held in 2005 and 2007, respectively, and the government initiated important reforms aimed at economic recovery and long-term growth. In addition, the government demonstrated commitment to implementing governance reforms, improving fiscal and economic management, and addressing weaknesses in key public enterprises. The first ISN was grounded in three interrelated pillars of the government’s program of reforms, as reflected in the Interim Poverty Reduction Strategy Paper (I-PRSP) completed in March 2008: (i) improving economic governance and transparency; (ii) promoting economic recovery and sustainable development; and (iii) addressing urgent social needs. The total IDA allocation under the first ISN amounted to SDR 150.5 million, of which 93.3 million was allocated as exceptional arrears clearance support, 21.2 million as an exceptional IDA reengagement allocation in FY2008, and 36 million to finance the annual lending program for FY2009 and FY2010 (SDR 18 million per fiscal year).
4. ***The second ISN for FY2012–13 focused on updating the previous ISN, serving as a bridge until completion of the government’s second Poverty Reduction Strategy Paper (PRSP II).*** The second ISN noted that the interim period would be used to consolidate Togo’s knowledge base, to help build capacity to effectively implement the wide range of recently launched WBG and donor programs, and to show measurable results through improved monitoring and evaluation (M&E) and statistical systems. Support was organized under three pillars that built on the previous ISN: (i) deepening economic recovery and promoting sustainable development; (ii) improving economic governance and state capacity; and (iii) addressing urgent poverty reduction and social needs. The total indicative IDA allocation during the second ISN amounted to SDR 54.7 million (equivalent to $82.1 million) for FY2012 and FY2013, including IDA resources for debt relief under the Highly Indebted Poor Countries (HIPC) initiative.[[17]](#footnote-17) The ISN program was designed around this financing amount, with about 55 percent of IDA resources available on credit terms and 45 percent on grant terms.
5. ***Although every effort has been made to provide a thorough and detailed accounting of progress toward the outcomes foreseen in both ISNs, this CLR has not been able to assign rigorous ratings of program or WBG performance.***[[18]](#footnote-18) Given the political, economic, and aid volatility experienced by Togo in recent years, together with the limited data management capacity in the country and the time that has elapsed since the ISN periods came to a close, this review necessarily relies in part on qualitative or anecdotal evidence to assess progress and does not rigorously distinguish among outcomes that were achieved prior to the end of the ISN periods or afterwards. To the extent possible, therefore, this CLR reports on progress to date, and where the status of ISN outcomes is not known this is indicated in the self-evaluation summary matrix (Appendix 1).
6. **Summary of Key Findings**
7. ***Through the ISNs for FY2008–10 and FY2012–13, the WBG has supported the Government of Togo in moving from a state of political and economic volatility and donor disengagement into economic recovery and preparation for medium-term growth and development.*** The overarching goal of the first ISN was “to help Togo recover from a long period of instability and suspension of aid and begin laying the foundations for sustained, shared growth over the medium term.” The WBG’s Systematic Country Diagnostic (SCD) for Togo, published in September 2016, points out that in the past decade, the country has pursued reforms that have stabilized the political system and fostered important economic and structural improvements. Togo qualified for debt relief under the HIPC initiative and prepared an Interim Poverty Reduction Strategy Paper (I-PRSP) in March 2008, followed by a full Poverty Reduction Strategy Paper (PRSP) for 2009–11 and then a Strategy for Accelerated Growth and Employment Promotion (SCAPE, by its French acronym) for 2013–17. In line with the government’s first full PRSP and building on what it characterized as “satisfactory” progress under the first ISN, the WBG prepared a second ISN with the aim of implementing a selective program of activities focused on inducing broad-based growth, improving access to basic services, ensuring greater efficiency of public expenditures, and promoting better governance.
8. ***The SCD notes that economic growth has been significant at 5 percent over the past five years, with a modest effect on poverty reduction, but these results remain vulnerable.*** Togo’s sources of growth are not sustainable, as they are vulnerable to shocks such as economic disruptions among trading partners and environmental degradation. Poverty rates have declined slowly, from 61.7 percent in 2006 to 55.1 percent in 2015, and in the capital city of Lomé, poverty increased from 28.5 percent in 2011 to 34.8 percent in 2015 (after a decline from 30.8 percent in 2006). Whereas growth between 2006 and 2011 did not increase living standards for most poor people, growth in the subsequent four years did, while also reducing the poverty gap and inequality. However, Togo is unlikely to meet the goal of eradicating extreme poverty by 2030. The lack of more significant progress in reducing poverty is the result of an inability to ensure that growth is inclusive in a context of rapid population growth.
9. ***Overall performance on development outcomes put forward under the two ISNs was mixed.*** To date, progress toward stated development goals related to economic governance, transparency, and state capacity has been moderate. There has been solid progress toward privatization and improved efficiency in the management of public resources, and Togo has achieved compliance status with the Extractive Industries Transparency Initiative (EITI). Deviation of actual expenditures continues to be higher than targeted, however, and the implementation of external controls is not yet complete. Despite the government’s concerted efforts to reform the banking sector, only two of its troubled banks have been privatized while two others continue to hold negative equity without a clear solution in place. Progress toward economic recovery initiatives has been quite strong. Outcome targets on drainage rehabilitation and flood management, access to electricity, and agricultural production have all been met or exceeded. Expected improvements in the enabling environment for starting a business have also been achieved, and Togo’s rank on the joint World Bank–International Finance Corporation (IFC) *Doing Business* indicators improved from 156th of 185 economies in 2012 to 149th of 189 economies in 2014, leading to its recognition as a top 10 reformer in the 2015 report. Togo also moved forward with a number of investments and reforms to upgrade, simplify, and modernize port and customs procedures and activities. Finally, ISN outcomes on addressing urgent poverty reduction and social needs have been met.
10. ***The remainder of this section will briefly review program performance for each of the two ISNs considered here, organized by the pillars as expressed under the first ISN.*** Where there are intersections between the two ISN programs, like topics are discussed together, thus yielding an integrated discussion of progress over the two interim strategy periods. Details are provided in the self-evaluation summary matrix (Appendix 1), which also presents related pillars together according to their order in the ISN for FY2008–10 (as a result, Pillar II under the ISN for FY2012–13 appears before Pillar I in the matrix). As mentioned above, to the extent possible, this CLR reports on progress to date.

Improving Economic Governance, Transparency, and State Capacity (Pillar I in ISN for FY2008–10; Pillar II in ISN for FY2012–13)

1. ***Progress toward public expenditure management outcomes under the first ISN was mixed.*** The WBG prepared a Public Expenditure Management and Financial Accountability Review (PEMFAR)[[19]](#footnote-19) in 2010 and 2016 to evaluate the management of public expenditures between 2008 and 2014/15. Progress included budgetary accounting and the control mechanisms put in place to improve the reliability of records. However, major variations between forecasts and results of budget execution indicate a low level of credibility owing to low execution rates for investment expenditures; changes made in the initial composition of expenditure during the period under review, particularly through supplementary budgets; and underestimating tax expenditure forecasts. The reasons for low budget execution include: (i) the late start of budget execution; (ii) the length and complexity of the public expenditure chain; (iii) the weak capacity of public procurement officials; and (iv) the failure to take all externally funded investments into account in the integrated public finance management system (SIGFIP).
2. ***Public expenditure management targets under the second ISN were largely achieved, although progress toward improved external controls was only partial.*** Spending units receive expenditure ceilings in a timely manner. Annual cash flow plans are developed, but they are not systematically updated and are not operational. Procurement audits are conducted within a reasonable time frame, and all procurement notices are published in a newspaper before contracts are awarded. External controls have been strengthened, although not all targets set out in the second ISN were met. The Court of Accounts became operational in 2010 and relevant legislation was passed, but a system is not yet in place to follow up on auditors’ recommendations. Capacity to monitor PRSP outcomes and deliver results has improved through the creation of a national statistical office, together with institutional capacity building, improvements in access to and quality of data, and stronger production and dissemination of data analysis.
3. ***Outcome targets outlined in both ISNs to promote governance and transparency in state-owned enterprises were largely achieved or, in some cases, exceeded.*** Following the creation of a new cotton company with strong farmer participation in its capital and management, seed cotton production levels quickly surpassed the first ISN target of 48,000 tons, rising to 114,800 tons in 2014. Under the second ISN, management of the new cotton company improved through the reduction of unit costs. In the phosphate sector, governance improvements in the national company helped boost phosphate production well above the baseline level set out in the first ISN. Although key milestones highlighted in the second ISN as steps toward improved transparency and accountability in the phosphate sector were not achieved (including adoption of an updated Mining Code and completion of a strategic private partnership in the sector), Togo did achieve EITI compliance status in 2013. In the energy sector, the financial situation of the national electricity company improved significantly, and turnover increased well beyond targets set out in the second ISN.[[20]](#footnote-20)
4. ***Efforts to strengthen the financial sector made good progress, but ultimately fell short of expectations.*** The first ISN aimed to ensure the credible restructuring of three of Togo’s largest banks with negative equity, while the second ISN envisioned that these banks would enter into partnerships with strategic banking investors. Of these, two (BTD and BIA) were successfully privatized in 2012 and 2013, respectively. Privatization efforts did not go forward for the other two (BTCI and UTB), however, and these two banks continue to have negative equity.
5. ***Activities under this pillar helped Togo strengthen its macroeconomic and fiscal framework*.** Although not an explicit objective under the ISNs, the various reforms supported under the economic governance pillars enabled Togo to reach the HIPC Initiative Decision Point in 2008 and the Completion Point in 2010, and thereby reduce its public debt to sustainable levels. The WBG and International Monetary Fund (IMF) supported the preparation of the country’s PRSP in FY2010 and PRSP II in FY2013, which provided a road map for policies and investments to promote human development and help productive sectors achieve economic growth and poverty reduction objectives.

