

## Togo

Togo's reform commitments/initiatives	Progress in meeting commitments/initiatives	Partner Support
<b>Macroeconomic framework</b>		
<u>Macroeconomic stability</u>		
<b>2018</b>		
Reduce debt and budget deficit to ensure debt sustainability and external stability	Togo maintained a highly disciplinary fiscal stance since 2016. The fiscal deficit decreased to 0.9% of GDP in 2019 (below the WAEMU norm), compared to a peak of 7.1% in 2016. Meanwhile, public debt declined to 52.4% of GDP (against 60.1% in 2016). But the deficit and debt widened to 6.9 and 58.61% of GDP, respectively in 2020 because of the COVID-19 pandemic.	WB, IMF, AfDB, EU
Reorganize debt management services in line with international good practice to improve the management of debt and its sustainability	<p>In 2017, the Directorate of Public Debt and Financing (<i>Direction de la Dette Publique et du Financement</i>, DDPF) at the Ministry of Economy and Finance was reorganized in front-office (loan contracting), middle office (debt analysis) and back office (loan administration) functions to centralize the cashflow forecasting and debt management functions, as recommended by the World Bank and IMF. This reform helped strengthen the implementation of the Medium-Term Debt Strategy, which now emphasizes the use of concessional loans as a preferential source of financing. The SDPF will play a key role in the assessment of fiscal risks including those related to PPPs.</p> <p>In 2020, the Government (with support from WB emergency budget support) enhanced debt management and transparency through:</p> <p>(i) publication of key economic, financial and budgetary information on the Government's website, including a fiscal risk statement; and (ii) publication on the Government's web- site of an Annual Report on Public Debt, which includes an assessment of the implementation of the Medium-Term Debt Management Strategy (MTDS).</p> <p>In 2021, the Government (support from WB budget support) published a (i) Annual Borrowing Plan consistent with the MTDS; and (ii) fiscal risk statement [the 2019-2020 version being published].</p> <p>In 2021, the Government online published a fiscal risk statement (<a href="http://www.togoreforme.com">www.togoreforme.com</a>)</p>	WB, IMF
Clearance of arrears and improvement of public financial management to avoid accumulation of new arrears, aiming to support the proper functioning of the private sector activities.	Efforts to synchronize commitment, procurement, and cash plans helped to clear all arrears by the of end of 2019. Despite the COVID-19 shock, Togo had not accumulation any new arrears as of end-December 2021.	WB, IMF
<u>Domestic Revenue Mobilization</u>		
<b>2018</b>		
Strengthen the control entities of the Togolese Revenue Office		WB, IMF
Implement specific controls on businesses operating in the	Since 2017, 100% of businesses operating in the phosphates, clinker and cement sectors are subjected to tax controls.	

