

TOGOLESE REPUBLIC

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# NATIONAL DEVELOPMENT PLAN (NDP) 2018 - 2022

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# ACRONYMS AND ABBREVIATIONS

ADSL	Asymmetric Digital Subscriber Line
ABDH	Approche Basée sur les Droits de l'Homme
AIDE	Appui à l'Insertion et au Développement de l'Embauche
AIGE	Gnassingbé Eyadéma International Airport (Aéroport International Gnassingbé Eyadéma)
AGETU	Agence d'Equipement des Terrains Urbains
AGETUR	Agence d'Exécution des Travaux Urbains
AGRISEF	Accès des Agriculteurs aux Services Financiers
AJSEF	Accès des Jeunes aux Services Financiers
AIE	Agence de l'Informatique de l'Etat
AN	Assemblée Nationale
ANADEB	Agence Nationale d'Appui au Développement à la Base
ANGE	Agence Nationale de Gestion de l'Environnement
ANPGF	Agence Nationale de Promotion et de Garantie de Financement des PME/PMI)
ANVT	Agence Nationale de Volontariat au Togo
ANPE	Agence Nationale pour l'Emploi
ANSR	Agence Nationale du Spectre des Radiofréquences
APIEX	Agence de la Promotion des Investissements et des Exportations
API-ZF	Agence de Promotion des Investissements de la Zone Franche
ARCEP	Autorité de Régulation des Communications Electroniques et de Postes
AfDB	African Development Bank
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BADEA	Banque Arabe pour le Développement
BIA	Banque Internationale pour l'Afrique
IDB	Islamic Development Bank
BTCI	Banque Togolaise pour le Commerce et l'Industrie
BTD	Banque Togolaise de Développement
BTP	Bâtiments et Travaux Publics
CAP	Connaissance, Aptitude et Pratique
CDB	Comités de Développement à la Base
CDMT	Cadre de Dépense à Moyen Terme
UNFCCC	Conference of the Parties to the United Nations Framework Convention on Climate Change
CEB	Communauté Electrique du Bénin
CECA	Coopérative d'Epargne et de Crédit aux Artisans
ECOWAS	Economic Community of West African States
CEET	Compagnie d'Energie Electrique du Togo
CENTIF	Cellule Nationale de Traitement des Informations Financières
CFE	Centres des Formalités des Entreprises
CFPJ	Centre de Formation des Professions de Justice
CGA	Centre de Gestion Agréé
CGES	Cadre de Gestion Environnementale et Sociale
CGPP	Cadre de Gestion de Pestes et Pesticides
UHC	Universal HealthCoverage
CNDH	Commission Nationale des Droits de l'Homme

CNEJ	Coalition Nationale pour l'Emploi des Jeunes	HAPLUCIA	Haute Autorité de Prévention et de Lutte Contre la Corruption et les Infractions Assimilées
CNFMT	Commission Nationale des Frontières Maritimes du Togo	HCM	Haut Conseil pour la Mer
CNJ	Conseil National de la Jeunesse	HCRRUN	Haut-Commissariat à la Réconciliation et au Renforcement de l'Unité Nationale
CNPD	Conseil National des Politiques de Développement	IDA	International Development Association
CNSS	Caisse Nationale de Sécurité Sociale	FDI	Foreign Direct Investment
UNCTAD	United Nation Conference on Trade and Development	HDI	Human Development Index
CODEPA	Coordinating Committee for the Development and Promotion of Handicraft in Africa	IGE	Inspection Générale d'Etat
CORDAT	Commissions Régionales de Développement et de l'Aménagement du Territoire	IGF	Inspection Générale des Finances
CPIA	Country Policy and Institution Assessment	IGSJP	Inspection Générale des Services Juridictionnels et Pénitentiaires
CRA	Centre de Ressources pour l'Artisanat	MFI	Micro Finance Institution
CRDAT	Comités Régionaux de Développement et de l'Aménagement du Territoire	INAM	Institut National d'Assurance Maladie
CRT	Caisse de Retraite du Togo	UII	Unreported and Unregulated Illegal
CSM	Conseil Supérieur de la Magistrature	INSEED	Institut National de la Statistique et des Etudes Economiques et Démographiques
CUT	Compte Unique du Trésor	PAM	Priority Actions Matrices
DGEAE	Direction Générale de l'Economie et des Analyses Economiques	MASPFA	Ministère de l'Action Sociale, de la Promotion de la Femme et de l'Alphabétisation
DGUH	Direction Générale de l'Urbanisme et de l'Habitat	MCC	Millenium Challenge Corporation
DSRP-C	Document Complet de Stratégie de Réduction de la Pauvreté	MEF	Ministère de l'Economie et des Finances
DSRP-I	Document Intérimaire de Stratégie de Réduction de la Pauvreté	MICS	Multiple Indicator Cluster Survey (Enquête par grappes à indicateurs multiples)
DRPDAT	Directions Régionales de la Planification du Développement et de l'Aménagement du Territoire	MIVA	Marché Ivoirien de l'Artisanat
UDHR	Universal Declaration of Human Rights	MPD	Ministère de la Planification du Développement
EBOMAF	Entreprise Bonkougou Mahamadou & Fils	OCDE	Organization for Economic Cooperation and Development
ECM	Education Civique et Morale	OCRTIDB	Office Centrale de Répression du Trafic Illicite des Drogues et du Blanchiment
EDST	Enquête Démographique et de Santé du Togo	OEV	Orphelins et Enfants Vulnérables
SEA	Strategic Environmental Assessment	SDGs	Sustainable Development Goals
ESIS	Environmental and Social Impacts Studies	ODEF	Office de Développement et d'Exploitation Forestière
ENA	Ecole Nationale d'Administration	ILO	International Labor Organization
ENT	Virtual Work Environment	WHO	World Health Organization
EPU	Universal Periodic Review	MDGs	Millenium Development Goals
ETFP	Enseignement Technique et Formation Professionnelle	ONAEM	Organisme National chargé de l'Action de l'Etat en Mer
FAIEJ	Fonds d'Appui aux Initiatives Economiques des Jeunes	UN	United Nations
FAO	Food and Agriculture Organization of the United Nations	UNAIDS	Joint United Program on HIV/AIDS
FCFA	Franc de la Communauté Financière Africaine	OTR	Office Togolais des Recettes
ECF	Extended Credit Facility	CSO	Civil Society Organization
IFAD	International Fund for Agricultural Development	PADAT	Projet d'Appui au Développement Agricole au Togo
IMF	International Monetary Fund	PAEIJ-SP	Projet d'Appui à l'Employabilité et à l'Insertion des Jeunes dans les Secteurs Porteurs
FNFI	Fonds National de la Finance Inclusive	PAIPJA	Projet d'Appui à l'Insertion Professionnelle des Jeunes Artisans
FSDH	Fonds Spécial pour le Développement de l'Habitat	PAL	Port Autonome de Lomé
FTTH	Fiber To the Home	WFP	World Food Program
ROM	Results Oriented Management	PARTAM	Projet d'Aménagement et de Réhabilitation des Terres Agricoles de la zone de Mission de Tové
SLM	Sustainable Land Management	PASA	Projet d'Appui au Secteur Agricole
GER	Grande Entreprise Routière	PASJ	Programme d'Appui au Secteur de la Justice
GHG	Greenhouse Gas	PBVM	Projet d'Aménagement Hydro de la Basse Vallée du Fleuve Mono
GSM	Global System for Mobile Communications	CDP	Community Development Program
GSMA	Global System for mobile Communications Association	PDP	Plans de Développement Préfectoraux
GUCE	Single Window for Foreign Trade	PDRD	Projet de Développement Rural de la Plaine de Djaqlé
HAAC	Haute Autorité de l'Audiovisuel et de la Communication	PDRI-MO	Projet de Développement Rural Intégré de la Plaine de Mò

PGCIT	Projet de Gestion Intégrée des Catastrophes et des Terres	SAFER	Société Autonome de Financement de l'Entretien Routier
PGES	Plans de Gestion Environnementale et Sociale	SANA	Salon National de l'Artisanat
GDP	Gross Domestic Product	EWS	Early Warning System
PIP	Public Investment Program	LLC	Limited Liabe Company
PISE	Plan Intégré de Suivi et Evaluation	SCAPE	Accelerated Growth and Job Promotion Strategy
SMEs	Small and Medium Enterprises	PME	Participatory Monitoring and Evaluation
SMI	Small and Medium Industries	SIA	Système d'Information sur l'Artisanat
PNACC	Plan National d'Adaptation aux Changements Climatiques	SIAO	Ouagadougou International Craft Exhibition
PNCD	Programme National de Consolidation de la Décentralisation	GIS	Geographic Information System
NDP	National Development Plan	SIGFiP	Integrated Financial Management System
PNDS	Plan National de Développement Sanitaire	SIN	Société d'Infrastructure Numérique
PNEEG	Politique Nationale de l'Équité et de l'Égalité de Genre	SITO	Société Immobilière Togolaise
PNIASA	Programme National d'Investissement et de Sécurité Alimentaire	SNAT	Schéma National d'Aménagement du Territoire
PNIASAN	Plan National d'Investissement et de Sécurité Alimentaire et Nutritionnelle	SNDS	Stratégie Nationale de Développement de la Statistique
PNJ	Politique Nationale de la Justice	SNIS	Système National d'Informations Statistiques
PNJ	Politique Nationale de Jeunesse	SNL	Stratégie Nationale du Logement
PNL	Programme National du Logement	SNPML	Stratégie Nationale pour la Mer et le Littoral
PNPER	Projet National de Promotion de l'Entreprenariat Rural et Moyennes	SNFS-CSU	Stratégie Nationale de Financement de la Santé vers la Couverture Sanitaire Universelle
PNRCME-DD	Programme National de Renforcement des Capacités et de Modernisation de l'Etat pour le Développement Durable	SNPT	Société Nouvelle des Phosphates du Togo
UNDP	United Nations Development Program	SPANB	Stratégie et Plan d'Action National pour la Biodiversité
POMAR	Pierre Ornementale et Marbres	SOTRAL	Société des Transports de Lomé
WAAPP	West Africa Agricultural Productivity Programme	TCNCC	Troisième Communication Nationale sur les Changements Climatiques
PPBSE	Planification-Programmation-Budgétisation-Exécution-Suivi-Evaluation	TDE	Togolaise des Eaux
PPCM	Programme de Prévention et Prise en Charge de la Malnutrition	TEU	Twenty-foot Equivalent Unit (Equivalent Vingt pieds)
PPP	Public-Private Partnership	THIMO	Travail à Haute Intensité de Main d'Œuvre
HIPC	Highly Indebted Poor Countries	ICT	Information and Communication Technologies
PRADEB	Programme d'Appui au Développement à la Base	TOGO-PROM	Société Togolaise de Promotion
PRBA	Premier Rapport Biennal	AU	African Union
PROFADEL	Programme d'Appui au Développement Local	WAEMU	West African Economic and Monetary Union (UEMOA)
PROFOPEJ	Programme Formation Professionnelle et Emploi des Jeunes	UNESCO	United Nations Educational, Cultural and Scientific Organization
PROVONAT	Programme de Volontariat National au Togo	UNFPA	United Nations Population Fund
PRP	Resilient Country Priorities	UNICEF	United Nations Children's Fund
PRT	Root and Plant Development Project	UTB	Union Togolaise de Banque
PSFG	Projet de Développement du Secteur Financier et Gouvernance	HIV/AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
PSNEJ	Plan Stratégique National pour l'Emploi des Jeunes	WACEM	West African Cement
TFP	Technical and Financial Partners	WARCIP	West African Regional Communications Infrastructure Program
PTFM	Multipurpose Platforms Program	WASCAL	West African Sciences Service Center on Climate Change and Adapted Land Use
PUDC	Programme d'Urgence de Développement Communautaire	ZAAP	Zone d'Aménagement Agricole Planifiée
PSAEG	Projet Economique de Soutien aux Activités Economiques de Groupements	EEZ	Exclusive Economic Zone
PLHIV	People Living with HIV	SEZs	Specialized Economic Zones
QUIBB	Unified Survey of Basic Indicators of Wellness		
RGPH	Rapport Général sur la Population et l'Habitat		
NR	National Road		
RNA	Rapport National Agricole		
IECW	International Exhibition of Craft for Women		

# TOGO HAS THE MEANS TO SUCCEED IN THE NEW GLOBAL ENVIRONMENT

Significant changes are taking place each day in numerous sectors. New economic trends are changing our methods of production, consumption and exchange. Digitalisation of industries and services is allowing our economy to turn towards new horizons and develop new national competencies. Social relationships are being defined by rapid demographic changes and accelerated urbanisation. Political representation is being challenged by new forms of activism.

## *Togo is part of a fast-changing world*

In the last two decades, Africa has doubled its GDP, started large-scale infrastructure projects, significantly reduced maternal and infant mortality and accelerated its regional integration, notably with the recent signature of the continental free-exchange accord (CFTA).

Togo has kept pace with these changes by achieving significant results in terms of economic and social progress, surpassing the continental average in numerous indicators. Our infrastructure investments have allowed a growth rate of about 6% to be achieved.

## *All this has been achieved with great effort and sacrifice, and yet more remains to be done.*

The recently adopted National Development Plan (NDP) will allow us to do even better in the face of current challenges. The plan exists within the framework of the United Nations Agenda 2030 and the African Union's Agenda 2063. The plan establishes a fair equilibrium between economic, social and environmental pillars, which is necessary in order to change our development paradigm.

The universal agenda faces the challenges of eroding traditional methods of mobilizing internal resources, more stringent banking regulations and emerging differences in the global consensus on climate change and development. Eco-friendly labelling imposes renovation costs for industrial infrastructure, which can be prohibitive in the short term. For Togo, each of these problem areas offer clear opportunities.

An Africa which faces major changes in terms of demography, technology and climate change needs targeted policies. That's why our shared ambition must be steered by sophistication and coherence in our public policies, which will only succeed through the highest levels of managerial competence and political determination.

Togo, after all, is not the only country aiming to become a logistical hub and a financial centre of excellence. However, I remain confident since we currently benefit from investments decided by the past both in terms of infrastructure and economic dynamism. Our modern, performing airport welcomes XXX passengers per year and we are planning to build a second. Our port is well positioned, and we have the capacity to develop interconnected road infrastructure more quickly and cheaply given the modest size of our country. Numerous international banks, including some of the largest pan-African names, have chosen to set up headquarters and cross-border operations in Lomé. The security and quality of urban life also make the country attractive. With the development of services in information technology and communication, and quality education preparing our young people for modern jobs, Togo has all the necessary assets to accelerate.

## *Our national development plan is our key asset to attract investors*

We are not alone in wanting to quickly industrialise. Our plan focusses on the concrete means to do so. By adding value to our primary materials, starting with the phosphate industry and the transformation of our agricultural products. By

drawing also on diversity and the importance of our primary sector for the economy. For example, by absorbing part of the delocalisation of manufacturing production by emerging Asian countries.

In the agricultural sector, it's important to focus on a limited number of areas and to master the value chain by the creation of a transformative ecosystem. So, the National Development Plan PND proposes adapted solutions in terms of financing, human resources, and the business environment, which will allow Togolese and foreign investors to succeed.

How? By going beyond sectoral approaches and focusing on a limited number of national priorities that demand tighter collaboration among stakeholders, like the particles that make up an atom.

## *A new social pact for development*

For the plan to succeed, all of Togolese society must get behind it, and the plan must become a social pact. There must be no doubt as to the importance of the private sector to its implementation. All those involved must pull together if we are to meet our objectives.

Attracting investors for structuring economic projects demands macroeconomic stability, predictability of policy and a strong international image. There is no contradiction between achieving our goals and job creation and social development. This balance is particularly important for our young people. Which is why our plan puts this complementarity at the heart of our transformation.

Togo has no reason to fear for its future: we are ready to face it.

***Faure Essozimna Gnassingbé***  
***Président de la République Togolaise***

# EXECUTIVE SUMMARY

## Key challenges and development priorities

The government is aware that efforts must be intensified to lay the groundwork for the future emergence of Togo by 2030. The analysis identifies the main challenges of the National Development Plan 2018-2022 to be addressed by Togo towards a better positioning on the path of structural transformation of the economy. These mainly include the following :

- development of a logistics and transport chain around the Port Authority of Lomé by integrating it into a renovated transport network with a view of creating a logistics hub and a competitive development corridor ;
- development of value chains in the agro-silvo-pastoral sector through the establishment of agropoles federating several activities (food crop, aquaculture, processing and research) especially land reform;
- development of value chains in the sector of manufacturing, handicraft and extractive industries through the creation of industrial parks integrated and oriented towards export industries and intensive labor (example of the textile industry), as well as the development of the transformation of the phosphates sectors and the strengthening of the limestone processing sector;
- completion of reforms of the regulatory framework of the ICT sector, reducing costs and improvement of connectivity to make rapid progress towards digital economy;
- reduction of the deficit in the provision of energy services ;
- accelerated growth (Togo is in the bottom third of peer countries in terms of real GDP growth/capita);
- governance improvement in all its forms which results in an administration whose performance must be strengthened to support the transformation of the economy and the consolidation of the social fabric;
- social and financial inclusion, which should ensure better redistribution of the growth benefits;
- Mobilization of resources to improve the government's debt capacity and attract private investment.

## Development vision and strategic directions

The ambition of the Togolese authorities is to make Togo a middle income nation that is economically, socially and democratically solid and stable, united and open to the world. The NDP 2018-2022 builds upon the challenges identified in the situational analysis, the SCAPE review, the Head of State's Societal Project, from which derive the Government's General Policy Statement for Sustainable Development 2030 Agenda, the Economic Community of West African States Vision 2020 and the African Union 2063 Agenda. The overall objective is to **structurally transform the economy, for strong, sustainable, resilient, inclusive growth, creating decent jobs and leading to improved social well-being.**

The guiding principles formulated to drive the NDP implementation are: (i) leadership and ownership; (ii) partnership and mutual accountability; (iii) results-oriented management and sustainability; and (iv) equity, gender and inclusion.

The medium-term orientation of the National Development Plan 2018-2022 is based on the major challenges identified by the situational analysis of the economic, social and environmental situation. This orientation is divided into the following three strategic directions:

- **Strategic direction 1 :** Establishing a logistics hub of excellence and a first-class business center in the sub-region;
- **Strategic direction 2 :** Developing agricultural processing, manufacturing and mining poles;
- **Strategic direction 3 :** Consolidating social development and strengthening inclusion mechanisms.

The strategic direction 1 plans, in the short term, the implementation of large investments in logistics and business infrastructure as the main source of growth. It aims to set up an excellent logistics hub and a first-class business center in the sub-region, in particular by improving the existing infrastructure and multimodal connectivity and ICT. The Strategic direction 2 targets the industrial development in the value-added sectors that are significantly export-

oriented (agribusiness, manufacturing) and the satisfaction of domestic demand. This industrial development is intended to support the long-term growth of the economy as well as logistics and service activities. It is the basis of the structural transformation of the economy. The strategic direction 3 intends primarily to build the appropriate institutional and human capacities to address the development challenges expressed in Strategic direction 1 and 2. It contributes to ensuring the fulfillment of all rights and freedoms with a view to strengthening the social cohesion. Furthermore, it aims to ensure that the fundamental principles of equity, inclusion and sustainability are effectively taken into account throughout the implementation of the NDP process.

The achievement of this ambition will go along with strengthening the business climate. In this context, Togo has made significant progress as evidenced by the Doing Business ranking of the country registered in 2016, because forming part of the «top ten», that is, among the 10 reforming countries in Africa. In addition, Lomé represents an important financial center of UEMOA. Consequently, Togo is placed, de facto, in a leadership position in the regional and international financial activities. This comparative advantage will play a key role in positioning the country and its anchoring in the sub-regional economy. These achievements will further contribute to the development of the private sector in the coming years and make Lomé a prime business center in the sub-region.

Togo will seek strong and inclusive growth (7.6% by 2022) that will result from the structural transformation of the economy. This growth will be deliberately targeted for a sustainable and inclusive development, based, in particular, on a momentum towards a/an (i) agricultural modernization, (ii) industrialization adapted to national realities, and (iii) economic diversification that creates decent jobs, greatly reducing the rate of poverty and inequality, and broadening access to basic social services.

In particular, the government will focus on the development of an agricultural processing pole according to the value chains approach and targeted on productivity to achieve food security, balance of agricultural trade balance and job creation in agriculture sector. To achieve this, with the support of the private sector and development partners, the government will devote more resources to the agriculture sector with innovative mechanisms of adequate financing. These resources will be used primarily to modernize agriculture, particularly to improve the yield through the development of appropriate mechanization, water control and strengthening of cooperatives related to the processing sector and especially to upgrade the research center. (Including the Togo Agricultural Research Institute-ITRA) and agricultural training centers. They will also help to set up agropoles around high value-added sectors and install a major processing plant per sector with high targeted added value.

Moreover, the government's action will be focused on setting up a manufacturing and extractive industries poles (in connection with the development of an excellence logistics center) because it considers the industry and mines as important drivers for boosting the pace of growth and the essential pillars for the structural transformation of the economy. Indeed, significant growth in manufacturing and extractive activities is necessary for the creation of job opportunities. In this perspective, focus will be on putting in place coherent policies (simplification of procedures and incentives) that promote the (i) integration of production units in the SEZ and the development of the textile industry centered on the high-end for export; and (ii) development of value chains for the extractive industries sub-sector (promotion of a fertilizer production chain, development of construction materials, etc.).

Finally, the government's ambition is to invest heavily in the human capital for Togolese citizen to be the leading player and the main beneficiary of the country's development. In other words, it will consolidate the national social base and strengthen the mechanisms of inclusion. To this end, the NDP will lay a particular emphasis on the (i) vocational training, which is central to improving the productivity of the economy, accelerating youth employment and reducing social inequalities; (ii) social protection, in order to progressively extend inclusion to all social walks of the population and strengthen the contribution of the social sector to wealth creation; (iii) corporate social responsibility, in order to increase citizen accountability for the protection of rights; and (iv) continued efforts to improve the quality and access to basic social services, including general education, health, nutrition, energy services and water and sanitation. As part of this NDP, some cross-cutting issues have been identified and taken into account in the strategic planning. They cover issues of primary importance to Togo, such as: (i) gender, (ii) universal health coverage with a focus on HIV/AIDS, (iii)



decent job, (iv) governance, (v) financing, (vi) environment, (vii) capacity building, (viii) housing and living environment, (ix) digital economy, (x) blue economy; and (xi) contribution of the NDP to the implementation of the Sustainable Development Goals.

## Macroeconomic framework and funding scheme of the NDP

The macroeconomic framework takes into account available information on the Togolese economy and its prospects, lessons learned from the implementation of the Accelerated Growth and Employment Promotion Strategy (SCAPE) over the period 2013-2017, the International Monetary Fund (IMF) report on the Extended Credit Facility program (ECF) and the objective of the structural transformation of the economy.

It is developed taking into account an international economic environment that was characterized in 2016 by the global recovery of activity in the second half of 2016 and strengthened in the first half of 2017.

The NDP growth blueprint derives from the macroeconomic framework carried out according to two scenarios: a reference scenario based on the trend situation and a proactive scenario. The reference scenario, with an average annual growth rate of 5.2% over the 2018-2022 period, implies a normal progress of ongoing reforms without any fundamental change. The proactive scenario which is more ambitious corresponds to the scheme of the structural transformation of the economy. The real GDP growth is expected to be higher and would be around 6.6 percent per annum on average, or 1.4 percentage point higher per year than the reference scenario.

On the basis of the macroeconomic framework, the resources required for the NDP implementation for 2018-2022, based on the macroeconomic framework, are CFA F 4,622.2 billion. The public investment expenditures are estimated at CFA F 1,623.1 billion, representing 35.1% of the total cost. The private investments cover the rest of the financing at CFA F 2,999.1 billion. These resources will contribute to the financing of the Strategic direction 1 programs and projects relating to the establishment of a logistics hub of excellence and a first-class business center, the Strategic direction 2 projects on the development of agro processing clusters, manufacturing and extractive industries and those of Strategic direction 3 relating to the consolidation of the social development and the strengthening of the inclusion mechanisms.

The NDP funding will be achieved through the implementation of an ambitious strategy of internal and external resources mobilization, focusing on new and innovative methods, in addition to the use of conventional ODA.

In terms of innovative funding, the issuance of public securities, the mobilization of Togolese funds from abroad, the bonds guaranteed by the donor countries sold on the financial market, the allocations from the funds generated by the sale of the emission allowances, the PPPs, soft loans, crowd funding, popular shareholding, etc., may be used.

## Monitoring and Evaluation Implementation Mechanism

The NDP development meets a deep paradigm shift based on the need to refocus the development efforts. The process was conducted through a broadly participatory approach to which all stakeholders were involved, particularly at the national level. Its implementation also calls for the mobilization and involvement of all stakeholders including the private sector, civil society, as well as technical and financial partners.

The implementation and monitoring-evaluation process will be part of an effort to: (i) ensure better monitoring of the programs and projects implementation in order to improve the process put in place; (ii) reliably assess the results of the projects / programs selected in the NDP on the basis of an integrated monitoring and evaluation plan and a statistical system evidenced by the regular completion of national surveys and the production of reliable sector statistics/reports; (iii) evaluate the effects and impacts of these results on beneficiary populations; (iv) enable better communication with all the development actors and (v) mobilize more resources needed to finance the NDP.

In order to ensure the effective achievement of the results, the government, drawing lessons from past experiences, will

establish an agency dedicated to the implementation of the NDP. The objective is to have an integrated, focused and sufficiently effective tool to mobilize all the stakeholders, including the private sector and civil society.

In order to ensure efficient monitoring and resource mobilization as soon as the NDP is launched, the government intends to build temporarily on the existing structures, including the coordination structures of the ministries of planning and finance, as well as the special units of monitoring and implementation under the auspices of the Presidency of the Republic and the Prime Minister's office. This mechanism, fully integrating the private sector and civil society, will be as follows: (i) a National Development Council, a strategically positioned structure providing guidance and strategic monitoring of results; (ii) a strategic secretariat in support of the National Development Council and responsible for coordinating the follow-up of the actions carried out; (iii) an operational secretariat set up by the technical secretariat of the DSRP and whose mission remains the day-to-day facilitation of the integrated monitoring mechanism. For this purpose, a clear working relationship will be established between the DSRP Secretariat and the planning and budgeting structures which are the Directorate-General for Planning and Development and the Directorate-General for the Budget. At the regional and local level, the regional and local development and planning commissions and their technical committees provided for by the framework law on spatial planning will be set up.

The NDP operationalization is based on the implementation of the Priority Action Matrix (MAP) which contains the major actions and strategic investment measures necessary to achieve the targeted targets. A results framework with performance and monitoring-evaluation indicators is also defined. The three-year Public Investment Program (PIP) aligned with the strategic orientations of the NDP remains a tool for operationalizing the plan, the annual tranche which constitutes the investment part of the general budget.

The implementation of the NDP 2018-2022 will take place in an environment that presents risks that could hinder Togo's smooth progress towards emergence. The government plans to lead a coherent agenda of large-scale measures and reforms that will minimize these risks and lead to a structural transformation of the economy.

The successful implementation of the NDP also requires a forward-looking position, anticipating future challenges in order to be able to cope with threats and take advantage of the best short-, medium- and long-term opportunities.

# INTRODUCTION

Following the years of socio-political crisis that have undermined the national economy, Togo has implemented large-scale reforms through successive poverty reduction strategies (DRSP-I, DRSP-C, SCAPE) that helped to reverse the trend of deterioration of macroeconomic and social indicators and return to the path of positive and increasing growth. During 2006-2015, the average real GDP growth rate exceeds 5%, the incidence of poverty has decreased by 6.6 percentage points, the employment experienced significant progress, and the human development index has improved.

Despite the significant progress, major challenges persist in terms of social and spatial inequalities, weak national productive system, human resources and governance. With the implementation of SCAPE coming to an end, the Togolese authorities have decided to provide the country with a National Development Plan (NDP) for the period 2018-2022. The NDP, as new development reference framework, intends to reconcile and translate the ambitions of emergence and sustainable development through the structural transformation of the economy and the professionalization of the various value chains sectors, growth acceleration, poverty and inequalities reduction and the environment preservation. This exercise takes place in a context characterized, certainly, by major challenges, but also by opportunities whose judicious exploitation can give rise to long-term economic emergence.

On the international front, the outlook is favorable for renewed economic growth for the next three years.

At the sub-regional level, the increasing commitment of ECOWAS leaders to greater convergence of economies is more conducive to better economic integration, with an estimated market of 380 million people representing the largest market opportunity for the growth of the Togolese economy. However, it is worth noting that several countries in the sub-region invest heavily in areas in which Togo has comparative advantages, which requires additional efforts to increase the competitiveness of the national economy and especially the transit corridor. In addition, the sub-region continues to face security threats that require concerted actions to maintain peace and stability, which are critical to the success of any development strategy.

At the national level, the period of relatively strong growth has been tarnished since August 2017 by the socio-political tensions that have led to a certain wait-and-see attitude in business circles. Fortunately, the climate of political dialogue that has been established foreshadows for more serene prospects.

In view of the foregoing, it is therefore urgent to rethink development through a paradigm shift in the planning, programming, budgeting and monitoring-evaluation chain to hope to achieve Togo's ambitions. The new approach of the NDP is driven by a vision rooted in the Togolese reality and centered around four (4) key guidelines:

- Strategic positioning around a very limited number of integrated cross-sector drivers for each focus (international and national);
- Public and private sector involvement to carry out targeted projects for strategic positioning and public-private partnership to lead flagship projects;
- Limited number of integrated flagship projects with growth and well-being;
- NDP development around a small number of strong and clear messages that define Togo.

The NDP is therefore based on this new approach while being framed by the Head of State's Social Project, which is included in the government's general policy statement. It is also inspired by the Sustainable Development Agenda 2030, the African Union Agenda 2063 and the Economic Community of West African States (ECOWAS) Vision 2020.

The NDP development process has actively involved all categories of development actors (public administration, institutions of the Republic, private sector, civil society in all its components and technical and financial partners). Upon the launch of the process, the government has defined a concept note and a roadmap detailing the milestones and

timeline of the process. These make stakeholders participation a prerequisite for the success of the National Development Plan, both in its design and implementation.

A stakeholders identification meeting bringing together stakeholders from public administration, civil society, private sector, and technical and financial partners was organized. The stakeholders have been mapped, giving an indication of the specializations, interests and intentions of the various partners involved in Togo. The objective of this exercise is to allow a better support of the public policies implemented in order to achieve the sustainable development goals by 2030. In order to sufficiently involve all the stakeholders at the grassroots level, a series of consultations was held on local development priorities in the chief towns of the five regions of the country. These meetings brought together the local actors from the deconcentrated and decentralized administrations as well as the civil society, including the farmers and traditional representations.

To support this participatory process, a series of meetings were held with the key technical stakeholders of the NDP process to build their capacity in the following areas: prioritization of targets and goals for sustainable development; theory of change and the logical framework analysis in relation to the SDG targets.

The country's top authorities have also given their strategic orientations to strengthen the economic dimension of the NDP and to increase synergy and focus in the design and development. These new orientations have been with the public sector, private sector, civil society development actors and technical and financial partners.

This document has four chapters. Chapter 1 analyzes economic, social and environmental performance. It identifies strengths and weaknesses, and summarizes the major challenges to address for better guidance of the strategic options. Chapter 2 presents the development vision, the orientations and the strategic directions. Chapter 3 deals with the macroeconomic and budget framework. It aims at projecting and organizing in a coherent framework the main macroeconomic and budget developments based on the objectives and choices of economic and social policies decided by the government. Chapter 4 presents the NDP monitoring-evaluation implementation mechanism.

# CHAPTER 1 : ECONOMIC, SOCIAL AND ENVIRONMENTAL ANALYSIS

## 1.1 MACROECONOMIC PERFORMANCES

This section reviews the macroeconomic performance of Togo in light of the major choices that characterized the development policies over the period 2008 to 2017. Three major findings emerge from this analysis. First, Togo has achieved some macroeconomic stability, at the cost of a moderate momentum in terms of job creation, growth and productivity. Second, the external deficit is hardly addressed despite the success in terms of economic growth. Third, the economy structure has hardly improved. However, there are still limits regarding the structural transformation objectives. The capital accumulation, the main growth driver, is facing funding limitations. Many of the support tools to the domestic and external demand generate gaps that limit the productivity growth in the long term period.

The implementation of the various development policies enabled Togo to achieve progress in boosting the economy with a regular annual real GDP growth of 5.0% over the period of 2013-2017.

The macroeconomic stability has improved, following a debt phase due to the adjustment and upgrading of the structuring infrastructure. The debt ratio, which stood at 79.4% of the GDP in 2016, is in a downward trend to be at the Community standard of 70% in 2017.