Deepening Economic Recovery and Promoting Sustainable Development (Pillar II in ISN for FY2008–10; Pillar I in ISN for FY2012–13)

1. ***Progress toward infrastructure development targets was highly satisfactory.*** Through IDA and IFC support, significant improvements were made in port infrastructure and services. IFC provided support for the construction, development, and operation of the Lomé Container Terminal (LCT), an extension of the Lomé Port, with the capability of receiving three to four larger container ships simultaneously. The LCT, completed in 2014 and inaugurated in 2015, is the first modern container transshipment hub in West and Central Africa. In the border zone between Togo and Benin, a large parking space for trucks transporting goods toward Benin and the Sahel reduced congestion at the border post in Aneho. Traffic flow was improved through the rehabilitation and expansion of road and bridge infrastructure and a station and commercial platform at the border with Benin. Reforms included installing the SYDONIA++ customs management system and strengthening control services and other functions to modernize and simplify customs procedures and transactions, thereby reducing the time that ships spend registering their manifestos from 4 days in 2011 to 24 hours in 2013; and the time to dispatch their cargo from 23 days in 2010 to 7 days in 2013. Over 70 percent of declarations were treated the same day by 2013, compared to 40 percent in 2011. Customs receipts increased by 31 percent between 2012 and 2013. In 2014, Togo launched a one-stop-shop for external commerce (*Guichet Unique pour le Commerce Extérieure, SEGUCE-Togo*), a private concession to manage a single virtual platform for all transactions related to port activities. The implementation of SEGUCE contributed significantly to reducing the time it takes to handle and deliver containers from the port—from 11 days to 3 hours.
2. ***Interventions to reduce flooding risks in the Bé community of Lomé were more extensive than foreseen in the first ISN, and 50,000 more residents were protected against flooding in 2011 than in 2009.*** Overall, more than 1.55 million people throughout the city of Lomé have benefited from these efforts, well over initial estimates of 1.1 million. Drainage rehabilitation targets foreseen under the second ISN were achieved. An early warning system was delayed but eventually procured and installed in 2016 as part of disaster mitigation efforts.
3. ***Targets for improved access to electricity under the second ISN were achieved as part of the rehabilitation of transformer stations and extension of the electricity supply network.*** In 2010, IFC invested in Contour Global, one of the few large independent power producers (IPPs) in Togo, to establish a 100 MW tri-fuel plant (it can dispatch gas, heavy fuel oil, or diesel). This plant was fully dispatched by 2016.
4. ***Agriculture development outcomes were met.*** As part of a strategic effort to re-launch the agricultural and rural economy, an agreement was reached between the government and professional organizations in the cocoa and coffee sectors on a rehabilitation plan to increase production. Following the completion of a diagnostic study in 2011, the Agricultural Sector Support Project (PASA) supported the development of a sector rehabilitation plan that has been under implementation since 2013. This plan has helped boost production of key crops, and production targets in the second ISN were exceeded.
5. ***Moderate progress was made toward private sector development outcomes.*** Domestic arrears were cleared, as envisioned under the first ISN, and a Country Economic Memorandum on sources of growth, *Reviving the Traditional Sectors and Preparing for the Future: An Export-Led Growth Strategy*, was completed and disseminated widely in 2009 to provide a road map for improving productivity and competitiveness. The targeted reduction in the number of procedures required to start a business was also achieved. Reforms included reducing: (i) the number of procedures to start a business (from seven to three); (ii) the number of days (from 17 to seven); and (iii) the cost (from FCFA 102,000 to FCFA 61,000). Outcomes under the Private Sector Development Support Project (PADSP) were not fully satisfactory, however, with notably little progress made in revamping the free zone and implementing the investment code that was adopted in 2012. In addition, the framework to promote public-private partnerships (PPPs) was only partially completed, and work on this was still underway in 2017. IFC staff assigned to the Togo program provided advisory services to support and achieve reform objectives promoted by the Organization for the Harmonization of Business Laws in Africa (OHADA). Together with IDA, IFC supported the adoption of a new decree to simplify the licensing of construction permits and significantly reduce the time required to obtain them.

Addressing Urgent Poverty Reduction and Social Needs (Pillar III under Both ISNs)

1. ***Access to improved basic social services such as health, education, and water improved under the ISN programs.*** Although baseline data are not available for 2008, it appears that enrollment ratios and health center visits have improved in areas targeted by the community-driven development (CDD) programs supported by the first ISN. Targeted completion of community subprojects was exceeded under the first ISN. CDD activities under the second ISN focused on improving access to and quality of primary education through the Education For All/Global Program for Education project administered by the WBG, helping to support a significant improvement in the primary completion rate with the construction of nearly 1,000 primary schools, the construction and equipping of three National Teachers’ Institutions (ENIs), and distribution of over 3 million reading and math textbooks (180 percent of the original target).
2. ***Social protection improved under the second ISN.*** Social protection policies were reviewed and streamlined, and a revised social protection policy is slated for adoption by the government in the next year. School feeding, labor-intensive public works, and cash transfer programs have reached some 77,012 beneficiaries, surpassing the target of 70,000. The cash transfer program supported by the Community Development and Safety Nets (PDC+) project has provided a model for a social protection program that the government plans to scale up to the national level. Community mobilization schemes have been implemented in 633 villages since 2012.
3. ***Under the first ISN, outcomes with regard to minimizing the threat of avian influenza were achieved, although planning documents and an inter-ministerial committee have not yet been operationalized.*** Interdepartmental meetings were held monthly during outbreaks. A centralized crisis management unit was created and, despite the lack of an official inter-ministerial committee, a 2016 outbreak was managed jointly by the health and agriculture ministries. Togo will participate in a regional program to strengthen surveillance of epidemics to be presented to the World Bank’s board in 2017.
4. **World Bank Group Performance**
5. ***Design of the ISNs was well aligned with Togo’s key planning documents.*** Togo’s I-PRSP and PRSP—around which the pillars and outcomes of each ISN were built—were formulated in a broad-based consultative manner with civil society and other nongovernment stakeholders, including international partners. The I-PRSP focused on: (i) strengthening political and economic governance, with a focus on institutional reform and fiscal governance; (ii) promoting economic recovery and sustainable development, with measures to reform state-owned enterprises and financial institutions and boost the sources of growth; and (iii) developing social sectors, human resources, and employment, with a focus on improving access to and quality of basic education and health services. Togo’s first full PRSP expanded on these priorities, focusing on four main areas: (i) improvement of governance; (ii) consolidation of the foundations of strong and sustainable growth; (iii) development of human capital; and (iv) reduction of regional imbalances and community development.
6. ***The ISN programs were implemented through annual development policy operations (DPOs) focusing on economic recovery and governance, underpinned by sector interventions in areas that were deemed critical to growth and poverty reduction.*** Budget support was delivered through the Economic Recovery and Governance Grant (ERGG), implemented annually between FY2008 and FY2012. Following a large initial investment of $164.4 million under the first ERGG, the subsequent operations ranged in size from $14 million to $28 million. All five operations were rated satisfactory or moderately satisfactory on outcome performance as well as WBG and borrower performance, citing in particular the demonstrated government ownership and commitment to reform in the context of a fragile and complex situation. The ERGG series yielded a number of critical policy reforms, including structural reform in key sectors (such as cotton, phosphates, and energy), securitization and restructuring of key banks, normalization of relations with multilateral creditors, and implementation of procurement reform. The series also supported spending in key poverty reduction areas, including meeting civil service salary obligations, reducing arrears in pensions and payments to about 300,000 farmers, and supporting basic social services.
7. . ***Despite this broadly satisfactory implementation, however, reform momentum seems to have waned in 2014.*** This resulted in unfinished reforms under the Financial Sector and Governance Project (FSGP), including initiatives to reform the CRT (social security institution) and to address the crisis of insolvent and distressed microfinance institutions. The PADSP experienced difficulties in implementing a complex agenda with many moving pieces in a context of limited institutional and human resources capacity and lack of a clear commitment to needed reforms. Implementation of the ongoing West Africa Regional Communications Infrastructure Project was delayed in part by the lack of progress on reforms to improve regulations and to restructure the telecommunications sector. Togo experienced multiple exogenous shocks during the ERGG series, including rising petroleum and food prices, major flooding (which affected infrastructure and agricultural output), and the global economic slowdown. Other signs of reform fatigue and reversal of gains included despecification of state-owned enterprises identified for privatization and PPPs. While privatization has taken place, key segments of the economy (including telecommunications, phosphates, and utilities) remain under state control.
8. ***A new DPO series, the Economic Growth and Governance Credit, was approved in 2013 but then cancelled after disbursement of the first operation.*** The WBG’s Board approved the first operation, the Sixth Economic Growth and Governance Credit (EGGC6), on the basis of a 2014 budget that was presented to and accepted by both the WBG and the IMF. The budget that was subsequently adopted was different, however, and overly optimistic, with a projected revenue increase of more than 30 percent compared to the approved budget for 2013. In early 2014, a WBG mission concluded that the approved 2014 budget was not conducive to macroeconomic stability and against disbursement of EGGC6. Other issues related to economic mismanagement, such as the use of prefinancing mechanisms to finance the public infrastructure program and poor debt management, further held back disbursement. Only after revision of the 2014 budget, including the incorporation of prefinanced investments, was EGGC6 disbursed (in November 2014, after an 11-month delay). However, with economic mismanagement continuing and a perceived lack of commitment to reform, subsequent operations of the series were cancelled.
9. ***Performance in implementing investment operations was generally satisfactory.*** The Togo portfolio grew from four IDA investment operations in 2010, representing commitments of $81 million, to eight active IDA operations by 2014, representing commitments of $184 million. The portfolio consistently maintained a good disbursement ratio—at greater than 24 percent, this ratio remained above the regional average of 20 percent. To support the IDA program, the country team successfully mobilized significant amounts of trust fund financing, which came to represent half of the Bank’s Togo portfolio by 2014, with overall IDA and trust fund commitments reaching nearly $350 million. Two problem projects emerged in 2014/15. The FSGP and the PADSP continued to experience delays in implementation of key activities. These operations both closed with unsatisfactory performance ratings in 2016, having only partially achieved their objectives. Other operations, notably those favoring CDD approaches—including the Community Development Project (PDC), PDC+, the first Education and Institutional Strengthening Project (PERI I), and the Integrated Disaster and Land Management Project (PGICT)—maintained satisfactory performance throughout their lifetime. The Emergency Infrastructure and Electricity Rehabilitation Project (EIREP) achieved good results, exceeding many of its targets, and closed with a satisfactory performance rating.
10. ***Delays in procurement represented a binding constraint to the timely and effective execution of investment operations.*** Sources of delay included: (i) limited use of multi-year contracts, requiring contracts to be launched every year for the same services; (ii) an overly restrictive application of the procurement code, leading to requests for proposals being prepared and launched only after the availability of IDA grants/credits was confirmed; (iii) regular rejection of requests for no objection by the National Procurement Commission due to their poor quality; (iv) delays in the tender and approval of bids for a variety of reasons; (v) extremely limited procurement capacity in ministries; and (vi) weak information and communications systems (to be rectified by the rollout of an integrated procurement system, SIGMAP).

