

Togo

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress made on reform commitments made in 2018		
Reduce debt and budget deficit to ensure debt sustainability and external stability	<p>Until the advent of the COVID-19 pandemic, Togo maintained a disciplined fiscal policy supported by the IMF program (2017-2019). The budget deficit fell to 0.9% of GDP in 2019 (below the WAEMU norm) after peaking at 7.1% in 2016. Meanwhile, public debt decreased to 51.294% of GDP (from 61% in 2016). However, the deficit widened to 6.9% and debt increased to 58.61% of GDP in 2020 due to the COVID-19 pandemic, reaching 8.3% and 65.8% respectively in 2022. The budget deficit has widened in recent years mainly due to exogenous shocks. For 2023, the deficit is projected at 6.2%, with the new IMF program aiming for a 3% target by 2025.</p>	World Bank, IMF, AfDB, EU
Reorganize debt management services in line with international best practices to improve management and sustainability of debt.	<ul style="list-style-type: none"> • In 2017, the Directorate of Public Debt and Finance at the Ministry of Economy and Finance was reorganized into front office (credit contraction), middle office (debt analysis), and back office (loan administration) to centralize debt management functions as recommended by the World Bank and IMF. This reform strengthened the implementation of the medium-term debt reduction strategy, now focusing on concessional loans as the preferred source of financing. The Directorate of Public Debt will play a key role in assessing fiscal risks, including those related to PPPs. • In 2020, the government (with the support of the World Bank's emergency budget aid) improved debt management and transparency: (i) publishing key economic, financial, and fiscal information on the government's website, including a declaration of fiscal risks; and (ii) publishing an annual public debt report on the government's website, which includes an assessment of the implementation of the medium-term development strategy. • In 2021, the government (as part of the World Bank's budget support) published (i) the annual borrowing plan in accordance with the Stratégie de la dette à moyen terme (SDMT); and (ii) the statement of budgetary risks. The 2023-2025 and 2024-2026 versions are published, and the 2025-2027 version will be produced and published in 2023. • In 2023, the government (as part of the implementation of the World Bank's performance criteria measures) published an analytical report on debt management, including an evaluation of the implementation of the Annual Financing Plan (AFP) with lessons learned for the debt management strategy. • These documents are available on the website www.togoreforme.gouv.tg. 	World Bank, IMF
Clear arrears and improve public financial management to prevent accumulation of new arrears, to support the proper functioning of private sector activities.	<p>Efforts to synchronize the 2023 procurement and treasury plans have resulted in the clearance of all arrears by 2019. Despite the COVID-19 shock, Togo has not accumulated any new arrears to date.</p>	World Bank, IMF

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
New commitments and initiatives regarding reforms		
Management of Guarantees and On-lent Loans	The texts governing the new legal and operational framework are being approved to assess the risk, pricing, and monitoring of public guarantees and on-lent loans to better manage potential liabilities associated with public enterprises.	BEEMER Budgetary aid 2023-24
Budget Consolidation Strategy	The national monitoring committee for the WAEMU fiscal transition program was established to oversee the budgetary sanitation program and control commitments regarding the mobilization of national revenues. Monitoring reports are prepared quarterly and published on the website togoreforme.gouv.tg . The report for the first quarter of 2024 will be published in April 2024.	World Bank, IMF
Strengthen public debt management	Togo has made arrangements to adhere to the deadline of March 30th each year for the production and publication of the Annual Public Debt Report, which includes an assessment of the implementation of the Annual Financing Plan (AFP) with lessons learned for the debt management strategy.	World Bank
Transparency in debt management and improvement of investor relations	A database tracking bidders and final investors of bond issues in the regional debt market has been developed by the Government. The statistical bulletin for the first quarter of 2024, including the table on the composition of domestic debt by category of investors, has been prepared and published.	
Mobilization of National Revenues		
Progress made regarding the commitments made in 2018 for reform		
Strengthening of the control bodies of the Togolese Revenue Office		World Bank, IMF
Introduce specific controls for companies operating in the phosphate, clinker, and cement sectors.	Since 2017, 100% of companies operating in the sectors of phosphate, clinker, and cement are subject to tax audits.	
Expand the tax base by adopting and implementing a new fiscal policy and	<ul style="list-style-type: none"> • A new tax code was enacted in January 2019, reducing the number of taxes, and offering various incentives. • An online tax declaration and payment system was established for large and medium-sized enterprises. The coverage of this system has been extended to small and medium-sized enterprises. Online tax payment by large and medium-sized 	World Bank, IMF