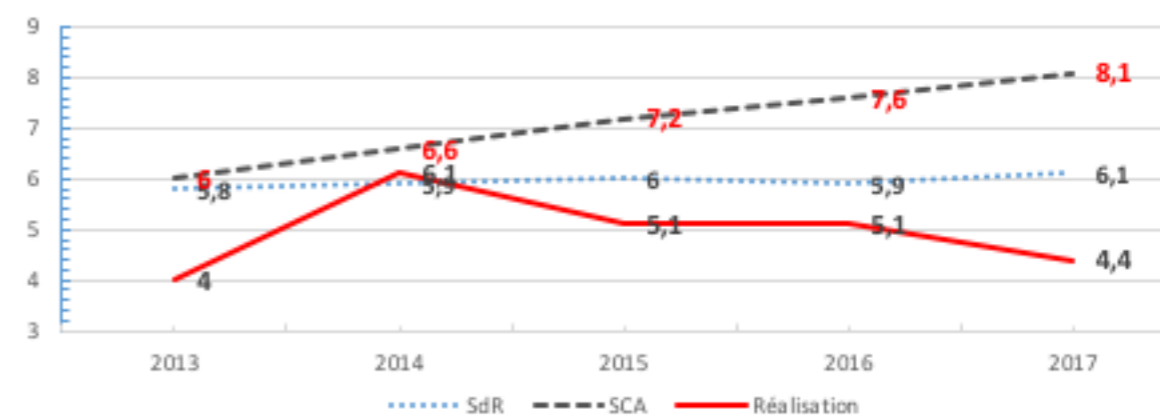
The poverty incidence decreased by 3.6 percentage points between 2011 and 2015, from 58.7% to 55.1% respectively. The decrease is due to two factors: economic growth (for 2.2 points) and redistribution policies (for 1.4 points). However, there is still work to be done to make the growth even more robust and sustainable as well as to increase the impact of pro-poor policies in order to accelerate social inclusion.

Employment has progressed, as evidenced by the reduction of unemployment by 3.1 percentage points, from 6.5% in 2011 to 3.4% in 2015. But the rate of underemployment remains high and rising from 22.8% in 2011 to 25.8% in 2015. The informal sector is dominating the employment offer and is largely characterized by a low productivity, raising therefore the issue of employment quality.

### 1.1.1 Gross Domestic Product (GDP) Trends

The growth of the real GDP has been positive and sustained since 2008, rising from an average of 3.9% over the 2008-2012 period to 5.2% over the 2013-2016 period, peaking at 6.1% in 2014 (See. graph 1). These performances can be explained by the improvement of agricultural productivity, the revitalization of the production in the extractive industries (phosphate and clinker), and the increase in public investments, particularly in transport infrastructure. However, they remain below the reference scenarii as well as the accelerated growth scenarii. The GDP per capita (in terms of purchasing power parity) remained relatively low in 2013 (\$ 1390) compared to some UEMOA countries such as Mali (1493), Burkina Faso (1638), Benin (1793), Senegal (2243) or Côte d'Ivoire (2710) - Source IMF (2017).

Graph 1 : Real GDP growth rate trends 2013-2017 compared to the reference scenario (RS/SdR), and the Accelerated Growth Scenario (AGS/SCA)

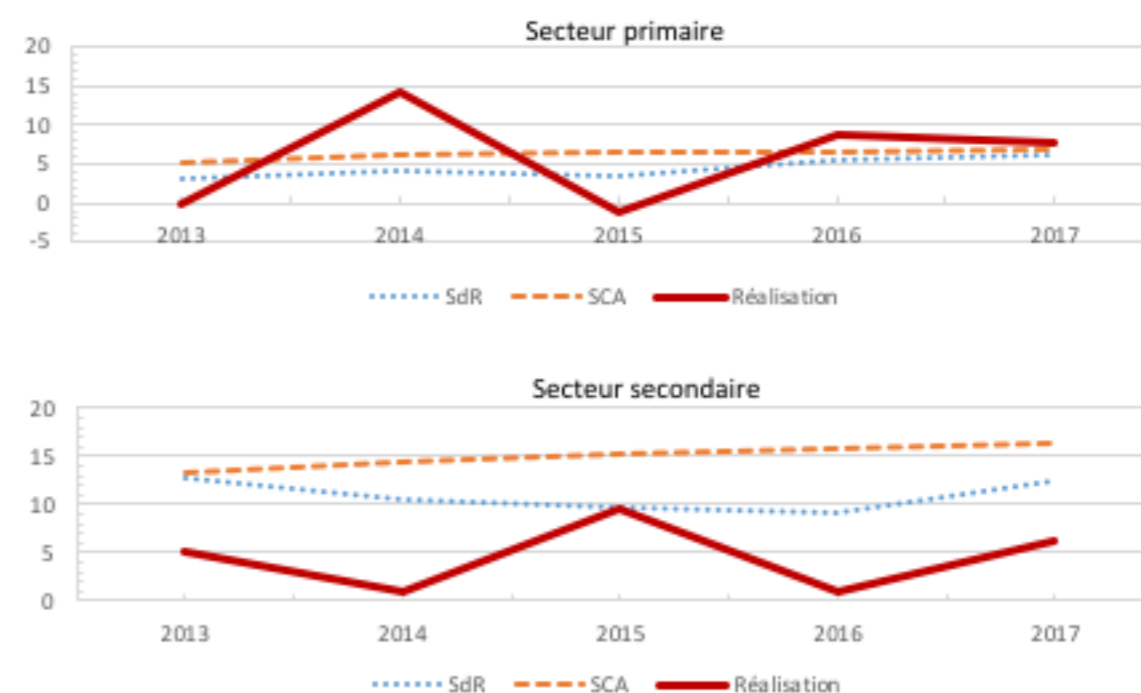


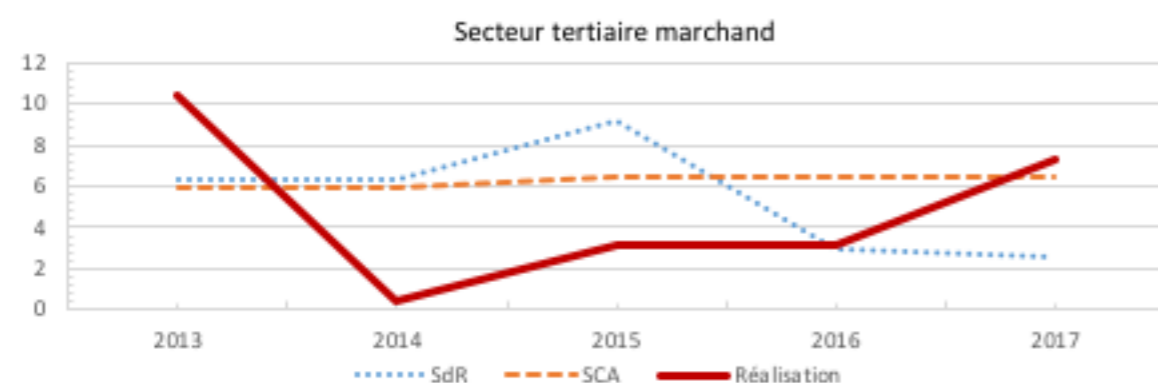
Source: SCAPE Evaluation Report, February 2017 and Data from the Economic Studies and Analyses Directorate / Forecast Division, March 2018

### 1.1.2 Different sectors contribution to the GDP formation

The sectoral growth is positive (Graph 2), but also remained below expectations. Over the period 2013-2016, the GDP growth is driven by a good growth of the primary sector at an average rate of 5.5%, despite its vulnerability to the exogenous shocks (climate hazards, world prices of agricultural products). The growth rate of the secondary sector was below the GDP average rate of 5.1%. In fact, the growth rate of the secondary sector emerged at 4.1%, following a good growth of 12.2% in the Construction and Public Works (BTP) sector and the extractive industries of 5.9% and manufacturing industries (0.4%). The commercial tertiary sector recorded a growth of 4.3%, following an activities recovery in the transport chain (5.7%), and in Banking and Insurance sector (6.0%).

Graph 2: Sectoral results trends compared to the forecasts





**Source: SCAPE Evaluation Report, February 2017 and Data from the Economic Studies and Analyses Department / Forecast Division, March 2018.**

The relative share of economic sectors in the GDP did not change much over the 2007–2016 period. The productive system remained characterized by a preponderance of the primary sector the share of which is 40.8%, denoting, in particular, a low processing of agricultural raw materials. The secondary sector was 17.5% and the commercial tertiary sector accounted for 22.4%. This trend in the sectoral shares to the GDP formation reflects the absence of major transformation in the production structure.

The low productivity of the agro-silvo-pastoral sector, the low skills development, the high costs of the production factors, the low growth in both declining manufacturing and tourism/hotel sectors (1% per year between 2007 and 2015) explain, to a large extent, the overall low productivity of the economy, the growth cap and the persistence of the extreme poverty.

Addressing the challenge of the structural transformation therefore requires a development paradigm shift to meet the Togolese expectations, including the (i) strategic positioning around integrated cross-sectoral drivers (value chain) with significant comparative advantages to improve the productivity and competitiveness, to face risks and seize opportunities in a new international and regional context; (ii) the need to focus on integrated growth-enhancing flagship projects and allocate the necessary resources for their implementation; (iii) the development of marketing on the ambitions and development efforts of Togo; and (iv) deepening the interactions between the public and private sectors to achieve the targeted projects.

### 1.1.3 Inclusive growth

Given that poverty is more visible in rural areas, where 68.7% of the population is poor (QUIBB 2015), the growth will only be inclusive if special attention is given to the agro-silvo-pastoral development in general and agriculture in particular. The analysis of poverty data shows that the reduction of inequalities (measured by the Gini index) remained low between 2011 and 2015 in rural areas.

To address this issue, the Government will identify the key bottlenecks and take corrective action to make PNIASAN a lever for the growth conducive to reducing rural poverty.

### 1.1.4 Other macroeconomic indicators trends

The other macroeconomic indicators (see Table 1) contained in the UEMOA member countries' convergence pact, indicate, mostly, a good performance over the period 2013–2016. Indeed, the inflation was controlled (1.2% on average), mainly because of the fall in food prices, which globally benefited from good weather conditions over the period and the impact of the fall in the oil products prices.

The budget deficit (including grants) stood at 5.7% of the GDP during the period under review, with an increased tax

revenue mobilization, averaging 21.1% of the GDP compared to 16.6% in 2012.

The payroll on tax revenues has been controlled below 35%, while the investment on domestic resources (in relation to tax revenues) remained above 23%.

Regarding the external accounts, the balance of payments was characterized by a structural deficit in the current transactions account (-13.9% of the GDP in 2013 and -9.9% in 2016). However, after three consecutive years of surplus in the overall balance of payments (from 2009 to 2011), the overall balance has shown an alternation of deficits and surpluses since 2011. This overall balance was CFA F 115 billion in 2015, CFA F 82.5 billion in 2016 compared to -76.5 billion in 2014.

The Togolese Government is aware that public debt, which substantially increased (79.4% of the GDP in 2016 compared to 59.5% in 2013) and the public deficits, could jeopardize its capacity to fulfill properly and sustainably its sovereign mission of providing essential public services to Togolese people. This is why reflections have been started to establish a good correlation between the indebtedness, investment and growth. Other challenges to overcome include (i) continuing efforts to rationalize public expenditures; (ii) strengthening the selection criteria, prioritizing, preparing, executing, and monitoring the public investment projects to reduce loss and wastage and improve their efficiency and effectiveness; (iii) analyzing the growth generating effects of public investment on the rest of the economy; (iv) preparing soundly all the investment projects.

**Table 1: Other macroeconomic indicators trends**

Items	2013	2014	2015	2016
Tax pressure (% of the GDP)	20,0	20,7	21,4	22,1
Inflation rate (%)	1,8	0,2	1,8	0,9
Payroll on Tax revenue (%)	32,4	31,3	33,2	32,1
Budget balance including grants (% of the GDP)	-4,6	-3,4	-6,3	-8,5
Outstanding public debt (% of the GDP)	59,5	66,9	76,8	79,4

**Sources: IMF, Data from the Directorate General of Economic Studies and Analyses**

### 1.1.5 Public investment Contribution to growth over the period 2013–2016

The growth of Togo highly increased during the implementation of SCAPE driven by the public investment in infrastructure, agriculture and transport. During the period 2013–2016, the contribution to the growth of physical capital accumulation (investment) was very significant. In particular, the public investment has highly increased, moving from less than 3.5% of the GDP in 2008 to 12.9% in 2016, in line with the infrastructure deficit redemption objective. This public investment policy has been followed by a high public debt as mentioned above.

The Foreign Direct Investments (FDI) flows entering Togo were characterized by acceleration and slowdown series. From a modest level in 2009, these flows reached US \$ 711.1 million in 2011, before falling to US \$ 52.7 million in 2015 (see Table 2). The stock of the FDI was US \$ 1.4 billion in 2015 compared to US \$ 0.5 billion in 2009.

The main sectors benefiting from the FDI are the manufacturing and mining, infrastructure, trade, telecommunications and financial sectors. The investment projects included the construction of a third wharf, a container terminal and a new dock at Port Authority of Lomé; the construction of a power plant with a capacity of 100 MW; the extension of Gnassingbé Eyadéma International Airport (AIGE) in Lomé; various development and improvement works of the national road network; the construction of a clinker plant in Tabligbo of 1.5 million tons per year, the construction of the Kara cement plant of 250 thousand tons per year and the renovation of hotels.

Table 2: Foreign direct investments, 2009-2015 (US \$ million)

	2009	2010	2011	2012	2013	2014	2015
<b>FDI Input:</b>							
<b>Flows (US \$ million)</b>	48,5	85,8	711,1	121,5	183,5	53,9	52,7
<b>As% of the FBCF</b>	[..]	[..]	[..]	[..]	17,9	5,0	5,2
<b>FDI stock (US \$ million)</b>	516,3	565,5	1209,4	1358,1	1610,2	1466,9	1367,1
<b>FDI stock (% of the GDP)</b>	[..]	[..]	[..]	[..]	37,0	31,8	32,8

Source: UNCTADSTAT

### 1.1.6 Public investments and PPBSE chain

From 1990 to 2006, due to the socio-political crises and their impact on the public finance, Togo experienced a significant deterioration of its basic infrastructure, ranking it behind the countries of the sub-region. During the same period, the ratio of public investment expenditure/GDP was around 2.5%, compared to an average of 6% in sub-Saharan Africa.

Thanks to the formal resumption of the development cooperation in 2008, the public investment highly increased, averaging 8.2% of the GDP between 2010 and 2015, that is, a level comparable to that of sub-Saharan Africa Countries. However, despite these considerable efforts, the infrastructure in Togo remained inadequate. The access to road infrastructure, education, health and drinking water services is below the average of the sub-Saharan African countries. Evaluations and studies conducted in 2016 and 2017 revealed that the issue of the public investment efficiency significantly affected the efforts made in terms of budget allocations for infrastructure implementation. The loss of efficiency is estimated at an average of 70% in Togo compared to 57% in the sub-Saharan Africa. It is particularly related to the lack of capacities in planning-budgeting, design, implementation and monitoring of projects, as well as some deficiencies in the procurement process.

The results of the efforts made by Togo since 2009, with the support of partners, to improve the chain of public expenditure have proved insufficient to take it beyond the African average in terms of efficiency. In the light of the new orientation driven by the Head of State, and with a view to generalizing budget programs in accordance with the Community directives, a particular emphasis will be placed on the capacity building of the public administration.

## 1.2 PRODUCTIVE SYSTEM DEVELOPMENT

This section analyzes the constraints in the sectors related to agriculture, extractive industries, tourism and handicrafts and which slow down the productivity of the Togolese economy.

### 1.2.1 Agro-sylvo-pastoral system

The agriculture sector is made up of several types of farmers' organizations. These include small producers, grouping and pre-cooperatives. This is a great challenge in terms of the sector organization.

The agro-sylvo-pastoral system in Togo is facing several constraints that explain the low level of the economic productivity. These constraints are as follows:

- low professionalization of sector's stakeholders;
- low structuring of the value chains and that of the productions valorization;
- low quality of agricultural products related to export and processing requirements;

- high dependence of the sector on the climate conditions;
- lack of facilitation and finance mechanisms of the value chain;
- low quality of investment in the sector in terms of market outlets and employment;
- low involvement of private actors in the sector;
- lack of a clear strategy for developing medium and long-term economic potential to form strong, integrated and competitive growth poles around which, accelerated, diversified and inclusive growth could be structured in the coming years;
- low availability of the national technical skills needed to transform the economic potential, which raises questions about the current capacity of the education and vocational training system to provide skills in order to promote competitiveness;
- beneficiary identification problems and job accounting (impact analysis);
- lack of organization in farmers: only 8% of them are grouped in 2,500 cooperatives;
- low access of women to production means (land, finance, technology) within the agricultural population<sup>1</sup>.

Other factors explain the low productivity of the agricultural sector, particularly the lack of control over water, lack of technologies, difficult access to land, low level of supervision and lack of infrastructure and equipment, the isolation of production areas (tracks, paths), low financing of the sector as well as the effects of climate change.

In view of the above, the development of an agricultural transformation pole (agropoles) focused on productivity to achieve the food self-sufficiency, the balance of the agricultural trade balance and the massive agricultural jobs creation remain a great challenge to be addressed in Togo. Similarly, in terms of governance, the challenge is to achieve the institutional reform of the sector.

In terms of results achieved, **in the sub-sector of crop production**, to improve the institutional management, the Government, has put in place a renovated mechanism, with renovated tools, an Agri-SWAP agenda; integration of ICT via the AgriPME project; establishment of the soil fertility map, land tenure and agricultural potential, consultation frameworks to strengthen the coordination and accountability system.

The results achieved in terms of cereal production were positive, with a coverage rate of national needs of 113% and 111%, respectively in 2011 and 2015. It was therefore able to cover the food needs and start developing cereal exports sectors to the sub-region, thereby helping to reduce the imbalance in the trade balance. These food surpluses were maintained and evaluated in 2015 at 836,433 tons of food products and 902,130 tons in 2016.

For cash crops, there is a sustained growth from 2012, the starting year of supports to the sector. Cotton grew by 305% between 2010 and 2016 (27,906 tons in 2010 and 113,000 tons in 2016). Coffee and cocoa grew by 18% and 14% respectively over the same period.

Over the 2010-2015 period, the support for the promotion of promising sectors and the valorization of agricultural products helped creating 15,000 jobs (source: PNIASA performance reports).

Regarding the trade, the agricultural sector provides more than 20% of the export revenues. Apart from coffee, cocoa and cotton which are often exported in the raw state, other agro-food exported products are mainly dairy products, cashew, palm oil, sesame seeds and cakes of solid residues from the oils extraction.

Farmers benefit from important state subsidies for fertilizers. Togo has 22 structured agro-industrial enterprises and numerous small craft and semi-industrial units. All put together, they account for less than 5% of the local market, the rest being covered by imports.

The sector does not receive enough private financing. However, many flagship initiatives are undertaken by the State to support the sector, namely the granting of competitive funds to profitable project promoters, the establishment of

<sup>1</sup> National Agricultural Census, 2013

guarantee funds (start-up of the Kuwait Fund secured by the Guarantee Fund of PASA/UTB in 2015), and the launch of the PNPER project. It is also worth mentioning several forms of support such as inclusive funding (AGRISEF as part of FNFI), the FAIEJ support, and support to the innovative sub-projects or valorization of products in progress in Togo.

**In the livestock sub-sector**, support from the government in the sector of health and veterinary zoo protection helped (i) eliminating certain zoonoses such as Newcastle disease in poultry, small ruminant pest, African swine fever, anthrax, animal trypanosomosis for the bovine sector;(ii) improving the genetic heritage, bovines and small ruminants by introducing breeding spawners in the traditional system;(iii) extending improved shelters and (iv) implementing a transhumance management plan.

Despite these efforts, which helped increasing the population of the poultry, small ruminants (sheep/goats), cattle (bovines) and pigs, the country remains structurally deficient in meat products. The domestic production covers less than 50% of the national needs.

The major problems to be addressed concern (i) improving the productivity and competitiveness of livestock production through the promotion of agro-pastoral poles and (ii) strengthening the resilience of the sub-sector to livestock risks, particularly animal-health and climate shocks and the conflicts related to transhumance.

**In the fisheries and aquaculture sub-sector**, the total production including all segments of the sub-sector (sea fishing, inland fishing and fish farming) is about 25,000 tons per year while the consumption is about 80,000 tons per year, with average annual fish consumption estimated at 13kg per person. Therefore, this shortfall in fish supply means that a significant proportion of fishery products consumed in Togo is imported (more than 40,000 tons) to meet the national consumption need.

Despite the poor performance, this sub-sector remains important for the development of a blue economy, through the importance of its socio-economic role (safety net for vulnerable groups), its role in food security (cheap animal protein), and for the population far from the littoral and water courses and for its economic development opportunities (annuities and diversified job creation) for the small scale, large-scale and intensive projects.

In view of the foregoing, the Government intends to meet the challenge of diversifying economic activities in the fishing sector, including developing the activities along the fishing sectors to enhance the value of the products and create added value and jobs, build the capacity of the fishermen, to exploit the less endangered resources and fish them in new fishing areas where the pressure is lower.

### 1.2.2 Agro-food, manufacturing, handicraft and extractive industries

Characterized by a weak link between its different sub-sectors (agro-food, manufacturing, handicraft and extractive industries), the sector is facing multiple challenges: (i) problems of governance, investment and integration to the rest of the economy;(ii) lack of a clear strategy for developing medium/long-term economic potential to form strong, integrated and competitive growth poles around which, in the coming years, an accelerated, diversified and inclusive growth could be structured;(iii) low availability of the national technical skills needed to transform the economic potential; and (iv) low consideration of environmental and social concerns.

This context is not conducive for the development of value chains and processing sectors. The energy deficit and the insufficiency of the infrastructural and financial platforms impede the competitiveness of the industries by causing significant additional costs.

The country is still facing the challenge of the emergence of industrial poles (creation of industrial parks) and mining poles (development of phosphate and limestone processing in particular) and the development of the handicraft sector as a source of job creation.

**The agro-food industry** is poorly developed and characterized by the small scale processing of agricultural products which is provided by small units with limited capacity. We also note the non-compliance with the quality standards making the products uncompetitive. Togo has a primary integration form within the international trade in the sense that agricultural products are exported in the raw state. This integration limits the capacity to create wealth and jobs in the agricultural sector.

Regarding the large processing units, they are very few and are facing the unavailability of good quality raw materials in sufficient quantity.

The major challenge is to be able to integrate these large industries into the agricultural production sector.

The analysis of **the manufacturing industry** situation shows that the sub-sector is characterized by high production costs which do not allow the development of a major processing industry in order to valorize the products and to achieve economies of scale (water, electricity, imported raw materials). It is also subject to restrictions in the banking sector that hinder the access to capital, as well as tough competition from foreign products, which locally and internationally affect the competitiveness of the sector. The legal, regulatory, institutional and organizational framework is inadequate, due to the poor presence of intermediation, marketing and support bodies.

In addition, the low level of investment does not allow the country to progress towards industrialization. This deficit is explained by the difficulties to access credit and inadequate developed industrial sites and the poor integration of the industrial sector to the other sectors of the economy.

To overcome the constraints that hinder the development of the industrial sector, a participatory reference framework for the industrial development of Togo by 2020 has been developed. Reforms have also been initiated to restructure the companies in difficulty and improve the business environment. These include the (i) establishment of the single window for foreign trade, (ii) operationalization of the pilot approved management center, (iii) continuation of reforms at Centre de Formalités des Entreprises (CFE), (iv) development and adoption of the new investment code and the new law on the free zone, (v) securing of Adétikopé and Kpomé sites and implementation of their master plan, and (vi) establishment of the National Agency for the Promotion and Guarantee of SMEs/SMIs Financing (ANPGF). In addition, a study on the redesign of the Investment Promotion Agency and the Free Zone (API-ZF) into an Agency for the Promotion of Investments and Exports (APIEX) was conducted.

However, in order to strengthen the industrial poles or parks, challenges remain to be addressed, particularly (i) improving the land access framework and provision of land for park development;(ii) increasing the power supply at a more competitive cost; (iii) improving the quality, cost and reliability of ICT services;(iv) deepening the financial system; (v) improving the quality of human resources in line with the needs of the private sector; (vi) establishing Special Economic Zones (SEZs); (vii) promoting the quality and the industrial property rights;(viii) supporting the environmental and social concerns integration approach; as well as (ix) fighting against corruption, fraud, forgery and counterfeiting.

Regarding the **craft industry**, Togo has an important asset which includes the following components: arts and crafts, utilities or production and services. There are eight branches of activity in particular: (i) agro-food, food, catering; (ii) mines and quarries, construction and building;(iii) metals, metal constructions, mechanics, electromechanics, electricity, electronics and small transport activities; (iv) wood and related products, furniture and furnishings; (v) textiles, clothing, hides and skins;(vi) audiovisual and communication; (vii) hygiene and body care and (viii) arts and decoration.

The analysis of the results produced by the new opportunities offered in terms of production and export by the sector shows that the craft industry, in general, has entered its growth phase. The results recorded are very significant. Indeed, nearly \$ 8 billion has been invested by the Government in the sector including 2.916 billion of credits granted, 965 million invested in projects implementation and 3.900 billion of tool kits offered to young craftsmen. The Support Project to the Socio-professional Integration of Young Craftsmen (PAIPJA) has helped building the entrepreneurial and material capacities of 5000 young craftsmen in order to facilitate their professional integration to fight against unemployment and

underemployment. In order to facilitate the PAIPJA beneficiaries access to micro credit, a partnership with Coopérative d'Épargne et de Crédit aux Artisans (CECA) was signed through the establishment of a guarantee fund amounting to CFA F 100 million.

Regarding the commercial promotion of the sector, facilities are being negotiated to allow the massive participation of craftsmen in national and international fairs and exhibitions and to give visibility to their products.

In order to have reliable data on the sector, the Togolese government has set up a database project: the National Information and Statistics System for Handicrafts (SISNA). The aim of the System is to have a mechanism for collecting, analyzing, storing and disseminating qualitative and quantitative information about the sector and its environment. Ultimately, it will provide updated information on, inter alia, trades in the handicraft sector, the actors (craftsmen, promotional bodies and partners), the governing texts, training and technologies on handicraft trades.

In addition, the Government has established the Crafts Resource Center (CRA) which is a platform dedicated to craftsmen where they can have equipment and shared resources that the small business cannot acquire individually. Already operational in some twenty districts, CRA will be established in all the district chief towns throughout the country. CRA provides services to craftsmen, promote the basic training or apprenticeship training and completes the craftsmen training through upgrading in the facilities established. The amount invested for the promotion of CRA is CFA F 850 million.

In terms of challenges there is a need to: (i) further strengthen the legal and institutional framework of the sector; (ii) continue establishing the CRA to cover all the districts; (iii) propose other financing mechanisms adapted to the sector; (iv) put in place a social protection mechanism for craftsmen; (v) promote handicrafts through the organization and participation of actors in fairground events and encourage the consumption of handicraft products; (vi) strengthen the apprenticeship and vocational training system for craftsmen; and (vii) promote the creation of handicraft enterprises.

Regarding the **mining**, the pursuit of mining and geological research has helped providing various potentials for exploration and mining.

For exploration, over an area of 56,600 km<sup>2</sup>, about 40,000 km<sup>2</sup> have been covered by the strategic geochemical exploration, giving the following situation: 150 sites for gold deposits, 70 sites for polymetals (zinc, lead, copper, tin, tungsten, molybdenum), 5 sites for phosphate, 2 sites for rutile, 2 sites for chromite, 2 sites for platinum, 1 site for diamond, 1 site for rare earths (Ce, La, Y). Apart from these indices reported by the geochemistry, it is necessary to mention others, whose studies should be re-conducted, like the iron of Lalamila southwest of the village of Pagala, the ilmenite and rutile at Bagbé, Konda (Kloto) and Akoura near Pagala-Village, uranium, chromite of Ahito Mount, corundum of the Sotouboua massif, construction materials in the coastal basin (sand, gravel).

Concerning the mining potentials, the analysis reveals the existence of metalliferous and non-metallic resources.

The metalliferous resources include Bandjéli iron estimated at 1 billion tons, manganese at 13 million tons, chromite at 40 000 tons and bauxite at 1 million tons.

For non-metallic resources, we have phosphate (50 million tons), dolomites (more than 100 million tons) and limestone (200 million tons), industrial clays (about 500 million tons), peat (5 million tons) and ornamental stones.

The radioactive mineral consists of uranium (about 900 tons).

However, since 2008 to date, regarding the exploration, 113 research permits have been issued to several companies.

Moreover prospecting equipment has been acquired since 2013, in order to gradually extend the coverage throughout the country,

With respect to mining, several large-scale permits have been granted to companies and others are under study. These include mineral substances and marble stones, unconsolidated ore phosphates, limestone, construction materials for Construction and Public Works (BTP), ilmenite, manganese and gold.

Regarding the mining laboratory, despite its poor capacity, it allows to conduct tests on the products mined and to issue export certificates for export.

However, the sector is facing major challenges that include: (i) defining and implementing a comprehensive approach that includes the key elements and best practices necessary to attract the relevant actors and investors; (ii) defining and implementing a phosphate mining integrated approach; (iii) a legal and tax attractiveness to be optimized in the interest of the country and investors; (iv) effective integration of environmental and social assessments into the process of issuing exploration and mining permits; (v) removing procedural constraints implying the implementation of simple, fast, fair and transparent licensing procedures; and (vi) compliance by the companies with their societal responsibilities in the mining sector.

### 1.2.3 Tourism and culture sector

Despite its limited surface, Togo has enormous tourism and cultural assets. However, **the tourism sector** is confronted with several constraints that hinder its development, notably the lack of tourism offer, limited connectivity, absence of a mechanism to facilitate the financing of the value chain and the difficulties of preserving protected areas.

Indeed, the (i) tourism offer is available in quantity but with limited quality and lack of development and promotion of sites: only one site is listed as UNESCO World Heritage Site; (ii) low connectivity and lack of adequate training centers hamper the development of the sector; (iii) lack of a mechanism to facilitate the financing of the value chain results in the low investment quality in the sector ; (iv) protected areas that are real tourism development drivers are not sufficiently protected.

The Government's challenge is to boost the tourism sector with the implementation of structuring projects to test different standing for the Togolese tourism (seaside, cultural, sports, business, ecotourism, agro tourism, etc.).

**The cultural sector** is composed of tangible and intangible cultural heritage, cultural and creative industries. It is a source of identity, connection and social cohesion. As such, it is a vector of identification, and socialization of peoples.

In recent years, some efforts have been made to better integrate the cultural and artistic sector into development strategies. These efforts are characterized, among others, by the adoption of a cultural policy paper in 2011, the general inventory of the tangible and intangible cultural heritage, the operationalization of the Support Fund for Culture, which contributes to the financing of cultural projects, the training of cultural actors and adoption of the status of the artist, etc.

However, there are still important challenges to be addressed to make art and culture a real platform for development. The challenges include particularly insufficient investment in the field of the cultural and artistic industry and specifically in favor of trades, the lack of qualified and specialized middle managers. There is also piracy and counterfeiting of the cultural artists' works, the weak promotion of cultural cooperation, intercultural exchanges and dialogue to better assert the national cultural identity, address the challenges and seize the cultures globalization opportunities. Culture is poorly integrated in the international trade.

In order to have a cultural anchoring to promote the economic and social development, the challenge for the Government is to conduct a study on the economy and benefits of the culture coupled with the establishment of mechanism for the protection of the cultural heritage and the fight against the illicit trafficking of cultural property.

## 1.2.4 Trade sector

Over the period 2009-2015, there is a change in the export structure with the decline (in terms of share) of traditional products such as cements and phosphates, and an important increase of cotton and gold. There is also an increase in the share of agricultural products. This trend, however, is not consistent across these product groups. Therefore, the share of hydraulic cements in the total exports increased from 23.7% in 2009 to 7.3% in 2015 while that of consumer goods increased from 12.8% to 20.5%.

The UEMOA and ECOWAS countries remain the main outlets for Togolese exports, although there is a diversification towards other markets, particularly in Asia. Between 2009 and 2015, the exports share towards UEMOA countries increased (from 42.7% to 51.3%) while the exports share towards the other African countries (mainly Nigeria and Ghana, ECOWAS members) declined.

The Togolese imports fluctuated between CFA F 621 and 1113 billion between 2009 and 2015. The imports composition has remained relatively stable: they consisted of approximately two-thirds of the manufactured goods and one-third of the primary products. In 2015, imports consisted of 18.7% of chemicals, 16.4% of agricultural products, and 16.1% of electrical and non-electrical equipment.

From a deficit level in 2009, the balance of services improved progressively, reaching a surplus of CFA F 42.5 billion in 2015. This upward trend is mainly due first to an improvement in exports of air transport services and a decline in imports of transport services in recent years. Indeed, in 2011, the services exports increased by 51% to CFA F 240.1 billion, reflecting an increase in the air transport services related to the activities of the regional airline ASKY Airlines. The services exports remained relatively stable thereafter, although they fell slightly to CFA F 228 billion in 2015. The services imports, dominated by the transport services, gradually increased to CFA F 232.9 billion in 2013, but fell to CFA F 185.5 billion in 2015 due to a decrease in the demand for maritime freight services.