Table 1: Togo Portfolio Highlights, FY2008–16 (as of December 2016)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **FY10** | **FY11** | **FY12** | **FY13** | **FY14** | **FY15** | **FY16** |
| **PORTFOLIO AND DISBURSEMENTS** | | | | | | | |
| Active projects (number) | 4 | 7 | 8 | 8 | 8 | 8 | 6 |
| Net commitments ($ millions) | 81.02 | 174.72 | 178.42 | 185.87 | 183.15 | 168.94 | 108.84 |
| Total disbursements ($ millions) | 14.40 | 65.98 | 64.69 | 91.21 | 100.70 | 81.19 | 48.06 |
| Total undisbursed balance ($ millions) | 64.01 | 110.43 | 107.27 | 97.85 | 88.22 | 59.09 | 57.94 |
| Disbursements in FY ($ millions) | 12.51 | 51.58 | 27.27 | 26.52 | 34.76 | 23.94 | 22.15 |
| Disbursement ratio, IPF (investment projects) only (%) | 24.2 | 45.6 | 25.5 | 25.9 | 34.9 | 28.8 | 34.0 |
| Disbursement ratio, IBRD/IDA (%) | 24.2 | 29.3 | 30.5 | 24.0 | 23.0 | 32.9 | 41.1 |
| **PORTFOLIO RISKINESS** | | | | | | | |
| Actual problem projects (% of number) | 0.0 | 0.0 | 0.0 | 0.0 | 12.5 | 25.0 | 16.7 |
| Potential problem projects (number) | 0 | 1 | 1 | 2 | 0 | 2 | 3 |
| Projects at risk (number) | 0 | 1 | 1 | 2 | 1 | 4 | 4 |
| Projects at risk (% of number) | 0.0 | 14.3 | 12.5 | 25.0 | 12.5 | 50.0 | 66.7 |
| Commitments at risk ($ millions) | 0.0 | 25.90 | 25.90 | 70.82 | 13.00 | 41.07 | 64.58 |
| Commitments at risk (%) | 0.0 | 14.8 | 14.5 | 38.1 | 7.1 | 24.3 | 59.3 |
| Proactivity (%) | .. | .. | .. | .. | .. | 0.0 | 100.0 |
| **INDEPENDENT EVALUATION GROUP (IEG) RATINGS, FY2010–14** | | | | | | | |
| Number of projects evaluated by IEG | 1 | 1 | 1 | 1 | 1 | .. | .. |
| IEG outcome rated MS+ (%) a/ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | .. | .. |
| ICR quality rated Satisfactory (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | .. | .. |
| Bank performance at entry rating MS+ (%) a/ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | .. | .. |
| Bank performance at supervision rated MS+ (%)a/ | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | .. | .. |
| M&E quality rated Satisfactory (%) | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | .. | .. |
| Borrower overall performance rated Satisfactory (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | .. | .. |

a/ A rating of MS+ refers to a rating of moderately satisfactory, satisfactory, or highly satisfactory.