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
<p>transitioning to electronic or paperless tax collection.</p>	<p>enterprises has been mandatory since 2019. The online tax declaration and payment system has been strengthened to ensure the legal protection of personal data.</p> <ul style="list-style-type: none"> • The VAT base has been broadened to include legal entities or individuals engaged in a liberal profession and holders of public offices and duties. • The fiscal policy unit, created by decree in 2017, became operational with the appointment of the heads of various units in July 2021. • Quarterly publication of the updated register of active taxpayers and the introduction of a special BIC (Industrial and Commercial Benefit) withholding on imports by inactive taxpayers. • Increase in the rate of excise duties and introduction of new products. • Increase in the VAT rate on hotel services and similar services. 	
<p>Strengthen the assessment of imports and the control of customs exemptions through better risk evaluation.</p>	<ul style="list-style-type: none"> • Implementation of an automatic and dynamic selectivity model at the customs border. • Introduction of tariff specification codes in Sydonia World, which sets floor values for certain products for control purposes. • Creation of a value control unit. • Launching of an application for the evaluation of used vehicles. • Establishment of a mirror data analysis unit. • Interconnection of the Togolese customs system with those of other ECOWAS countries for regional transit monitoring. • Deployment of a new high-performance electronic transit monitoring system. 	
<p>Combatting corruption and fraud: Effective operation of the High Authority for the Fight Against Corruption, strengthening of inspection units.</p>	<ul style="list-style-type: none"> • Adoption by the National Assembly of Organic Law 2020-003 on 01/24/2020 setting the conditions for the declaration of assets and holdings of senior officials and other public agents. • Togo finalized a national assessment of AML/CFT risks in 2019. • Workshop held at the end of March 2022 to discuss a project for an anti-corruption strategy and a five-year action plan. This strategy was developed and validated during a national workshop, along with its action plan. This action plan is already operational. 	<p>BEEMER</p>
<p>New commitments and initiatives regarding reforms</p>		
<p>Reduce taxes to increase compliance with legislation.</p>	<ul style="list-style-type: none"> • Specific tax reductions aimed at increasing compliance with regulations, including a 50% reduction of the TPU for the selected beneficiary. • Reduction of the property tax rate from 15% to 7.5% for built properties and from 2% to 0.5% for unbuilt properties. • A 50% reduction in the tax rate on motor vehicles. • Reduction in the tax rate on money transfers by mobile phone. 	<p>World Bank, IMF</p>
<p>Rationalize fiscal expenditures.</p>	<p>The new National Committee for the Evaluation of Fiscal Expenditures is tasked with defining the methodology for evaluating fiscal expenditures, collecting, and managing data for the analysis of fiscal expenditures, contributing to the</p>	<p>World Bank, IMF</p>

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
---	---	-----------------

annual report on fiscal expenditures with a cost-benefit analysis, and developing a strategy for rationalizing fiscal expenditures.

Elimination of fiscal expenditures not in accordance with the law. Rationalizing fiscal expenditures that are not in accordance with the law could yield potential gains.

Stimulate revenue mobilization. The results of the national tax census of taxpayers from both the formal and informal sectors have led to an improved system of taxpayer registration and tax collection based on new data.

The decentralization of services with the operationalization of fiscal operations offices at the municipal and prefectural levels, as well as the creation of cadastre divisions in all regions of the interior of the country.

Introduction of a marking system for certain products subject to excise duty;

Establishment of a VAT prepayment system;

Operationalization of the Mixed Tax and Customs Control Unit.

Management of Public Investments (public procurement, PPPs, public enterprises, public services)

Progress made regarding the commitments made in 2018 for reform

Effective use and application of the procedure manual for public projects.

The use of the manual for selecting, prioritizing, and scheduling investments is mandatory. Since 2020, 100% of new public investment projects supported by the state budget are in accordance with the prioritized public investment plan based on the new manual.