In total, the ratio of goods and services exports and imports to the GDP peaked at 76.3% in 2013 before declining to 53.9% in 2015. This reflects the trend in imports related to infrastructure investment. The trade balance, structurally in deficit, indicated a deficit of CFA F 333.4 billion in 2015 compared to CFA F 422.8 billion in 2013.

Several constraints hinder the development of the trade sector in Togo. These include disruptions in the supply of the domestic market, low diversification and export competitiveness. These constraints were characterized by: a lack of marketing materials; inadequate means of intervention and monitoring of distribution channels; insufficient commercial infrastructure; quantitative and qualitative insufficiency of the supply of goods and services for both internal and external markets; and a bottleneck in marketing channels.

## 1.2.5 Financial system

Lomé is the third financial center of UEMOA (13 banks established the headquarters of two pan-African banks: Ecobank and Orabank) and hosts a small number of multinational companies.

However, the financing of the Togolese economy, although at a favorable level compared to other UEMOA countries, remains far from the contribution made by this banking sector in the emerging economies. The issue is not only in terms of access to financing but also to the exorbitant cost of the loan. The available statistics indicate that exit rates range from 9% to 13% for bank credits and sometimes are approximately 18% or even 20% for microfinance. In an environment characterized by low inflation rate, the real rates seem very high and constitute a real obstacle to entrepreneurship in general and in particular to the development of the agricultural, industrial and handicraft sectors. The statistics on the credit distribution also indicate that sectors such as agriculture receive little funding. Less than 1% of bank loans go to the agricultural sector, which accounts for 60% of the active population and whose relative share in the GDP is around 40%.

Despite the laudable efforts of the government in recent years in terms of inclusive finance (the various products allowed to reach more than 700,000 people without income or low income), there is much to be done to ensure the private sector financing. In this sense, the challenge is to ensure that the FNFI is firmly integrated as the institution par excellence of the promotion of finance accessible to all, especially to the poorest, youth and women through strong partners and diversified and sustainable financial service providers and especially through innovative and adapted financial products. The analysis of the performance indicators of the banking system shows that some banks still seem to face serious solvency problems because the financial situation of the latter has been weakened since 2012-2013, with a deterioration of the solvency indicators and assets quality, profitability and liquidity. As a result, the average capital adequacy ratios are lower and the ratio of non-performing loans higher than the UEMOA average. This indicates high repayment risks and therefore the average collateral requirements are around 235%. To address this issue, the Government will continue the restructuring of the banking system and will take necessary measures to maintain its comparative advantage as financial center of the sub-region with the presence of African banks headquarters.

Alongside the banking system, microfinance plays an increasingly important role in mobilizing household savings and promoting financial inclusion. Over the period 1995-2013, the outstanding deposits increased from CFA F 5.5 billion to more than CFA F 128 billion, and the outstanding loans from CFA F 3.8 billion to CFA F 109.3 billion. These are resources that remain outside the banking sector; the banking rate excluding the decentralized financial accounts and postal services in 2012 was only 9.60% (BCEAO, 2013). But many institutions do not comply with the prudential ratios. Indeed, out of the 190 microfinance institutions operating in 2016, only 20 comply with all the prudential ratios, while only 4 out of the 16 supervised by the Banking Commission were in full compliance. The bad debt rate exceeded 8% and continued to be above the prudential standard of 3% for the 90 day risk portfolio. Finally, the sector accounts for about 140 institutions that operate without authorization.

There are a number of institutional weaknesses in the Banks and Decentralized Financial Systems (DFS), including: (i) high levels of bad debt, insufficient equity capital and risks (for clients); as well as (ii) fragmentation of the banking sector and DFS and the insufficient integration between the institutions.

There are important challenges in the financial sector which concern: the (i) lack of convenience and the limited use of means of payment especially mobile money; (ii) low savings in formal institutions; (iii) insufficient funding for the agricultural sector; (iv) risk management for reliable customers; (v) difficult access to loan especially for SMEs, women and young entrepreneurs; and (vi) high cost of loan.

## 1.2.6 Business climate

The projects related to the improvement of the business climate have been intensified over the past five years. At the forefront of the reforms, the complete operationalization of the Centre de Formalités des Entreprises (CFE) which made it possible to reduce considerably the cost of businesses creation by more than 900% (CFA F 252,250 to CFA F 29,250), the minimum capital of the Limited Liability Companies (LLC) of CFA F 1.000.000 to CFA F 100.000 and the start-up time to 24 hours compared to 85 days in 2012. It should also be noted the exemption of the single business tax in the first year of creation as well as exemptions in favor of the companies registered at the approved management Center (CGA).

Table 3: Number of enterprises created per year

YEARS	NUMBER OF ENTERPRISES
2011	4,581
2012	5,848
2013	7,445
2014	8,289



YEARS	NUMBER OF ENTERPRISES
2015	10,832
2016	9,913

The procedures and deadlines for the settlement of commercial disputes have been improved with the (i) creation and automation of commercial chambers and (ii) adoption of a protocol of procedure between the Bar Council and the Court of Lomé setting by mutual agreement the number of referrals and the average time for settling disputes. This arrangement helped reducing the average time of one hundred (100) days to 388 days, according to the World Bank 2016 Doing Business report.

The cross-border trade has undergone a complete redesign with the establishment of a Single Window for Foreign Trade (GUCE) to ensure trade facilitation, fight against corruption and eliminate incidental expenses. This new vision, which led to the increase of more than 19% of the public revenue, explains with satisfaction the improvement of the rankings of the country (2nd UEMOA country) in the Doing Business report, with a leap of forty-seven places (47 places) in the report of the logistic performance index to occupy the 92nd place.

Regarding the following aspects including the access to credit, the building permit, the automation of commercial chambers, the fight against fraud and corruption in the taxes collection and the protection of investors, improvements have been made. These structural reforms helped Togo to gain some places in the "Doing Business" ranking (154th place in 2016 compared to the 165th in 2010 out of 189 countries) and to comply with some criteria leading to eligibility for the Millennium Challenge Account (MCA).

However, the business climate remains less favorable than in the peer countries in terms of doing business environment indicators and is therefore a barrier to the emergence of Togolese creativity and entrepreneurship, limiting their ability to seize opportunities. As the business environment has become competitive with regard to the requirements of global investors, the acceleration in the implementation of the reforms remains a no less important challenge for Togo.

In addition to this challenge, other constraints such as the quality and cost of telecommunications and Internet, access to land and land security, access to finance; cost and access to quality energy, unfair competition in the informal sector, protectionism/dumping of some member countries of the sub-regional organizations; improvement of the judicial system, complexity of the tax and customs system are among others the obstacles identified by the enterprises.

However, the private investment, at about 14% of the GDP, is below the average in sub-Saharan Africa. The FDI fell over the period 2014-2015 to account for 5% of the gross fixed capital Formation on average, due to the completion of large investment projects developed under the public-private partnership.

The small and medium-sized enterprises (SMEs) in Togo are facing traditional difficulties regarding the access to finance. In fact, obstacles related to the financing of SMEs due to government measures persist and include: the (i) socio-political environment that remains fragile, generating risks for the banking system in credit granting activities ; (ii) insufficient coordination and promotion of the initiatives developed to finance SMEs, in particular women and young entrepreneurs; and (iii) inadequate monitoring and evaluation mechanism for Government financing support schemes. In addition, SMEs lack capacities that undermine their chances of getting funding and also lack dynamism in the domestic and international market.

### 1.3 INFRASTRUCTURE DEVELOPMENT

This section highlights the importance granted by the Togolese Government to the infrastructure development because it provides the essential foundation upon which the development and competitiveness of the economy are built. It reviews the efforts made by Togo to upgrade its multimodal transport infrastructure, improve energy supply and ICT services to

meet the growing needs of households and economic operators in terms of service, security and competitiveness.

The challenges will also be tackled in connection with the : (i) development of a logistics and transport chain around the Port of Lomé by integrating it into a renovated transport network with a view to creating a medium and long-term logistics hub; a competitive development corridor (from mining production areas to the international market, opening to the hinterland countries) and; (ii) definition of a public investment policy, in particular in the area of growth-support infrastructure (energy, transport, ICT, etc.), to facilitate the structural transformation of the economy and strengthen the role of the private sector in this process. The consideration of climate scenarii in the design and dimensioning of works and infrastructure (road, track, quay, etc.) will ensure their sustainability and resilience against the climate and disaster risks.

#### 1.3.1 Transport sector

The transport sector in Togo is characterized by an increasing coverage of the road network, a booming deepwater port, growing air traffic and an obsolete and virtually non-existent rail network.

The national road network is approximately 11,777 km including approximately 2,101 km of paved national roads and 1,473 km of urban roads (source, year). Major investments are made to continually improve the level of service of the national road network. Some significant progress was made between 2012 and 2016, particularly the level of service of the National Road 1 (RN1) (Lomé - Cinkassé) which resulted in reducing the average duration of transit of a truck along the "RN1" from 72 hours in 2012 to 48 hours in 2016. The key challenge is the mobilization of the required resources to gradually invest in the national road network based on the socio-economic development of the country.

Table 4: Road network

Years	Items	RNR	RNNR	PRC	PRNC	TOTAL
2012	Length (km)	1, 633	1, 439	892	7, 813	11, 777
	Good condition	16%	15%	20%	18%	18%
	Average Condition	33%	36%	50%	30%	34%
	Bad condition	51%	49%	30%	52%	49%
2016	Length (km)	2, 102	1, 163	1, 085	7, 427	11, 777
	Good condition	36%	23%	47%	16%	29%
	Average Condition	26%	43%	28%	33%	31%
	Bad condition	38%	34%	25%	51%	40%

However, the key challenges are the (i) mobilization of additional resources as the current resources cover only less than half of the needs and (ii) protection of investments in the national road network against the overload of large freight trucks.

The government is also aware that rural and agricultural roads must be rehabilitated in order to enable the most vulnerable and poor people to integrate into the national economy. To this end, 1,921 km are under rehabilitation as part of the PUDC and 826 km as part of the rehabilitation program of tracks in cotton and coffee/cocoa zones.

Le gouvernement est aussi conscient qu'il faut réhabiliter les pistes rurales et agricoles afin de permettre aux populations les plus vulnérables et démunies de s'intégrer dans l'économie nationale. A cet effet, 1921 km sont en cours de réhabilitation dans le cadre du PUDC et 826 km dans le cadre du programme de réhabilitation des pistes en zones cotonnières et en zones café/cacao.

The goods transport services offer is characterized by a fleet of heavy goods vehicles that are very obsolete with an average age of more than 20 years and an atomization of the supply: more than 95% of the actors operate informally, 80% of sole proprietorship and 70% of companies have less than 5 trucks (World Bank, 2017). The major problem is the dominance of the informal sector, which limits their capacity to compete with carriers from neighboring countries, to access financing for their operations and to be able to create wealth. A renewal program for the truck fleet is ongoing. Incentives for the acquisition of new trucks were adopted by the government in 2016 together with other support measures such as the limitation of the age of imported vehicles (Decree 2018-PR of January 2018) and the encouragement to the professionalization of the carrier's profession.

The urban and interurban transport is booming and under reorganization. Since 2013, interurban road traffic has increased by 20.2%. SOTRAL has a vehicle fleet of 95 buses and a network that is gradually expanding. But its market share remains low, around 9%.

Passengers are confronted with the virtual absence of well-equipped bus stations resulting in a high use of individual modes of transport (private cars and motorcycles) and an anarchic proliferation of inefficient transport services, such as taxis -motorcycle that jam the urban roads and create permanent road insecurity. Indeed, about 5000 road accidents on average involving nearly 7000 injured persons and 700 deaths are reported each year.

The Port of Lomé is the entry point for the land transport flows in Togo and most of the neighboring countries. It has a positive comparative advantage, that of being a deep-water port, the only one with this natural capacity in the sub-region. In recent years, efforts have been made with the construction of a third wharf, a container terminal, a new dock, and the construction of a new fishing port; all this improved the performance of the Port of Lomé. Indeed, the overall traffic has more than doubled in these recent years, it increased from 8,005,904 tons in 2010 to 15, 413, 487 in 2015 and 19, 316, 624 in 2017. Over the same period, the volume of containers handled, increased from 339,853 TEUs in 2010 to 905,700 TEUs in 2015 and 1,193,841 TEUs in 2017. The transit time for goods at the Port of Lomé has been significantly reduced from 21 to 3 days.

Many challenges remain to be addressed to make the Port of Lomé a key stakeholder in the international maritime trade, and strengthen its role as the sub-regional hub. Indeed, several analyzes conducted on the functioning and operations of the Port of Lomé have identified weaknesses the resolution of which would make the Port of Lomé much more efficient and competitive in the sub-region. These include among others: (i) a sub-optimal flow chart resulting in a chronic congestion; (ii) problems of sub-optimal development and land use in the inner harbor, (iii) deficiencies in the regulatory and institutional framework, (iv) still limited development of value-added logistics services and (v) lack of training centers resulting into inadequate training offer in line with the growing demand in logistics services;

In order to achieve the objectives of the sub-regional logistics hub and within the framework of the development vision of the logistics corridor of Togo, it is necessary to implement a development and investment reform of the Port of Lomé that is strongly integrated into the industrial, mining and agriculture flagship projects to ensure the full integration of the value chain.

Togo has two international airports which are the Gnassingbé Eyadéma International Airport (AIGE) in the maritime region and Niamtougou International Airport in the Kara region. It also has 5 local aerodromes in Anié, Atakpamé, Dapaong, -Mango and Sokodé.

The modernization of the Gnassingbé Eyadéma International Airport (AIGE) brought it up to international standards with a capacity of about 2 million passengers a year. The commissioning was effective in 2016 and there are 12 airlines,

including 9 which providing 122 scheduled flights per week with connections to the United States. According to ANAC, the AIGE recorded an overall flow of 1,010,494 passengers in 2017, that is, an increase of 18% compared to 2016; the air freight reached 12,617 tons in 2017, that is, an increase of 11% compared to 2016.

The future challenges lie in the organization of the air freight area that needs to be optimized due to the dispersion of warehouses and the inefficiency of operations and internal controls. With its new status as a modern international airport, the AIGE is positioning itself to welcome the major airlines of Europe and America. The AIGE should allow, on the one hand, the Asky airline to better establish itself with its fleet and set up a hub to serve the sub-region and, on the other hand, to develop related infrastructures, to create a market for services and jobs around the airport to boost the economic activities of the country.

The rail network has not been significantly rehabilitated. Therefore there is no passenger train since the mid-90s and only about 40 km (Tabligbo-Dalavé link) of this network has been used since 2013 especially only for clinker and ore transport (about 400,000 tons per year).

However since 2012, the Togolese Government through its Holding Togo Invest is working on the implementation of the Corridor Logistique du Togo, an infrastructure network focused on the construction of a new railway line for heavy transport and goods, which goes from the port of Lomé to the border post of Cinkassé, covering a length of 670 km. The pre-feasibility studies of the new standard gauge railway line have already been conducted. This railway line will not only serve the economies of the hinterland countries, but also unlock the economic potential of the Togolese corridor through the various densification projects that will be put in place in the mining, agriculture, industry and logistics sectors.

Finally, for the fluvio-lagoon transport, the Mono River would be navigable only about fifty kilometers and there is a public transport of passengers by canoes on the Lake Togo.

### 1.3.2 ITC sector

Since 2009, and through the 2011-2015 sectoral policy statement, the Togolese government has resolved to make digitization an economic breeding ground, striving to create optimal conditions for the emergence of a digital economy. This is how digitization is at the heart of development strategies. In this context, structuring reforms have been carried out, major projects have been implemented and considerable progress has been made, positioning the sector in an unprecedented growth dynamic.

The electronic communications sector in Togo is mainly driven by two operators competing in the mobile telephony segment (Togocel and Atlantique Telecom), a land-line operator (Togo Telecom) and three Internet access providers (Café Informatique operating since 1998, Teolis and the Vivendi Africa Togo Group holding license since June 2017).

Up to date, the new legislative and regulatory framework is nearing completion; the texts on the information society have been adopted, as well as the texts on transactions and electronic signatures. Infrastructure structuring projects have been completed or about to complete: the E-GOUV project, which connects more than 560 administrative buildings in the city of Lomé with 250 km of fiber optic, the WARCIP project which reinforces the connectivity of the country through the construction of new infrastructures to reduce the access costs and improve the quality of the network, the Wifi Campus project with the implementation of a very high speed free Wi-Fi network in all the public universities and Teaching Hospitals (CHU) of Togo, etc.

The Internet penetration rate (fixed and mobile) reached 36.31% in 2017, an increase of +33.45 points compared to 2011. This strong growth is mainly driven by the mobile Internet which represents 98% of the subscribers, in particular because of the increased competition with the award of a 3G license to the private operator MOOV Togo in 2016. This new momentum is also characterized by a price decrease of around 50% between 2016 and 2017 as well as an increase in usage with a global internet traffic, which moved from 3 Gbps in early 2016 to 8 Gbps in December 2017.

The fixed Internet, with a penetration rate of 0.69% at the end of 2017 and relatively high tariffs compared to the sub-region, remains to be developed. In fact, although ADSL prices moved from CFA F 297,000 to CFA F 34,810 for the 4Mbps between 2016 and 2017, and from CFA F 679,000 to CFA F 42,480 for the 8Mbps, they still remain high compared to the sub-region: for example in Senegal, where the price of a 10Mbps ADSL connection is CFA F 34,900. However, the increased competition with the arrival of the two new Internet access providers made it possible to put on the market in March 2018 new FTTH internet offers: 25 Mbps at CFA F 25,000 per month and 50 Mbps at CFA F 30,000 per month.

Regarding the mobile telephony segment, the teledensity is 82.98% an increase of +21 points compared to 2014. However, Togo remains behind other countries in the sub-region, particularly Senegal, which is close to 100% and Côte d'Ivoire which is beyond. This gap is more noticeable when it comes to the corrected penetration rate for the multiple subscriptions phenomenon. According to GSMA data, the penetration rate in single subscribers estimated at 38.2% is below the sub-regional average (49%) and border neighbors such as Benin (47%), Ghana (66.8%) and those of the reference countries of the sub-region, Côte d'Ivoire (52.9%) or Senegal (60.5%).

Moreover, with a coverage rate of 65% for the mobile and only 22% for 3G, the digital divide remains a challenge to be addressed. Similarly the quality of service remains to be improved, according to the consumers.

The statistics mentioned above, call for the reorientation of the digital policies to achieve the release of its full potential in Togo.

Indeed, the digital transformation in Togo will enable it to benefit more from the digital dividends, in particular: a greater inclusion of companies in the world economy, the possibilities of a massive creation of jobs with high added value, a development of human capital, facilitation of citizens' access to public services, building the capacity of public authorities.

The digitalization of the Togolese economy will be a key growth and development driver. It is expected to boost competitiveness in all the sectors, open up new opportunities for trade and entrepreneurship and offer new ways to access foreign markets. It should also provide new tools to overcome the chronic development challenges, including the financial inclusion, education and health, and disaster risk prevention, etc. The mobile telephony and internet, for example, can enable women to improve the health and well-being of their families, make better use of income-generating opportunities, and protect themselves from abuses and dangers.

In particular, the analysis of the performance of Togo in the digital sector reveals that the biggest challenge is to reduce connection, ICT costs and improve the quality and continuous internet service.

### 1.3.3 Energy sector

The energy sector does not contribute effectively to the economic development, including improving agricultural, industrial and mining productivity. Poorly equipped with modern energy resources, the country still relies heavily on traditional energies, especially wood energy, the deposits of which are under the combined pressure of the population growth and climate change.

**The electric power subsector** in Togo is monopolistic. CEET has the national monopoly of distribution; which is relevant in urban areas but hampers the development of mini-grids in rural areas. In addition, the monopoly granted to CEB for the purchase and conclusion of export or transit agreements for electrical energy has been lifted. In addition, a conventional "Take or pay" contract is signed with Contour Global, with a low utilization rate (30%).

In terms of production, the local installed capacity of 163 MW is lower than a peak demand of 232 MW, requiring the use of massive imports (70 GWh not distributed in 2013). As a result, the final electricity prices are relatively high (CFA F 120 per KWh) compared to countries without privileged access to energy sources. The hydroelectric potential is limited (100 MW) and scattered.

In terms of distribution, connections have been established with all the neighboring countries. The national network is partly obsolete, with significant technical losses on the domestic network (about 18%) and massive frauds representing about 9% of the volume put on the network. The connection costs in rural areas are high and unprofitable given the expected volumes per site.

The government's strategy in terms of access to the universal public electricity service is in priority to provide electricity to the districts chief towns followed by secondary agglomerations. This approach pushed forward and the electrification of major cities in the country has started. This increased the electricity access rate from 22.5% in 2008 to 36% in 2016. Regarding the rural electrification, the access rate increased from 3% in 2008 to 6% in 2016.

In order to promote rural electrification, the Rural Electrification and Renewable Energies Agency (AT2ER) has been established. In addition, the individual kit electrification project (BBOX-CIZO) was launched.

The energy sector with a strong potential to reduce greenhouse gas emissions, the development of renewable energies and the promotion of clean technologies, energy saving and energy efficiency will allow the country to rapidly comply with its commitments contained in its nationally determined contributions.

**Regarding the hydrocarbons**, the low capacity and obsolescence of hydrocarbon storage infrastructures limit the availability and continuous supply.

The Togolese consumption of hydrocarbons is around 300,000 toes. Togo imports almost all the needed petroleum products and is therefore very sensitive to fluctuations in oil prices. They are from very different origins (Europe, Africa, Asia or America).

Today, the petroleum products are the only modern energies accessible to rural areas and which contribute to the "quality of life" of these populations (lighting, grain milling, transport, etc.). The reliance of Togo on these energies is all the more worrying as domestic and industrial demand grows steadily.

The following are the realities of the sector: (i) volatility of the petroleum product prices due to the insufficient petroleum products safety stock;(ii) low national capacity to meet national gas needs, (iii) reliance 100% of the country on oil-producing countries, particularly the fluctuation of the price of the oil barrel; and (iv) low capacity and obsolescence of hydrocarbon storage infrastructures.

Despite these efforts, major challenges are still noticeable and include: the (i) absence of an ambitious policy for the subsector ;(ii) low national capacity to meet the national needs in terms of electricity generation especially the national needs for gas; (iii) huge technological gap in terms of energy efficiency, energy control and valorization of new and renewable sources of energy and high reliance on the transfer of technology and know-how; (iv) difficulty of supplying electricity experienced by the country, especially in rural areas characterized by load shedding, untimely power cuts and regular declines;(v) low national financing capacity (public and private) and high reliance on public and private external financing;(vi) 67% dependence on countries in the sub-region for electricity supply; and (vii) low valorization of the potential for generating electricity from renewable sources, in particular hydroelectricity, solar energy, etc.

In light of this situation, the government intends to address three major challenges, namely: (i) strengthening the governance of the energy sector; (ii) strengthening the power generation and distribution capacities and storage and distribution of hydrocarbons;(iii) improving the accessibility to energy at lower cost by industries and households, especially in agro-food, industrial and mining processing areas.

This strategy will be carried out through; (i) securing, maintaining and optimizing the availability of clean and sustainable electricity supply; (ii) securing, maintaining the hydrocarbon availability; and (iii) accessing to energy at lower cost by industries and households.

### 1.3.4 Communication infrastructures

This sector is faced with inadequate communication infrastructures and equipment compared to new data based on the economy, business and social welfare, among others: the administrative and technical buildings of the state media are in a dilapidated state as well as the analogue audiovisual production and broadcasting equipment are obsolete and outdated, resulting in an uneven geographic coverage by the various media. The skillful and specialized human resources in the economic (business, agriculture, industry, transport, tourism ...) and social (health, sport, civic training, education ...) areas as well as in the cross-cutting issues such as environment, gender equality and women's empowerment are lacking. These shortcomings do not promote communication and ensure its effective contribute to developing in Togo, the business driven sectors for economic growth (agribusiness, industry, trade, transport etc.) as well as social potential and full participation in behavioral change, especially in terms of good environmental practices.

## 1.4 HUMAN DEVELOPMENT AND SOCIAL INCLUSION

### 1.4.1 Human Development Index (HDI)

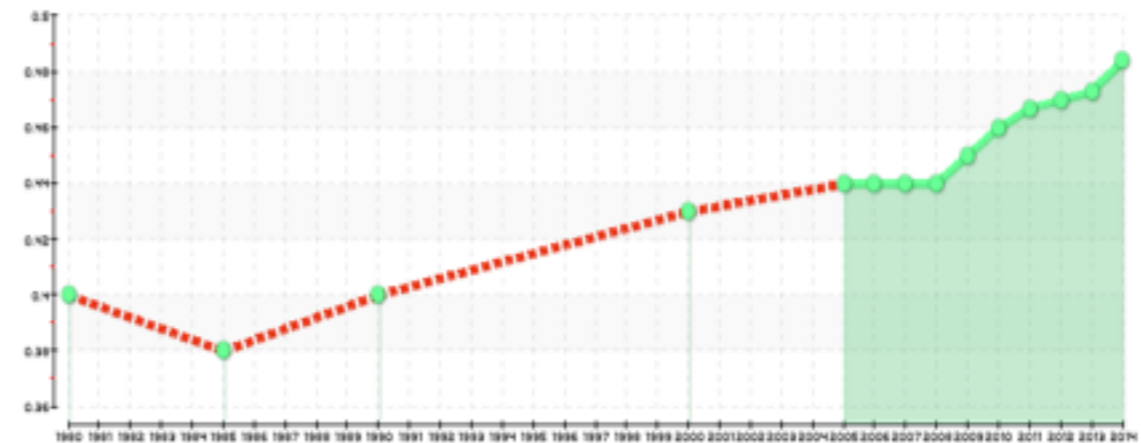
The well-being indicators have slightly improved in Togo. In fact, the Human Development Index (HDI) increased from 0.426 in 2000 to 0.484 in 2014 (Global report on Human Development, UNDP 2016). The world ranking of the HDI of Togo has improved by 4 positions. It is ranked 162nd out of 188 countries in 2014. Within the West African Economic and Monetary Union (UEMOA), it occupies the first position. Togo follows globally the average of UEMOA countries in terms of socio-economic development. It stands out in terms of education and access to adequate housing.

Despite this progress, Togo remains in the group of countries with low human development over the concerned period. The socio-economic inequalities, particularly the gender inequality and the uneven redistribution of the fruits of the growth, prevent the vast majority of less affluent Togolese from enjoying their fair share of the country's economic progress.

The big challenge for the government for the coming years is to strengthen the development of basic social services as well as the inclusion mechanisms.

The following graph shows the trend of the HDI in TOGO over the period 1990-2014.

Graph 3: Human Development Index



Source UNDP, 2015

### 1.4.2 Demographic trends

The results of the Demographic Dividend Country Report reveal that Togo started its demographic transition in 1991, that is, the transition from high levels of mortality and fertility to lower levels. This transition would end around 2050. In fact, the total fertility rate (number of children per woman) increased from an average of 6.4 in 1988 to 5.2 in 1998 and then to 4.8 in 2013.

The Togolese population estimated at 7,552,318 inhabitants in 2015, including 51.4% of women, 42% of children under 15 and 60% under 25 [Togo Population Outlook 2011-2031]. This population doubles every 24 years, a consequence of rapid population growth (2.84%). The youth aged 15 to 35 represent 33% of the total population, which is both an asset and a challenge.

This important youth, for lack of decent jobs, is exposed to social evils such as banditry, prostitution, delinquency, alcoholism, etc. Togo is also experiencing migratory movements that are reflected in particular by a rural exodus (especially to the capital Lomé) and a long-standing and significant international migration.

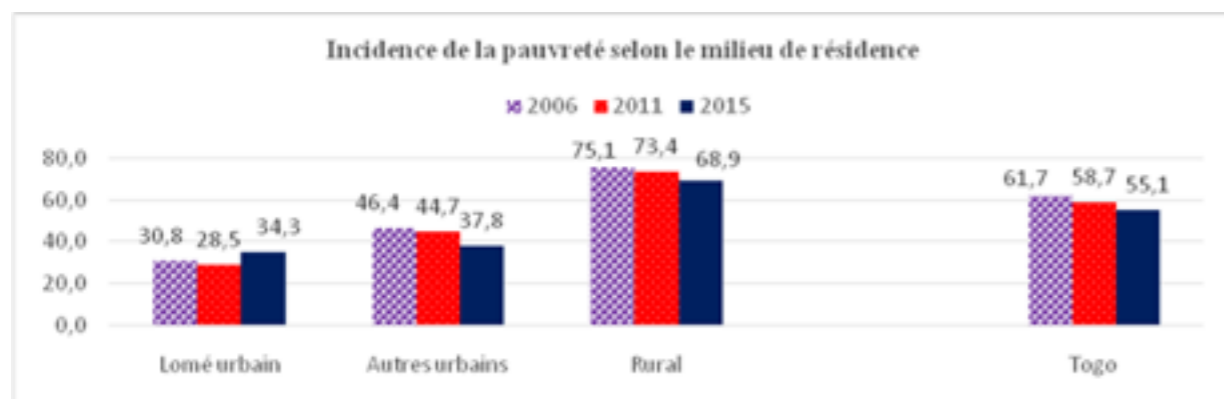
To take advantage of the demographic dividend, the major challenge is to ensure better human capital strengthening and better consideration of gender equity and equality. It will also be necessary to ensure that the population growth can promote the economic growth.

### 1.4.3 Monetary poverty and inequalities

The results of the 2011 and 2015 QUIBB surveys showed a decrease in the incidence of national poverty by 3.6 percentage points over the period. Indeed, the poverty rate decreased from 58.7% in 2011 to 55.1% in 2015. The fall in poverty is due both to the growth effect (by 2.2 points) and to the redistribution effect (by 1.4 points). In 2015, the poverty is more pronounced in rural areas (68.7%) than in other urban areas (37.9%) and Lomé (34.8%).

Over the period under review, the poverty increased by 6.3% in Lomé agglomeration and decreased in other urban areas and in rural areas by 6.8% and 4.7%, respectively. The increase in poverty in the agglomeration of Lomé is mainly due to the growth effect that made it grow by 7.8 points while the redistribution effect made it decrease by 1.5 point. In other urban areas, the decrease in poverty is due to the growth effect (by 5.3 points) and the redistribution effect (by 1.6 points). In rural areas, this decrease is mainly due to the growth effect (by 4.7 points) while the redistribution effect has increased by 0.9 points. Graph 5 below shows the trend of the incidence of poverty per place of residence over the period 2006-2015.

Graph 4: Incidence of poverty per place of residence, 2006, 2011 and 2015 (%)



Source: QUIBB 2006, 2011, 2015, INSEED estimates

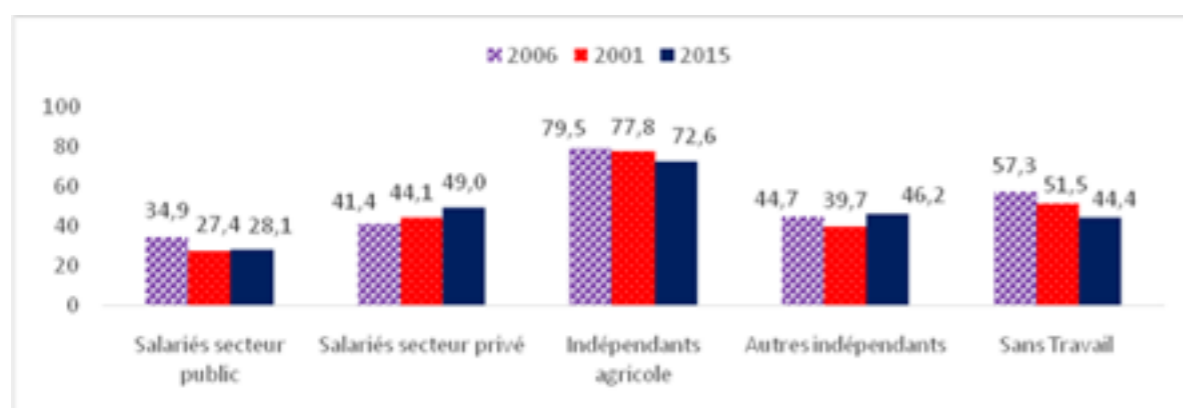
The extreme poverty, at the national level, decreased between 2011 and 2015 from 30.4% to 28.7%. However, in the agglomeration of Lomé, it increased from 4.6% to 13.7%, due to, among others, rural exodus, insecurity in the city and high unemployment rate (7.8%).

The poverty level has been reduced by about half from 41.6% in 2011 to 22.1% in 2015. This gap reflects an improvement in the situation of poor people which could result from the social inclusion measures undertaken by the government in favor of poor people.