1. ***IFC investments played a pivotal role in supporting Togo’s efforts to improve the business-enabling environment.***IFC’s key investments in Togo during the two ISN periods included the Lomé Container Terminal (a loan of $104 million),[[21]](#footnote-21) the Lomé Container Terminal II ($11 million for terminal expansion in 2015), and the Contour Global IPP (a $10 million loan for a 100MW power plant in Lomé). IFC also invested in the health sector (Clinique Biasa) and in banking services (Oragroupe and Ecobank Togo), bringing its total investment portfolio during this period to $125 million. These investments resulted in improved economic infrastructure and services, a stronger investment climate and business environment, and increased jobs. Through its risk sharing facility, IFC supported banks’ capacity to deliver trade financing by providing risk mitigation support.
2. ***ISN implementation was underpinned by a strong program of advisory services and analytics, although dissemination and discussion of analytical work could have been more thorough.*** The design and implementation of the annual ERGG series rested on a solid foundation of analysis, including a Development Policy Needs Review (DPNR) in FY2008, a Public Expenditure Management and Financial Accountability Review (PEMFAR) in FY2010, a Public Expenditure Review (PER) and Country Procurement Assessment Review (CPAR) in FY2013, and a Country Economic Memorandum in 2009. Studies on the cotton and electricity sectors and a PER of the agricultural sector informed interventions undertaken through the ERGG as well as investment operations. Background notes on poverty, gender, health, environmental risks, the business environment, and telecommunications were also prepared, informing the WBG’s dialogue as well as its investment operations. Implementation of the ISN program benefited greatly from targeted technical assistance to the client in a variety of areas, including procurement, the use of country systems, poverty monitoring, EITI implementation, and community-driven development. IFC’s advisory activities in Togo included support for infrastructure, trade, the business environment, financial inclusion, and job creation. Although the close collaboration between IFC and the World Bank on advisory services to strengthen the business environment created positive synergies for the program, it also led to some confusion for the client given the two affiliates’ varying business models and approaches to advisory services.
3. ***The WBG strengthened its collaboration with development partners in Togo during the two ISN periods.*** Although the United Nations (UN) generally leads the coordination of development partners in Togo, IDA took the lead on private sector development support and on economic governance issues. In particular, the World Bank played a key role in coordinating budget support actors, including the European Union (EU) and African Development Bank (AfDB), and in supporting the preparation of the PRSPs in coordination with the IMF and United Nations Development Programme (UNDP). While other agencies play more significant roles in particular sectors—such as the United Nations Children’s Fund (UNICEF) in education and the World Health Organization (WHO) in health—the WBG participated actively in technical-level donor groups to support a coordinated approach. In the agriculture sector, the WBG catalyzed donor assistance from the International Fund for Agricultural Development (IFAD) in support of the government’s national agriculture strategy. On social protection, the WBG’s conditional cash transfer and school feeding programs leveraged the efforts of UNICEF and the World Food Programme (WFP), respectively. In some sectors, the WBG was the main development partner, notably in promoting the private sector agenda and the telecommunications sector, and in directly supporting mining sector governance (though AfDB and the EU also supported Togo’s adherence to the EITI initiative). The WBG also coordinated with key partners in energy, urban infrastructure, and public financial management. While IDA supported an active dialogue with civil society, little direct support was provided to non-state actors.
4. ***Under UN leadership, Togo’s development partners seek to coordinate their actions and jointly monitor progress on national development plans.*** The WBG participates in bi-monthly UN-coordinated donor meetings with a rotating host, along with bilateral partners (such as France, the United States, Germany, Egypt, Spain, and Japan), multilateral institutions (including UN agencies, EU, IMF, and AfDB), and regional institutions (such as the West African Development Bank (BOAD) and the Economic Community of West African States Development Bank (BIDC)). A joint statement is issued annually by the technical and financial partners (PTFs in French) to the authorities to acknowledge progress in implementing the national development program and to highlight areas needing attention. At the technical level, donors coordinate according to sectors, both with and without the participation of line ministries. The PTFs providing budget support also coordinate at the technical level to discuss economic trends and budget support issues.
5. **Lessons Learned and Suggestions for the CPF**
6. ***Implementation of the ISNs for FY2008–10 and FY2012–13 hold important lessons for Togo’s next Country Partnership Framework (CPF) and for the WBG’s work in low-income fragile states more generally***. Following is a brief review of the key lessons learned during the two ISN periods.
7. ***Long-term approaches are critical to rebuilding confidence and making sustainable change in the context of political and economic volatility.*** As the Togo country program emerges from its period of reengagement, it will be important to maintain a long-term view of reform. The ICR for the fourth ERGG operation (FY2011) noted, for example, that support through annual standalone DPOs made it difficult to support longer-term reform approaches, and would be better served by a programmatic series of DPOs that are aligned with a country-owned road map for reform. Given the unusually long time frame being assessed in this CLR, it is clear from the self-evaluation of progress (Appendix 1) that several ISN outcomes may not have been achieved within the original ISN period but have since been achieved with continued technical assistance and reform support.
8. ***The importance of political economy analysis cannot be overlooked, particularly in a fragile state environment in which political commitment and reform momentum remain fluid*.** Experience in implementing both DPOs and investment lending highlights the importance of political commitment from the top down in ensuring sustainable reform. Under the FSGP and the PADSP, the lack of high-level commitment on the part of a reform champion left reforms unfinished. Implementation of the ongoing West Africa Regional Communications Infrastructure Project stalled in part as a result of a lack of progress in Togo on improving regulations and opening the sector to competition. Such slowdowns in program implementation demonstrate the importance of working closely with reform champions in areas where there is traction. Embedding thoughtful, practical political economy analysis upstream in country program development is an important tool in developing a program that can be implemented in a timely and sustainable way.
9. ***Selectivity and sequencing are critical to moving forward on a complex reform agenda in a country like Togo.*** Given the generally limited public sector capacity in this small and fragile state, with a relatively small IDA envelope, a selective and sequenced approach offers the best chance of achieving results without straining client resources. Achieving this goal requires making difficult decisions about which interventions must be slimmed down or delayed in an effort to avoid an overly ambitious and, ultimately, underperforming program. Even within individual programs, achieving this goal requires a careful balancing act between keeping the project design simple and remaining responsive to pressing needs. The PDC, for example, became increasingly complex over time as activities were added to respond to emerging priorities. Additional financing was preferred to preparing new projects in order to move quickly, build on the project’s satisfactory performance, and avoid the proliferation of projects in the Togo portfolio. While the added complexity did not negatively affect performance, it did introduce added risks. Going forward, it will be important for the WBG to ensure that institutional arrangements, implementation staff, and project manuals are in place before project effectiveness, making sure to lay the groundwork for implementation to avoid delays once the project gets off the ground. Where selectivity is difficult in the face of urgent needs, the WBG must ensure that added project complexity is matched with intensified implementation support and the resources needed to back that up.
10. ***Intensive supervision and on-the-ground expertise are the key to achieving sustainable results.*** WBG interventions in Togo have been most successful, with the best chance for sustainability, in areas where specialists were regularly present in country to provide technical assistance, interact frequently with counterparts, and resolve problems as they arose. Continued efforts to strengthen this impact will need to be backed up by internal budget and staff time support.
11. ***Effective monitoring of results depends on appropriate specification of expected outcomes and indicators.*** Particularly in the case of a multi-sector DPO, program objectives and results indicators need to be realistic, feasible, and subject to clear and straightforward monitoring. Indicators need to be easily attributable to government actions, rather than depending on exogenous factors, and are most effective if already embedded in regular monitoring processes, either in country or under the auspices of an ongoing project.
12. ***Community-driven development approaches can achieve good development results where public services are weak and poverty levels high.*** Projectsusing CDD approaches have had high success rates in Togo, with satisfactory development performance ratings for the PDC, the PDC+, and the Cash Transfer Program for Vulnerable Children in Northern Togo. CDD techniques have also benefited sector-specific projects, as in the case of PERI I, whose implementation performance improved after school construction and supply purchases were shifted to parents and communities. The ICR for the PDC, rated satisfactory, emphasized that the WBG could have a rapid impact on poverty through CDD, backed up by institutional structures that empower local communities by decentralizing decision making and that build capacity through sustained and targeted support. Moreover, as pointed out in the ISNs, interventions that support communities directly can be highly valuable in achieving quick and lasting results on the ground in situations that are characterized by political and social instability. Building on these positive results, it will be important for the government and the WBG to focus on how to institutionalize, strengthen, and finance the functions supported through CDD programs as a means to sustain momentum and extend support to more poor communities.
13. ***Close donor coordination and support for national programs are important to avoid compromising the efficiency of aid or overburdening public sector capacity in a small, fragile country.*** Close collaboration between the WBG and other donors greatly enhanced the likelihood of making a sustainable impact and channeling country capacity as efficiently as possible. In the agriculture sector, the WBG’s support for the national agriculture strategy was closely coordinated with IFAD and helped pave the way for AfDB to begin support for the sector. More efforts are needed to deliver on the Paris Declaration, and the WBG should create more opportunities to support country systems and performance- or results-based approaches to reduce transaction costs.
14. ***Togo remains a difficult implementation environment for reforms and requires extensive consultations to attain expected results.*** The WBG has worked closely with the government to align program design with country goals, ensure that critical policy areas are addressed, and provide technical assistance to build capacity. There is a need to engage in a broad dialog between all stakeholders (including the government, public servants, civil society, and other donors) to reach agreements on the reforms that should be undertaken and to translate these reforms into new laws and regulatory frameworks.