BM: This measure's implementation was supported by the series of budgetary aids from 2017-2018.

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
<p>Agricultural Sector - Increase productivity and strengthen sector competitiveness</p>	<p>For the 2020-2021 agricultural campaign, the government (i) enrolled additional households in the NOVISSI transfer system and (ii) established a digital platform for input supply and advisory services. The NOVISSI system improves access to agricultural inputs. This reform is still supported by the World Bank's DPO in 2023-2024 through enhanced access to land and agricultural inputs.</p> <p>To promote sustainable climate-smart agriculture intensification, the government (i) established eighty (80) Planned Agricultural Development Zones (ZAAP) where agroecological practices are supported.</p> <p>For the 2022-2023 and 2023-2024 agricultural campaigns, the government, with the support of the AfDB, provided agricultural producers with 500 tons of climate-resilient certified seeds and 7,700 tons of fertilizers. These aim to increase maize and rice productivity and production.</p> <p>To enhance competitiveness in the sector, a new Directorate dedicated to entrepreneurship and financing (DEFA) of the agricultural sector was established in 2023. This directorate has implemented financial instruments for agricultural development.</p>	<p>WB: This reform was supported by an emergency DPO in 2020 and in 2023-2024, by the AfDB, and GIZ.</p>
<p>Energy Sector: Improve the sustainability of the energy sector by reviewing the performance of the Togolese Electricity Distribution Company (CEET).</p>	<p>Energy Sector: Revision of the performance contract between the government and the electricity company to improve the financial viability of the sector. Reduction of costs for obtaining electrical connections. The government has taken significant measures demonstrating its commitment to improving the financial situation of the energy sector. Indeed, since 2019, the World Bank has engaged in a programmatic series of two CAF DPOs alongside the government aimed at strengthening the financial viability of the sector, including the financial situation of the Togolese Electricity Distribution Company (CEET). A new performance contract between the government and CEET for the period of 2023-2024 has been signed to improve the financial and operational performance of the company.</p>	<p>WB: The implementation of this reform is supported by two series of DPOs: 2019-2021 and 2023-2024.</p>
<p>ICT Sector - Transform the two telecommunications companies (Togocell and TogoTelecom) into a single group composed of three entities. Infrastructure, Maintenance, and Services Sectors - Establish an independent regulatory body (ARCEP).</p>	<p>Increased participation in the private sector. Togocell and TogoTelecom have been merged into a single entity, TOGOCOM. TOGOCOM was then privatized, with a 51% stake sold to private investors. An independent regulatory body has also been established.</p>	<p>BEEMER</p>