According to the same source (QUIBB 2015), the incidence of poverty is lower in the male-headed households' category than in the female-headed households; it is 54.6% in the first group and 57.5% in the second group. However, the poverty of male-headed households decreased between 2011 and 2015 (from 59.6% to 54.6%) while that of female-headed households increased over the same period, from 54.3% to 57.5%.

The analysis of the incidence of poverty according to the different social strata shows that the agricultural self-employed record the highest poverty rate, despite the decrease recorded between 2011 (77.8%) and 2015 (72.6%). This decrease is due in particular to the significant investments made in the agricultural sector by the government. The public sector employees record the lowest incidence of poverty, at 28.1% in 2015. The private sector and other self-employed workers are the socio-economic groups in which poverty rates increased between 2011 and 2015 (44.1% to 49% and 39.7% to 46.2% respectively). Graph 5 below shows the trend of the incidence of poverty per socio-economic group over the period 2006-2015.

Graph 5: Incidence of poverty per socio-economic group



Source: QUIBB 2006, 2011, 2015, INSEED Estimates

The Gini index was 0.380 in 2015 compared to 0.393 in 2011 (see Graph 6). The decline in the Gini index reflects the decline in inequality that is partly explained by the government's actions in favor of poor people, through a series of programs initiated by the government in a participatory and inclusive<sup>22</sup> manner.

Graph 6: Inequalities trend 2006-2015



Source: CADERTD from QUIBB 2006, 2011 and 2015 data

To compare the results recorded, the best exit strategies from poverty, especially in rural areas, call for the modernization of agriculture and in order to increase the agricultural incomes, the need for equitable access to resources and their control both in the agricultural and informal sector, equitable access to quality basic social services, valorization and protection of natural resources.

The global challenge is therefore the promotion of human development in general and the eradication of poverty in particular through the empowerment and equitable participation of the various grassroots communities.

#### 1.4.4 MDGs and SDGs implementation in the social sectors

In general, Togo has made some progress in implementing the MDGs, and did not achieve all of them at the end of 2015. Significant progress has been made in terms of net enrollment ratio indicators in the primary education, gender parity in the primary education, access to drinking water and electricity, and fight against HIV/AIDS. However, only two out of 12 targets (16.7%) retained by the country were met. These concern MDG 1 target 1.C which aims at halving the number of people suffering from hunger (from 32.8% to 16.4%) and the target 8.F2 of the MDG 8 to ensure that the benefits of new technologies are provided to all (fixed land and mobile telephony penetration rate of 70.4% for a target of 60%).

In implementing the National Policy on Gender Equity and Equality (PNEEG), the government aims at achieving gender equality and women empowerment. The various actions carried out have made it possible to improve the school enrollment rate of girls, the literacy rate of women, the percentage of women MPs and ministers.

Major efforts are still needed in the areas of environment management, fight against unemployment (underemployment of young men and women), maternal and infant mortality, gender equity and equality and the access to sanitation services. It is important to underscore the negative impact of the late start of the implementation of the MDGs in Togo for the achievement of targets. In addition, there are weaknesses in the monitoring and evaluation mechanism and the statistical information system at the national and sectoral levels required to monitor the trend of indicators in real time. Other bottlenecks include the cumbersome national procurement process and insufficient national capacity. Learning lessons from the challenges in implementing the MDGs, the government intends to increase the mobilization of internal and external resources for the SDGs, strengthen the public procurement system and the capacity of the SDGs implementation

<sup>22</sup> These cover programs related to supporting communities for the management of their development, in a participatory and inclusive way. This approach is based on a paradigm developed by the government, focused on the access to the common vital minimum. Interventions are centered on building the capacities of grassroots communities, particularly in terms of planning, support for the establishment of community-based infrastructure, enhancement of local productive potential through support for the implementation of the income-generating activities, the promotion of social projects through programs such as school feeding, cash transfers and labor-intensive work. These initiatives are based on structures such as the National Agency for Basic Development Support (ANADEB), the Youth Economic Initiatives Support Fund (FAIEJ) and the National Volunteer Agency of Togo (ANVT), the National Employment Agency (ANPE), the National Fund for Inclusive Finance (FNFI) and programs such as PRADEB, PDCPlus, PAIEJ-SP, PN-PTFM, PSMICO, etc.

and monitoring bodies.

With regard to the SDGs, the efforts to eradicate poverty in all its forms have continued through the improvement of the living conditions of poor people in general and the most vulnerable people in particular. The social inclusion mechanisms have been strengthened (FNFI, projects for youth employment, etc.).

In the context of the eradication of hunger, food security and the promotion of sustainable agriculture, the government has been making significant efforts since 2008 in terms of investment and organization of the actors. To this end, since 2009, the country has recorded surpluses in cereals and tubers allowing it to export to the sub-region and therefore contributing to the improvement of the incomes of small producers.

In order to build a resilient infrastructure, to promote sustainable industrialization profitable to all and to encourage innovation, significant efforts have been made to invest in road, port and airport infrastructure and to promote the digital economy. The trade facilitation in Togo has changed significantly with the establishment of the Single Window for Foreign Trade (GUCE). The construction of a 250 km optic fiber network (e-government) has enabled the connection of more than 560 administrative buildings and more than 10,000 civil servants with a view to modernizing the administration and simplifying administrative procedures. The areas for the installation of the industrial sites of Adétikopé and Kpomé have been secured with designed master plans.

In order to preserve and sustainably take advantage of the oceans, seas and marine resources for sustainable development, the Government established in 2014 the National Agency for State Action at Sea (ONAEM), the objectives of which are specifically to preserve maritime interests, fight efficiently against insecurity in its maritime areas and develop the blue economy. Moreover, Togo pledged at the International Conference "Our Ocean, Our Future" to achieve two main targets for the elimination by 2022 of unreported and unregulated illegal fishing (UUI fishing) in the maritime areas under its jurisdiction; and by 2025, some pollution cases due to the degassing and discharge of effluents at sea. With regard to the protection of the coast, Togo is implementing an integrated coastal management and protection against coastal erosion. The coastline protected from coastal erosion has increased by 350 meters.

For the revitalization of the global partnership for sustainable development and the strengthening of the application means of this partnership, Togo is engaged in the implementation of the reforms aiming at mobilizing the internal and external resources for an economic emergence. The structural reforms led to the establishment of the Office Togolais des Recettes /Togolese Revenue Authority (OTR), a merger of the customs and tax authorities, which increase the State revenue. The development partners provided support to the development efforts of the country through the mobilization of external resources including budget support. To fully ensure the polluter pays principle, the consideration of environmental taxes and their integration into the tax base should be explored.

In addition, Togo is also working to attract more foreign public or private partners by putting in place the necessary reforms to improve the business environment, preserve the achievements of good macroeconomic management as part of a three-year program with the IMF, and to conclude the threshold program in negotiation with the Millennium Challenge Corporation (MCC). Since 2016, the government intends to deepen this momentum through, in particular, the consolidation of land management, the improvement of the offer and services of information and communication technologies (ICT), the promotion of investments in the water and energy sectors, accelerating the establishment of an appropriate legal framework for public-private partnerships and the promotion of active diplomacy for development.

In terms of prospects and in view of successful implementation of the SDGs, Togo is resolutely committed to addressing some major challenges related to the development of statistics, operationalization of decentralization and strengthening of monitoring-evaluation mechanisms by setting up planning and monitoring-evaluation agencies in line ministries.

## 1.4.5 Education-training

The education system in Togo has a general nature and is less professional. This makes the country have a skills gap. The main challenge is to design and implement the necessary reform of the education system with a focus on vocational and technical training, dual-type training as well as the promotion of apprenticeship. The reform should extend to curricula, including those related to environmental management and specifically those related to climate change and disaster hazards. The ultimate goal of this reform is to promote self-employment and employability which are fundamental requirements that can no longer be met by the current education system. It will also enable the learning of endogenous knowledge and the improvement of learners' skills in terms of good practice in climate change adaptation and mitigation and disaster prevention and management.

The adequacy between the job market and the vocational training is a challenge. In addition, improving the efficiency of education-training expenditure is another challenge that requires building the steering and management capacities as well as instruments for monitoring the expenditure (public expenditure reviews, budget program, etc.).

In response to these challenges, the government has continued the efforts to expand the education system by providing free primary education for all. The net enrollment rate increased significantly in primary education from 87.8% in 2009/2010 to 94.3% in 2014/2015. However, there are still important structural challenges in terms of quality and relevance of training. Almost 6% of a school-age children generation still does not have access to school, and nearly 23% of those with access drop out before completing the primary school. Similarly, the reduction of repetition and school drop-out (especially for girls), the improvement of the quality of learning and the equity in the steering and management of the system (deficiency of the teachers' allocation mechanism; mismanagement of resources) are also some challenges to address. The challenges also include the capacity to target and reach more rural children (girls in particular), from some administrative regions like Savannas and poor families.

Regarding the literacy and non-formal education, despite the interventions of the Government and civil society organizations, the adult illiteracy and the non-schooling of young people remain a daily reality, penalizing many individuals within the grassroots population. The illiteracy rate for individuals aged 15 and above is 36.7% (QUIBB 2015 Survey). This proportion of individuals does not have skills to access vocational training and quality apprenticeship necessary for entrepreneurship and employment.

With regard to the technical education and vocational training (TEVT), this sub-sector is still facing constraints related to the obsolescence of equipment and the lack of financial and human resources. The vocational training offer is insufficient and not adapted to the needs of the economy.

The higher education and scientific research, remains poorly developed. The sub-sector is facing several difficulties related to the massification of the students' enrolment, the dilapidated and inadequate reception facilities, lack of teaching facilities, lack of lecturers, and lack of financial resources (0.15% of the state budget for a target of 1%), etc. These difficulties affect the quality of the teaching and the internal and external efficiency of the courses. The research results are less competitive, and the subsector is characterized by poor innovations and progress. The government is aware that the research and development is a priority area and must be encouraged and supported in Togo to make it a lever for economic growth.

In total, a structural transformation of the national education system is crucial to provide the nation with the quantity and quality human resources needed to transform the economy. This should go through: the (i) increase of the educational offer while ensuring its quality, (ii) reversal of the tendency of predominance of the general education for the benefit of TEVT, (iii) strengthening the social services provision to pupils and students; (iv) strengthening funding for universities, technical and vocational training centers and university and scientific research; and (vi) strengthening the reception facilities.

## 1.4.6 Health/nutrition

The challenge of the availability and employability of human resources adapted to the needs of the national economy requires, in order to achieve universal health coverage, a significant investment in human capital, on the one hand, to improve the quality and the quantity of the health services delivery, to reduce regional inequalities of access to health and to strengthen the support and preventive measures of all forms of malnutrition and, on the other hand, improve the financial accessibility of the populations to health care. The efforts must continue to reduce the still high share of the households in the total health expenditure, which according to the health reports were respectively 58.27% in 2010, 54.42% in 2013 and 53.15% in 2014<sup>33</sup>.

To achieve this, the government has begun to bring health care closer to the communities through the rehabilitation, construction and equipment of health facilities. It has developed free initiatives and targeted grants. In addition, it has initiated the sector reform aiming at increasing interventions in the poorest areas and among the poorest and most vulnerable populations by redirecting the resources towards the implementation of high-impact interventions on the population health.

This reform and the measures of gratuity have produced significant results in terms of:

- Reducing infant mortality; in fact, the infant mortality rates have moved from 78 (MICS4) to 49% live births in 2014 (EDST-III) and infant-juvenile from 123 to 88% during the same period;
- Fighting against HIV/AIDS (prevalence of 2.5% in 2015 compared to 3.2% in 2010);
- Fighting against tuberculosis (incidence of 58 per 1000 inhabitants in 2014 compared to 64 in 2012);
- Fighting against malnutrition with a prevalence of underweight children under 5 from 16% in 2014 compared to 26% in 2006.

The private health care sector is poorly regulated, especially in terms of the geographical location, and is not always taken into account in planning service delivery. The uncontrolled development of informal private practice is fueled by unemployed graduates, public sector workers, and even people without any real expertise, the persistence of several public drug distribution channels, and the lack of control over compliance with service quality standards and procedures.

In view of this analysis, the government of Togo is aware that the health system does not fully meet the expectations of the population in terms of health care and health coverage. It intends to make the health system an important contributor to the development of human capital for growth. Optimizing the management of public health and hospital facilities, in particular, controlling the cost of services, improving the attendance of health facilities and the quality of services at all levels, as well as the implementation of the National Strategy for Health Financing to Universal Health Coverage (SNFS-CSU) are the main challenges for the coming years. The health financing is essential to create favorable conditions for strengthening the reform of the national health system, particularly that of hospitals (modernization, efficiency in management, performance). Finally, the challenges related to the uneven distribution of health infrastructure and the shortage of staff, particularly in rural areas, need to be addressed to improve the health condition of rural populations.

## 1.4.7 Youth employment

The outcomes of the recent QUIBB survey indicate a decrease in the unemployment rate from 6.5% in 2011 to 3.4% in 2015. These outcomes contrast those on the underemployment rate which increased from 22.8% in 2011 to 25.8% in 2015, therefore highlighting the precarious nature of the jobs created over the period. In general, employment remains dominated by the informal sector, which accounts for nearly 70% of jobs. With regard to youth in particular, their unemployment and underemployment rates over this period were respectively 8.1% and 20.5%. In 2012, it was estimated at more than 31,500 labor youth between the ages of 15 and 35 that enter the labor market every year.

Depending on the place of residence, the agglomeration of Lomé records the highest unemployment rate at 7.8%, significantly higher than the record in other urban areas (3.5%) and rural areas (1.3%). According to gender, men (4%) are more exposed to the unemployment than women (2.7%).

Employment is a concern for the government because of the growing gap between the growth of the labor force and the jobs created, and the short-term weakness of the economic system to generate sustainable, productive and decent jobs. To address these constraints and provide adequate solutions to the crucial issue of the increasing unemployment and underemployment, a national employment policy and a national strategic plan for youth employment (PSNEJ) were adopted in 2014. Similarly, a national coalition for youth employment (CNEJ) was set up. The strengthening of employability and the reduction of youth underemployment, the promotion of entrepreneurship, the improvement of the coordination mechanism, constitute the main focus areas of PSNEJ.

As a result, six (6) major objectives guide the Togolese government's efforts to promote youth employment. These include: (i) improving the institutional framework and the macroeconomic environment to make them more conducive to promoting youth employment, (ii) putting in place an efficient information and reliable data collection system on the labor market and impact of targeted youth employment initiatives, (iii) improving the technical and vocational training offer to break the vicious cycle training-employment, unemployment and underemployment mismatch, (iv) supporting the creation and development of SMEs by young people in the formal economy; (v) increasing young people's access to credit and technology to develop viable and sustainable self-employment and entrepreneurship activities; and (vi) building a coherent and dynamic partnership framework between public facilities and the private sector around the issue of youth employment.

The government's efforts in this sector are based on the recognized need for measures and programs to improve youth employability and facilitate their empowerment. In addition to institutional support mechanisms for young people (National Employment Agency (ANPE), National Volunteer Agency in Togo (ANVT), Support Fund for Youth Economic Initiatives (FAIEJ) and National Fund for Inclusive Finance (FNFI)), these efforts reflect the increased targeted employability and support initiatives for the development of the entrepreneurial culture and the creation of SMEs by young people. These include the Togo National Volunteer Program (PROVONAT), the Integration Support and Employment Development Program (AIDE) and the Grassroots Development Support Program (PRADEB), the Support to Employability and Youth Integration in Promising Sectors Project (PAEIJ-SP), Young Professionals Integration Support Project (PAIPJA), National Program for the Promotion of Rural Entrepreneurship (PNPER), Vocational Training and Youth Employment Program (PROFOPEJ), etc. The implementation of the various programs and projects has enabled the country to achieve important results in terms of reducing the youth unemployment rate and strengthening the empowerment and entrepreneurial skills of young people in Togo.

Indeed, between 2013 and 2017, the actions undertaken as part of the promotion of entrepreneurship made it possible to train more than 60,000 young people in micro-enterprise creation and management techniques with the creation of 7,000 small and medium-sized enterprises that have helped create nearly 40,000 sustainable jobs. In addition, more than 250,000 temporary jobs were created over the same period for women and youth through high-intensity work led by ANADEB and projects such as PDC, PDC-plus, etc.

Over the same period 13,500 young people were mobilized and deployed as national volunteers throughout the country. In all, the government has remained very committed to the social front and is aware that the fight against unemployment and underemployment (especially that of young people and women) remains a major challenge. In this respect, the promotion of youth has not only an economic dimension but also a social, cultural and political dimension and is a source of progress, political stability and peace.

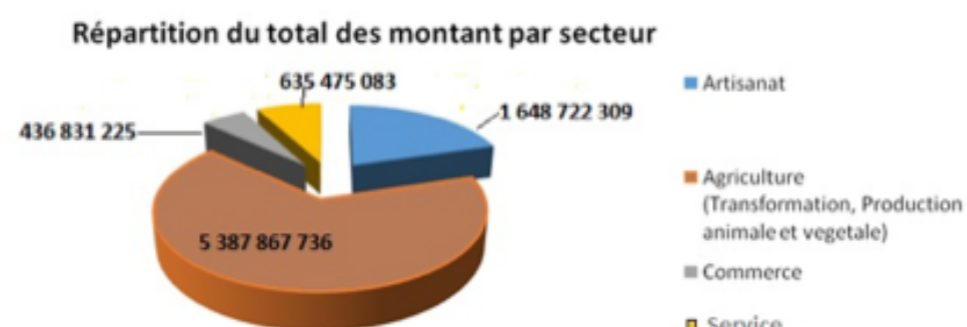
The graphs below summarize the efforts to finance youth employment and job creation.

<sup>33</sup> According to the WHO estimates the direct household health expenditure should not exceed 15-20% of the total health expenditure in order to minimize the incidence of financial disaster and household impoverishment (WHO, Report on world health, 2010).

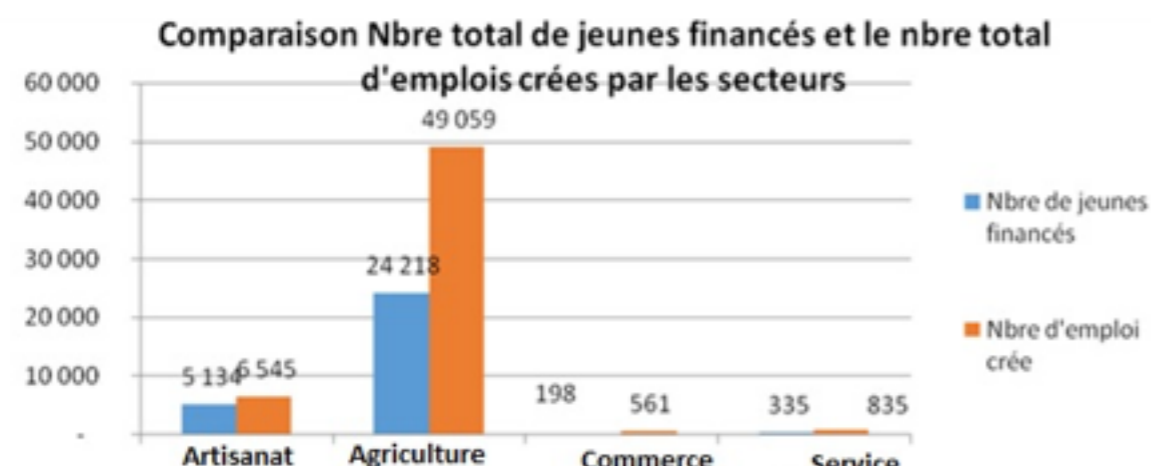
Graph 7: Distribution of the total amount in all sectors and per region



Graph 8: Distribution of the total amount per sector



Graph 9: Comparison of the number of youth funded and the number of jobs created per sectors



As part of its vision of working to build a new type of young person with republican values, responsible, autonomous and able to support himself by counting on his/her own potential, the government has adopted since 2007 a National Youth Policy (PNJ) intended to integrate the youth dimension into all the development projects and programs at the country level. The creation of a National Youth Council (CNJ), the setting up of socio-educational facilities (youth centers and houses), the education to active citizenship and the prevention of social evils, are among others the orientations of the PNJ.

Several programs and projects have been initiated and implemented to ensure effective socio-educational supervision of young people and enable their participation in public life, decision-making and peace-building. In this dynamic, several frameworks for dialogue and consultation with young people were organized, including a national forum in 2011 and 18 regional fora respectively in 2013, 2014 and 2016. In total, more than 4,000 young people attended these meetings focused on the promotion of civic values, citizenship, peace and social cohesion, entrepreneurial culture, youth involvement in achieving the SDGs, etc.

Through these programs and projects, the Togolese government has demonstrated its determination to leverage on the youth to mobilize energy and promote the development of the country.

Although significant progress has been made in promoting youth and creating employment opportunities, the government is aware that there are still significant challenges.

The ambition of the government is to create the enabling conditions to ensure the empowerment of young people and women and to foster the emergence of a responsible Togolese youth, full of the values of peace, solidarity and strongly committed to the sustainable development of their country.

That is why the government intends to continue taking action to: (i) intensify the social inclusion and economic integration of all the categories of young people, (ii) establish a permanent framework for dialogue with young people favoring development of citizenship, accountability and empowerment of youth, (iii) extend opportunities and promote massive job creation around value chains in the promising sectors (agriculture) through entrepreneurship training and facilitation of increased access to funding for young people, (iv) continue to strengthen and improve the socio-educational framework and youth development through the establishment of youth houses and centers and (v) ensure an inclusive framework for coordinating actors and interventions, monitoring-evaluation and information.

Regarding the specific issue of employment, initiatives will be developed to gain a more precise idea of the gaps by conducting a rapid collection of information on the skill needs for the coming years in the growth poles (per business and per gender responsive skill type). Consultations will continue with the private sector on the establishment of joint programs to fill these gaps. To these measures the impact of which might not be felt in the short term, more proactive initiatives should be combined exploring all the possibilities of integrating young people and women into the labor market. In this regard, an assessment of the ongoing programs impact would be needed to draw lessons therefrom.

#### 1.4.8 Gender Equality and Women Empowerment

The country's vision of gender equity and equality to make Togo an emerging country, without discrimination, where men and women will have the same rights, chances and opportunities to participate in its development and enjoy the benefits of its growth, has resulted in various interventions.

Therefore, the principle that "men and women are equal before the law" provided in Article 11 of the Constitution is achieved through various interventions combining the strengthening of the legal and institutional framework and the implementation of various strategies aiming at reducing gender inequalities and empowering women at all levels. The National Equity and Equality Policy (PNEEG) was adopted in 2011 with the aim of strengthening the gender integration in the development management.



The double review of the Code of Persons and Family in 2012 and in 2014 made it possible, among others, to define the same nuptial age for both sexes and to restore equality between the spouses by allowing them to take on moral and material responsibility together in the common interest of the household and children (Article 99). This provision that removes the status of the head of the family devoted for a long time to the husband resulting in an equal right to male and female officials as far as the tax benefits are concerned. In addition, the new code establishes custom as an exception rule in matters of inheritance when it is consistent with human rights and fundamental principles of the constitution (Article 403), thereby improving the social and cultural status of women.

The Penal Code, revised by Law N°2015-10 dated November 24, 2015, takes into account the provisions of the Children's Code, reinforces the legal protection of women and girls by providing for specific provisions on genital mutilation, rape, pedophilia and any forms of violence against women. According to its Article 232 "are considered as violence against women, all acts of violence directed against female persons that cause or may cause them physical, sexual, psychological or economic harm or suffering".

However, despite the strengthened legal framework, the rights violations and violence against women and children persist. According to the EDST survey (2013-2014), nearly three (03) out of ten (10) women, that is, 29% have been physically abused since the age of 15, about one out of ten women (11%) reported to have experienced sexual violence at any time in their lives. In addition, 13% of girls compared to 0.6% of boys aged 15-19 were already in a union in 2014. Early and unwanted pregnancies affect 17% of teenagers aged 15-19<sup>4</sup>.

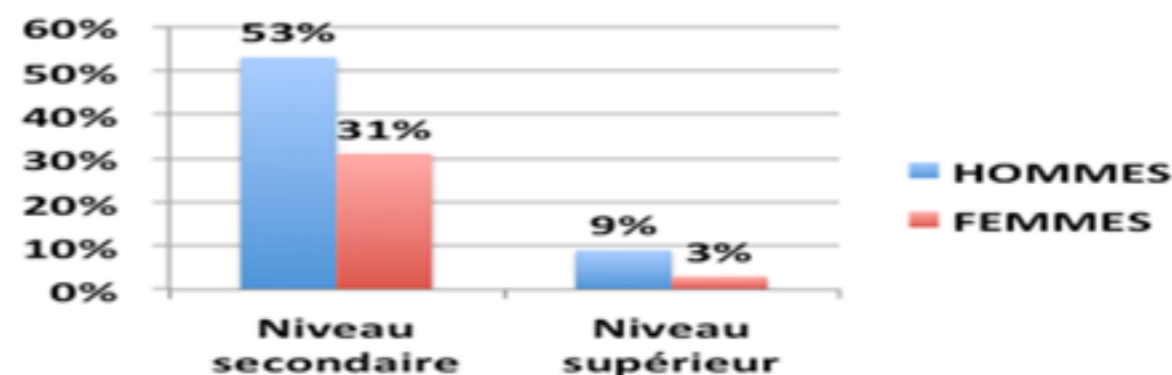
With regard to women's participation in the governance, the 2012 Election Code revised by the 2013 Law has incorporated exceptional measures to improve women's participation. The guarantee of women candidates for the legislative elections was reduced by half. The principle of parity of the lists of candidates for parliamentary elections is provided for in Article 220 Paragraph 5 to concretize the political will of the Head of State expressed in his speech to the nation in December 2012.

The proportion of women MPs increased from 11.1% in 2013 to 18.7% in 2015. In the government, in 2018, women ministers represent 23.07% compared to 76.93% of male ministers. According to the Public Administration Staff Survey (2017), the women civil servants make up 19.30%, compared to 80.7% of men.

In addition, the contribution of Togolese women to the national development through their multiple roles in production, reproduction and community life is undeniable. 74.6% of working-age women (15-64 years) are active compared to 79.1% for men. They are mostly in agriculture and represent 51.1 of the agricultural population<sup>5</sup>. They are very present in the trade at a proportion of 24.2%.<sup>6</sup>

But they have limited productivity and limited access to income since they have low access to the formal sector that is more profitable and more lucrative. Disparities are also observed in education where women and girls, especially at the secondary, higher and vocational levels, are in reduced numbers. Although parity is practically reached in primary school, women are in a very few number in the secondary education and even less in higher education. At these last two levels, the difference between men and women is still very high (see Graph 11 below). According to the 2013-2014 EDST Demographic and Health Survey, less than a third of women have secondary education level, while more than half of men have the same level. Moreover, the proportion of men with university level is 3 times higher than that of women.

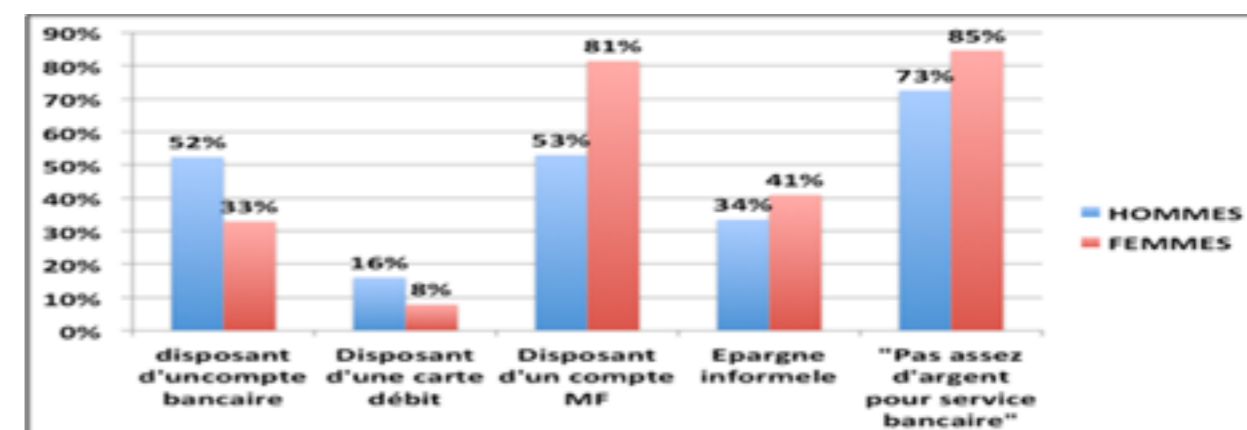
Graph 10: Proportion of secondary and Higher School Enrollment



Sources: INSEED, EDST III (Demographic and Health Survey, 2013-2014)

In addition, the limited accessibility and production factors necessary for profitable entrepreneurship (including land and finance, technology) also affect their productivity and contributions to wealth production. They work and operate mainly in the informal sector. According to the 2013-2014 EDST survey, only 20% of women between the ages of 45 and 49 own land. Women's access to credit, especially bank credit, is very difficult because of the lack of guarantees and the riskiness of the informal sector. According to the survey conducted by INSEED in 2015 (see Graph 12 below), women mainly resort to microfinance. The latter mainly finances the cooperatives and can only cover micro-projects at effective interest rates that are often too high.

Graph 11 : Access to funding



Source: INSEED (2015), Mobile Phone Survey

As a remedy, the government has put in place programs to enable the economic empowerment of women and youth from all regions of the country. These include the National Inclusive Finance Fund (FNFI) and the Youth Economic Initiatives Support Fund, which provide easy access to credit with microfinance institutions as well as training in entrepreneurship and financial education.

The FNFI has reached 706,330 beneficiaries with all the three products in terms of the number of people covered. Indeed, from April 14, 2014 at the actual launch of FNFI activities until the end of December 2016, the APSEF product covered in total 540,787 beneficiaries. AGRISEF accounts for a total of 152,188 beneficiaries and AJSEF 13,355 young people. By taking into account the credit renewals namely: 213,725 in 2015 and 237,513 in 2016, for a total of 451,238 renewals we obtain a total amount of CFAF 1,157,188 for micro-credits granted through FNFI products. Since 2017 the fund beneficiaries are entitled to health insurance (FNFI insurance) in collaboration with the Ministry of Health and Togo Cellulaire.

With regard to multifunctional platforms, a total of 159 were installed during the period from 2013 to 2016. They fully meet the needs of isolated and vulnerable rural communities in terms of energy services and bring about positive economic

<sup>4</sup> Demographic Health Survey, 2013-2014

<sup>5</sup> Agricultural population Census, 2013

<sup>6</sup> QUIBB, 2015

and social changes in the beneficiary communities.

These interventions are in line with the Sustainable Development Goals (SDGs) 1, 5, 7 and 8. The constitution and financing of Economic Interest Groupings (EIGs) through the various programs have contributed to reducing the vulnerability and precariousness in rural areas.

In view of the situation described, the policies to reduce gender disparities and inequalities require strengthening the access of populations, particularly women to national solidarity mechanisms, and building national capacities in the area of literacy and non-formal education, and enhancing women's participation in the development process by empowering them economically and by encouraging their leadership.

In this context, aware of the persistence of the gender inequalities that does not favor the little contribution of all the social groups, especially women and youth in the creation of national wealth, the Government undertakes to pursue actions aiming at (i) enhancing the social position and potential of women in the family and community, (ii) increasing the productive capacity of women and their income level, (iii) improving the equitable access of women and men to social services, (iv) ensuring equitable access of women and men to productive means and economic opportunities, (v) ensuring the equal exercise of the civil and political rights of women and men, (vi) building national capacities to fight against gender-based violence.

### 1.4.9 Promoting social housing

The issues of social housing, promoted by the public or private sector, are today one of the core issues of land-use planning, economic development, social cohesion and the quality of life of Togolese people. In practice, the social housing is primarily a vector of populations stabilization throughout the country where very often the net migration, especially of young people, is very deficient compared to the regions inside the country. It is also a residential mobility vector offering a wide range of responses in the different regions of Togo and allowing living and housing at acceptable costs. It is also a social buffer on each of the regions while completing the private rental housing, addressing people with modest means, especially in urban centers. The social housing is an essential and sustainable actor in the economic life because it helps maintaining or creating jobs for construction companies. Finally, it is a tool for controlling urban spread, preserving spaces and heritage.