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phosphates, clinker, and cement sectors		
Expand the tax base by adopting and implementing a new tax policy and by opting for electronic/paperless tax collection	<p>A new tax code entered into force in January 2019, and it reduced the number of taxes and provided incentives to investors.</p> <p>A system of online tax declaration and payment for large enterprises has been implemented. The coverage of such system was extended to medium and small businesses. Online payment of taxes by large and medium-sized enterprises is mandatory since 2019. The system of online tax declaration and payments was enhanced to provide legal protection for personal data.</p> <p>The OTR broadened the tax base with regard to legal or natural persons exercising a liberal profession as well as holders of offices and positions.</p> <p>The Tax Policy Unit, which was created in March 2020, was operationalized with the appointment of the heads of the different cells in July 2021.</p> <p>Quarterly publication of an updated taxpayer register including economic agents that are considered by the tax authority as inactive.</p>	WB, IMF
Strengthen imports valuation and control of customs exonerations through better risk assessment	Quarterly publication of an updated taxpayer register including economic agents that are considered by the tax authority as inactive.	
Fight against corruption and fraud: Effective functioning of the High Authority for the Fight against Corruption, strengthening of the inspection units	<p>Adoption by the national assembly of the organic Law 2020-003 24/01/2020 fixing the conditions for reporting property and assets of senior officials, senior officials, and other public officials.</p> <p>Togo finalized a national risk assessment on AML/CFT risks in 2019.</p> <p>Organized workshop in end-March 2022 to discuss a draft anti-corruption strategy and a five-year action plan.</p>	WB
<b>New Reform Commitments/Initiatives</b>		
Tax reductions aimed at increasing compliance	Specific tax reductions aimed at increasing compliance, including a 50% reduction in the TPU for selected recipients and a 25% reduction in patent fees in specific sectors.	WB, IMF
<b>Public Investment Management (procurement, PPPs, SOEs, utilities)</b>		
<b>2018</b>		
Effective use and enforcement of manual of procedures for Public Projects 1	The use of the manual is enforced. And, in 2020, 100% of new public investment projects funded in the annual budget were consistent with the prioritized Public Investment Plan (PIP) based on new manual	WB: The implemented of this measure was supported by the 2017-2018 budget support series.
Agriculture sector - Increase productivity and strengthen the competitiveness of the sector	For the 2020-2021 agricultural campaign, the Government (i) enrolled additional households in the YOLIM transfer system and (ii) established a digital platform for the provisioning of inputs and advisory services. The YOLIM system improve access to agricultural inputs.	WB: This reform was supported by an Emergency DPO in 2020, AfDB, GIZ

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Energy sector Improve the sustainability of the energy sector by reviewing the performance of the Togolese utilities company, CEET	Energy sector: performance contract between government and utility company revised to improve financial viability of the sector. Cost reduction in obtaining electricity connection. GoT has taken important steps demonstrating its commitment to improve the energy sector's financial situation. Indeed, since 2019 the WB has engaged in a programmatic series of two DPF alongside the Government aiming notably at strengthening the sector's financial viability, including CEET's financial situation.	WB
ICT sector - Transform the two telecommunication companies (Togocell & TogoTelecom) into one group with three entities: Infrastructure, Maintenance and Services - Implement an independent regulatory body (ARCEP)	Increased private sector participation. Togocell and TogoTelecom were merged into one entity TOGOCOM. TOGOCOM was subsequently privatized, with a 51% stake sold to private investors.	WB
Water sector – Enhance management and access to water through the sector's SOE	The Ministry of Water established and published an action plan adopted by an inter-ministerial decree mandating the carrying out and financing of an energy audit to identify costs related to pumping as well as opportunities for optimization and reduction of energy consumption. The government has also revised the taxation of ground and surface water abstraction by large commercial and industrial consumers to reflect the environmental and social cost of such consumption. Payment of connection fees may now be spread over three years with a down payment of 25,000 FCFA	
Financial sector Program to address the issues facing public financial institutions	Increasing private sector participation in the banking sector.	
PPP: Draft the manual of procedures on project selection and prioritization		WB: DPO currently in progress is supporting the adoption of a new PPP law by the parliament
PPP: Mobilize financing for carrying out studies relevant to projects		IFC is supporting GoT to develop and tender up to 80 MW of solar power structured as IPPs
PPP: Order implementing the act on PPPs voted in 2014	In 2021, the National Assembly adopted a new PPP law that is harmonized with WAEMU directives. The new PPP Law would improve the efficiency and transparency of public investment procedures by guiding the development and implementation of PPP projects.	
Enhance the legal basis for public procurement oversight	To improve the efficiency and transparency of public investment procedures, the government has: (i) adopted a decree on a code of professional ethics for the public procurement process; and (ii) adopted a decree on strengthening the supervision of large infrastructure projects and the implementation of public projects delegated to third parties.	
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Operationalization of the High Authority for Quality and Environment (HAUQE)	The operationalization of the High Authority for Quality and Environment (HAUQE) will help improve the competitiveness of Togolese companies. The HAUQE is expected to become operational in 2022, relying on a system for the certification, traceability, and quality. The HAUQE will implement a certification system for products in the sector of organic agriculture with the support of the GIZ.	
Implementation of a "Least Cost Electricity Development Plan" (LCEDP)	A "Least Cost Electricity Development Plan" (LCEDP) has been developed through a participatory process and establish procurement procedures	
Operationalization of revenue protection program	The government has implemented a department within CEET in charge of the revenue protection Program for its large/large consumers and has adopted general principles for the operationalization of the RPP.	
Installation of meters	The government has adopted a new policy of installing smart meters for central public entities and prepaid meters for non-core local entities.	
Adoption of a plan for the development of renewable energy	The CEET has adopted a plan for the development of renewable energy with targets to be achieved by 2025.	
Adoption of Medium-Term Budgetary Framework (MTBF)	The CEET has adopted a Medium-Term Budgetary Framework (MTBF) to support its debt sustainability.	
<b>Business Framework</b>		
<b>Regulations and Institutions</b>		
<b>2018</b>		
Draft and adopt the new land code and its implementation orders	New law on land and state property improving land ownership security.	
Digitize the land registry	Several reforms were implemented to ease the process, including adoption of a new land code, and digitization of the land registry. Another reform was the establishment of a "fiscal cadaster" that lists all properties (built and unbuilt) and their owners. The fiscal cadaster also provides essential information for the establishment and collection of property taxes. This includes measures to feed and improve the existing database on a daily basis and the digitization of the cadaster.	WB
Modernize the building permit issuing system	Togo made dealing with construction permits easier by reducing fees and by adopting an online portal for the submission of applications. Togo made dealing with construction permits more transparent by making the required documents, pre-approval, and fees available online. Togo also improved its building quality control by regulating inspections during construction.	
<b>Improve Trade Facilitation</b>		
<b>2018</b>		
Improve Trade Facilitation	Togo has made advancements towards complete digitalization of customs clearance procedures of the port logistics chain through the implementation of "Sydonia World," including an interface to other platforms in the logistics chain for data exchange and electronic payment of fees and regular updates of information. As part of this, the platform has automated the risk-based inspection mechanism and the request process for authorization and clearance.	