**APPENDIX 1: SELF-EVALUATION SUMMARY MATRIX**

**Summary of Progress Self-Evaluation for Togo ISNs (FY08-10 and FY12-13)**

| **ISN Outcomes and Indicators** | **Status and Evaluation Summary** | **Milestones Status** | **Lending and Nonlending Activities that Contributed to Outcomes** |
| --- | --- | --- | --- |
| **ISN FY08-10 PILLAR I: IMPROVE GOVERNANCE AND TRANSPARENCY**  **IPRSP Area 1: Achieving Improvements in Political and Economic Governance** | | | |
| **ISN FY12-13 PILLAR II: IMPROVING ECONOMIC GOVERNANCE AND STATE CAPACITY**  **PRSP First Pillar: Improvement of Governance** | | | |
| **ISN FY08-10 Outcome I.1: Improved budget execution controls**   * Deviation of actual expenditures from budgeted expenditure should be less than 5 percent in each semester and the whole year   Baseline: 6.9% (end-2007) | **Not Achieved**   * Deviations of 5.94% (2008); 7.5% (2010); 7.7% (2012); 15.4% (2013); 10.2% (2014) | * Integrated budget execution system in place **(Système Intégré de Gestion des Finances Publiques (SIGFiP) in place)** * Functioning Audit and Financial Inspection Unit **(achieved)** | **Operations:**   * Economic Recovery and International Re-engagement Grant (ERIREG, FY08) Development Policy Grant (DPG) * DPGs: Economic Recovery and Governance Grant (ERGG, FY08); ERGG2 (FY09); ERGG3 (FY10)   **AAA:**   * Public Expenditure Management and Financial Accountability Review (PEMFAR, FY10) |
| **ISN FY12-13 Outcome II.5: Timely information to spending units on ceilings for expenditure commitments**   * Number of months in advance the spending units receive ceilings on expenditure commitments   Baseline: 0 (2010)  Target: 2 (2011) | **Achieved**   * As of 2015, spending units receive ceilings immediately after the finance law is voted. They receive spending authorizations by end-January at the latest. Spending units in turn have to elaborate their own spending ceilings and revise after every three months; however, this is not usually done. | * 2011 state accounts are closed using the SGFIP functions **(achieved in 2012; “Loi de Règlement” (budget review act) adopted by Parliament in 2014)** * Cash management planning system through the preparation of monthly tables with estimation of revenues and expenditures are operationalized **(achieved in 2014 and repeated the following year)** | **Operations:**   * FSGP (FY09) * IDF for Strengthening Capacity of the Accountancy Profession (FY11)   **AAA:**   * TA on Use of Country Systems (FY12) * ROSC Follow-up (FY12) * CPAR (FY13) |
| **ISN FY08-10 Outcome I.2: Improved public procurement institutional framework**   * Existence of an institutional framework that reflects the standards of the WAEMU Directive   Baseline: Institutional framework inconsistent with WAEMU Directive   * Number of contract awards published   Baseline: 0 | **Achieved**   * Since January 2012, Togo has been implementing a new procurement legal framework (law and code) that is in line with the WAEMU Procurement Directive of November 2009**.** * Since 2012, awarded contracts are published ex post on the official website of the procurement directorate (DNCMP[[22]](#footnote-22)) and in newspapers, along with new contracts on a monthly basis. | * Procurement reform program adopted and being implemented **(achieved in 2010; a new program is expected to be adopted following the implementation of PEMFAR recommendations)** * Procurement journal operational for publication of contract awards **(achieved in December 2010)** * New public procurement code adopted **(achieved in November 2009)** | **Operations:**   * ERIREG (FY08) * DPGs: ERGG (FY08); ERGG2 (FY09); ERGG3 (FY10)   **AAA:**   * PEMFAR (FY10) |
| **ISN FY12-13 Outcome II.6: Enhanced procurement controls**   * % of procurement notices and contract awards reviewed by the General Procurement Department publicly available   Baseline: 0 (2010)  Target: 100 (2011) | **Achieved**   * 100% of procurement notices published either in Togo Presse or in the procurement newspaper. Publication of the procurement notice is a condition for approval of the award. * Contract awards are published after legal review by DNCMP or the ministries’ internal control committees (CCMP[[23]](#footnote-23)). | * 2010 procurement contracts audited **(achieved; 2011 procurement contracts were audited in 2013; 2012 contracts audited in 2014 and 2013 contracts audited in 2015; selection of consultants to audit 2014 and 2015 contracts is ongoing.)** * Implementation decrees that define the mandate of the General Procurement Department and determines the threshold for procurement are adopted **(achieved May 2011 through Decree No 2011-059/PR)** | **Operations:**   * DPGs: ERGG (FY08); ERGG2 (FY09); ERGG3 (FY10)   **AAA:**   * PEMFAR (FY10) |
| **ISN FY12-13 Outcome II.7: Improved external controls** | **Partially Achieved**   * Court of Accounts became operational in 2010, with external audit function that complements the internal audit function of the Finance Inspectorate. Legal framework for CoA in place as of 2009. * Financial statements for 2007 and 2008 submitted by four state-owned enterprises (SOTOCO, CEET, SNPT, and Togo Telecom) to the Court of Accounts * External control has improved with the above measures and legislation aimed at improving external controls has been passed. In terms of implementation, however, not much has been achieved. | * A system to follow up on the auditors’ recommendations is implemented **(not yet achieved; a Pilot Committee has been created to work on this, but the time frame for completion is clear)** * IGF and IGE staff on risk and performance approaches are trained **(achieved in 2014 following a risk mapping for the Ministry of Economy and Finance, and in 2015 for the Ministries of Agriculture and of Post and Digital Economy)** * Court of Accounts has submitted the report on the execution of the 2007 accounts to Parliament **(achieved; accounts reviewed in 2008 and 2009 with limited reliability; reports produced for 2010-2013, which have enabled Parliament to vote on Budget Review Acts for 2010-2013. The execution report for 2014 has been completed and submitted to Parliament but not yet voted on.)** | **Operations:**   * FSGP (FY09) * IDF for Strengthening Capacity of the Accountancy Profession (FY11) * TA on Use of Country Systems (FY12)   **AAA:**   * ROSC Follow-up (FY12) * CPAR (FY13) |
| **ISN FY12-13 Outcome II.8: Improved capacity to monitor the PRSP outcomes and deliver results** | **Achieved**   * Since 2012, trust-funded support for the modernization of the National Statistical System has led to the creation of a national statistical office, the *Institut National de la Statistique et des Études Économiques et Démographiques (INSEED)*. * The grant has also supported institutional capacity building, improvements in the quality of data production and access to data through household surveys and production of socioeconomic indicators, production of national accounts data, analysis of population data, and dissemination of reports. |  | **Operations:**   * IDF Grant (FY12) to strengthen monitoring capacity and practice in the public sector * Trust Fund or Statistical Capacity Building III: Togo Support to NSDS Implementation (FY13) |
| **ISN FY08-10 Outcome I.3: New cotton company is operating satisfactorily and cotton production has rebounded**   * Seed cotton production level has increased by 50%   Baseline: 48,000 tons (end of 2007-08 crop season) | **Achieved**   * 31,000 tons (2008-09 crop season), due in part to severe flooding * 28,000 tons (2009) * 79,510 tons (2011) * 80,594 tons (2012) * 77,850 tons (2013) * 114,800 tons (2014) | * New SOTOCO (NSCT) created with strong farmer participation in its capital and management **(achieved; NSCT created by decree in 2009; farmers received training to strengthen their representational abilities, and their umbrella organization, FNGPC, participates in its capital, at 40%, compared to the state’s 60%)** * Management controls and strategic partner in place **(status unknown)** | **Operations:**   * ERIREG (FY08) * DPGs: ERGG2 (FY09); ERGG3 (FY10)   **AAA:**   * Development Policy Needs Review (DPNR, FY08) |
| **ISN FY12-13 Outcome II.1: Management of NSCT is enhanced**   * Reduction in NSCT’s costs   Baseline: FCFA 415/ton (2010-11 season)  Target: 5% reduction (2011-12 season)  *Note: The baseline figure was not specified in the ISN for FY12-13. The ICR for the ERGG-4 operation, prepared in June 2012, indicates that a 2011 study had estimated cotton production costs to be FCFA 415/ton in 2010-11 as compared to FCFA 502/ton in 2009-10.* | **Achieved**   * Unit costs reduced by 17% between 2009-10 and 2010-11 (status since 2011 unknown) | * Adopt the terms of reference of the consultant and initiate the study on private sector participation in the NSCT **(achieved; after discussions with government, the option of a study on private sector participation was dropped, and terms of reference reoriented toward preparation of a strategic plan for the cotton sector validated in June 2013)** | **Operations:**   * ERGG4 (FY11) * DPOs: Economic Recovery and Governance Credit (ERGC) 5 (FY12); ERGC6 (FY13)   **AAA:**   * Public Expenditure Review (PER, FY13) |
| **ISN FY08-10 Outcome I.4: Phosphate sector strategic development plan is adopted, and phosphate production has increased**   * Phosphate production level has increased   Baseline: 150,000 tons (first quarter of 2008) | **Achieved**   * 725,547 tons (2009) | * The company, SNPT, is adequately staffed, successive annual business plans are adopted, and installation of new equipment has commenced (**achieved in 2011**) | **Operations:**   * ERIREG (FY08)   ERGG2 (FY09); ERGG3 (FY10) DPGs  **AAA:**   * DPNR (FY08) |
| ISN FY12-13 Outcome II.2: Improved transparency and accountability in the phosphate sector   * Togo submitting its Validation Report towards becoming an EITI compliant country   Baseline: Not yet compliant (2011)  Target: Togo has achieved validation or been granted compliant status (2013) | **Achieved**   * Validation Report submitted (2013) * Achieved EITI compliance status (2013) | * An IT system for the management of the stocks and spare parts of SNPT is created and functional **(not achieved)** * The existing Mining Code is updated and submitted to Parliament for approval **(partially achieved; draft mining code prepared in 2014, but not yet adopted)** * The strategic plan for Phase 2 and 3, which includes the search for private partner investors, is completed **(not achieved; 50/50 ownership with a private entity was attempted in 2001 but failed in 2003)** | **Operations:**   * ERGG4 (FY11) * ERGC 5 (FY12); ERGC6 (FY13) DPOs   **AAA:**   * PER (FY13) * Phosphate Sector Strategy TA (FY11-12) * Support for EITI Implementation (FY11-12) |
| **ISN FY12-13 Outcome II.4: Enhanced financial situation of CEET (Compagnie Energie Electrique du Togo)**   * Increase in the turnover of CEET (excluding Contour Global charges)   Baseline: FCFA 55 billion (2010)  Target: 7% increase (2011)  *Note: Baseline was not specified in ISN for FY12-13. The Implementation Completion Report (ICR) for the ERGG-4 operation, prepared in June 2012, indicates that turnover (excluding Contour Global) increased from FCFA 55 billion in 2010 to FCFA 67 billion in 2011.* | **Achieved**   * 22% increase to FCFA 67 billion, excluding Contour Global (2011), following a tariff adjustment effective January 1, 2011. As a consequence, CEET’s operating loss of FCFA 3.8 billion in 2010 became a profit of FCFA 1.4 billion in 2011. * Since then, turnover has continued to increase: FCFA 96.8 billion (2012); FCFA 108 billion (2013); FCFA 96.6 billion (2014); FCFA 107.7 billion (2015) | * Recommendations of the organizational audit of CEET are implemented **(achieved in 2013)** | **Operations:**   * Financial Sector and Governance Project (FSGP, FY09) * IDF for Strengthening Capacity of the Accountancy Profession (FY11)   **AAA:**   * TA on Use of Country Systems (FY12) * Report on the Observance of Standards and Codes (ROSC) Follow-up (FY12) * Country Procurement Assessment Report (CPAR) (FY13) |
| **ISN FY08-10 Outcome I.5: Banking sector is restructured and recapitalization of at least the two state banks started**   * Net worth of BTCI and UTB are at least 8 percent, consistent with WAEMU prudential norms   Baseline: Net worth of both banks negative (end-2007) | **Not Achieved**   * BTCI: 6.11% (2009); -42.91% (2016) * UTB: 13.83% (2009); negative (2016) * The two banks (BTCI and UTB) have negative equity. Their capitalization, which needs to attain the minimum capital standards (FCFA 5 billion before July 2017) set by the WAEMU, is at about FCFA 36 billion and FCFA 50 billion, respectively. | * The three largest banks with negative equity have a credible restructuring plan under satisfactory implementation according to the timetable **(partially achieved; achieved for BTD (2012) and BIA (2013), both privatized; however, privatization process for BTCI and UTB was unsuccessful. BTCI and UTB still have negative equity. BTCI is under receivership and has a provisional restructuring plan, but UTB does not and its management changed in June 2016.)** | **Operations:**   * FSGP (FY09)   **AAA:**   * DPNR (FY08) |