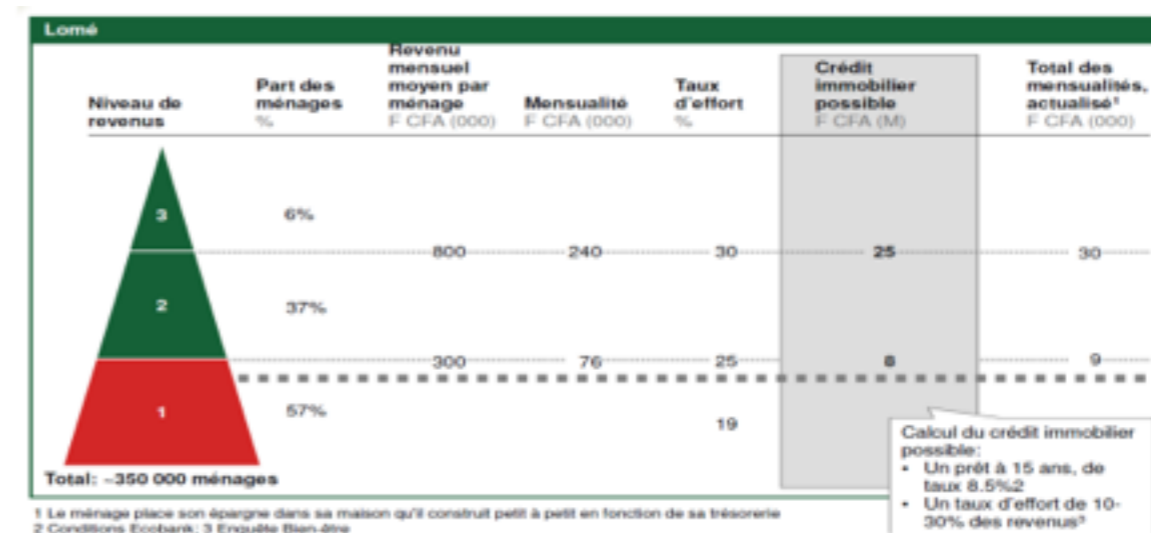
The data on the social housing issue essentially take into account the population and the trend of urbanization. According to the projections of a study "Demographic Outlook", carried out by INSEED (2015), the Togolese population in 2017 would amount to 1,167,600 inhabitants. According to the same report, this population would reach 8,104,000 inhabitants in 2022 and 9 million inhabitants by the year 2027 (RGPH 4). This latest census reveals a very young Togolese population. The average density is now around 82 inhabitants per km<sup>2</sup>. But the average densities hide very strong imbalances in the human occupation of the space. Due to historical circumstances, natural and economic factors, some areas such as the Southeast (Districts of Lakes and Vo), The District of Golfe, Kabyè and Moba areas are densely populated while others like the plain of Oti, East-Mono and North of Adele are poorly populated.

According to the results of the RGPH4, the urban growth rate was 4.5% per year, all urban areas included and 5.0% for Lomé, the capital. With such a growth, the urban population in the total population which was one (1) Togolese out of 4 in 1981 would increase from 1 to 2 in 2027. The urban population would hover today, around 1,779,000 inhabitants of which 1,136,000 would reside in Lomé and its surrounding suburbs, that is, about 64%.

The housing sector is today characterized, in Togo, by the absence of facilities dedicated to land development, production and financing of social and economic housing. It is equally important to note that the legislative and regulatory framework for planning and construction is also lacking with clear policy directions for housing. The consequence is the inability of households to access decent housing. According to estimates made by the Economic Unit of the Presidency of the Republic, in Lomé, for example, more than half of the households do not have access to formal housing, or about 57%

of households for lack of high access capacity to real estate credit due mainly to a modest income but also very often because of the absence of a land title, an issue to be considered later in the following lines. The consequence is that the typical household is obliged to invest their savings in the construction of their home step by step.

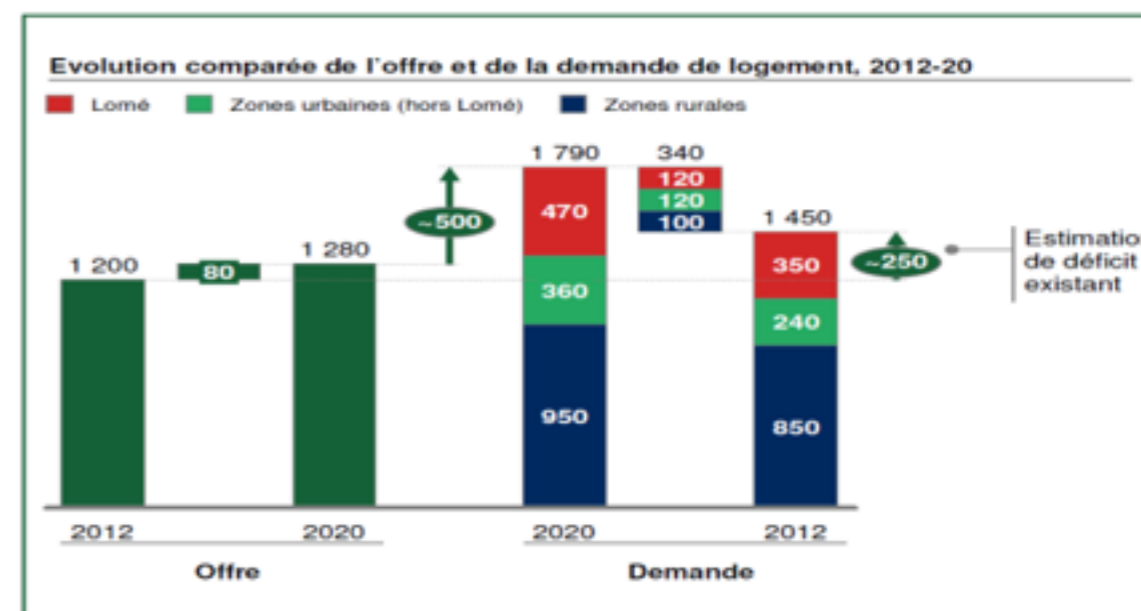
Graph 12: Distribution of households per income and per potential to access real estate credits (thousands of CFA F)



Source : Internal report of the cabinet of the Presidency of the Republic

However, the established conclusion makes it possible to understand that the role of the Government, through its administrations, is at the source of the main bottlenecks related to the land and the promotion of the real estate, because of the deficiency of the key procedures. Without a real reform of this framework, it will not be possible to trigger a real development of the sector by the market. The consequence is that today the housing offer is limited by a fragmented ecosystem and dominated by the self-promotion. A study conducted in 2015 revealed a deficit of nearly 500,000 decent housing by 2020 nationwide.

Graph 13: Comparative evolution of the housing offer and demand in Togo (thousands)



Source: Internal report of the cabinet of the Presidency of the Republic

Lots of challenges are to be addressed to this end :

- use the housing program to promote the sustainable development of the territory;
- promote the access of the most vulnerable to decent and affordable housing;
- establish land or real estate reserves for the purpose of building social housing; and
- use social housing as an economic driver.

#### 1.4.10 Access to energy services in rural areas

The government has focused on promoting large-scale electrification in rural areas and improving street lighting. The electrification is effective for all the region chief towns and the district chief towns. Despite these efforts, the electrification rate in rural areas remains low and a major concern (6% in 2016).

With regard to renewable energies, the political orientations have been defined. This source of energy is left to be developed.

The mini-hydropower, despite its high initial capital cost, is one of the cleanest and most suitable sources of electricity for rural areas. The current main use of potential hydropower is focused on the Mono River. In 2010, the only source of small hydropower connected to the grid is the small plant of Kpimé with an installed capacity of 1.6 MW. It accounted for 1% of electricity demand. There is therefore an urgent need to develop small hydropower plants for the electricity supply especially for rural areas and remote communities.

The biomass is abundant and can be used for the production of biogas for domestic or public use. The waste recovery is good progress.

The wind power, which is very profitable in production, is at its experimental level (pumping underground water). The government needs to embark on a development program of this source of energy.

To reduce the rural energy deficit, the government launched a solar electrification project on December 3, 2017 with the support of the AfDB for \$ 975,000 in partnership with the private British company BBOX. This project aims at providing light for 2 million citizens, that is, 300,000 households in Togo by 2022.

In this sector, the government is facing enormous challenges, including the (i) determination of the potential for generating electricity from economically relevant renewable sources of energy (in particular hydro); (ii) search for external financing available to support the setting up of networks; and (iii) guarantee of the projects sustainability through an integrated management provided by a mandated operator (CEET) and an adequate economic equation (pricing, subsidies, etc.).

#### 1.4.11 Access to drinking water and sanitation

The situation of the water and sanitation sector is characterized by:

- relatively abundant water resources but threatened by pollution, overexploitation, degradation of the enabling environment. In addition to these problems we have a poor knowledge of these resources, a poor management framework and the effects of climate change;
- limited access of populations to drinking water services due to insufficient investments for infrastructure development, poor maintenance and repair, and failure to achieve financial balance. In fact, the access to drinking water is limited to 61.8% of the population (45.1% in rural areas and 80.3% in urban areas-QUIBB 2015). In rural areas, the failure rate on boreholes equipped with human-operated pumps (PMH) is 12% (MAEH activity report 2016) linked to the poor support system. In addition, there is a poor monitoring of the quality of water and facilities and the low

recovery rate (83% TdE 2016 activity report) of the bills. To improve the performance of the drinking water supply and sanitation sub-sector (DWSS) in semi-urban areas, a new institutional model was set up in 2014 (concessionaire/manager model with SPEAU as concessionaire and the TdE as manager). However, it hardly produces the expected effects due to non-clearance of debt and receivables of TdE (CFA F10 billion) accumulated for more than 10 years and non-appropriation of contracts.

- inadequate planning tools and wastewater, rainwater and excreta disposal facilities. In fact, in terms of rainwater sanitation, only 7 cities (Lomé, Tsévié, Notsè, Atakpamé, Sokodé, Kara and Dapaong) have sanitation master plans. That of Lomé, constructed since 2004 requires an update. In terms of sewage disposal, only Lomé and Kara have an embryonic network. Moreover, the wastewater is discharged into the streets and wastelands. According to the QUIBB 2015 survey, more than six out of ten households (67.5%) dump sewage directly into the nature and 25.1% into the street. In urban areas, 43.4% of the population continues to dump sewage on the street. Only 7% of the population use wastewater treatment facilities for an MDG target of 50%. Regarding the access to basic hygiene and sanitation services, 13.5% (EDST3 2014) households used an improved latrine at the national level. This rate hides disparities depending on the area of residence. It is 27.8% in urban areas compared to 4.8% in rural and semi-urban areas. Nature is still the most common type of comfort for 54.5% of households (EDST3 2014). The evacuation of sludge is also made in the nature without prior treatment.

In view of the above analysis, the main challenges in the water and sanitation sector include: (i) better knowledge and management of water resources; (ii) mobilization of resources for financing the sector; (iii) increased access of people to drinking water and sanitation services; and (iv) organizational capacity building.

#### 1.4.12 Social protection

The national social protection system is facing several constraints that include:

- absence of a solidarity charter which materializes a willingness and a great availability of mutual aid that have always characterized the Togolese society;
- absence of a universal old-age pension as part of the implementation of the national social protection floor;
- heavy weight of the informal economy which reduces the potential of financial resources for the contributory systems, particularly to the detriment of more women in this sector;
- financial difficulties and major structural challenges facing the only two agencies (CRT and CNSS) that manage the contributory distribution schemes (and not capitalization);
- low Universal Health Coverage (UHC) that is not extended to all the Togolese households.

The big challenge for the government is to put in place a national social protection floor that strengthens social inclusion mechanisms.

Although the percentage of the population benefiting from health insurance has increased significantly in recent years, from 1.0 % in 2011 to 8.4% in 2017, the vast majority of the Togolese population continues to bear, through the direct payment, their health expenditure and therefore incurs risks of expenditure that are difficult to sustain and that may increase their vulnerability. In fact, according to the health reports, 40.2% of households resorted to direct care payments in 2014, compared to 48% in 2010. This decrease is largely due to the introduction in 2011 of the mandatory health insurancescheme, managed by the National Institute of Health Insurance (INAM), for the benefit of public sector employees, including the central administration, local communities, state agencies with autonomous budgets and retired employees of the sector. Therefore, the health insurance only covers public and formal sector workers. The farmers and workers in the informal sector are not covered.

However, the government recently launched a health insurance project that covers nearly two million students since

<sup>7</sup> Coverage provided by INAM, social insurance companies and private insurances

the start of the school year 2017-2018 for an initial investment of nearly CFA F 2 billion. School Assur is a free insurance project that covers the health and civil liability risks of each student during his/her education. The Government is in partnership with the private insurance companies that will be responsible for implementing this project

In terms of retirement, only 18.75% of all the old persons receive a pension from CRT and CNSS<sup>8</sup>. These funds are the two main social insurance management organizations for pensions, disability and other benefits for public service employees (CRT) and for private sector employees and other categories of public employees (CNSS). However, they face financial difficulties and significant structural challenges.

The non-contributory component of the social protection consists mainly of social safety nets programs that cover the poor and vulnerable against shocks, including: (i) cash transfers, which covered only two regions in 2017; (ii) transfers in kind, including school canteens, nutritional supplements, food aid; (iii) creation of temporary jobs through labor-intensive public works; and (iv) exemptions from service fees, such as subsidies and free health services (cesarean section, obstetric fistula for women, care for children under 5 and ARVs, etc.) or education (school insurance, free primary school fees).

The monetary social transfers have been introduced since 2014 with the implementation of a pilot program under the second phase of PDC. The objective of the program is to improve nutritional status, health and respect for children's rights. They target pregnant women of at least 3 months, all the mothers or guardians of children aged 0 to 24 months, all the mothers/guardians of a child under 5 suffering from severe acute malnutrition in Kara and Savannas regions.

In-kind food transfers target the areas affected by emergencies, food insecurity, or high density of the poorest facing basic food difficulties. The food transfers provide malnourished people or vulnerable to malnutrition with nutritional recovery tools. The main programs carried out target people affected by HIV/AIDS and children at high risk of malnutrition. The school canteens are a safety net that can help relieve extreme poverty and food insecurity in rural and remote areas and increase school retention. Only 6% of schools were covered in 2016.

The Labor Intensive Work Programs (THIMO), introduced in 2011 in response to the economic crisis to generate temporary incomes and improve infrastructure in the poorest regions, have already covered about 15,000 unemployed or underemployed rural youth.

The social action services for vulnerable groups form part of the social safety nets the support of which often goes beyond in-kind transfers and involves more comprehensive services, such as counseling, institutional placement, legal assistance and monitoring of high-risk vulnerable groups. In this context, MASPFA assists with food and pharmaceutical supplies, particularly for PLHIV and OEVOVC (Orphans and Vulnerable Children).

Most of the programs have low coverage levels. The two programs with significant coverage are free school and the cereals price subsidy program. The amount of benefits per beneficiary varies from program to program. The nutritional recovery program involves a high cost per beneficiary, indicating the intensive nature of the intervention. The free tuition has a broad coverage and low cost per beneficiary.

The policies and programs related to the protection of vulnerable workers and the promotion of access to employment for vulnerable groups promote employment and productivity, particularly among the youth and other groups at-risk to be excluded from the labor market. The labor and employment programs that address social protection issues include labor market laws and regulations for the protection of workers, initiatives to upgrade the skills of those who are most at risk of exclusion, or individuals fired by certain companies or sectors, income-generating programs for the business development by poor and vulnerable people, programs to eliminate hazardous work and abuse, especially among children. For particularly vulnerable groups, the focus is on the old people, persons living with disabilities and people living with HIV.

<sup>8</sup> Evaluation Report of the social protection system 2017

Old people: Old people are vulnerable because they are primarily dependent on their work history and family. Togo does not have an old-age pension allowing this category of the population to meet its needs. The introduction of a universal old-age pension, as an element of implementation of the national social protection floor, presents itself as a major challenge.

People living with disabilities: The outcomes of the QUIBB 2015 survey indicate that 2.2% of the population is made up of people with disabilities compared to 1.5% in 2011. Within this proportion, people with disabilities in the lower limbs are the most numerous with a proportion of 34.2% followed by the Blind/visually impaired (15.6%), mentally ill (11.1%) and the upper limb (8.8%). The other types of disability account for 25.6% of this subpopulation of persons living with disabilities. To reduce their vulnerability, the government has set up infrastructures, equipment and special training that deserve to be strengthened both quantitatively and qualitatively. The positive experimentation of the inclusive education in the Savanna and Kara Regions deserves to be extended to other regions of the country.

People living with HIV/AIDS: The HIV/AIDS remains a vulnerability factor both in terms of impact on the extreme precariousness of infected and affected people and its impact on the capacities of the affected people. At the epidemiological level, the PLHIV account for 121,000 in number in 2010 compared to 110,000 in 2015 (UNAIDS). The number of orphans and other children made vulnerable by HIV (OEVOVC) is estimated at 66,000 in 2010 and 68,000 in 2015. In view of the laudable efforts of the government with the support of the development partners, it is important to accelerate the strengthening of the support policies.

With regard to the child protection, Togo has in place a legal and institutional mechanism favorable to the child protection. These include international and national legal instruments as well as coordinating bodies for child and adolescent protection interventions. The progress achieved through that mechanism and other specific programs in their favor is tangible through improvements in education and health.

Despite these achievements, the children and adolescents (girls and boys) including children living with disabilities face many deprivations. Therefore, 84.2% of children aged 0 to 17 years suffer from at least one deprivation in the different areas of their well-being namely nutrition, health, water, sanitation, housing, protection against violence, information and education, while 36.5% suffer from at least 3 out of the 6 deprivations.

The deprivations suffered by children and their vulnerabilities are mainly attributable to the poverty of parents (60.4% of children live in poor households in 2015), to some harmful socio-cultural practices, to the erosion of family and community mechanisms of child protection (31% of the children do not live with their biological parents [EDST 2013-2014]) and to some natural deficiencies.

The characteristics of these deprivations are reflected in the (i) non-registration at birth, (ii) child labor, (iii) child mobility, (iv) violence and abuse, (v) street children, (vi) early marriages, (vii) female genital mutilation and (viii) children in conflict with the law.

To address these challenges that affect the well-being of the children (girls and boys), the government intends to implement, monitor and evaluate coordinated actions taking into account the local context and the effective participation of communities. They include: the (i) legal and institutional framework for the child protection, (ii) prevention of all the vulnerability situations, (iii) support to vulnerable children (girls and boys) and (iv) social safety net programs for the most vulnerable children through their parents or foster families.

#### 1.4.13 Sports and leisure

The sports and leisure sector is characterized by insufficient international standards infrastructures and equipment for grassroots sport, for all, mass, high level and healthy leisure activities. The lack of qualified human resources, investments and the organization of leisure activities are also a handicap to allow sports and leisure to play their roles as vectors of

social cohesion and health maintenance.

Other factors constitute some threats to the sector. This is the absence of regulations defining the structuring, attributions and operation of the external services.

## 1.5 ENVIRONMENT MANAGEMENT

The strategic objectives pursued by the government in the Environment, Sustainable Management of Natural Resources and Living Environment program include (i) maintaining the environmental services of ecosystems and preserving biodiversity, (ii) ensuring the sustainable land management, (iii) fighting against climate change, (iv) ensuring efficient disaster management, (v) ensuring the sustainable management of the coastal zone, (vi) ensuring the sustainable management of the living environment, (vii) ensuring the management of the environment and the transition towards the green economy.

To achieve these goals, actions are being taken by the government to (i) reduce the anthropogenic pressure on forest resources; (ii) further secure the state's forest estate, involving men and women equitably; (iii) promote good practices in terms of climate change adaptation, sustainable land, forest and water management; (iv) make of rural development a priority that integrates agriculture, forestry and livestock; and (v) preserve and sustainably take advantage of oceans, seas and marine resources for a sustainable development.

### 1.5.1 Natural Resources Management

**In the context of reducing pressure on natural resources**, the protection measures have contributed to some extent to stopping the invasion of the protected areas, reducing wildland fire damage and fighting against the deforestation, poaching and illegal trafficking of animals or wild animals' trophies.

For better management of transboundary resources, in September 2016, Togo and Benin jointly submitted to UNESCO for recognition, three projects for the creation of biosphere reserves including a transboundary reserve, that of the Mono Basin. The creation of the National Biosphere Reserve of Togo enabled the country to integrate 15,750 hectares of forest land into the national system of protected areas.

Through the rehabilitation project of the national system of protected areas in Togo and other projects, some protected areas such as the Fazo-Malfakassa Park, the Abdoulaye, Aledjo and Balam Forests, that is, a total of more than 226,000 ha, have development and management plans and are in the requalification and co-management process with local populations. This will truly allow starting a participatory management of these protected areas.

As part of the plantations protection, more than 36,000 hectares have been protected against wildfires including the opening of 17,162 kilometers of firewalls around the plantations and the realization of early and controlled fires in plantations to be protected. In addition, nearly 10,000 hectares of young state forest plantations have been protected from all kinds of weather and assault by security patrols over the last three years.

In addition, the Government has pursued its efforts against the illegal exploitation and trafficking of wild species, particularly through the reform and tightening of its penal framework and the review of its forest code, aiming at punishing the illegal acts of wildlife exploitation and trafficking. This resulted in the seizure of 6330 kg of ivory tips and other protected wildlife specimens.

### 1.5.2 Sustainable forest management

In terms of sustainable forest management, about 12,000 hectares of land have been reforested, enriched or developed exclusively for the State forest estate. The Office of Forest Development and Exploitation/Office de Développement et d'Exploitation Forestière (ODEF) produced about 500,000 seedlings including 255,000 teak stumps and acquired from

private nurserymen more than 3 million seedlings and stumps for its reforestation over the period from 2013 to 2016. According to the results of the first national forest inventory carried out by the government in 2015, under the REDD+ project, Togo recorded a forest resource coverage rate of 24.24% in 2015 compared to 5% in 2010. The resources exploitation represents an important potential, in terms of job creation, generated income, both for the populations and the Government. However, their share of the GDP decreased between 2013 and 2016, from 3.2% to 2.8% because of the restrictions imposed in the issuance of operating permits and the ten-year moratorium decreed in June 2016 on the exploitation, import and re-export of *Pterocarpus erinaceus* planks, a forest species particularly overexploited in the country. As a result, the indicator on "volume of timber from legally exploited plantations" moved from 43,768 m<sup>3</sup> in 2014 to 22,000 m<sup>3</sup> in 2015.

The area of developed, enriched, planted or restored forests decreased from 2791.5 ha in 2014 to 2595 ha in 2015 due to the late start of the 68 sub-projects of the Integrated Disaster and Land Management Project (PGICT).

The share of the protected ecosystems areas has increased over the last three years from 7 to 7.4% and has focused on the consensual delimitation of the priority protected areas of Alédjo, Balam and Fazo-Malfakassa and the increase of the fire wall line in the forest area.

The restored area of degraded land moved from 171.5 ha in 2014 to 210 ha in 2015, reflecting the progress in terms of sustainable land management.

### 1.5.3 Prevention and management of disaster risks

In the framework of disaster risk prevention and management, the government has developed actions to build the organizational, technical and material capacities of the institutions involved in the disaster risk management. Therefore, the National Civil Protection Agency was set up in January 2017, and the national civil protection policy was adopted in February 2017. In addition, data collection agents, supervisors and Community-based early warning system (EWS/SAP) facilitators were trained; nineteen (19) local disaster management platforms were set up in the districts the most exposed to climate hazards. In this context, the technical base of the fire brigade has been reinforced with communication tools including 44 radios, 02 relay antennas and 10 post-portable accumulators to facilitate rapid interventions in case of emergency. Similarly, to increase the speed of intervention of the fire brigade, 4 emergency rescue units were built in Dapaong, Sokodé, Atakpamé and Lomé Nord-GTA, 05 ambulances and 04 motor pumps and accessories were acquired and made available to the regional rescue units; This increased the resilience of people to disasters inside the country. These actions increased country cover through an early warning system, which increased from 2% in 2013 to 10% in 2015, then to almost 14% in 2016.

### 1.5.4 Fighting climate change

In the fight against climate change, a total of more than 150 communities have been covered by the climate change adaptation and sustainable land management projects through the PGICT, the GEF micro-financing program, and the PRCNDGE, distributed in all the regions of the country. These projects were funded in 2015 and implemented in the course of 2016. This sub-project package includes 30 sub-projects aiming at reducing risks and disasters in river basins, 48 community activities on the cultivation and grazing land, 17 community-based sustainable forest management activities and more than 50 projects to adapt and reduce the vulnerability of people to climate change.

As part of the national climate change planning, several documents have been developed. These include:

- The contribution determined at the national level (CDN) in which Togo has committed to unconditionally reduce the emissions by 11.14% compared to the reference scenario by 2030 and has added to its development commitments a line of sober growth in carbon which will result in a conditional reduction of 20%;

- The Third National Communication on Climate Change (TCNCC) that updates the data of Togo on national circumstances, greenhouse gas emissions, the country's vulnerability to climate, climate change adaptation and mitigation policies and measures, assessment of financing, technology and capacity building needs to fight against the climate change and the Status of climate change research;
- The first updated biennial report (PRBA) on the climate change updates greenhouse gas emissions and assesses the measurement, reporting and verification system for the transparency of efforts to address climate change in Togo;
- The National Climate Change Adaptation Plan (PNACC) has identified the methodologies, means and tools to be used for climate change adaptation planning in the policies, strategy, plan and program in the variousmost vulnerable sectors in Togo;
- The Integrating Guide for Climate Change Adaptation (GIACC) has identified the methodology to be used for the consideration of the climate change adaptation into policies, strategies, plans and programs and development projects;
- The technology needs assessment report identified the appropriate technologies to be developed for climate change adaptation and mitigation in the energy, transport, agriculture and waters resource sectors.

The various projects developed led to the following main achievements:

- reforestation of public and community forests: 446.83 ha of forest, including 278 ha of public forest and 168.83 ha of community forest; 17ha of agro-forestry parks created and 48.43 ha of forest set aside;
- creation of 08 water storage reservoirs also used for market gardening activities, the protection and defense of 65.6 km of bank, the construction of 7.25 km of gutters for the rainwater drainage, the restoration of 8.3 km of natural water flow path and awareness of more than 352,000 people on flood risk management;
- extension of ten good sustainable land management practices on 1,659 hectares and training of 903 agents on SLM techniques, 70 extension agents, 105 farmer groups and organizations;

Regarding the research, Togo participates, among others, in the implementation of the WASCAL (West African Science Service Center on Climate Change and Adapted Land Use) project by awarding research fellowships on climate change and human security.

### 1.5.5 Living environment sustainable management

In terms of sustainable management of the living environment, the joint implementation of PURISE in the city of Lomé and its outlying areas made it possible to obtain the following results: (i) 858,000 people have been protected against floods as well as the valuation of their residential plot; (ii) 140,000 households have access to reliable electricity; (iii) 64,000 additional households have access to drinking water; (iv) 2,350,000 inhabitants have access to a passable road in all seasons; (v) capacity building of the central and local actors in the works management and maintenance.

The indicator relating to the "rate of achievement of environmental and social management plans (ESMP)" has been selected to assess the improvement of the living environment. This indicator increased from 25% in 2013 to 28% in 2014 and 39% in 2015. Regarding the rational and sustainable management of the urban environment of the city of Lomé, (i) 126 uncontrolled dumps have been eliminated; (ii) 20,000 m<sup>2</sup> of space along the balance channel of Lomé lagoon, 45,300 m<sup>2</sup> around the East and West basins of Université de Lomé are maintained permanently; (iii) 100 km of tracks are cleaned and maintained periodically; (iv) more than 10,000 m<sup>2</sup> converted into green space.

### 1.5.6 Seas and oceans sustainable management

In order to ensure the sustainable management of the seas and oceans, the country adopted a national strategy for the sea and littoral (SNPML) in 2016. This strategy is organized around five (05) strategic axes namely: strengthening of maritime governance, development of a blue economy, sustainable protection of the marine and coastal environment, promotion of research and awareness in the maritime area and development of dynamic and diversified international cooperation.

For the preservation of its maritime interests and effectively fight against the maritime insecurity in its areas, Togo has embarked on a vast reform project by strengthening its institutional, legal and operational system.

At the institutional level, the National Agency for Action of the State at Sea (ONAEM) was created in 2016 and consists of three (03) bodies including: the (i) High Council for Sea (HCM); (ii) Office of the Adviser for Sea and (iii) the Maritime Prefecture.

At the legal level, Togo has ratified or acceded to six (6) conventions in the maritime area and adopted important texts. These conventions are as follows: (i) Protocol of 2005 to the International Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation; (ii) Protocol of 1973, relating to Intervention on the High Seas in Cases of Pollution by Substances other than Hydrocarbons; (iii) Port State Measures Agreement to prevent, deter and eliminate IUU fishing; (iv) International Convention on High Seas Intervention in case of an Accident Resulting in or likely to resulting in Oil Pollution by hydrocarbons; (v) Protocol of 2003 to the 1992 International Convention pursuant to the Establishment of an International Compensation Fund for Oil Pollution Damage by hydrocarbons and (vi) International Convention for the Control of Harmful Anti-fouling Systems on Ships.

Regarding the texts, Togo adopted between 2014 and 2017: the (i) new penal code which takes into account the new definition of maritime piracy and innovates by granting to the Togolese courts the universal jurisdiction to judge crimes committed beyond of the territorial sea irrespective of the nationality of the perpetrators and regardless of the place of the crime; (ii) law on the fight against piracy, other unlawful acts and the exercise by the State of its police powers at sea; (iii) law on the delimitation of maritime areas under national jurisdiction which sets the limits off the maritime areas under Togolese jurisdiction in accordance with the United Nations Convention on the Law of the Sea known as Montego Bay; (iv) new Merchant Navy Code replaces the Order No29 dated August 12, 1971 and takes into account progress made in the field of merchant shipping; (v) Fisheries and Aquaculture Act, which takes into account the international principles of sustainable fisheries management, as well as administrative sanctions such as the withdrawal or suspension of fishing licenses and the deletion from the vessel register for vessels engaged in IUU fishing; (vi) decree establishing the National Commission of Maritime Borders of Togo (CNFMT) the main mission of which is to prepare the negotiations for the delimitation of the maritime borders and (vii) decree relating to the creation of the hydrography, oceanography and marine cartography committee.

At the operational level, between 2016 and 2017, Togo conducted four (04) maritime crisis table-top exercises that enabled the (i) administrations involved to test their ability to respond to a maritime crisis affecting IUU fishing, trafficking narcotics implementing therefore the Yaoundé Code of Conduct at the national and regional levels; (ii) the authorities to test and ensure the interoperability of the means of communication of national operational centers, sub-regional and regional multinational coordination centers; (iii) to test the coordination level in the management of a maritime crisis by the operational structure of the State action at sea and to improve the operational level of the various entities involved at sea in terms of maritime safety and security.

During the same period, Togo managed two (02) cases of real crises and launched joint patrols. These interventions made it possible to (i) rescue on March 28, 2016 the SAMPATIKI IMO 9405772 vessel flying the Liberian flag and registered by the OMA company, which was the victim of a piracy act in Nigerian waters and (ii) apprehend the fishing vessel freezer F/V YELE flying the flag of Sierra Leone IMO 6607666 and registered by INTER TRANS MARITIME, suspected of activities related to IUU fishing. This vessel had neither an AIS transponder, nor a fishing license nor a transshipment authorization

on board, and has had a clean logbook since 2012.

However, in the context of the blue economy promotion, Togo hosted the African Union (AU) Summit on Maritime Security and Safety and Development in Africa from October 10 to 15, 2016, which led to the signing of the pan-African charter on the seas in Lomé.

In addition to these actions, the improvement of marine fishing infrastructures has resulted in the ongoing development of the new fishing port; promotion of public-private partnership; investment in the sustainable management of marine resources; rationalization of the country's coastal and marine fisheries and creation of a strong and skilled workforce through targeted training in the blue sectors; exploration of opportunities in the maritime environment, including value-added industries for fisheries, transport, offshore renewable energies and understanding of intra and inter-sectoral interconnections.

With regard to the protection of the coast, Togo is implementing an integrated coastal management and coastal erosion control program. The coastline protected from coastal erosion increased from 20,820 meters in 2014 to 21,170 in 2015, that is, an increase of 350 meters.

Regarding the marine protection, a support is provided to companies installed along the coast in the ecological management of their waste and regulation of liquid discharges into the sea through environmental assessments and monitoring (case of CEB for used oils, PCB, asbestos etc.). A coastal and sea environmental information system has been set up and operationalized as well as the monitoring of marine, coastal and risk and disaster indicators in the framework of the preparation of the report on the state of the environment. The riparian populations of Lake Togo have been organized around viable activities for better exploitation of the Lake Togo area.

As far as research is concerned, the actions identified in the National Biodiversity Strategy and Action Plan (SPANB), contribute to the achievement of sustainable protection of the marine and coastal environment in order to enhance the value of biological natural resources. As such, surveys of pelagic and demersal species in the exclusive economic zone (EEZ) of Togo were conducted. Togo also participates in scientific research, through the implementation of the WASCAL (West African Science Service Center on Climate Change and Adapted Land Use) project by awarding research fellowships on climate change and human security.

In general, the Environmental Performance Index, which takes into account 25 indicators grouped into 6 categories of government policies, shows an improvement of Togo ranking in 2016 (161st out of 180 countries) and especially the score of 46.1 in 2016 (i.e. +18.5% compared to 10 years ago) for the environmental sustainability at the national level.

