

TOGO

CWA REFORM COMMITMENTS IN 2018	PROGRESS MADE ON REFORM COMMITMENTS SINCE 2018	ADDITIONAL REFORM INITIATIVES	PARTNER SUPPORT
Macroeconomic Framework			
Macroeconomic stability			
Reduce debt and budget deficit to ensure debt sustainability and external stability	Togo maintained a highly disciplinary fiscal stance, with deficits decreasing to 0.9 percent of GDP in 2019 (from a peak of 7.0 percent in 2017) and debt declining to 53.6 percent of GDP (against 60.0 percent in 2016) well below the WAEMU norm. But the deficit and debt widened 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	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. Also, the DDPF will play a key role in the assessment of fiscal risks including those related to PPPs	The WB provided an emergency budget support operation in 2020 which supported enhanced debt management and transparency through: (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 website of an Annual Report on Public Debt, which includes an assessment of the implementation of the Medium Term Debt Management Strategy (MTDS).	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-September 2020.		WB, IMF
Domestic Revenue Mobilization			
Strengthen the control entities of the Togolese Revenue Office			WB, IMF
Implement specific controls on businesses operating in the phosphates, clinker and cement sectors			
Expand the tax base by adopting and implementing a new tax policy and by opting	The tax code has been revised to reduce the number of taxes and provide incentives to investors.		WB, IMF

for electronic/paperless tax collection	<p>A system of online tax filling and payment for large enterprises has been implemented.</p> <p>An arrêté was issued in March 2020 related to the organization and functioning of the Tax Policy Unit.</p> <p>Quarterly publication of an updated taxpayer register including economic agents that are considered by the tax authority as inactive.</p>		
Strengthen imports valuation and control of customs exonerations through better risk assessment	<p>Quarterly publication of an updated taxpayer register including economic agents that are considered by the tax authority as inactive.</p>		
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>		WB

Public Investment Management (procurement, PPPs, SOEs, utilities)

Effective use and enforcement of manual of procedures for Public Projects 1	<p>The use of the manual is enforced. And, in 2020, 100 percent of new public investment projects funded in the annual budget were consistent with the prioritized Public Investment Plan (PIP) based on new manual</p>		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		<p>To guarantee access to agricultural inputs for the 2020-2021 agricultural campaign, the Government has (i) enrolled additional households in the YOLIM transfer system and (ii) established a digital platform for the provisioning of inputs and advisory services.</p>	WB: This reform was supported by an Emergency DPO in 2020 AfDB
Energy sector Improve the sustainability of the energy sector by reviewing the performance of the Togolese utilities company, CEET	<p>Energy sector: performance contract between government and utility company revised to improve financial viability of the sector. Cost reduction in obtaining electricity connection.</p>		WB 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.

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 percent stake sold to private investors.		WB
Financial sector Programme 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: Mobilise 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			

Business Framework

Regulations and Institutions

Draft and adopt the new land code and its implementation orders	New law on land and state property improving land ownership security.		
Digitise the land registry	Several reforms were implemented to ease the Doing Business, including adoption of a new land code, digitization of the land registry		WB
Modernize the building permit issuing system	Doing Business: Dealing with Construction Permits: 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.		

Investor protection, dispute resolution and fight against corruption

Modernize the judicial sector Fully implement the commercial chambers automation project	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 nd largest city).		
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Financing Framework

Investment risk mitigation

Deploy mechanisms, namely the IDA18 Private Sector Window, to reduce investor risk, as well as other multi-lateral mechanisms to secure private investments

Mobilization of private and institutional investments

Coming into effect of the Investment Promotion Agency as one stop shop of investment in Togo

Adoption of a new investment code to boost private investment and job creation.

"Invest in Togo" roadshow to present and promote Togo as investment destination

Systematically include the private sector in the different development projects