| **ISN FY12-13 Outcome II.3: Improved performance of BTCI, UTB and BIA**   * The three targeted banks have entered into partnerships (which involve the sale of a majority of shares) with strategic banking investors   Baseline: 0 (2011)  Target: 2 banks by 2012, and the 3rd bank by 2013 | **Partially Achieved**   * 2 banks (BTD and BIA) have entered into public-private partnerships **(achieved in December 2012 for BTD and September 2013 for BIA)** * The 2 remaining state-owned banks continue to face challenges, and a solution has not yet been decided. | * Financial restructuring of BTCI, UTB and BIA completed **(partially achieved; 55% of BIA capital transferred to Attijariwafa Bank in September 2013)** | **Operations:**   * FSGP (FY09) * IDF for Strengthening Capacity of the Accountancy Profession (FY11)   **AAA:**   * TA on Use of Country Systems (FY12) * ROSC Follow-up (FY12) * CPAR (FY13) |
| **ISN FY08-10 PILLAR II: HELP THE ECONOMIC RECOVERY**  **IPRSP Area 2: Strengthening the Process of Achieving Economic Recovery and Promoting Sustainable Development** | | | |
| **ISN FY12-13 PILLAR I: DEEPENING ECONOMIC RECOVERY AND PROMOTING SUSTAINABLE DEVELOPMENT**  **PRSP Second Pillar: Consolidation of the Foundations of Strong and Sustainable Growth** | | | |
| **ISN FY08-10 Outcome II.1: Adoption and commenced implementation of a strategic development plan for the Lomé Port, and key port services improved**   * Action plan under implementation   Baseline: No formal integrated plan exists (2008) | **Achieved**   * Although the team has been unable to confirm the status of the planned national strategic plan for the port, it is important to note that through IDA and IFC support, significant improvements were made in port infrastructure and services. IFC supported construction, development, and operation of the Lomé Container Terminal (the 1st modern transshipment hub in West and Central Africa) and extension of the Lomé Port to accommodate 3-4 larger container ships. * Congestion at the border post in Aneho was reduced through provision of a large parking space for trucks, and traffic flow was improved through the rehabilitation and expansion of road and bridge infrastructure and a station and commercial platform at the border with Benin. * Customs improvements included installation of the SYDONIA++ customs management system, strengthening of control services, and simplification of procedures such that the time that ships spend registering their manifestos dropped from 4 days in 2011 to 24 hours in 2013; and the time to dispatch their cargo from 23 days in 2010 to 7 days in 2013. Customs receipts increased by 31 percent between 2012 and 2013. * In 2014, Togo launched a one-stop-shop for external commerce, contributing significantly to reducing the time it takes to handle and deliver containers from the port—from 11 days to 3 hours. | * Completion of a national strategic plan for the port **(status unknown)** * Adoption of an action plan to implement the strategic development plan **(status unknown)** | **Operations:**   * ERIREG (FY08) |
| **ISN FY08-10 Outcome II.2: Reduced flooding in the Bé community of Lomé benefiting from rehabilitated drainage; adoption of a road, drainage and solid waste reform program for key urban areas, incorporating the lessons from the LICUS-supported Lomé pilot**   * Level of flooding in the Bé community with rehabilitated drains   Baseline: Extensive seasonal flooding in the community (2008) | **Achieved**   * 52,000 people protected against flooding in 2011 (as compared to 2,000 people in 2009) * By June 2016, over 120 km of drainage systems had been cleaned out (compared to 98.2 km planned), 31.3 km of drains rehabilitated (compared to 22.2 km planned), 760,055 people protected from floods (compared to 720,000 planned), and overall more than 1.55 million people throughout the city of Lomé have emerged as beneficiaries (compared to 1.1 million people as estimated at the beginning of the project) | * Drainage works completed in a selected disadvantaged Lomé neighborhood (Bé) and a stretch of road in Bé that has become a bottleneck to traffic flow rehabilitated **(achieved December 2010)** | **Operations:**   * Lomé Infrastructure Rehabilitation and Maintenance (LICUS, FY08) * Emergency Infrastructure Rehabilitation and Energy Project (PURISE, FY09) |
| **ISN FY12-13 Outcome I.4**  **Drainage rehabilitation**   * Km of drains cleaned   Baseline: 0 (2010)  Target: 80 km (2013) | **Achieved**   * 122 km (2014) | * Drainage systems cleaned **(achieved)** | **Operations:**   * PURISE (FY09); PURISE Additional Financing (AF) (FY11); PURISE AF2 (FY13) |
| **ISN FY12-13 Outcome III.3: Flood reduction, especially in Lomé township and its environs**   * Number of kilometers of rehabilitated drainage network   Baseline: 0 (2010)  Target: 30 km (2013) | **Achieved**   * 31.3 km (2016) | * An early warning system installed **(not achieved)** | **Operations:**   * PURISE (FY09); PURISE AF (FY11); PURISE AF2 (FY13) * Integrated Disaster and Land Management Project (FY12; GFDRR, GEF, Terr Africa, LDCF, and SFM)   **AAA:**   * Post Disaster Needs Assessment (FY11) * Environment and Social Background Review (FY11) |
| **ISN FY12-13 Outcome I.3**  **Improved access to electricity**   * Number of transformer stations rehabilitated   Baseline: 0 (2010)  Target: 20 (2013)   * Extension of electricity supply network   Baseline: 0 (2010)  Target: 30 km (2013) | **Achieved**   * 21 (2014)   33 km (2014) | * Rehabilitation of transformer stations completed **(achieved)** * Extension of electricity supply network by 30 kilometers completed **(achieved)** | **Operations:**   * PURISE (FY09); PURISE AF (FY11); PURISE AF2 (FY13) * Regional Abidjan Lagos Trade and Transport Facilitation (FY10) * IFC equity investment (FY10) in Contour Global * IFC support for development of transshipment container handling at Lomé Port |
| **ISN FY08-10 Outcome II.3: Agreement between Government and cocoa/coffee professional organization on rehabilitation plan to increase production of cocoa/coffee**   * Existence of a sector rehabilitation plan under implementation   Baseline: No rehabilitation plan in place (end-2007) | **Achieved**   * A sector rehabilitation plan supported under the Agricultural Sector Support Project (PASA) under implementation since 2013. This support led to: (i) an increase in coffee and cocoa production through provision of improved technologies, advisory services, and access to better-quality agricultural inputs; (ii) strengthening of the capacity of producer organizations; and (iii) creation of an interprofessional council for coffee and cocoa (CICC-Togo) in September 2014, with a strategic plan for 2016-2020 finalized and adopted in August 2015. | * Completion of a diagnostic study of the cocoa/coffee sector **(achieved in 2011 within the framework of the preparation of PASA)** | **Operations:**   * ERIREG (FY08) * PASA (FY11)   **AAA:**   * Country Economic Memorandum (CEM) on Sources of Growth (FY09) |
| **ISN FY12-13 Outcome I.2: Increased crop output**   * Volume of crop output (tons)   Baseline: Coffee 13,000 tons; Cocoa 6,000 tons; Husked Rice 0 tons; Warranted Corn 0 tons (2010)  Target: Coffee 15,000 tons; Cocoa 7,000 tons; Husked Rice 3,000 tons; Warranted Corn 800 tons (2013) | **Achieved**   * Coffee: 16,092 tons (2016) * Cocoa: 10,384 tons (2016) * Husked Rice: 6,213 tons (2016) * Warranted Corn: 5,084 tons (2014) | * Farmers provided with improved technologies, advisory services, and access to better quality agricultural inputs **(achieved)** | **Operations:**   * PASA (FY11) * Regional Agricultural Productivity Program (FY11)   **AAA:**   * PER of Agricultural Sector (FY12, BTEF TF) |
| **ISN FY08-10 Outcome II.4: Plan to clear the arrears vis-à-vis the private sector is in place and under implementation; clarity on the potential drivers of economic growth**   * Level of domestic arrears to the private sector   Baseline: FCFA 278.37 billion (end-2005), equivalent to US$528.3m | **Achieved**   * Domestic arrears cleared | * Adoption of a strategic plan to clear the government’s domestic arrears **(status unknown)** * Completion of a Sources of Growth study and discussion of the study in Togo **(achieved in 2009)** | **Operations:**   * ERIREG (FY08)   **AAA:**   * Country Economic Memorandum (CEM) on Sources of Growth (FY09) |
| **ISN FY12-13 Outcome I.1**  **Improved business and investment climate (strategic area)**   * Number of procedures to start a business   Baseline: 7 (2011)  Target: 5 (2013) | **Partially Achieved**   * 6 (2012-2015) | * Procedures to register a business reviewed and streamlined **(status unknown)** | **Operations:**   * Private Sector Development Support (PADSP, FY11) * Private Sector Revitalization Trust Fund (FY10)   **AAA:**   * Country Economic Memorandum (CEM, FY10) * IFC FIAS Investment Climate Services * IFC Financial Intermediation |
| **ISN FY08-10 PILLAR III: PROVIDE FOR URGENT SOCIAL NEEDS**  **IPRSP Area 3: Developing the Social Sectors, Human Resources and Employment** | | | |
| **ISN FY12-13 PILLAR III: ADDRESSING URGENT POVERTY REDUCTION AND SOCIAL NEEDS**  **PRSP Third Pillar: Development of Human Capital** | | | |
| **ISN FY08-10 Outcome III.1: Increased access to improved basic social services (health, education and water services and increased access to economic opportunities) in targeted rural communities**   * Enrollment ratios in the target communities   Baseline: TBD (2008)   * Share of the population in the target communities that have visited a primary health center   Baseline: TBD (2008)  *Note: Baseline data for 2008 not available.* | **Achieved**   * 97,367 (2013) *Updated figures not available, as program did not continue tracking enrollment in target communities.* 18,280 (2016) * Health center visits for target communities estimated at 144,096 for 2013, although the number of unique visitors could not be calculated given the possibility of repeat visits by patients. * Health center visits are estimated at 2,657,067, or 38.87% of the total population (2015) | * Completion of at least 250 basic services sub-projects and 200 economic opportunities sub-projects by end of project implementation **(achieved: 290 basic socioeconomic infrastructure subprojects and 294 income-generating subprojects completed as of September 2013 under CDP; 213 community infrastructure subprojects and 208 income-generating subprojects completed as of 7/15/16 under CDSN)** | **Operations:**   * Emergency Poverty Reduction Program (FY07; FY08) * Community Development Project (CDP, FY08) |
| **ISN FY12-13 Outcome III.1: Improved quality of primary education**   * Primary completion rate (%)   Baseline: 63.2% (2010)  Target: 66% (2013) | **Achieved**   * 81.4% * 83.6% (2013-14) (against baseline of 65% as of 12/31/2009) | * Textbooks of the EFA-FTI project purchased **(achieved; 2.9 million reading and math textbooks purchased and delivered to primary schools as of 10/31/14, 181% of planned number)** | **Operations:**   * EFA-FTI Catalytic Fund (FY11)   **AAA:**   * Country Health Status Report (FY11) |
| **ISN FY12-13 Outcome III.2: Improved access to social protection**   * Number of community mobilization schemes   Baseline: 600 (2011)  Target: 900 (2013)   * Number of people covered by Social Safety Nets   Baseline: 36,000  Target: 70,000 estimated | **Partially Achieved**   * 633 communities have benefited from community mobilization schemes under PDC+ (2016) * 77,012, of which 47,550 covered by school feeding program, 12,692 by labor-intensive public works, and 16,770 by cash transfer programs (2016) | * Existing social protection policies reviewed and streamlined **(achieved; review of social protection programs conducted in 2012; national social protection policy drafted in 2012 and being updated for adoption by government, most likely in the next year)** | **Operations:**   * CDP (FY08/09 IDA/TF) * Community Development and Social Safety Nets (CDSN, FY12) * Cash for Work/Social Protection TA (FY11/12)   **AAA:**   * Poverty/Gender Assessment (FY12) |
| **ISN FY08-10 Outcome III.2: The threat posed by highly pathogenic avian influenza (HPAI) to humans and the poultry sector is minimized**   * Number of monthly HPAI inter-ministerial committees held   Baseline: 0 (end-2007)   * Number of responses to outbreak missions conducted jointly by public health and animal health services compared to the number of reported outbreaks   Baseline: 0 joint missions compared to 2 reported outbreaks (2007) | **Achieved**   * Interdepartmental committee meetings held monthly during outbreaks. There has not yet been a meeting for the August 2016 outbreaks, but a press conference was held that represented all involved departments. * Two outbreaks of avian influenza reported in August 2016 have been managed jointly by the health and agriculture ministries. At least 5 joint missions have been conducted following the positive diagnosis of H5N1 by the central laboratory veterinarians. The veterinarians have managed the outbreaks, and doctors have assisted families and ranchers. An official has been put in place to report all events during the crisis. | * Avian Flu Control Program and Outbreak Containment Plan are in place **(not achieved; an Interdepartmental Committee on prevention of and fight against avian influenza established February 2006 and a National Technical Committee in May 2006, but neither institution is operationalized; planning document in place but not funded)** * A centralized crisis management unit has been established **(achieved; Crisis Unit established at the time of the first crisis in 2007 and reactivated during August 2016 to manage outbreaks in Adétikopé and Adidogomé)** * An inter-ministerial committee (comprising, among others, health, livestock, trade, environment, finance, security, population) is established and functioning **(not achieved; inter-ministerial committee, created in February 2006, not yet operationalized)** | **Operations:**   * Avian Influenza Control and Human Pandemic Preparedness (FY08)   **AAA:**   * DPNR (FY08) |
|  |  |  |  |