In the light of the environmental record, the government considers that the main challenge for the coming years is to improve its adaptation capacities, reduce its vulnerability and strengthen the resilience of its economy and its population to climate risks and natural disasters. The sustainable development of the blue economy represents a real opportunity to support the operationalization of the National Development Plan 2018-2022.

## 1.6 GOVERNANCE

### 1.6.1 Political governance

Since the crisis of the 1990s, Togo has made enormous progress in democratic matters. At the institutional level, the independence, vitality and strength of the institutions of the Republic are a reality with a regular renewal of the institutions of the Republic, including the election of a multiparty National Assembly (2007, 2013), renewal of the members of the Constitutional Court (2014), establishment of the High Commission for Reconciliation and Strengthening of National Unity (HCRRUN) (2015), appointment of the Republic Mediator (2015), Presidential election (2010, 2015), renewal of the members of the High Authority for Audiovisual and Communication (HAAC) (2016).

The country records many political parties and movements, nine of which are represented in the National Assembly. The decree allocating the seats of MPs to the National Assembly (NA) per constituency divides the country into thirty (30) constituencies and the number of MPs' seats has been increased from 81 to 91. This allows for better representation of the populations at the Parliament in accordance with the recommendations of the previous elections. The political dialogue has been followed by a strengthening of the press freedom area.

These achievements have enabled Togo to improve the democracy index, which assesses the transition level of a country towards a democratic regime and a market economy. Indeed, according to the assessment of "The Economist Group" the score of Togo on this index increased from 1.8 (on a scale of 1 to 10) in 2006 to 3.4 in 2015. Similarly and according to the 2017 Mo Ibrahim Index report of governance in Africa<sup>9</sup>, Togo is one of the countries whose governance is improving. The Measurement Index for Global Governance has increased each year to 51.7 (over 100) in 2016, bringing the country to 26th out of 54 African ranked countries.

Despite these achievements in political governance and despite the government's will to rebuild the bases of social cohesion, there are still many challenges in this area to consolidate and sustain democratic institutions, including the promotion of differences and democratic values, as well as the strengthening of the sense of belonging to the Nation and solidarity among the populations.

**Regarding security**, the country has made enormous efforts in recent years. According to the result of "Global peace index" report published by Institute of Economy (2017), Togo is ranked 63rd out of 163 countries globally, and is ranked 12th in sub-Saharan Africa, 4th in the ECOWAS Zone and 2nd in the UEMOA zone.

This result can be explained by the combined effects of the reforms (the defense and security forces) with the numerous actions undertaken in this sector, especially the community police, reinforcement of the defense and security forces potentialities, fight against the proliferation of small arms and light weapons, and establishment of a computerized entry control system at borders, etc.

The implementation of the Army reform measures continued with the increasingly assertive cantonnement of the military in the defense role of the national territory (land, sea and air borders) and the fight against terrorism, as well as an increased participation in peacekeeping operations in Africa.

**Civil protection** is also a priority for the government. In this sense, the National Agency for Civil Protection was created in January 2017 and four (04) firefighters rescue centers were set up in Lomé and in some regional capitals.

In conclusion, Togo has made tremendous progress in security matters. However, some feelings of insecurity of the population persist. The structural and operational innovation of a Military, a Gendarmerie and a professional Police adapted to the security and strategic national and regional context, is an important achievement to be consolidated and perpetuated. The main challenge is to continue strengthening the security through a comprehensive network of the country.

**Justice**, the government's concern is to achieve fair, efficient, independent justice accessible to all. To this end, initiatives towards the strengthening of the justice modernization project, including the functioning of the judicial system, improvement of working conditions and bringing the justice closer to the litigants have been developed.

Concerning the commercial justice, commercial chambers<sup>10</sup> were set up at the Court of First Instance and the Court of Appeal of Lomé. In addition, the procedures have been automated and simplified to reduce the time and cost of processing the commercial chain.

<sup>9</sup> The Mo Ibrahim Index of Governance in Africa is measured from an aggregation of indicators according to the following four categories: security and the rule of law; participation and human rights; sustainable economic development; and human development.

<sup>10</sup> [http://www.mcatogo.org/index.php?option=com\\_k2&view=item&id=681:les-grands-avantages-des-chambres-commerciales-du-togo&Itemid=211](http://www.mcatogo.org/index.php?option=com_k2&view=item&id=681:les-grands-avantages-des-chambres-commerciales-du-togo&Itemid=211) site visité le 25 février 2018

Moreover, the establishment in December 2017, courts of small claims the amount of which is between 0 and CFA F1,000,000 with magistrates specially assigned to the needs of service and speed of the processing of the files. The impact of this new reform is to relieve the commercial chambers and allow a diligent processing of those relating to small claims.

Another initiative of no less importance is the implementation in the pilot phase of "houses of justice" which aim to build the capacities of the classic justice system to bring justice closer to the people. Their mission is to settle, through mediation and conciliation, small cases of debt and quarrels between citizens who unnecessarily jam the courts. It will facilitate the work of judges to allow them to focus on more urgent issues. In addition, it helps to reduce the costs of justice benefits and judicial delay.

In terms of judicial security, the infrastructure built or rehabilitated has improved the working environment for magistrates. In the area of judicial security a lot of works have been done in terms of modernization of the legislation through the adoption of certain texts (new Penal Code, code of persons and family, law on the abolition of the death penalty, etc.). However, much remains to be done: the adoption of the new judicial organization, adoption of the new Code of Criminal Procedure, etc. In addition, several tools have also been developed but are not systematically used or updated (Computerized Prison Management Software, legislative database "Legitogo").

In addition, the capacities of magistrates and judicial assistants have been built. Indeed, the establishment of the Training Center for the Professions of Justice (CFPJ) has helped to train more than 1500 justice professionals (magistrates, lawyers, clerks, bailiffs, notaries, and auctioneers) between 2010 and 2015.

Moreover, in order to ensure the proper functioning of the justice, a judicial control of the administrative action has been implemented through the creation of the General Inspectorate of Judicial and Prison Services.

In the fight against corruption in the justice sector, the High Judiciary Council developed a directive on the ethics and deontology of the magistrate aiming at moralizing and motivating the magistrate. Based on this code of ethics and professional conduct, several magistrates have been sanctioned for serious misconduct. In addition, the status of the magistrate was reviewed with the result that the salary scale was revised upwards.

Despite these achievements, the concerns of litigants remain. Therefore, the judicial system still has some weaknesses such as the (i) remoteness of the judicial services and the ignorance of judicial proceedings by the population; (ii) shortage of staff in some jurisdictions resulting in slow processing of some cases; (iii) limited access to justice and judicial protection for vulnerable groups; (iv) lack of capacity of magistrates to deal with land records; and (v) existence of corruption acts.

The sector is also faced with a lack of trust from the litigants, this being due to the difficult access to the justice system, inefficiency in the processing of files, corruption issues that undermine the sector and impunity enjoyed by some judges and litigants<sup>11</sup>.

The legal mechanism which is not the least needs to be updated and completed. Indeed, the normative/legislative corpus is incompatible not only with respect to certain situations of current life but also with the international instruments of which Togo is part.

Furthermore, the judicial sector is faced with the shortage of staff (magistrates). The number of magistrates decreased from 3.5 in 2015 to 3.4 magistrates per 100,000 inhabitants in 2016. This decrease is explained on the one hand, by the increase of the population and on the other hand, by the non-recruitment of new magistrates since 2013.

In addition to these insufficiencies, we have the relative independence<sup>12</sup> of the judiciary system, the weakness of anti-corruption measures within the judiciary corpus, the preponderance of land-related cases as well as the slow processing of these cases, non-development of the administrative justice and lack of resources for the sector (the Ministry of Justice

<sup>11</sup> National Policy on Justice

<sup>12</sup> Summary Report of the Support Project for the Reform of Justice and the Promotion of Human Rights

has only about 0.6%<sup>13</sup> of the national budget).

**Human rights**<sup>14</sup>, they are subject to a special attention from the country's authorities explaining the creation of an especially dedicated ministry whose work has helped to consolidate the democratic bases and national reconciliation. Among the flagship reforms undertaken to promote and protect the civil and political rights as well as economic, social and cultural rights of citizens, we have the:

- establishment of the Justice, Truth and Reconciliation Commission in 2009 the missions of which are among others to make recommendations to the government on the fate of the perpetrators of the most severe human rights violations in the country's history, the measures to be taken to avoid the repetition of these acts of violence as well as initiatives to be taken to fight impunity and strengthen national reconciliation;
- vote in 2015 of the law on the new penal code in Togo, which now includes all the conventions of which the country is part, particularly in terms of civil freedom, human rights, fight against corruption, fight against torture and human trafficking, freedom of access to information and public documentation, family law;
- vote in 2016 of the law on the organization and functioning of the National Human Rights Commission, which will now act as a mechanism for the prevention and fight against torture;
- vote in 2016 of the law on the status of refugees in Togo to fill the gap in relation to the progress of refugee protection standards, set up a redress mechanism and provide for measures to be taken in case of mass arrival of refugees; asylum seekers in the country;
- creation of the High Commission for Reconciliation and the Strengthening of National Unity and the appointment of the Republic Mediator;
- reform of the armed forces, police and intelligence services;
- acceptance by Togo of 167 recommendations and note-taking of 28 out of the 195 recommendations from the final report of the Universal Periodic Review (UPR) adopted on March 16, 2017 by the Human Rights Council of Togo. Out of the 167 recommendations, 26 have already been implemented.

All of these initiatives helped improving the country's score in the World Bank's 2017 governance report by about 8 points.

However, the challenges still lie ahead. Indeed, Togo has ratified almost all the international and regional human rights instruments that require it to report on their status of implementation. However, some laws are not harmonized with these ratified international instruments. Therefore, their enforcement is difficult.

In addition, the recommendations from the treaty bodies and the Universal Periodic Review (UPR), as well as the regional and national mechanisms for the promotion and protection of human rights, are hardly implemented because of their weak dissemination and extension and because of insufficient financial resources. It should be noted that the lack of harmonization, lack of dissemination and/or popularization, ignorance and lack of enforcement of the texts and lack of implementation of the recommendations made by different mechanisms and treaty bodies, lead to violations of human rights and democratic principles.

The mission of the Ministry of Human Rights is to assist the public and private sectors in integrating the human rights-based approach (HRBA/ABDH) into the projects and programs. However, it does not have a program to train the actors for this purpose.

In addition, there is a lack of democratic culture due to a lack of education and training in citizenship. It follows that the citizens are unfamiliar with the institutions of the Republic and their operation. There is also a lack of trust and a tendency to reject institutions by the people. It results that citizens do not develop enough citizen capacity to manage state affairs and to monitor public action. Faced with this situation, the social cohesion and national unity are threatened. The various programs of civic and moral education (ECM) have not sufficiently taken into account the teaching of human rights. In addition, the ECM courses are not provided in professional and private institutions throughout the country

<sup>13</sup> Summary Report of the National Program for the Modernization of Justice

<sup>14</sup> Public Policy of Human Rights and Consolidation of Democracy



and teachers responsible for teaching that subject are not trained in human rights. Furthermore, the new curricula and modular guides published in 2013 are not available in all the schools. There is also a lack of training modules on human rights and citizenship for the population.

These weaknesses are due to the lack of a national plan for education and training on human rights and citizenship. Consequently, people are faced with difficulties in the exercise and enjoyment of their rights.

The system for the promotion and protection of human rights still has weaknesses such as the (i) inadequacy of laws, standards and practices; (ii) lack of integration of the "human rights-based" approach (HRBA/ABDH) into development projects and programs, (iii) weak promotion of the citizen participation in state decisions; (iv) ineffectiveness of human rights education at all levels; (v) delay in the implementation of treaty bodies and UPR recommendations.

## 1.6.2 Administrative governance

More than fifteen years of political and social conflicts have caused a significant loss of capacities of Togo in all public sectors. Despite the constant efforts made since 2008 to provide the country with sufficient administrative capacity, some institutions of the Republic and many administrations are not very operational because of the lack of minimum skills to make them effective in delivering public services. For example, it was noted in 2015 that the public administration lacked planning officers (14 officers were identified for all the sectors), statisticians (17 statisticians were identified for all the sectors) and IT specialists (10 IT engineers were identified for all the sectors). Many other specialties are either non-existent or in very limited numbers, especially in certain sectors such as health and in technical fields such as mining, industry, trade, finance, planning, etc. In other vital sectors to the economy (agriculture, livestock, fishing, geology, etc.) as well as in the scientific and technological sectors, skills are becoming increasingly scarce, and this situation may jeopardize the long-term efficiency of the functioning of the State.

In addition, the results of the strategic and organizational audits carried out in the Republic institutions and in the ministerial departments highlighted the urgent need to put in place a relevant mechanism to plan the recruitment of human resources and skills, according to the personnel requirements per ministry and institution. In view of the almost universal inadequacy between the profiles of the staff and their job positions, the audits stressed the need for each ministry and institution to draw up a plan for building capacities over the next 3 to 5 years with specific targets for staff recruitment, clearly specifying the profiles (planning officer, statistician, IT specialist, various specialties, etc.) but also the needs in terms of staff training and development.

Similarly, the state of the public staff per age group updated in December 2017<sup>15</sup>, revealed a deep ageing of the civil service workforce. Out of 48,383 civil servants, including 19.30% of women, half are more than 42 years old. Therefore, in 18 years, this half of the administration's workforce will be retired. This need for manpower will be increased in the future as part of the implementation of decentralization, which will require more staff capable of delivering quality public services to citizens.

In addition, it is difficult to control the movements due to irregular absences, abandonments of position, deaths and unreported changes. Moreover, the performance evaluation system does not provide all the guarantees of objectivity and fairness, which has an impact on the results and the overall performances of the administration.

It is also important to note that the administration suffers from a lack of normative framework and procedures allowing all the agents and users to have the same understandings and the same interpretation of standards and principles.

The competences/skills crisis also affects vocational training institutions, in particular the National School of Administration (ENA), whose conditions of access and issuance of diplomas do not meet the real needs of public services. Given the scale of the deficits, the Togolese government has designed the National Program for Capacity Building and

State Modernization for Sustainable Development (PNRCME-DD) which is justified by the need to restore the necessary skills and competences for the effective management of the development cycle.

The PNRCME-DD is organized around the following five components: (i) economic and environmental governance; (ii) social governance, employment and grassroots development; (iii) judicial governance, peace, democracy and the rule of law, (iv) administrative and local governance; and (v) modernization of public services and promotion of information and communication technologies.

The PNRCME-DD serves as a guide for all initiatives related to the administration capacity building. It therefore constitutes one of the NDP programs that will be implemented through the various projects and initiatives of an institutional nature supported by the Government budget and the donors.

## 1.6.3 Economic governance

Since the attainment of the decision point and completion point of the Heavily Indebted Poor Countries (HIPC) initiative in 2008 and 2010, respectively, helping to benefit from a substantial reduction of its external debt following the implementation of DSRP-I and DSRP-C, Togo has continued its efforts to consolidate public finance, streamline the expenditure chain, fight against corruption and implement structural reforms.

Regarding the public finance consolidation, the government has made progress in the context of the modernization of the legal framework for public finance, especially the adoption by the government of the:

- law on transparency in public finance management in accordance with UEMOA guidelines (2014): this law focuses on two core values of good governance, including transparency and accountability. The first refers to the franchise, loyalty and clarity in the exercise of the responsibilities and duties assigned and recognizes the right of citizens to access documents and legal information in the case of misconduct by public officials. The second value is the obligation to comply with the execution of the tasks and responsibilities assigned and accepted within the mandate and resources provided;
- organic law on finance law (2014): This law reinforces the harmonization of public finance within the member states of the West African Economic and Monetary Union (UEMOA) and especially raising the management framework of these public finance at the level of the best international standards to meet the economic growth. The new law renews the management dialogue, introduces the budget multi-annuality and sincerity. It also lays down the basic rules relating to the content, presentation, preparation, adoption, execution and control of the enforcement of the finance laws. It also determines the conditions under which the medium-term fiscal policy is adopted for the entire public finance.
- uniform act of UEMOA (2014): this law harmonizes the treatment of dormant assets in the States of the Union, aiming at preserving not only the legal security of the depository organizations, but also safeguarding the interests of savers. This system ensures the protection of financial services users by increasing their confidence vis-à-vis the depository institutions.

It is important to note that the country has taken a giant leap in adopting a new criminal code that broadens the scope of acts of corruption and related offenses and extends criminal provisions to both public and private sectors. Moreover, to increase transparency, the government adopted in 2016 the law on freedom of access to information and public documentation. This law is a first in the history of the country and guarantees to any physical or legal person, the right of access (free of charge) to information in public and parastatal institutions.

As part of the improvement of the procurement system, the strengthening of the legislative, regulatory and institutional framework of the public procurement system resulted in the adoption of the law on the public procurement code and

<sup>15</sup> Report of the Administration Staff Review & National Skills Development Plan, 2017, Ministry of Public Service, Labor and Administrative Reform

delegation of public services. The entry into force of the new regulation on public procurement has resulted in the establishment and operationalization of the two national bodies for the regulation and control of public procurement, namely the Regulatory Authority for Public Procurement and the National Directorate for Markets Control. Procurement and control bodies (Procurement Authority, Procurement Commission and Public Procurement Control Commission) were also established at the level of the ministerial departments and the members were appointed. However, efforts still need to be made in terms of building the capacity of procurement bodies at the sectoral, deconcentrated and decentralized levels as well as at the level of service providers. The public procurement system is strengthened by the integrated Public Procurement Management System set up and operational to monitor public orders.

In order to ensure better budget planning, the Government has initiated since 2010 the development of the Medium Term Expenditure Framework together with Medium Term Expenditure Framework and Medium Term Budget Framework. The budget nomenclature reviewed with the IMF support is comprehensive and in line with the international standards. In addition, to ensure a budget transparency, the government has published online since 2013, the public expenditure database (boost), the periodic (biannual) budget implementation status, the table of financial operations and the voted budget.

In order to fight against fraud and corruption on the one hand, and to make the mobilization of taxes effective and efficient on the other hand, the financial authorities (customs and taxes) have been merged into one Authority (Office Togolais des Recettes) by the adoption of Law N° 2012-016, therefore making Togo the 15th African country to adopt this formula and the first country in Francophone West Africa. This authority includes a division of Intelligence and Prevention of Corruption to prevent acts of corruption, to ensure transparency in the collection of customs duties and the promptness in the repayment of funds collected.

In addition, progress has also been made in terms of revenue collection and improvement of the expenditure circuit through the Integrated Public Finance Management System (SIGFiP).

Togo has acceded to various international anti-corruption conventions including the UN Convention against Corruption ratified by the Law N° 06 dated July 2005, the African Union Convention on Prevention and Fight against Corruption ratified by the law N° 2005-007 dated May 18, 2005 and finally the ECOWAS Protocol on the Fight against Corruption ratified by Togo by the law 2005-007 dated May 18, 2005.

Therefore, the government set up bodies for the administrative control and a priori expenses and a posteriori control including audits of the annual accounts. These include the General Inspectorate of Finance (IGF) and the General Inspectorate State (IGE) the control of which has been strengthened in recent years due to investigations in the public services and the autonomous public institutions. In addition to this, we have the Court of Auditors, which regularly reports on the execution of the Finance Law sent to the National Assembly. In addition to these control institutions mentioned above, other bodies are also established for the fight against fraud and money laundering and the terrorism financing. These include the national financial information processing unit (CENTIF) (created in accordance with the Palermo Convention and UEMOA Directive N° 07/2002/CM/UEMOA dated September 19, 2002) and the Central Office for the Repression of Drugs Illicit Trafficking and Money Laundering by the General Directorate of Police.

Moreover, Togo has made a strong commitment to transparency by joining the Extractive Industries Transparency Initiative and the African Peer Review Mechanism, and reports regularly on the commitments made.

Regarding the prevention and the fight against corruption and related offenses, major reforms have been undertaken in recent years. The relevant incriminations contained in the international legal instruments ratified by Togo and quoted above have been introduced in the new penal code promulgated on November 24, 2015. The High Authority for the Prevention and Fight against Corruption and Related Offenses (HAPLUCIA) was created by the law N° 2015-006 dated July 28, 2016. The members were appointed by the decree 001 dated January 3, 2017. The Authority became fully operational with the allocation of a substantial subsidy in the last law of finance.

As part of the financial sector development strategy, in 2009, the government set up a Financial and Governance Sector Development Project (PSFG) with three main components namely, restructuring and privatization of banks, restructuring of the microfinance sector and restructuring of social welfare organizations. This project allowed the restructuring and privatization of some ailing banks (BIA, BTD). However the restructuring of other banks (UTB, BTCI) should be accelerated to restore financial stability and prevent the resurgence of risks to the state budget. In addition, a collection company called Société de Recouvrement du Togo has been created and is intended to recover all these securitized debts of banks. It should also be noted that the government has developed a debt strategy that will help reduce the cost of borrowing and, consequently, facilitate budget adjustments.

Concerning the microfinance sector, audits and ratings of decentralized financial services are carried out and sanctions are taken against institutions that do not comply with the rules governing the sector.

With regards to social security institutions, a social security code has been adopted. A financial and organizational audit of the National Social Security Fund (CNSS) as well as an actuarial study, an investment analysis and a feasibility study of a supplementary scheme based on the capitalization were conducted. A parametric reform resulting from the actuarial audit was adopted by the board of directors of the CNSS. With regard to the Pension Fund of Togo, a physical check of the beneficiaries was carried out as well as an organizational and financial audit and an actuarial study was carried out. Finally, the primary deficit improved from an annual average of around 6% of the GDP between 2013 and 2016 to a surplus of 1.4% of the GDP in the first half of 2017, mainly due to the control of expenditures and the unorthodox withdrawal of financing public investment projects. The public debt is expected to decline from its peak of 79.4% of the GDP at the end of 2016 to 77.3% of the GDP by the end of 2017. According to the latest estimates, the economic activity would have increased by 4.9% in 2017 followed by a low inflation. The current account deficit remains large but should gradually decrease.

Thanks to this series of reforms, Togo has improved its performance in the evaluation reports of several international institutions. For example, Togo is ranked among the "top 3" of the best governance reform countries in Africa in the Ibrahim 2017 Report.

These reforms have made Togo more attractive, increased the rate of investment and revive the economic growth, which has been steadily increasing since 2008. However, challenges remain to be addressed, namely: (i) consolidating public finance, (ii) pursuing fiscal consolidation, (iii) implementing the debt strategy, (iv) implementing more ambitious structural reforms to boost productivity, competitiveness and inclusive growth, (v) strengthening the control and fight against corruption, (vi) building the capacity of the control bodies, (vii) improving the budget implementation rate and extending the SIGFiP to line ministries and deconcentrated and decentralized levels, (viii) improving the programming of public investments, (ix) operationalizing the budget programs.

Furthermore, the ongoing reforms aim at reducing major shortcomings. These include:

- establishment of the new statutes of the Civil Service and strengthening of the civil servants management;
- improvement of the multiannual programming of the administrations;
- establishment of the Treasury Single Account (TSA) system at the Central Bank, which will allow the centralization of all cash balances (the autonomous administrative entities will only have account at the Central Bank, these accounts will be sub-accounts of the Treasury single account);
- organization, in accordance with UEMOA community rules, of public-private partnership (PPP) frameworks that will allow avoiding the use of the pre-financing system and the inherent risks.

## 1.6.4 Local governance and regional development

### 1.6.4.1 Decentralization

The decentralization process is faced with many problems: the (i) weak link between the deconcentration policy and that of decentralization; which hinders the effectiveness of the latter;(ii) weak development programming and planning mechanisms at the local level;(iii) lack of consideration of local needs in the programming of line ministries; and (iv) persistence of critical land issues.

The main challenge to be addressed is the implementation of the decentralization, that is, setting up institutional and organizational conditions for sustainable territorial development based on the potentials of local authorities, reinforced by effective consultation frameworks in order to promote participatory dialogue and citizen control at all levels, with a strong emphasis on the participation of women and young people, particularly in the decision-making bodies of the consultation frameworks.

To this end, in 2012 the government carried out an evaluation of the National Decentralization Consolidation Program (PNCD). Achievements have been recorded in terms of setting up the legal and institutional framework for decentralization and implementation of studies and infrastructures.

The situation of local authorities is as follows: (i) 21 urban municipalities and 32 districts are operational ;(ii) the 5 regions are not organized into local authorities;(iii) the local authorities have headed special delegations since 2001;and (iv) the last local elections dated back to 1987.

To boost the process of decentralization, the government adopted the roadmap for the decentralization and local elections in March 2016. In the same momentum, a national workshop on decentralization was organized in December 2016.

This roadmap is articulated around seven (07) axes, namely: the (i) revision of the law N° 2007-011 dated March 13, 2007 pursuant to the decentralization and the local freedoms to comply it with the chosen option and create especially the municipalities, define the transfers of competences, define the number of councilors per municipality and create the conditions of the inter-communality;(ii) scheduling of elections for the different levels of decentralization;(iii) searching for financing and construction of the minimum infrastructure for the settlement of the new municipalities, the cost of which is estimated at about CFAF 10 billion;(iv) Communication on the importance and challenges of local elections: it consists mainly of implementing a communication plan on local elections through the elaboration and popularization of communication guides on decentralization.It also concerns the organization of training workshops for the various actors and populations;(v) review of the electoral lists which will be established per municipality;(vi) scheduling the local elections;and (vii) effective holding of the local elections.

### 1.6.4.2 Land-use Planning

The need for Land-use planning in Togo arose from the general observation of imbalance between the regions and within the regions, imbalance between urban and rural areas and finally imbalance especially between Lomé and the inner cities. At the root of these imbalances lies the concentration of most of the administrative, economic, social and cultural activities in Lomé at the detriment of a large part of the national territory, the impoverishment of the populations and the rural exodus to the capital and the main cities of the country, the obsolescence of the geological coverage data and the poor knowledge of the geological subsoil.

To remedy these shortcomings, the law<sup>16</sup> providing framework law on land-use planning was passed by the National Assembly in December 2015 and promulgated by the Head of State on January 4, 2016. Many flagship activities in the area have been carried out and include, among others, the (i) training of 44 MPs from the Agro-Pastoral Commission and

Land-use Planning and the Environment Commission on the concepts, methods, means and tools of land-use planning;(ii) training of members of the regional bodies for the development and implementation of the National Planning Policy on the concepts, methods, tools and means of land-use planning, on the integration of the Sustainable Development Goals in regional and local planning, (iii) development of national thematic maps as part of strengthening the functioning of the geographic information system;(iv) completion of the preparatory phase leading to the development of the National Planning Scheme (SNAT): methodological framework paper and draft paper for the development of the SNAT, development/update of the regional and district monographs, etc.:(v) Popularization of the methodological guide for drawing up a development plan for local authorities throughout the country;(vi) operationalization of the Geographic Information System (GIS);and (vii) development of the national communication strategy on land-use planning.

In the framework of the master plan development project<sup>17</sup> for the development of logistic networks for the West Africa Growth link which is under study, the methodology of the study was launched and the initial report of the study has been validated.

The main challenge for the government is the development of a land-use planning practice through the establishment of spatial coherence frameworks for development actions (national scheme, regional and local planning schemes). These long-term spatial planning instruments determine the general assignment plan of the lands within their territorial boundaries, the nature and location of major infrastructure facilities, better management of natural resources, etc.

## 1.7 ASSETS, LESSONS LEARNED AND MAJOR CHALLENGES

### 1.7.1 Assets and development achievements

Togo will start the next period 2018-2022 with the assets and achievement made since 2008 as well as the several achievements as part of the implementation of SCAPE over the period 2013-2017. Some precursors of a structural transformation of the economy exist and need to be consolidated and accelerated in particular:

- I. the country has a natural advantage with the only deep-water port in the Gulf of Guinea and the infrastructure of which has been strengthened in recent years by significant private investment (construction of a third wharf by a leading private operator; development of the transshipment dock by a private consortium).
- II. investments have also been made in the road sector (around 1500 km of newly built or rehabilitated roads between 2010 and 2017) and in the airport sector with the construction of a new, ultra-modern terminal that is already operational and capable of accommodating up to 2 million passengers a year and that constitutes the hub of the regional airline Asky.
- III. Togo is hosting the headquarters of Ecobank, Oragroup, BOAD and EBID, major regional and sub-regional banking institutions. This environment offers an undeniable advantage for access to the financial markets in order to mobilize resources to finance major structuring projects.
- IV. Togo has an attractive and constantly improving environment that favors the influx of investments in the country. This attractiveness is materialized by major reforms of the legal and institutional framework: the law on the modernization of public action in favor of the economy, the creation of the Business Climate Unit and the Presidential Unit for Execution and Monitoring of Priority Projects; creation of the State-Private Sector consultation framework; deployment of a Single Window for Foreign Trade. Finally, it is worth noting the innovative and central role played by Togo Invest Corporation SA, a state-owned holding the objective of which is to establish private public partnerships supporting the implementation of structuring projects.

<sup>16</sup> This law establishes the legal framework for all interventions by the State and other actors that have the effect of structuring, occupation, use of the national territory and its resources. It determines the rules and institutions of land-use planning at different scales.

<sup>17</sup> This project aims at proposing a balanced scheme of economic development between the regions of the countries covered by the project in order to promote economic growth in West Africa on the basis of the development potential of the identified economic sectors. It also aims at promoting transportation corridors through the formulation of economic development strategies based on the corridor approach.

- V. The country intends to take advantage on the kick-off of its raw materials processing (Clinker, Cement) in addition to other extractive industries (Phosphate).

### 1.7.2 Lessons learned from the medium-term strategies implementation

The evaluations of the various development strategies implemented in Togo have led the authorities to draw the following lessons:

- In a context of development characterized by multiple priorities in all the sectors, the development strategies designed on the basis of sectoral priorities lead to a fragmentation of efforts detrimental to the results achievement. In order to increase the effectiveness of national development strategies, there is a need for more selectivity and focus in the prioritization, while ensuring that existing sectoral policies take over in the areas which are not explicitly covered by the national strategy.
- The momentum of resumption of the cooperation since 2008 has led to the implementation of a bold public investment policy that meets the needs of the country. The infrastructure of Togo has improved but is still insufficient. The access to infrastructure is well below the average of the Sub-Saharan African countries in terms of roads, public education, power generation, health and drinking water.
- The absence of an indebtedness and debt management strategy has led to an increase in public debt faster than its impact on economic growth. However, in view of the persistent investment needs, it is necessary to provide the country with an enabling framework for alternative non-debt financing, such as PPP-type financing.
- The efforts to strengthen the PPBESE chain undertaken since 2008 have borne fruit which are still insufficient in view of the challenges. Despite the progress recorded in recent years, the technical and human capacity gap and the specifications for execution within the PPBESE chain continue to have a negative impact on the efficiency of the public investments, thereby reducing their impact on the economic growth.
- The institutional mechanism for steering and monitoring development policies has worked very irregularly, due in particular to the lack of capacity in planning and monitoring within the line and central ministries, the weak commitment of the stakeholders in charge of facilitating its bodies and the redundancy of certain institutions within this mechanism. A vast reform is needed to make the coordination, implementation and monitoring of the development policies more efficient.

### 1.7.3 Major challenges

The government is aware that efforts must be intensified to lay the groundwork for the future emergence of Togo by 2030. The analysis identifies the key challenges of the National Development Plan 2018-2022 to be addressed by Togo to better position itself on the path of structural transformation of the economy. These mainly include the:

- development of a logistics and transport chain around the Port Authority of Lomé by integrating it to a renovated transport network to create a competitive logistics hub and development corridor;
- development of value chains in the agro-silvo-pastoral sector through the establishment of agropoles federating several activities (food crop, aquaculture, processing and research) especially land reform;
- development of value chains in the sector of manufacturing, handicraft and extractive industries through the creation of industrial parks integrated and oriented towards export and labor-intensive industries (textile for example), as well as the development of the transformation of phosphates sectors and the strengthening of the limestone processing industry;

- finalization of the reforms of the legal regulatory framework of the ICT sector, reducing the costs and improving connectivity to rapidly progress towards digitization of the economy and strengthening the social fabric;
- reduction of the deficit in the energy services supply;
- Acceleration of the growth (Togo is in the bottom third of peer countries in terms of real GDP growth/capita);
- Improvement of the governance in all its forms which results in an administration, the performance of which must be strengthened to support the transformation of the economy;
- social and financial inclusion, which should ensure better redistribution of the growth benefits;
- mobilization of resources to improve the government's debt capacity and attraction of private investment.

Therefore, the strategy for accelerating growth and reducing poverty of Togo will be based on the development of the logistics hub and a business center, the establishment of agropoles to develop agricultural value chains and on industrial development. In addition, the improvement of people's access to basic social services and the strengthening of the inclusion mechanisms also remain fundamental for poverty reduction.

# CHAPTER II : DEVELOPMENT VISION AND STRATEGIC DIRECTIONS

## 2.1 DEVELOPMENT VISION

The ambition of the Togolese authorities by 2030 is to make Togo a middle income nation economically, socially and democratically solid and stable, united and open to the world.