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
Water Sector - Improve water management and access to water through the public sector enterprise.	<p>The Ministry of Water has established and published an action plan adopted by an interministerial decree making it mandatory to carry out and finance an energy audit to identify pumping costs and opportunities for optimization and reduction of energy consumption.</p> <p>The government has also revised the taxation of groundwater and surface water withdrawals by large commercial and industrial consumers to reflect the environmental and social cost of this consumption. The payment of connection fees is now spread over three years with an initial payment of 25,000 FCFA.</p> <p>The government has established the National Water Council (CNE) and the Integrated Water Resources Management Fund (GIRE) to strengthen governance in the water sector.</p>	WB: The implementation of this reform is supported by two series of DPOs: 2019-21.
Financial sector program aimed at addressing the issues faced by public financial institutions.	<p>Increase private sector participation in the banking sector.</p> <p>Three out of four public banks have been privatized. The last bank to be privatized is IB Bank. The Government has committed to supporting the latter in the execution of its recapitalization plan. The Government has pledged to improve the financial situation of the last Bank (UTB).</p>	
PPP: Draft the procedures manual on project selection and prioritization	The current manual for selecting and prioritizing public investment projects includes PPP projects.	World Bank: The DPO 2020-2022 supported the adoption of a new PPP law by parliament.
PPP: Mobilize funds for relevant project studies	The operationalization of the PPP unit will enable undertaking actions aimed at mobilizing resources for feasibility studies of PPP projects.	The IFC is assisting the government in developing and tendering 80 megawatts of solar energy structured by IPPs.
PPP: Implement the decrees of Law No. 2021-034 of December 31, 2021, on PPPs voted in 2020.	In December 2021, the National Assembly adopted a new PPP law harmonized with the directives of the West African Economic and Monetary Union (UEMOA).	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
	<p>The new Law No. 2021-034 of December 31, 2021, on PPPs aims for efficiency and transparency in public investment procedures by framing the development and implementation of PPP projects.</p> <p>Decree No. 2022-065/PR regarding the modalities for the implementation of the procedures for the award and execution of PPP contracts, and Decree No. 2022-066/PR regarding the missions, attributions, organization, and functioning of the PPP Unit were also adopted.</p>	
<p>Strengthening the legal basis for public procurement control.</p>	<p>To improve the efficiency and transparency of public procurement, the government has adopted:</p> <ul style="list-style-type: none"> (i) a decree establishing a code of ethics for public procurement; (ii) a decree strengthening the supervision of major infrastructure projects and the execution of public projects delegated to third parties. Additionally, the government has adopted; (iii) the new Law No. 2021-033 of December 31, 2021, on public procurement; (iv) Decree No. 2022-080/PR of July 6, 2022, establishing a code of public procurement; and (v) Decree No. 2022-070/PR of May 30, 2022, on the attribution, organization, and functioning of the National Directorate for the Control of Public Procurement. 	
New commitments and reform initiatives		
<p>Making the High Authority for Quality and the Environment (HAUQE) operational.</p>	<p>The HAUQE has been operational since 2021 with the allocation of the institution's headquarters, the assignment of staff, and the appointment of the first transitional manager. On October 17, 2022, the president of HAUQE was appointed by decree in the Council of Ministers. Four general directors were appointed by presidential decree on March 14, 2023, to operationalize the technical structures of HAUQE.</p> <p>The operationalization of HAUQE contributes to improving the competitiveness of Togolese companies by relying on a system of certification, traceability, and quality. HAUQE will establish a certification system for organic products with the support of GIZ.</p>	
<p>Implementation of a low-cost electricity development plan.</p>	<p>A low-cost electricity development plan has been developed through a participatory process and procurement procedures were established.</p>	

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
Making the income protection program operational.	The government has established a department within CEET responsible for the income protection program of its largest consumers and has adopted general principles for the implementation of the Income Protection Program (IPP).	
Installing smart meters.	The government has adopted a new policy for the installation of smart meters for central public entities and prepaid meters for non-central local entities.	
Adopting a plan for the development of renewable energies.	The government has adopted a plan for the development of renewable energies with objectives to be achieved by 2025. The government has also taken measures to improve access to renewable energies, particularly in rural areas.	
Adopting the medium-term budget framework.	CEET has adopted a medium-term budget framework to support debt sustainability. A new framework is being developed for the period 2024-2026.	
Signing a new performance contract with the Togolese Electric Power Company (CEET).	The government has signed a new performance contract with CEET to support the improvement of its financial and operational performance.	
Operationalizing the TINGA Fund.	The government has established the Tinga Fund to facilitate access for vulnerable populations to basic social services.	

COMMERCIAL FRAMEWORK

Regulations and Institutions

Progress made regarding commitments made in 2018 regarding reforms

Drafting and adopting the new land code and its implementing decrees	Law No. 2018-005 of June 14, 2018, concerning the land and property code, is currently being amended. Indeed, this draft law has been adopted by the Council of Ministers and sent to the National Assembly for voting. The implementing decrees of the land code are awaiting adoption.	
Digitization of the cadastre	Several reforms have been implemented to facilitate the process, including: <ul style="list-style-type: none"> • Operationalization of the digital land title production system; 	BEEMER

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
---	---	-----------------

- Establishment of an e-land platform;
- Establishment of the cadastral matrix of Greater Lomé;
- Design of an electronic land database;
- Development of an online tracking solution for land registration files;
- Deployment of the permanent station network in Greater Lomé;
- Digitization of land registers.

Modernizing the building permit system

Togo has streamlined the process of obtaining building permits by reducing fees and adopting an online portal for applications. The country has enhanced transparency in managing building permits by making required documents, pre-approval, and fees available online. Togo has also improved construction quality control by regulating inspections during construction.