**Annex 3. Selected Indicators of Bank Portfolio Performance and Management**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **FY14** | | **FY15** | | **FY16** | | **FY17** |
| **Portfolio Assessment** |  | |  | |  | |  |
| Number of Projects Under Implementation ᵃ | 6.0 | | 6.0 | | 4.0 | | 4.0 |
| Average Implementation Period (years) ᵇ | 4.5 | | 5.8 | | 4.3 | | 5.1 |
| Percent of Problem Projects by Number ᵃ˒ ͨ | 16.7 | | 33.3 | | 0.0 | | 0.0 |
| Percent of Problem Projects by Amount ᵃ˒ ͨ | 9.3 | | 18.0 | | 0.0 | | 0.0 |
| Percent of Projects at Risk by Number ᵃ˒ ͩ | 16.7 | | 50.0 | | 50.0 | | 0.0 |
| Percent of Projects at Risk by Amount ᵃ˒ ͩ | 9.3 | | 28.0 | | 39.6 | | 0.0 |
| Disbursement Ratio (%) ͤ | 20.3 | | 30.2 | | 47.4 | | 31.2 |
| **Portfolio Management** |  | |  | |  | |  |
| CPPR during the year (yes/no) |  | |  | |  | |  |
| Supervision Resources (total US$) |  | |  | |  | |  |
| Average Supervision (US$/project) |  | |  | |  | |  |
|  |  | |  | |  | |  |
| **Memorandum Item** | | **Since FY80** | | | | **Last Five FYs** | |
| Proj Eval by OED by Number | | 47 | | | | 3 | |
| Proj Eval by OED by Amt (US$ millions) | | 951.5 | | | | 39.0 | |
| % of OED Projects Rated U or HU by Number | | 46.8 | | | | 0.0 | |
| % of OED Projects Rated U or HU by Amt | | 38.5 | | | | 0.0 | |
| a. As shown in the Annual Report on Portfolio Performance (except for current FY). | | | |
| b. Average age of projects in the Bank's country portfolio. | | | |
| c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP). | | | |
| d. As defined under the Portfolio Improvement Program. | | | |
| e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only. | | | |
| \* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects   as well as projects which exited during the fiscal year. | | | |

**Annex 4. Operations Portfolio (IBRD/IDA and Grants)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Closed Projects** | | | **55** |  |  |  |  |  |  |  |  |  |
| **IBRD/IDA\*** | | |  |  |  |  |  |  |  |  |  |  |
| Total Disbursed (Active) | | | 87.02 |  |  |  |  |  |  |  |  |  |
| of which has been repaid | | | 0.00 |  |  |  |  |  |  |  |  |  |
| Total Disbursed (Closed) | | | 350.63 |  |  |  |  |  |  |  |  |  |
| of which has been repaid | | | 156.38 |  |  |  |  |  |  |  |  |  |
| Total Disbursed (Active + Closed) | | | 437.65 |  |  |  |  |  |  |  |  |  |
| of which has been repaid | | | 156.38 |  |  |  |  |  |  |  |  |  |
| Total Undisbursed (Active) | | | 22.60 |  |  |  |  |  |  |  |  |  |
| Total Undisbursed (Closed) | | |  |  |  |  |  |  |  |  |  |  |
| Total Undisbursed (Active + Closed) | | | 22.60173841 |  |  |  |  |  |  |  |  |  |
| **Active Projects** | |  | |  |  |  |  |  |  |  | **Difference Between Expected and Actual** | |
|  |  | **Last PSR** | | |  |  |  |  |  |  |
|  |  | **Supervision Rating** | | |  | **Original Amount in US$ Millions** | | | |  | **Disbursements ͣ ̷** | |
| **Project ID** | **Project Name** | **Development Objectives** | | **Implementation Progress** | **Fiscal  Year** | **IBRD** | **IDA** | **Grants** | **Cancel.** | **Undisb.** | **Orig.** | **Frm Rev'd** |
| P118045 | TG:Agricultural Sector Support Project | S | | S | 2011 | 0.0 | 9.0 |  | 0.0 | 0.0 | 0.4 | 0.0 |
| P127200 | TG Community Development and Safety Nets | S | | MS | 2012 | 0.0 | 26.1 |  | 0.0 | 1.8 | 0.0 | 0.0 |
| P143843 | TG- Maternal and Child Health Support | MS | | S | 2014 | 0.0 | 14.0 |  | 0.0 | 6.0 | 3.6 | 0.0 |
| P124198 | TG-PSG-Integr.Disaster & Land Mgmt (PSG) | MS | | MS | 2012 | 0.0 | 0.0 | 9.2 | 0.0 | 2.3 | 0.0 | 0.0 |
| P149277 | TOGO Mining Governance and Development | MS | | MS | 2016 | 0.0 | 15.0 |  | 0.0 | 12.5 | 1.9 | 0.0 |
| **Overall Result** | |  | |  |  | **0.0** | **64.1** | **9.2** | **0.0** | **22.6** | **5.9** | **0.0** |
| \* Disbursement data is updated at the end of the first week of the month. | | | | | | | | | | | | |
| a. Intended disbursements to date minus actual disbursements to date as projected at appraisal. | | | | | | | | | | | | |