Togo will therefore be a structurally transformed country where all the stakeholders, especially local communities contribute substantially to a strong, sustainable and inclusive economic growth. The development of the blue economy will be one of the factors of medium-term sustainability of this growth. The fruits of such growth will be to promote equitable access for all populations, especially the most vulnerable, to basic social quality services and respectful to environment. Togo will experience very significant progress with agriculture, manufacturing and extractive industries that will contribute more to the GDP, more efficient governance favoring therefore a drastic reduction in the level of poverty, a clear reduction of inequalities and a peaceful social climate.

The desire to become an emerging country by 2030 incorporates five long-term general objectives, namely:

- reducing poverty;
- becoming a middle-income country;
- reaching the stage of new industrialized country;
- strengthening national unity and consolidating the democratic process;
- ensuring sustainable management of the environment, fighting against climate changes, sustainably managing disasters and promoting land use planning.

The NDP2018-2022, which is based on the major challenges, the Head of State's Societal Project, from which derives the Government's General Policy Statement, the Sustainable Development Agenda 2030, the 2020 Vision of the Economic Community of West African States and the African Union Agenda 2063, has the **overall objective to structurally transform the economy, for strong, sustainable, resilient, inclusive growth, creating decent jobs and leading to the improved social well-being.**

This structural transformation will help achieve the GDP growth of 7.6% by 2022 through the:

- establishment of an excellent logistics hub and a first-class business center in the sub-region, especially by improving existing infrastructure, multimodal connectivity and information and communication technologies (ICT);
- development of an agricultural processing pole based on the value chains approach and targeted on productivity to achieve food security, the balance of the agricultural trade balance and the creation of agricultural jobs;
- setting up a manufacturing and extractive industries (linked to the development of a logistics center of excellence) to boost the pace of growth and create job opportunities;
- development of human capital in order to make the Togolese the first actor and the first beneficiary of the country development. In other words, it will consolidate the national social floor and strengthen the inclusion mechanisms.

Therefore, for the establishment of a logistic hub of excellence and a first-class business center in the sub-region, the government will continue the (i) reforms and modernization of the management of the Port of Lomé; (ii) development of airport infrastructure, (iii) improvement of road infrastructure promoting connectivity with hinterland countries, neighboring countries and other countries of the sub-region, as well as Special Economic Zones (SEZs) and those serving strategic poles; (iv) development of a railway line Lomé-Cinkassé and other lines linking the production areas, supported by the establishment of two dry ports (Blitta and Cinkassé) and (v) strengthening ICT infrastructure and services digitalization.

The achievement of this ambition will be followed by the strengthening of the business climate. In this context, Togo has made significant progress, as evidenced by the Doing business ranking of the country recorded in 2016, as being part of the "top ten", that is, among the 10 reforming countries in Africa. In addition, Lomé represents an important financial center of UEMOA. This positions it de facto in a leadership position on the regional and international financial activities. This comparative advantage will play a key role in positioning and anchoring the country in the future economy. These achievements will further contribute to the development of the private sector in the coming years and make Lomé a first-class business center in the sub-region.

To this end, the government intends to remove the following obstacles to business development: (i) drafting of the texts implementing the new land code and the establishment of pilot sites<sup>18</sup> in each region, (ii) adoption of the text on the building permit, (iii) updating of the law on competition with Togo; (iv) further the reduction of the costs related to a business start-up; (v) attraction of 5 headquarters of major business institutions ; (vi) further the reform of the justice sector; (vii) improvement of the labor market flexibility; (viii) further the consolidation of the banking and microfinance sector to improve the banking rate by more than 50% by 2022; (ix) strengthening of actions to fight against fraud, corruption and money laundering and (x) improvement of the quality of the workforce.

Regarding the development of an agricultural processing pole, the government intends to modernize agriculture by focusing on the productivity, promotion of trade which leads to the improvement of the trade balance while guaranteeing food security and agricultural job creation. To achieve this, with the support of the private sector and development partners, it will allocate more resources to the agriculture sector with innovative mechanisms for adequate financing. These resources will be used primarily to improve the yield through appropriate mechanization, water control and strengthening of cooperatives related to the processing sector and especially to upgrade research centers and agricultural training centers.

They will also help setting up the agropoles and installing a major processing plant per sector with targeted high value added.

Moreover, in the area of manufacturing and extractive industries development, the government will focus on establishing coherent policies that promote the (i) integration of production units in the SEZs and the development of the textile industry focused on the high-end of a target product for export; and (ii) development of value chains for the extractive industries sub-sector, particularly the promotion of a fertilizer production chain and a manufacturing sector for construction materials, etc.

For the social floor consolidation and the strengthening of the inclusion mechanisms, a particular emphasis will be placed on: the (i) education and vocational training in line with business, industry and agricultural processing to increase youth employment and reduce social inequalities, (ii) social protection and corporate social responsibility; (iii) improvement of the quality of general education, health, nutrition, energy services, water and sanitation, and (v) improvement of the natural resources management.

To support the process of structural transformation, the government will rely on (i) an appropriate and adequate institutional framework; (ii) resource mobilization through improving the performance of OTR and the development of financial institutions; (iii) a decentralized, deconcentrated, dematerialized and efficient administration; as well as (iv) a fruitful public-private partnership based on the facilitation of private initiatives, financing of investments and transfer of appropriate technologies.

Based on the various pillars of the structural transformation of the economy indicated above, the expected impacts of the NDP 2018-2022 implementation are as follows: (i) considering the sensitivity of the investment to employment per branch of activity and assuming an average growth rate of 6.6% over the period 2018-2022, the jobs created by the NDP are estimated at around 315,000, that is, an average of 63,000 jobs per year on the assumption of a sensitivity of employment

<sup>18</sup> To facilitate access to securing rural land rights

to growth of 0.3. However, the political and strong-will ambition of the government based on realistic prospects in terms of decent and sustainable jobs would give the number of employment to be generated over the period 2018-2022, based on an average growth rate of 6.6%, a minimum of 500,000 direct jobs, that is, at least 100,000 direct jobs per year. In addition to the diffuse effects that could generate indirect jobs, the ambitions are at least 1,000,000 jobs (direct and indirect) over the period 2018-2022, that is, an average of 200,000 jobs per year; (ii) acceleration of the level of human development, which will lead to an increase in the Human Development Index (HDI) of around 14.5%, that is a level of 0.554 in 2022; (iii) decline in the incidence of income poverty by 10.5 percentage points, a level of 44.6% in 2022, combined with a reduction in social inequalities, particularly gender inequality of 32%, a level of 0.400 in 2022; (iv) per capita income growth of 9.7%, corresponding to US \$ 670 in 2022; (v) progressive control of fertility so that the total fertility rate is reduced to 4 children per woman of childbearing age in 2022; (vi) improvement of environmental governance with a view to sustainable development, with an increase in the proportion of the area covered by forests by 14.8 percentage points, corresponding to a level of 28% in 2022; and (vii) strengthening of the quality of institutions and governance, with, on the one hand, an improvement of the ranking of Togo by 10 positions according to the Mo Ibrahim index of good governance in Africa, and on the other hand, the improvement in the quality level of policies and institutions (CPIA) to more than 3.25 (level of 1 = low to 6 = high) in 2022.

The indicators of the structural transformation scheme are indicated in the table below.

**Table 5: Indicators of the structural transformation scheme of the economy**

Indicators	Values 2015	Targets 2020	Targets 2022	Assumptions
Incidence of income poverty	55.1%	47.6%	44.6%	-Strengthening of security, social peace and justice
Impact of rural poverty	68.7%	51.0%	49.4%	-Improvement of adaptation to external shocks and climate change
Economic growth rate	5.4%	7.0%	7.6%	- Increase of resources to the social sectors
Human development Index	0.484 (2014)	0.544	0.554	-Acceleration of under going reforms
Primary sector share in the GDP including Agriculture	40.7%	42.2%	40.6%	-Dominant position to the private sector
Secondary sector share in the GDP	17.4%	17.9%	20.2%	- Ongoing improvement of the business climate
Tertiary sector share in the GDP including trade	21.4%	21.0%	20.9%	-Structural reforms and clear incentives to attract SMEs/SMLs, FDI and diaspora resources
Manufacturing industry share in the GDP	4.8%	4.9%	5.2%	-Modernization of agriculture
Exports of industrial products share in exports of goods	34.8%	35%	37.2%	-Implementation of a real industrialization policy
Rate of agricultural products processing	19%	41%	50%	- Establishment of a legal and institutional framework of the public-private partnership contract
Economic dependency ratio	164% (2007)	≤ 109%	≤ 100%	- Establishment of an ambitious energy program
Unemployment rate	3.4%	2.8%	2.6%	-Measures to reduce corruption, favoritism, and annuity seeking
Underemployment rate	25.8%	21%	19.4%	-Implementation of the Administration's capacity building plan
Average number of direct jobs created per year	Not available	≥ 100,000	≥ 100,000	-Strengthening of selection criteria, prioritization, preparation, implementation, and monitoring of public investment projects
Total fertility rate (child per woman of childbearing)	4.8 (1993)	4.3	4.1	-Sensitization for a change of behavior
Mo Ibrahim Index of Good Governance in Africa (Rank of 54 countries)	33	26	23	-Contraceptive revolution
Evaluation of National Policies and Institutions - CPIA score	3.0	3.25	> 3.25	-Improvement of the quality of institutions and good governance

**Source: MPD/MEF, March 2018**

Thus, the growth acceleration and poverty reduction strategy in Togo will be based on the development of the logistics and business hub, the establishment of agropoles to develop value chains for agricultural sectors as well as industrial development. In addition, improving people's access to basic social amenities and strengthening inclusion mechanisms also remain fundamental for poverty reduction.

In conclusion, the structural transformation of the economy should accelerate Togo's progress towards emergence, through rapid and sustained growth over time to achieve a high middle income, a significant poverty reduction, a strong agricultural and industrial base and concomitant rise of the middle class to sustainably support development.

## 2.2 GUIDING PRINCIPLES

The guiding principles formulated to guide the implementation of the NDP are: (i) leadership and ownership; (ii) partnership and mutual accountability; (iii) results-oriented management and sustainability; (iv) equity, gender and inclusion.

**Leadership and ownership** : The implementation of the NDP will be under the leadership of the government, through the definition and the implementation of clear development guidelines, the financing of a large part of the actions from own resources, the framing of the support of the technical and financial partners (TFPs) on the development priorities identified in the NDP, the creation of an enabling environment to attract private investment, and the involvement of communities in the design, implementation, monitoring and evaluation of programs and actions conducted by national institutions, ministerial departments, local governments and other government agencies.

This leadership reflects the ownership of the National Development Plan (2018-2022), which will be reinforced by the permanent maintenance of national and regional dialogue frameworks, so that a real enthusiasm is maintained, with a view to the constant consideration of aspirations of the people.

**Partnership and mutual accountability** : The partnership will be at two levels (national and international). At the national level, this will involve partnership with the public sector, the private sector, civil society organizations and grassroots communities. At the international level, the process will entail cooperation with technical and financial partners, sub-regional, regional and international organizations, as well as South-South and triangular cooperation as well as cooperation with philanthropic organizations. The action will be part of the search for innovative solutions.

With regard to mutual accountability, each actor/actress becomes responsible for achieving the results. The government intends to continue and deepen this approach in its implementation through increasingly shared governance, by increasing the accountability of all actors to report on the implementation of their activities.

**Results-Oriented Management and Sustainability** : The ROM bases the requirement of a logical framework based on the cause-and-effect relationships and the prioritization of the NDP focus areas and targets, to focus financial efforts on areas and drive sustainable development. The Results-oriented Management also implies a clear definition of responsibilities in the implementation of activities or processes, as well as the accountability. All the walks of life of the nation must practice ROM in the implementation of the different development actions in a dynamic performance culture particularly valued by the use of the statistical tool.

Therefore, the NDP's approach must aim to reach the defined targets, by clearly identifying the impacts, the effects and the outputs, the resources to be mobilized as well as the performance indicators, with the precision of the different responsibilities according to the sequences and following the actors/actresses involved. In this context, each actor will be jointly and severally bound by the achievement of the results resulting from the activities or process for which he or she will be responsible.

With regard to sustainability, the NDP takes into account the three dimensions of the sustainable development (social, economic and environmental) by promoting (i) social integration to ensure the well-being of all; (ii) inclusive and transformative growth, productive employment and investment, and (iii) environmental sustainability in social and economic policies.

**Equity, gender and inclusion**: The government intends to ensure equal rights, opportunities and responsibilities in the involvement of different stakeholders taking into account gender, social inequalities but also the specificities of different regions in the implementation of the NDP. A particular emphasis will be placed on equity in the distribution of resources to all walks of society, including women, youth and the most vulnerable (children, the elderly and the disabled). In this sense, no one living in Togo will be left behind. The human being is put at the center of the development as an actor/actress and beneficiary. Rebuilding the human capacities of the most vulnerable will enable them to contribute to production

both to reduce their vulnerability and to contribute to growth. This principle will guide the government to accelerate the empowerment of women through the improvement of their legal, social, political and economic status.

## 2.3 STRATEGIC DIRECTIONS

The strategic directions of the National Development Plan 2018-2022 are based on the major challenges identified by the analysis of the economic, social and environmental situation.

The NDP is based on three strategic directions:

- **Strategic direction 1:** setting up a logistics hub of excellence and a first-class business center in the sub-region;
- **Strategic direction 2:** Developing agricultural processing, manufacturing and mining industries poles;
- **Strategic direction 3:** consolidating social development and strengthening inclusion mechanisms.

Strategic direction 1 positions the implementation of major investments in logistics and business infrastructure as the main source of growth in the short term. It aims to set up an excellent logistics hub and a first-class business center in the sub-region, in particular by improving existing infrastructure and multimodal connectivity and ICT. Strategic direction 2 targets the industrial development in the value-added sectors that are significantly export-oriented (agribusiness, manufacturing) and the satisfaction of domestic demand. This industrial development is intended to support the long-term growth of the economy as well as logistics and service activities. It is considered as the melting pot of the structural transformation of the economy. The strategic direction 3 is to build the appropriate institutional and human capacities to address the development challenges articulated in strategic directions 1 and 2. It contributes to ensuring the realization of all rights and freedoms with a view of strengthening the social cohesion. In addition, it aims to ensure that the fundamental principles of equity, inclusion and sustainability are effectively taken into account throughout the NDP implementation process.

In addition, the choice for the development of the blue economy is clearly displayed through the three strategic directions of the NDP. In the first strategic direction, the concerns of the maritime economy are at the heart of Togo's positioning as a logistics hub of excellence. With regard to the second strategic direction of the NDP, the structural transformation of the economy begins with rational and judicious exploitation of natural resources, including natural marine and aquatic resources. As for the third strategic direction related to social development and strengthening of inclusion mechanisms, it not only integrates the governance of spaces and the environment, but also paves the way for the development of quality human resources on which the emergence of a true blue economy relies.

In the context of this NDP, some cross-cutting issues have been identified and taken into account in strategic planning. They cover issues of primary importance to Togo, such as: (i) gender, (ii) universal health coverage with a focus on HIV/AIDS, (iii) decent employment, (iv) governance, (v) financing, (vi) environment, (vii) capacity building, (viii) housing and living environment, (ix) digital economy, (x) blue economy; and (xi) NDP contribution to the achievement of the Sustainable Development Goals.

### 2.3.1 Strategic direction 1: setting up a logistics hub of excellence and a first-class business center in the sub-region

The government intends to make Togo a logistics hub of excellence and a first-class business center in the sub-region, through the establishment of modern infrastructure, efficient multimodal transport, including maritime transport infrastructure, road, airport and rail.

Strengthening infrastructure and improving the quality of ICT and energy services will improve the business climate, attract foreign investors and foreign companies, and facilitate and strengthen international trade to drive the socio-economic development of the country.

The government plans to develop quality and resilient infrastructure to support the structural transformation of the economy. The harmonious distribution on the national territory will help reducing spatial inequalities and promoting development.

The expected impact of the implementation of this strategic direction is as follows: *“logistics performance contributes to improving the competitiveness and overall productivity of the economy and creating sustainable jobs”*.

To achieve this impact, efforts will focus on achieving the following outcomes: (i) the PAL is modernized and its competitiveness is improved; (ii) road transport infrastructure and services are developed to support economic growth; (iii) air transport is developed and Lomé airport is positioned as a regional hub; (iv) rail transport infrastructure is developed; (v) digital is developed and facilitates economic and financial transactions; (vi) Togo is a major center for tourism business in the West African sub-region; (vii) Togo is positioned as a first-class financial center in the sub-region; (viii) SMEs/SMLs have access to adequate financing; (ix) Togo is positioned as a first-class commercial business center in the sub-region; (x) media landscape is transformed and (xi) economic operators are satisfied with the business climate in Togo.

### ***Expected outcome 1: The Port of Lomé is modernized and its competitiveness is improved***

The geographical position and the history of Togo offer through its port a gateway to all of West Africa. The government intends to capitalize on the recent modernization of port infrastructures by drawing more value in terms of services offered. The organization and management of the port activity will be reformed through the creation of a port authority to separate the regulatory perimeter of the commercial perimeter.

This will make the port of Lomé the main infrastructure of the multimodal logistics hub that Togo plans to build based on its capacity to serve an economic area of more than 300 million inhabitants. This hub intends to attract the leading players in this sector in order to make the port of Lomé a unique reference in this industry (ship owners, port terminal operators, special economic zone operators ...).

In concrete terms, this ambition will be achieved through the following strategic objectives: (i) making it the most efficient port in the sub-region by optimizing its operations; (ii) strengthening its role as a trans-shipment port in the sub-region and as a primary source of supply for the hinterland and neighboring countries by improving connectivity; and (iii) preparing it for healthy and sustainable growth by improving the efficiency of its management. In addition, the government intends to develop multimodal dry ports as well.

This reform aims to reduce the average time of transit at the port of Lomé from 72 hours in 2016 to 24 hours in 2022 and increase the volume of containers handled (in TEU) from 1,193,841 in 2017, to 3,050,000 in 2022 this, in order to increase the revenues generated by the port activity but especially to have an effect on the economy of the transport of goods in West Africa.

The achievement of this outcome will involve the (i) increase of the traffic of the port of Lomé; (ii) diversification and increase of reception and logistics infrastructures of the port of Lomé; (iii) creation and operationalization of the Port Authority.

### ***Expected outcome 2: Road transport infrastructure and services are developed to support economic growth***

Togo has experienced in recent years a significant development of its infrastructure mainly through public investment. The challenge now is to capitalize on these achievements by developing a new generation of infrastructures thus establishing the necessary connections to the development of Togo's natural logistics corridor.

The government's goal is to improve overall competitiveness, thereby increasing the demand for freight and passengers through the use of the logistics corridor. This will involve (i) raising the percentage of paved roads with a good level of

services from 36% in 2016 to 60% by 2022; (ii) reducing the average length of a truck transiting the RN1 from 48 hours in 2016 to 24 hours in 2022.

This effort will strengthen Togo's logistics hub role across the Lomé-Ouagadougou corridor and take advantage of the strategic position of its deep-water port. In this sense, the government's strategies of actions rely on the duplication of RN1. This project will create jobs and eventually bring the volume of goods transported by road to about seven (07) million tons per year.

In addition, the government intends to strengthen the Abidjan-Lagos corridor to consolidate the port's position as a source of regional supply. In this sense, the construction of a motorway will allow better connectivity with other countries in the sub-region.

The government envisages to achieve this outcome through: (i) construction, rehabilitation and maintenance of the two (02) corridors; (ii) upgrading national road infrastructures to Community standards; (iii) strengthening of fleets for the transport of persons and goods; (iv) improving the legal, regulatory, institutional and organizational frameworks for transport services and road infrastructure.

### ***Expected outcome 3: Air transport is developed and Lomé airport is positioned as a regional hub***

The new Gnassingbé Eyadéma International Airport terminal represents an economic potential that the government intends to exploit more to make this airport an even more efficient hub with the support of its partners such as economic operators.

The construction of this terminal is the logical continuation of the transformation of the Togolese air sector. Raising the level of service will be the next step, creating added value and revenue for all.

In addition, the government intends to take advantage of the new African open sky policy to strengthen the offer of covered destinations from Togo.

At the same time, the development of the air sector will involve the rehabilitation and modernization of the facilities at Niamtougou International Airport and its upgrading to international standards. Thus, this second international airport will become a reference platform for airport logistics, especially for cargo traffic intended for the hinterland countries.

The government's ambition for 2022 is to make Togo an airport hub for West Africa doubling the passenger traffic from 750,000 in 2016 to 1,500,000 as well as freight from 12,000 to 24,000 tons per year thanks to the development of a service market around the two airport platforms. In addition, the government will continue and strengthen efforts to sign agreements with international airlines for their service to Lomé airport. Moreover, particular emphasis will be laid on the safety of the airport platform while maintaining the zero accident goal.

### ***Expected outcome 4: Rail transport infrastructure is developed***

The development of the Togolese logistics corridor is structured around several types of infrastructure, including the railway to connect the Port of Lomé to Cinkassé, about 700 km. This project, which has already been the subject of pre-feasibility studies of international standards, will have to crystallize the national development by leading to a densification of the territory by setting up connected infrastructure.

The development of rail infrastructure will involve (i) carrying out feasibility studies for the development of a standard gauge railway line linking Lomé to Cinkassé; and (ii) development of containerized freight transport between Lomé and the hinterland countries and other countries in the sub-region.



## Expected outcome 5: Digital is developed and facilitates economic and financial transactions

The government's ambition is to establish digital technology as a real lever for modernizing the economy and society. The policy of the digital economy sector aims to enable Togo to have short and medium term competitive ICT services accessible to the largest number of citizens and in the long term, to build the fundamentals of a digitaleconomy imparting values, creating jobs and wealth and stimulating development, making the Internet and ICTs accessible, seamless, and financially affordable for all.

The targets by 2022 are among others: at least 90% of the population and almost 95% of central and local enterprises and administrations have access to broadband internet; 50% of public high schools and colleges are equipped with internet networks and ICTs are fully integrated into the training of pupils and students; the GSM penetration rate reaches at least the sub-regional average and then exceeds it towards the end of the implementation period.

Digital development will be achieved through: (i) bridging the digital divide; (ii) extension and integration of ICTs in all sectors of the national economy; (iii) strengthening incubators and setting up a financing platform; (iv) guaranteeing national digital sovereignty including cybercrime and protection of services; (v) improving the quality and diversification of ICT services; (vi) establishing and operationalizing an ecosystem to support private actors and entrepreneurs.

### Box1: Digital economy: digital in the world, Africa, and Togo

Currently the most dynamic sector of the world economy, with relatively high growth rates, the digital economy will need special attention. The development of this sector is crucial because it is not only an important source of foreign exchange but also a significant source of employment for young people, with adequate training. Since the "democratization" of Internet access in the mid-1990s, the digital technology sector has been growing rapidly. This deployment has been followed by a wave of innovations in information technology, but also in many areas of application, giving rise to a multitude of online services and new applications. The development of Internet and digital networks has had significant impacts on the flow and processing of information, on commercial and financial transactions, the audiovisual sector, the management of public networks, etc. The challenge facing Togo is to do everything possible to benefit from these advances that have boosted and continue to boost the economies of several countries.

UNCTAD 2017 Report entitled "Digitization, Trade and Development" reveals that digitization is becoming increasingly important in the development process of African economies through unprecedented productivity gains in various areas. The use of large-scale data processing, artificial intelligence in the medical field, geo-referencing in land management or farming, are strong examples that Togo intends to gradually integrate into its development planning.

To this end, it has to address a number of challenges such as:

- lack of statistics (as elsewhere in Africa) on key aspects of the digital economy, which makes it difficult to formulate appropriate public policies;
- digital shift has been slower in Togo than in other countries in the sub-region. Despite the efforts made in recent years, the digital divide is still pronounced in Togo, compared to other countries in the sub-region. Indeed, the costs of the internet connection are relatively very high (in 2017, the ADSL connection of 8 Mb/s costs CFA F 42 480 per month in Togo while in Senegal the connection of 10 Mb/s is CFA F 34 900 );
- digitization of the economy in order to have positive externalities on the productive and financial sectors, by the implementation of the declaration of policy of the digital economy sector 2018-2022 validated in October 2017 and which aims to make Togo a service hub and an international center for innovation and digital competence;
- technological development to promote with the use of digital in agriculture, health, education, finance, security, biometrics, land, etc.

However, the advent of new fiber-to-the-home (FTTH) offers marketed at CFA F 30,000 per 30Mb/s would significantly improve the accessibility and quality of Internet services in Togo.

The implementation of this approach will be articulated around four (04) main pillars to hang the digital and make it progressively a reality in Togo. This will go through:

- digitization and improvement of the quality of the services offered to the citizens which will be done thanks to the E-gouv project which aims at ensuring the effective interconnection of the administrations and making it possible to offer a quality service to users, including the dematerialization of many procedures;
- improvement of the access for all to affordable digital products and services will help to ensure the competitiveness of the economy through access to high-performance technology equipment and services as a result of the 2017 tax incentives exempting import of digital equipment;
- promotion of the training in the digital and technology professions/trades by developing advanced skills in the technological and digital areas in order to ensure full-time quality of service;
- creation of innovation centers to support industries, like Silicon Valley in the United States, to offer start-ups an environment conducive to innovation and research & development.

## Expected outcome 6: Togo is a major center for business tourism in the West African sub-region

The Togolese government takes cognation that the current contribution of the tourism sector to the economy (4% of the GDP) and employment is relatively low. However, there is growth potential. Its ambition is to increase the share of tourism in the creation of wealth from 4% of the GDP in 2015 to 6.2% by 2022 thanks to the promotion of business tourism. Furthermore, the number of visitors per 100 inhabitants is expected to grow from 3.2 in 2015 to 5 by 2022 and per visitor's revenue from \$ 520 in 2015 to nearly \$ 700 by 2022 and create at least 10,000 decent jobs.

This ambition will be followed by the development of different types of tourism including seaside tourism, cultural tourism and ecotourism. The development of blue tourism will also be at the heart of these concerns. It will be a question of positioning Togo as a "blue" tourist destination in West Africa. It is important for this purpose, based on a quality approach, to create a tourist identity, among others, around blue tourism products. Specifically, the government's strategy should focus on defining a clear positioning (Go to Togo) and promoting the Togo tourist destination through (i) diversification, growth and enhancement of tourism (cultural, handicraft, ecological, economic and social) and hotel offer through systematic labeling and rating; (ii) facilitating the financing of investments in the tourism and hotel sector; and (iii) improving the legal and organizational framework of the sector.

### Box2: Developing the blue economy

The sustainable development of the blue economy offers Togo an important opportunity to diversify its economic base through investments and policy changes aiming at improving economic sectors such as fisheries, industry, tourism, trade, transport and mining. Over time, the maritime economy can lift the country out of dependency and its mainly terrestrial activities to focus in the medium and long term on sectors such as marine biotechnology and oceanic renewable energies. However, this potential for growth can be weakened by the vulnerability of the coast, its resources and the dwellers. As a result, environmental concerns and issues of equity, sustainability and resilience will be managed so that investments in the blue economy can benefit the country in the long term.

The government is committed to implementing a strategy for developing the blue economy to set specific goals and actions in the short, medium and long term. This will help framing sectoral policy reforms and growth in sectors and activities of the maritime and coastal economy. The chosen approach is an approach of integrating the principles of the blue economy, inclusive growth and sustainable management into the process of developing sectoral policies and plans. This process is made up of several successive steps, and includes significant challenges, including effective intergovernmental collaboration, multi-stakeholder engagement, and engagement with the private sector and communities.

Implementing the blue economy concept requires in particular: (i) a strategic and inter-sectoral approach; (ii) direct and indirect investment planning; (iii) exploitation of existing resources in a sustainable and efficient manner to meet the specific challenges of the coastal and marine space; (iv) promotion of sustainable consumption and production patterns; (v) strengthening maritime safety and (vi) strengthening the coordination and cooperation mechanism.

## Expected outcome 7: Togo is positioned as a first class financial center in the sub-region

Togo hosts several sub-regional and regional banking institutions. The government believes that it is possible to take a greater advantage from this asset. Thus, it intends to create the conditions to increase the funding share that goes directly to the real economy but especially develop a platform to create jobs including back office banking, IT support and remote customer relationship management. This platform will benefit, in particular, from the efforts that will be made to strengthen Togo's digital capacities.

Togo intends to use its position as the third financial center of UEMOA to create the necessary conditions to become a regional financial hub, improve access to financing of its economy in all its components and bring innovations in this sector. The objective is to undertake reforms and own the regional leadership in the financing of the structural transformation of the economy by positioning itself, by 2022, as the first financial center of UEMOA and the second position of ECOWAS.

The reforms that will be carried out will make it possible to: (i) accelerate the banking system of the populations; (ii) develop mobile banking; (iii) facilitate the integration of the decentralized financial system with the banking financial system; (iv) create an enabling environment to attract investment and venture capital funds targeting VSMEs/SMLs; (v) use crypto currencies; (vi) implement leasing for business financing; (vii) reduce illicit financial flows in favor of financing the economy; and (viii) establish new bank headquarters.

The positioning of Togo as a first-class financial center in the sub-region will be achieved through: (i) the strengthening the regulatory framework of banks and microfinance institutions, (ii) promoting trades/professions in the financial sector; (iii) strengthening the establishment of major foreign financial groups.

## Expected outcome 8: SMEs/ SMLs have access to adequate financing

The SMEs/SMLs access to funding in Togo in the best conditions is a priority for the success of the NDP; this will include the ability to borrow at a significantly reduced interest rate through a bonus scheme. The effective and efficient financing of this productive force will lead to the massive job creation sought in the NDP goals.

The strategy will focus on: (i) strengthening the coordination and promotion of initiatives developed for the financing of SMEs/SMLs, (ii) strengthening the monitoring and evaluation mechanism and support mechanisms for the financing of the Government (iii) implementation of incentives related to the promotion of SMEs/ SMLs; and (iv) operationalization of the credit information office.

The SMEs/SMLs access to adequate financing will be achieved through (i) capacity building of SMEs/SMLs in the production of financial statements and development of business plans, (ii) creation of new banking products for SMEs/SMLs; and (iii) promotion of new forms of financing and guarantees.

## Expected outcome 9: Togo is positioned as a first-class commercial business center in the sub-region

A historical and natural commercial place in West Africa, Togo has always been a crossroads serving as gateway to different countries, especially in terms of trade. The government is convinced of the significant benefits that can be derived from this positioning, but only by making Togo a remarkable reference in this area in order to stand out positively by a unique and attractive value proposal. Thus, the government plans to make Lomé a commercial hub through the establishment of a platform dedicated to the export market and exhibition centers.

It will thus strengthen the offer of hosting major events bringing together the business community by building a high capacity conference center to improve the attractiveness of Togo as a key destination of seminars and international conferences.

The positioning of Togo as a first-class commercial business center in the sub-region will be possible thanks to: (i) establishment of a platform dedicated to the export market, (ii) construction of commercial and exhibition centers; and (iii) strengthening of the legal, institutional and organizational framework.

## Expected outcome 10: Media landscape is transformed

The development of the economy is also based on the development of communication and information. For the government, it will create a framework conducive to the professionalization and diversification of the quality media delivery, relying particularly on private media.

In order to validly support this transformation, the government will implement actions to accelerate the full transition from analogue media to digital media by facilitating household access to new generation equipment.

The transformation of the media landscape will be effective thanks to: (i) the transition from analogue to digital; (ii) media coverage of the country through quality products; and (iii) creation and operationalization of media informing business activities.

## Expected outcome 11: Economic operators are satisfied with the business climate in Togo

The business climate has significantly improved in Togo in recent years, thanks, in part, to the government's commitment to take the appropriate measures to make daily business in Togo easier. Regarding the economic transformation, efforts will be deepened and strengthened.

Therefore, the government intends to : (i) carry on with a sustained pace reforms to improve the business climate; (ii) strengthen the framework for ongoing dialogue between private sector actors and the government; (iii) preserve the stability of the macroeconomic framework; (iv) fight against corruption; (v) promote the availability of a skilled workforce; (vi) ensure the proximity of the commercial and financial markets; (vii) put in place specific regulations for foreign investment; and (viii) accelerate the operationalization of the agency dedicated to the promotion of investments and exports.

As a result, the achievement of the desired outcomes will be achieved through: (i) increased transparency and simplification of administrative procedures; (ii) modernization of business law and the provision of an appropriate regulatory framework and incentives for investment and entrepreneurship; and (iii) improvement of the consultation and communication around the ongoing reforms.