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	<p>A reduction in the wait times for scanning containers at the Port of Lome has been achieved through the purchase of a new scanner.</p> <p>The 2020 establishment of a Value Control Unit in ASYCUDA allows for a better control of the transactional value of goods in customs through setting the minimum values of goods.</p> <p>In addition, the government has published a list of reliable licensed customs agents based on their fraud history and set up a juxtaposed control post in Cinkassé</p>	
<b>Investor protection, dispute resolution and fight against corruption</b>		
<b>2018</b>		
<p>Modernize the judicial sector Fully implement the commercial chambers automation project</p>	<p>Law authorizing creation of commercial courts adopted to resolve conflicts in interpretation and execution of contracts and streamline insolvency proceedings. Two commercial courts created in Lomé and in Kara (2<sup>nd</sup> largest city).</p>	
<b>Financing Framework</b>		
<b>Investment risk mitigation</b>		
<b>2018</b>		
<p>Deploy mechanisms, namely the IDA18 Private Sector Window, to reduce investor risk, as well as other multi-lateral mechanisms to secure private investments</p>		
<b>Mobilization of private and institutional investments</b>		
<b>2018</b>		
<p>Coming into effect of the Investment Promotion Agency as one stop shop of investment in Togo</p>	<p>Adoption of a new investment code to boost private investment and job creation.</p> <p>One-stop shop for the d'Adetikope industrial platform, composed of an agency for investments, a free zone, and other essential departments.</p> <p>A digitization program consisting of e-regulation, e-opportunities, and e-administration.</p>	
<p>"Invest in Togo" roadshow to present and promote Togo as investment destination</p>	<p>In March 2022, the Government co-hosted with MIGA a dialogue on foreign direct investment (FDI) in Sub-Saharan Africa, focusing on Cote d'Ivoire, DRC, Gabon, Guinea, Niger, Senegal, and Togo.</p>	MIGA
<p>Systematically include the private sector in the different development projects</p>		