New commitments and initiatives regarding reforms

Enhancing trade facilitation

Progress made regarding commitments made in 2018 regarding reforms

Enhancing trade facilitation

- Togo has made significant progress towards fully digitizing customs clearance procedures in the port supply chain through the implementation of SYDONIA World, including an interface with other supply chain platforms for data exchange, electronic payment of fees, and regular information updates. In this context, the platform has automated the risk-based inspection mechanism and the process for requesting authorization and customs clearance.
- The acquisition of new scanners and their 24/7 operation has reduced waiting times for container scanning at the port of Lomé.
- Additionally, juxtaposed control posts have been established with all neighboring countries.
- The interconnection of the Togolese customs system with those of other ECOWAS countries for regional transit monitoring.
- Simplification of procedures for joining Preferred Partnership Frameworks (PPFs) for trusted operators.
- Operationalization of advance rulings.
- Implementation of a simplified customs clearance procedure for express parcels at the airport.
- Reduction in the number of documents required for importing and exporting goods.

New commitments and initiatives regarding reforms

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
---	---	-----------------

Investor protection, dispute resolution, and anti-corruption efforts

Progress made regarding commitments made in 2018 regarding reforms

<p>Modernizing the justice sector. Fully implementing the project for the automation of chambers of commerce.</p>	<p>Adoption of the law authorizing the creation of commercial courts to resolve disputes concerning the interpretation and execution of contracts and streamline insolvency procedures. Two commercial courts were established in Lomé and Kara.</p> <p>The operationalization of the new code of judicial organization aimed at revising the outdated judicial system with the establishment of specialized courts, including the military tribunal.</p>
---	---

New commitments and initiatives regarding reforms

FINANCING FRAMEWORK

Investment risk mitigation

Progress made regarding commitments made in 2018 in terms of reform

New commitments and initiatives regarding reforms

Mobilizing private and institutional investments

Progress made in fulfilling the commitments made in 2018 regarding reform efforts

The establishment of the Investment Promotion Agency as a one-stop shop for investments in Togo has come into effect.

- Adoption of a new investment code to stimulate private investment and job creation.
- Establishment of a one-stop shop at the Adetikope industrial platform, including an investment agency, a free trade zone, and other essential services.
- Launch of a digitization program including online regulation, online opportunities, and e-administration.
- Adoption of a new law governing the status of the free trade zone in the textile and garment sector.
- Development of the operational model of the Free Zone Investment Promotion Agency (APIZF).
- Development of the Investment Policy Review (EPI) document.
- Establishment of a framework for monitoring, consultation, and investment facilitation in the country's economic regions.

Togo's Commitments and Initiatives for Reform	Progress in Adhering to Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> • Conducting a study on the competitiveness of the sesame sector in Togo. • Development of a procedural manual for APIZF. • Creation of an investor welcome platform at the Gnassingbé Eyadéma International Airport. • Harmonization of the investment code with the investment protocol of the AfCFTA. • Launch of the national investment promotion policy and strategy. • Development of an Investment Map Aligned with the SDGs (UNDP). • Development of a digital marketing strategy for investment promotion in Togo. 	
<p>The "Invest in Togo" roadshow aims to present and promote Togo as an investment destination.</p>	<ul style="list-style-type: none"> • In March 2022, the government organized a dialogue on FDI in Sub-Saharan Africa with the Multilateral Investment Guarantee Agency (MIGA), focusing on Côte d'Ivoire, DRC, Gabon, Guinea, Niger, Senegal, and Togo. • Additionally, action plans for organizing semi-annual roadshows and quarterly newsletters were developed for 2022 and 2023. These action plans have been operational since October 2022. These roadshows aim to share Togo's economic and financial performance with export credit agencies and other technical and financial partners. This is to reduce Togo's country risk, thereby attracting international private investors. • The 2024 action plan has already been developed and is being implemented. 	MIGA
<p>Systematically include the private sector in various development projects.</p>	<p>In the Government's Roadmap 2020-2025, 3,500 billion CFA francs are allocated for financing development projects, with 50 percent for the private sector and 50 percent for the State. This allows the private sector to participate in financing the Togolese economy.</p>	
<p>New commitments and initiatives regarding reforms</p>		