Annex 5 Statement of IFC’s Held and Disbursed Portfolio

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | | | | | | | |
| **(In US$ Millions)** | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | **Committed** | | | | |  | **Disbursed Outstanding** | | | | |  |
| **FY Approval** | **Company** | **Loan** | **Equity** | **\*\*Quasi  Equity** | **\*GT/RM** | **Participant** |  | **Loan** | **Equity** | **\*\*Quasi  Equity** | **\*GT/RM** | **Participant** |  |
| FY10 | CG TOGO | 0.00 | 4.74 | 1.71 | 0.00 | 0.00 |  | 0.00 | 4.74 | 1.71 | 0.00 | 0.00 |  |
| FY11 | LCT | 80.28 | 0.00 | 0.00 | 0.00 | 0.00 |  | 80.28 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| FY15 | LCT | 9.89 | 0.00 | 0.00 | 0.00 | 0.00 |  | 9.89 | 0.00 | 0.00 | 0.00 | 0.00 |  |
| **Total Portfolio:** | | **90.17** | **4.74** | **1.71** | **0.00** | **0.00** |  | **90.17** | **4.74** | **1.71** | **0.00** | **0.00** |  |

Annex 6. Partnerships and Donor Coordination

1. **The UN takes the lead in coordinating Togo’s technical and financial partners**.The UN assists in coordinating bimonthly meetings of donors with a rotating host. These members include bilateral partners (France, AFD, the US, Germany, GIZ and KFW, Egypt, Spain, JICA), multilateral institutions (UN agencies, the EU, IMF, AfDB, World Bank), and regional institutions (BOAD/WADB, BIDC). Partners seek to coordinate their actions and jointly monitor progress with national development plans. A joint statement is issued annually by the development partners to the authorities to acknowledge progress in implementing the national development program and to highlight areas needing attention. At the technical level, donors coordinate according to sectors, both with and without the participation of line ministries.These sector groups oftencomprise heads of UN agencies, key bilateral partners, and IFIs. Development partners providing budget support also coordinate regularly at the technical level.
2. **The EU’s program in Togo emphasizes governance (security, decentralization, and economic governance), energy access, urban infrastructure, water and sanitation services in rural and urban areas**.The EU supports strengthening civil society organizations through grants. IDA support for energy, urban infrastructure, governance, and budget support under the CPF are closely coordinated with the EU.
3. **France’s AFD program in Togo includes grant activities and significant amounts of development financing once an IMF program is approved**. Areas of focus include education, training for jobs, and infrastructure (energy, water, others). IDA support for education, energy, and urban infrastructure is closely coordinated with AFD.
4. **The AfDB’s 2016-2020 Country Partnership Strategy for Togo emphasizes transport infrastructure (Abidjan Lagos Corridor), with co-financing from several partners; agricultural growth poles (with services for water, electricity, roads, and private sector investments); and governance and fiscal reforms, notably support for OTR and tax administration, EITI, and debt management**. The agricultural growth poles operation includes support for youth employment and access to finance through the Inclusive Finance program. IDA coordinates closely with AfDB on agriculture, youth employment, transport, fiscal issues and budget support.
5. **The IMF and World Bank collaborate closely in a number of areas, notably on macroeconomic monitoring and dialogue with the authorities, debt management, public investment management, and fiscal issues**. The IMF carries out Article IV consultations annually and is preparing an Extended Credit Facility program to be presented to its Board in May 2017.
6. **The UN is active through its specialized agencies in all of the social sectors and, through the UNDP, administers the government’s ambitious Urgent Community Development Program (PUDC) launched in 2016**. IDA collaborates closely with UNICEF, WHO, WFP, UNAIDS, UNDP, and UNDSS in education, environment, health, social safety nets, CDD, and on country office security matters.
7. **Other important partners include: GIZ and KFW support environment, youth employment, governance, urban programs and rural energy; JICA supporting various sectors, including telecommunications and CDD/basic services; and the U.S., which is evaluating Togo’s eligibility for an MCC threshold program focused on agriculture and telecoms**. Active regional institutions include the **West African Development Bank** and **BIDC**, which finance road infrastructure and private sector development. IDA has approved an IDA credit line for WADB to finance affordable housing in the region, including Togo. The Arab Funds and the Islamic Development Bank have signed important financing agreements with Togo in 2016 to support energy, roads, and education sectors.

1. Presidential term limits were removed in the revised constitution of 2002, allowing the president to remain in power for life. [↑](#footnote-ref-1)
2. The CVJR recommendations concern political and institutional reforms and compensations for victims of political violence from 1958 to 2005. [↑](#footnote-ref-2)
3. Core Welfare Indicators Questionnaire (CWIQ) survey (QUIBB 2015). [↑](#footnote-ref-3)
4. These include Voice and Accountability, Political Stability and the Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. In the 2015 indicators, Togo ranks in the bottom third on all but Political Stability and the Absence of Violence (on which it ranks in the 40th percentile). [↑](#footnote-ref-4)
5. See http://info.worldbank.org/governance/wgi/#doc. [↑](#footnote-ref-5)
6. IDA is in discussions with the authorities to define the reform program to underpin the proposed DPO series. [↑](#footnote-ref-6)
7. The content of the DPO has not yet been agreed. [↑](#footnote-ref-7)
8. With support from AFD (for lower secondary education) and the Global Program for Education (focused on primary education and administered by the World Bank). [↑](#footnote-ref-8)
9. As Togo is a fragile state, a Risks and Resilience Assessment and other relevant fragility assessment of the power generation activity would be prepared. [↑](#footnote-ref-9)
10. Published by the International Telecommunication Union, *Measuring The Information Society 2016*. The IDI benchmarks ICT development across countries, combining eleven indicators on ICT access, use, and skill. [↑](#footnote-ref-10)
11. More data on the distribution of impacts of these issues is needed to rank them with great confidence in terms of poverty impacts. [↑](#footnote-ref-11)
12. There are no available studies quantifying the economic impacts on poor people, but there are local media reports of the disruption of some fishing livelihoods. [↑](#footnote-ref-12)
13. Lack of data is a major constraint. [↑](#footnote-ref-13)
14. Actual IDA allocations during the CPF period will be determined on a yearly basis and will depend on: (i) total IDA resources available; (ii) country performance rating based on the CPIA/PCPI and portfolio performance; (iii) the performance of other IDA borrowers; (iv) eligibility for an exceptional regime, and (v) grant eligibility. [↑](#footnote-ref-14)
15. Activities related to the cross-cutting theme of governance are indicated throughout the results framework in **bold** text. [↑](#footnote-ref-15)
16. Sources for this report include interviews with WBG staff, as well as implementation status and results reports, implementation completion reports, mid-term reviews, aide memoires, and other self-evaluations prepared by the country team. [↑](#footnote-ref-16)
17. The indicative IDA16 allocation to Togo for the three years of IDA16, FY2012-14, was SDR 60 million ($90.1 million). Togo began receiving HIPC debt relief after reaching the Completion Point in December 2010. When debt relief resources are added, the total IDA16 allocation was SDR 79 million ($118 million). [↑](#footnote-ref-17)
18. This approach follows guidance from the World Bank’s Operational Policy and Country Services (OPCS) unit in exceptional cases of CLRs that evaluate country strategies prepared before 2014 and are limited by data challenges and a considerable amount of time elapsed since the formal completion of the country strategy cycle. [↑](#footnote-ref-18)
19. Prepared in conjunction with the Public Expenditure and Financial Accountability (PEFA) assessments. [↑](#footnote-ref-19)
20. These results were not sustained, however, as by 2016 the Togo Electric Energy Company (CEET) was again experiencing financial difficulties, with large amounts of arrears and cross debt between it, the Electricity Community of Benin (CEB), and the government. [↑](#footnote-ref-20)
21. IFC also acted as the sole lead arranger of the loan package for LCT, valued at around $300 million. [↑](#footnote-ref-21)
22. Direction Nationale du Contrôle des Marchés Publics. [↑](#footnote-ref-22)
23. Commission de Contrôle des Marchés Publics. [↑](#footnote-ref-23)