## Box 3: Promoting governance

Good governance is one of the key factors that the government intends to strengthen through specific measures to make the business climate particularly attractive and competitive in order to attract more investment both domestic and foreign. With this in mind, the strengthening of the permanent dialogue framework between the social actors, the management of public finances, the fight against corruption, the acceleration of decentralization, the reforms to improve its ranking within the framework of Doing business will be rigorously privileged. As part of the specific measures to be privileged, the authorities will pay more attention to the:

- appeasement of the political and social climate, in particular by the establishment of institutions guaranteeing political stability and respect of individual freedoms;
- transformation of the public sector to promote people's access to quality public services and the strengthening of accountability. To this end, the government will continue to implement the recommendations of the strategic and organizational audits of the ministerial departments as well as the enhancement of skills through better recruitment and training planning;
- sound management of public finance through the optimization of public investments and the search for debt

- sustainability through the strengthening of the implementation capacities of the PPBESE chain and the SNDS II;
- safety and security of production facilities and equipment, services and the supply chain for the sustainability of investments and their profitability;
- access to land and the securing of spaces for priority projects while guaranteeing access to land for all through the enforcement of the texts implementing the new land code;
- acceleration of decentralization to foster local development, based on greater mobilization and citizen participation as well as enhancing local development potential;
- improvement of the judicial system, notably by reducing the time taken to deal with commercial disputes and bringing justice closer to litigants;
- pursuit and strengthening of the prevention and fight against corruption and related offenses, in particular through the adoption of a framework law (the preparation of which is already well advanced) and a political and civic commitment to zero tolerance for acts of corruption and similar offenses.
- safety and security of facilities, services and the supply chain are essential to achieve the ambition of making Togo a logistics hub in the sub-region.

### 2.3.2 Strategic Direction 2: Developing Agricultural Processing, Manufacturing and Extractive Industries Poles

The government is keen to lay the sustainable foundations for the structural transformation of the economy to enable Togo to progress gradually towards emergence. It is clear that the structural transformation of the economy remains a major challenge if the country wishes to improve the productivity and competitiveness of the economy. To this end, an approach based on the promotion of growth poles<sup>19</sup> and the development of promising sectors that are important anchors for accelerating the pace of growth, massively creating jobs and reducing poverty is adopted.

To do this, it intends to take advantage and develop the existing enormous potential in the sectors of agriculture, manufacturing and mining industry.

The approach in the agricultural and industrial sector will be geared towards setting up, on the one hand, a productivity-oriented agricultural processing pole to achieve food security and significantly reduce the deficit of the agricultural trade balance; on the other hand, a manufacturing and mining sector in connection with the development of a logistics center of excellence. Togo will kick off the industrialization through the strengthening of SMEs/SMIs and the creation of Special Economic Zones (SEZs). The country's capacity to fully exploit these sectors as soon as possible will largely determine the future growth rate of its economy, which, according to the assumption adopted, would reach an average rate of 6.6% over the 2018-2022 period.

To achieve this goal, reforms and synergies of actions are needed, particularly incentives for entrepreneurship and business development to foster the emergence of a competitive entrepreneurial class in the national, regional and international markets.

The expected impact for the implementation of this strategic direction is as follows: ***“Poverty is reduced through the acceleration of wealth creation and a better redistribution of the fruits of the growth as well as the creation of decent jobs”***

To achieve this impact, the efforts will focus on the combination of the following main outcomes: (i) value chains of the promising sectors are developed, agropoles and competitiveness clusters for agricultural transformation are set up and jobs are massively created, (ii) hydraulic facilities are developed and contribute to agricultural and energy production; (iii) Togolese industry is developed, respectful of the environment, integrated to the rest of the economy and jobs creative; (iv) craft enterprises are competitive, wealth and jobs creative and participate in industrial and tourism development; and (v)

energy is developed and contributes efficiently to the improvement of agricultural, industrial and mining productivity.

#### Expected outcome 1: Value chains of promising sectors are developed, agropoles and competitiveness clusters for agricultural processing are set up and agricultural jobs are massively created

The government is convinced that the promotion of “agrobusiness”-oriented agriculture will help to attract private investment, increase returns, professionalize actors, and create thousands of jobs in the sector and related services. Therefore, the government has created an agency to promote the development of agropoles the role of which is to build public-private partnerships relying on the National Plan for Agricultural Investment and Food and Nutrition Security (PNIASAN) covering the period 2017-2026.

Similarly, the creation of training institutes for the agro-development (IFAD) is part of the momentum of professionalization and competitiveness. In addition, an innovative mechanism for financing agricultural value chains based on risk sharing and guarantees to increase the flow of private capital into agribusiness will be put in place.

The ambition, by 2022, is to make Togo a competitiveness cluster for agricultural processing focused on productivity to achieve food security, improve the agricultural trade balance and increase the revenue generated by the export of agricultural products, particularly the processed products.

This includes (i) improving the viability of food production systems, valorization and marketing of agricultural products through the improvement of the products quality throughout the agricultural value chains, and (ii) implementing resilient agricultural practices that allow increasing productivity and production, contributing to the preservation of ecosystems, enhancing capacities of adaptability to climate change, extreme weather events, drought, floods and other types of disasters and progressively improving soil fertility.

The government selects the following targets (i) improvement in agricultural productivity of about 10% per year; (ii) significant improvement in the agricultural trade balance from CFA F-44 billion in 2016 to CFA F-5.65 billion by 2022; (iii) a reduction in the poverty rate in rural areas to less than 50% by 2022; (iv) a reduction in the proportion of children under five suffering from acute malnutrition to 3% by 2022.

To achieve this outcome, focus will be placed on: the (i) development of agropoles (ii) establishment large-scale cooperatives; (iii) support and networking of small producers to support agropoles.

#### Expected outcome 2: Hydraulic facilities are developed and contribute to the agricultural and energy production

Promoting the development of the value chains in the agricultural sector will rely on the water control as well as the development, construction, rehabilitation of hydro-agricultural facilities and fisheries production infrastructure. In addition, sustainable management of the transboundary water basins will ensure the availability of water resources for agricultural development.

Moreover, the development of agropoles must be supported by land reform and the availability of urban and land-use plans, including development master plans and management of water bodies and wastewater and rainwater drainage plans.

This outcome will be achieved by: (i) building and maintaining water control facilities; (ii) establishing and operationalizing a cooperation mechanism for all transboundary water basins; and (iii) building dams enabling people to access fisheries and energy at lower cost.

<sup>19</sup> In the literal sense, a growth pole is a combination of public or private firms and research centers in a given territory, or a local authority whose economic activity is a driver of economic growth. An economic pole is a locality with an advantage for an economic activity.

### Expected outcome 3: Togolese industry is developed, respectful of the environment, integrated to the rest of the economy and jobs creative

The government considers industry as an important driver for accelerating the growth pace and structural transformation of the economy. Its policy aims to this effect at setting up a manufacturing cluster, starting with the development of at least two industrial parks in the period 2018-2022 and make Togo a center of extractive industries in connection with the development of a logistics hub of excellence. These initiatives will be supported by a quality infrastructure and an appropriate industrial property system.

To achieve this ambition, the government intends to (i) achieve average annual growth of the industrial and manufacturing sector of about 10% per year driven by new sectors including textiles and clothing; (ii) attract new foreign investors with a level of foreign direct investment (FDI) of \$ 250 million, that is, CFA F125 billion invested over the period 2018-2022; and (iii) bring out "national champions" from the Togolese industry.

With regard to the extractive industries, the targets set for 2022 are as follows: (i) at least 5% of the deposits identified are mined; (ii) at least 90% of mining workers are organized and supervised; and (iii) 100% of the reforms are implemented.

This outcome will be achieved through: the (i) establishment of a manufacturing center; (ii) creation of industrial parks; (iii) strengthening of the quality infrastructure and the industrial property system; (iv) mining, diversification and valorization of mineral resources; and (v) exploration and mining of new mining sites.

### Expected outcome 4: craft enterprises are competitive, wealth and jobs creative and participate in industrial and tourism development

The craft industry in Togo has entered a new, more moderate but solid and structured growth phase. The government will continue its efforts to strengthen the operational capacity of the sector. To develop the sector, a target is set by 2022 which is providing support for the creation of 4200 craft companies.

The strategy will focus on the (i) creation and strengthening of craft resource centers in all the districts; (ii) organization, every year, of fairs and exhibitions for the promotion of craft products; (iii) promotion in the regions of Togo of small-scale showcases evolving towards craft zones like the industrial zones; (iv) professionalization of craftsmen; (v) establishment of a financing mechanism adapted to the sector; and (vi) development of a social protection scheme for craftsmen.

The outcome will be achieved through (i) improvement of the institutional and organizational framework for the promotion of craft enterprises; (ii) strengthening of the system of apprenticeship, training and upgrading of craftsmen; and (iii) strengthening of the craft support system.

### Expected outcome 5: Energy is developed and contributes efficiently to the improvement of agricultural, industrial and mining productivity

In the medium term, the government will focus on developing an energy policy aiming at reducing dependence on supply and improving people's access to reliable and modern energy services at an affordable cost. It also aims at promoting the energy mix through the development of renewable energies. It will also seek to strengthen the international cooperation to facilitate the access to clean energy science and technology and energy efficiency. In addition, the private investment in the energy sector will be encouraged.

To meet the energy needs of the population and the economy, the government's ambition is to reduce the electricity dependence from 50% in 2015 to 35% by 2022, to raise the rate of access to electricity at national rate from 36% in 2016 to 60% by 2022, to reduce the rate of losses on the network from 16.8% to 10% by 2022 and to improve the yield of carbonization from 15% to 25% by 2022.

This outcome will be achieved through: the (i) strengthening of the institutional, political and legal framework of the energy sector; (ii) strengthening of the production and distribution capacities of the electric power; (iii) increase of hydrocarbon storage and distribution capacity.

### 2.3.3 Strategic Direction 3: Consolidating social development and strengthening inclusion mechanisms

The government is committed to developing quality human resources while correcting gender inequalities and access to basic social services. By strengthening the social bases, the government intends to create the conditions for inclusive growth for a sustainable improvement in the quality of life of Togolese people.

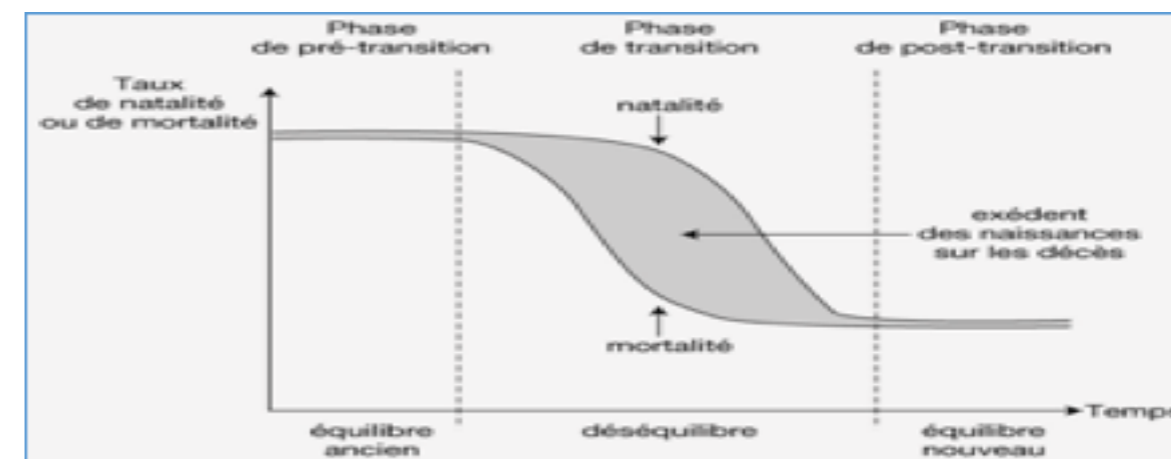
The expected outcome from the implementation of this strategic direction is as follows: "The level of human development is improved, thanks to a better access to basic social services".

The human capital development aims at having quality and sufficient human resources capable of making sustainable contribution to the creation of the national wealth and supporting the long-term growth of the country. In this context, major reforms are needed, particularly in the social sectors, to trigger the achievement of the Sustainable Development Goals (SDGs) and provide the Nation's human resources with the appropriate capacities to build an emerging economy by 2030. In addition, the government intends to strengthen the preparation of gender-sensitive and respectful to environment public policies and mainstream results-based management in the PPBESE (planning, programming, budgeting, implementation and monitoring-evaluation) chain. Improving the quality of public policies will involve evaluating the effectiveness of interventions through, among others, carrying out public social spending reviews (education, health including reproductive health, food security and nutrition, water and sanitation, social protection) to better appreciate their ability to reduce poverty and inequality while promoting sustainable consumption patterns. It will also take into account issues related to the demographic dividend and the reduction of socio-economic disparities between the different regions of the country. The government also intends to increase the share of the budget allocated to the social sectors; it will rise from 19% in 2014 to 25% by 2022.

#### Box 4: Taking full advantage of demographic dividend

The demographic dividend is the profit that a country can derive during the single period of its history in which the demographic transition is achieved, that is, the transition from a situation of high birth and mortality rates to a situation of low birth and mortality rate.

#### PHASES OF THE DEMOGRAPHIC TRANSITION



In fact, the progressive control of mortality and birth rates leads to a decrease in the percentage of dependent children in favor of the active producers, which allows for a better management of health and education expenditures formerly intended for high numbers of children and young people.

Togo has begun to open its opportunity window for the demographic dividend since 1991, when the number of active producers (actual producers) is higher than the number of dependents (actual consumers). It has therefore entered a period more conducive to savings, productive investment and human capital, and to the acceleration of economic growth. However, the total fertility rate (TFR) is still high (4.8 children per woman of childbearing age). There is a risk of limiting the expected positive impacts on economic and social development, given that this opportunity window is supposed to close around 2050.

The Government interventions to maximize the benefits of the demographic dividend will include reducing fertility, reducing the rate of economic dependency, and increasing the modern contraceptive prevalence. To achieve these outcomes, actions need to be taken to increase enrollment and retention of girls to university level, promote the use of free family planning services for all, improve the provision of HIV/AIDS services especially for young people and support the employability of the youth.

Improving the living conditions of poor people in general and the most vulnerable in particular will thus be part of strengthening the fight against poverty and promoting inclusion mechanisms. The government's ambition is to (i) reduce income poverty, extreme poverty and rural poverty, respectively from 55.1% to 44.6%, from 28.7% to 20.1% and from 68.7% to 49.4%; (ii) increase per capita income from US \$ 610.5 in 2016 to US \$ 670 by 2022; (iii) put in place social protection systems and measures for all, adapted to the national context and ensure that, by 2022, more than 50,000 targeted persons in the informal sector, women in particular, will benefit from social Security; and (iv) implement the Medium Term Expenditure Framework (MTEF/CDMT) on Gender Equity and Equality and the Social Action Policy.

By strengthening the social basics, the government intends to create the conditions for inclusive growth.

The implementation of the planned measures and reforms should have a positive impact in terms of the acceleration of the level of human development and, above all, an improvement in the global ranking of the HDI at least ten (10) positions by 2022.

To achieve this impact, the efforts should focus on achieving the following outcomes: (i) people have equitable access to education, vocational training and quality higher labor market oriented education; (ii) Togolese people have access to universal healthcare/nutrition; (iii) people, especially youth and women, have access to productive, decent and sustainable employment; (iv) population benefits from a social and civil protection system; (v) gender equity and equality are strengthened; (vi) access of the populations, especially the poorest, to drinking water, hygiene and sanitation is improved; (vii) access of the population, especially the poorest, to sustainable domestic energy services is increased;

(viii) people, especially the poor and vulnerable groups, have access to financial services adapted to their needs; (ix) better organization and management of the national territory is ensured for a balanced and sustainable socio-economic development of the country; (x) people have access to better living environment and decent housing; (xi) administrative and local governance is strengthened and contributes to regional development; (xii) sustainable management of the natural resources and resilience to climate change are ensured; (xiii) equitable access to justice is guaranteed; (xiv) defense and security of the national territory are ensured; (xv) sports and leisure activities contribute to the economic growth and development of the citizen; and (xvi) cultural enterprises are competitive, wealth and jobs creative.

In addition, the government will continue its efforts to strengthen and expand the use of ICT in all the sectors or areas contributing to the social development and strengthening of inclusion mechanisms.

## Expected outcome 1: People have equitable access to education, vocational training and quality higher labor market oriented education

The Government gives priority to an education and training system that effectively ensures job-training adequacy. To this end, it intends to pursue reforms in the sector, particularly by involving professionals in vocational sectors in the planning and management of education and training needs. The government aims at having quality human resources in sufficient quantity, well educated, well trained, productive and able to innovate, undertake, enter the labor market and contribute to the wealth creation and the development of the country. With this in mind, the Education Sector Plan (ESP 2014-2025), which serves as a current intervention framework for partners, will be adapted to the new vision. In addition, the education sector will need to promote research and development to provide sectors of the economy with the tools and human capital needed to improve productivity.

For the coming years, it will carry on the reforms by now focusing on a quality education and training system based on a new curriculum, with research centers of excellence capable of meeting the employment needs, particularly in the agricultural and industrial sectors. A special emphasis will be placed on scientific education and vocational and technical training as well as on the promotion of apprenticeship and skills, the ultimate objective being to promote employability and self-employment, especially for women and youth.

This outcome will be achieved through (i) strengthening of vocational training centers for industry, agriculture, tourism, finance and handicrafts; (ii) strengthening and compliance with technical and vocational training infrastructures standards (TVET); (iii) promotion of technological universities and research and development centers; and (iv) strengthening of the orientation system towards scientific and technical studies.

## Box 5 : Capacity building

The success of any national development plan (NDP) depends on the availability of capacity for ownership throughout the process, from the development to the evaluation through the implementation.

To this effect, for the success of the NDP, the implementation of the National Capacity Building Plan for Sustainable Development (PNRCME-DD) will be accelerated in order to target more actors and build more skills. In fact, whether in the historical, emerging or transversal sectors, the trades evolve to adapt to the new skills required, and which are related to new techniques and technologies, digital transformation, new tools, materials and processes. Thus, the government intends to act on three levels namely: the (i) individual level with the acquisition of knowledge and technical skills, (ii) organizational level with the improvement of systems, procedures and institutional frameworks, and (iii) level of incentive environment where political and legislative changes, as well as power relations and social standards take place:

- At the individual level, the authorities intend to match people's skills in the labor market with the businesses needs. To this end, the Government, with the support of the private sector, will create schools and universities that adapt training to the needs of the structural transformation of the economy. New trades will be created and oriented towards the development of agricultural and industrial value chains. The establishment of agribusiness training institutes (IFAD) for young people will rejuvenate the agricultural sector, improve productivity and orient it to the market. The promotion and development of the entrepreneurial culture will be the backbone to train successful, audacious and innovative entrepreneurs and startups capable of attracting the best international skills to develop a digital economy. In rural and peri-urban areas, the government is committed to promoting functional literacy and IT literacy focused on agro-sylvo pastoral, handicraft and agri-food processing activities. In addition, the systematic and periodic upgrading of the staff in companies and the creation of firms for the recruitment and placement of professionals and job portals will be further encouraged by the government.
- At the organizational and institutional level, the administration sometimes suffers from a weak normative framework and procedures that allow all to have the same understanding and the same interpretation of standards, principles

and even missions. It is within this framework that certain missions are positioned in several ministerial departments, such as social protection and the PPBESE chain. The government intends to strengthen the normative frameworks that present this type of relationship for more synergy.

- In terms of the enabling environment, the government will enhance the effective participation of non-state actors in decision-making bodies through greater accountability and dialogue in the country's sustainable economic development process. Moreover, the civic culture that will consolidate this participation will be promoted through decentralization, women empowerment, community development, culture of the information society (including statistics), respect for public asset and training in leadership.

## Expected outcome 2: Togolese people have access to universal healthcare /nutrition

The health state of the population affects its social and economic development. As such, the government intends, in connection with the National Health Development Plan (PNDS) covering the period 2017-2022, as a framework for intervention of all the partners in this sector, to make the health system a factor that contributes to human capital development necessary for growth.

Over the next five years, the government will ensure people access to health care, by focusing particularly on high impact interventions on maternal and child health, including the strengthening and quality of the quality family planning and reproductive health services delivery. Emphasis will also be placed on main diseases and disability and mortality-related situations including malaria, HIV/AIDS, tuberculosis, other endemic epidemics and non communicable diseases and malnutrition. In addition, attention will also be focused on the socially, environmentally and economically health inequalities factors and that go beyond the direct influences of the health sector and health policies.<sup>20</sup>

The government intends to pursue the development of a patient-oriented quality health and care services delivery, accessible to all, with particular emphasis on the contractualization of the health facilities management in partnership with non-state structures.

Improving the health care will contribute to the well-being of the population and, in turn, to a better contribution to the structural transformation of the economy.

To this end, the focus will be on strengthening the health system and community health more specifically (i) strengthening governance in the health sector; (ii) improving health financing with a view to generalize the coverage of the financial risk linked to the disease; (iii) strengthening health human resources to alleviate the needs, reduce inequalities in their distribution and improve their skills and performance; (iv) developing an easy and quality access to services and health care throughout the country; (v) improving the availability of health technologies delivery, medicines and other quality health products in the health facilities, including safe labile blood products; and (vi) availing reliable health information and promoting the health research.

### Box 6: "Crosscutting actions approach in health" for economic growth and well-being

Health is a determining factor in improving labor productivity. In this vein, the National Development Plan 2018-2022 goes beyond traditional humanitarian and equity considerations that consider health only as a social right and integrate it as a factor for economic growth.

Thus, to boost economic growth and create jobs, the NDP considers health as a means of: (i) achieving human rights (the right to health and social protection); (ii) achieving equality between men and women; and (iii) fighting against poverty. This orientation of the NDP is in line with Article 34 of the constitution of the Fourth Republic, which guarantees the right to health to citizens in accordance with the African Charter on Human and Peoples' Rights.

<sup>20</sup> Multisectoral actions in health

This integrated approach of the NDP helps achieving the Sustainable Development Goals because it harmoniously combines the economic, social and environmental dimensions of health and is based on the principle of "leaving no one behind".

Togo owns the conclusion of the WHO Commission on Macroeconomics and Health in 2001 which states: "It is undeniable that prosperity brings health; however, health must also be considered as a form of human capital and therefore as an input (and not just an output) of the growth process: the countries with an educated and healthy population are more likely to succeed especially if the political environment is conducive".

In Togo, progress has been made in improving the health state of the population. This improvement resulted in an increase in life expectancy at birth from 55.9 years in 1990 to 60.2 years in 2015; thanks mainly to the drop in child mortality and the sharp reduction in morbidity and mortality associated with certain communicable diseases such as HIV/AIDS, tuberculosis and malaria as well as some vaccine-preventable diseases. However, there is a long way to go.

In order to make human capital the main foundation of the country's economic growth, the NDP emphasizes a holistic approach of health that takes into account all the aspects relating to the environment, education, health, drinking water, sanitation, nutrition and social protection.

Therefore, means will be deployed to:

- have a robust health system focused on efficient governance;
- improve care for vulnerable people, specifically women, children, teenagers and youth, as well as people living with disabilities and the elderly persons;
- strengthen the community participation in health development;
- integrate health issues into all policies;
- boost the public-private partnership for quality services delivery throughout the country and greater coverage of universal health insurance;
- improve the management of hospital waste in health facilities.

## Expected outcome 3: People, especially youth and women, have access to productive, decent and sustainable employment

Employment is considered as an important tool of social inclusion especially for youth and women. Regarding these two categories, the government intends to continue the actions enabling them to participate actively in the creation of wealth and socio-economic development as well as to benefit from the fruits of growth. To this end, it intends to take advantage of the support projects and programs of employability, entrepreneurship, income-generating activities, labor-intensive work, etc. of the youth and women by strengthening the accountability and ownership.

The achievement of these ambitions will be based on: (i) strengthening the employability of the workforce; (ii) promoting youth and women entrepreneurship; (iii) social promotion and participation of youth in development.

### Box 7: Youth employment

The employment issue in Togo concerns more particularly the youth and women. The increase in youth unemployment and the precariousness of informal jobs among the active population is a serious threat to the peace and stability of the country. The government intends to act on two levers to meet the challenges. These include the vocational training and the development of human capital and the development of job creation potential with its corollary on the precariousness and underemployment. These challenges have as a common denominator, the education system and its quality in the sense that analyzes show that the more young people reach a high level of education, the greater their chances of successful transition to a decent job.

To address the first challenge, the government will rely on improving the technical and vocational training offer to break the vicious circle of inadequate training-employment, unemployment and underemployment. The government provides for the: improvement of technical education and vocational training through the acquisition of new and more modern technological equipment; strengthening of the orientation system towards the scientific and technical studies by a greater professionalization of the teaching; development of higher education and research and its orientation towards the labor market through the creation of technological universities; strengthening of the vocational training centers in the trades of industry, agriculture, tourism, finance and crafts through a good equipment of the existing ones and creation of new ones taking into account real economy needs. The Vocational Training and Youth Employment Program (PROFOPEJ), the National Strategic Plan for Youth Employment (PSNEJ) adopted in 2014, the National Youth Employment Coalition (CNEJ) were put in place to reduce the underemployment of young people, the promotion of entrepreneurship and the reduction of unemployment.

The second challenge will be addressed by building on the Youth Empowerment and Job Creation Program. It will also assess the major projects in this area, including the Youth Employment Support Fund (FAEJ), Youth Access to Financial Services (AJSEF), National Program for the Promotion of Rural Entrepreneurship (PNPER), Support Project for Young Craftsmen Professional Integration (PAIPJA) and Support Project to Employability and Young People Integration in Promising Sectors (PAEIJ-SP) either for their scaling up or building new projects based on lessons learned. Likewise, the authorities want to (i) increase young people's access to credit and technology to develop viable and sustainable self-employment and entrepreneurship activities, (ii) building a coherent and dynamic partnership between public institutions and the private sector around the youth employment issue, (iii) improving the institutional framework and the macroeconomic environment to make them more conducive to promoting youth employment and (iv) supporting the creation and the development of SMEs by young people in the formal economy.

#### Expected outcome 4: Population benefits from a social and civil protection system

The Togolese government is committed to ensuring broad social protection coverage through the social protection floor, which is built around two main systems: the contributory system in the form of social security coverage<sup>21</sup> and the non-contributory system of deploying social safety nets<sup>22</sup>.

To achieve this outcome, the measures will focus on: (i) reforming and extending the contributory social security and social insurance systems to the formal and informal sectors of the economy; (ii) improving the social safety nets mechanisms<sup>23</sup>; (iii) extending the universal health coverage (CMU) gradually to all Togolese households; (iv) protecting children from all forms of abuse and violence including harmful traditional practices; (v) establishing a national biometric identification system coupled with a single social register, in particular to better target the beneficiaries of the social services, and (vi) strengthening the coordination and management of the information and early warning system in terms of civil protection.

#### Expected outcome 5 : Gender equity and equality are strengthened

The government intends to carry on promoting gender equity and equality, women empowerment and their effective participation in decision-making at all levels of the development process. It will place particular emphasis on women access to land and credit while working to promote women entrepreneurship.

The government will focus efforts to increase the proportion of women owning businesses from 22.42% in 2015 to 28% by 2022, to bring the proportion of women with access to credit from 44.36% in 2015 to 60% by 2022, to bring the proportion of agriculture employed women from 58.11% in 2015 to 80% by 2022 as well as the proportion of women in agriculture owning land from 19.9% in 2015 to 26% in 2022. To this end, the achievement of the expected outcome will focus on: (i) improving the legal, social and cultural status of women; (ii) promoting the active participation of women in economic activities; and (iii) enhancing women active participation in decision-making bodies.

<sup>21</sup> Basic Health and education, food security, school canteens, sanitation, nutrition, employment services, social inclusion services, etc.)

<sup>22</sup> Basic benefits package, in kind or in cash, for the poor and vulnerable groups.

<sup>23</sup> Monetary transfer, school feeding, School Assur, etc

#### Box 8: Gender equality and women empowerment at the heart of the NDP

The NDP considers gender equality and inclusion as guiding principles for achieving the outcomes. While adopting a cross-cutting approach to gender mainstreaming in its three strategic directions, the NDP has devoted specific impact particularly "gender equity and equality strengthened" in the strategic direction 3 in terms of: "consolidating social development and strengthening inclusion mechanisms".

According to the African Human Development Report, "Accelerating Progress for Gender Equality and Empowerment of Women in Africa" (2016 UNDP), sub-Saharan Africa lost USD 105 billion in 2014 (6% of the GDP) due to the exclusion of women from the labour force. This makes it possible to understand that taking gender equity into account in development policies, strategies, programs and projects has an accelerating effect on the economic growth and the achievement of the Sustainable Development Goals.

To this end, Togo intends to address the key challenges of gender mainstreaming and empowering women in its NDP, including:

- Facilitating women access to means of production (land, credit, equipment and technology), training and information, with a view to increasing the still low level of women's productivity, especially in agriculture. In Togo, women account for 51.4% of the population (RGP4). A portion of 74.6% of working-age women (15-64) are active compared to 79.1% of men. The farming population as a whole is characterized by a predominance of the female population (51.1%) over the male population (48.9%) (RNA 2013, Vol III: 38). However, according to the EDST survey (2013-2014), only 20% of women aged 45 to 49 own land. Nationwide, 46.6% of men against 38.8% of women had savings (QUIB 2015);
- Improving the representation of women in decision-making. The proportion of women in decision-making has not changed significantly over the past five years. In 2016, there were 16 women out of 91 members of Parliament and 5 women in government. The Government's implementation of significant measures combining the strengthening of the legal framework and the implementation of concrete strategies set out in the National Policy on Gender Equity and Equality (PNEEG) adopted in 2011 will aim to promote, in the medium and long term, gender equity and equality, the empowerment of women and their effective participation in decision-making at all levels of the country's development process.
- Enhancing the protection of women against discrimination and gender-based violence, as well as mitigating socio-cultural burdens, practices and customs that remain realities which significantly affect the contributing capacities of women.
- The effective application of the legal framework enriched by the dual revision of the persons and family code (2012 and 2014), the review of the electoral code (2013) and the amendment of the penal code in 2015 to improve the legal, social, political and economic status of women, strengthen their empowerment and protect them against violence;
- The effective implementation of the 20% women and youth procurement scheme (implemented in 2018) as an innovative initiative to accelerate the process of inclusion of all social categories, particularly women and youth, in order to eliminate social inequality;
- Improving women's potential by: (i) strengthening the anchoring of gender equality and equity in legislation, in all institutions, in attitudes and practices; and (ii) systematizing gender mainstreaming in the planning, programming, budgeting and monitoring and evaluation of public policies.

The country's approach is perfectly in line with the principle of "leaving no one behind", an essential pillar of the agenda 2030 drawn from the principle of equality promoted by the Universal Declaration of Human Rights (UDHR) and enshrined in the Constitution of Togo (Men and women are equal before the law, Article 11). Indeed, the inclusion of all genders in their diversity, rural, urban and disabled, is an imperative for harmonious and sustainable development. The structural

transformation of the country for solid, strong, and sustainable growth requires the elimination of all forms of gender discrimination and the women empowerment.

### **Expected outcome 6: Access of the populations, especially the poorest to drinking water, hygiene and sanitation is improved**

The Government has adopted a new national action plan for the water and sanitation sector and intends to undertake reforms to improve access, equity and quality thereby contributing to health, economy and education.

The main targets chosen by 2022 are (i) increasing the proportion of households using a drinking water source from 61.8% (QUIBB 2015) to 80%; (ii) increasing the national service rate from 50% in 2015 to 68%, from 55% to 74% in rural areas, from 49% to 55% in semi-urban areas and from 50% to 70% in urban areas; (iii) increasing the rate of improved water coverage in health facilities from 67% to 80%; (iv) Increasing the rate of water and sanitation coverage in public schools from 25% (MICS4 2010) to 31.4%; (v) increasing the percentage of households using improved latrine nationally from 13.5% (EDST3 2014) to 45.5%; and (vi) increasing the proportion of households with access to sewage disposal facilities from 7% (QUIBB 2015) to 10%.

Access to safe drinking water and sanitation for people, especially the poorest, will require (i) strengthening drinking water facilities; (ii) improving sanitation and hygiene facilities; and (iii) developing master water development and management plans.

### **Expected outcome 7: Access of the population, especially the poorest, to sustainable domestic energy services is increased**

The government's ambition is to ensure that men and women have access to reliable, modern and affordable home energy services. The Government intends to carry on with the reforms, including public-private partnerships in energy supply, especially in rural areas, through the Togolese Rural Electrification and Renewable Energy Agency. Togo intends to benefit from its membership to the International Solar Alliance.

The targets are (i) increasing the rural electricity access rate from 6% in 2016 to 20% by 2022; (ii) reducing the biomass energy share in household final consumption from 65% to 40% by 2022; (iii) increasing the renewable energy share in the national energy mix by increasing solar power to 50 MWh and micro-hydro dams to 64.1MW (Titira, Sarakawa and Kpessi ) (iv) increasing the biogas and biofuels share in the national energy mix from 1% in 2015 to more than 2%; (v) increasing the butane gas share in final household consumption from 3% in 2015 to more than 6%; and (vi) adopting energy efficiency standards.

With this in mind, the government priorities will focus on (i) development of solar energy infrastructure; (ii) diversification of renewable energy sources (biomass promotion, wind generation, etc.); and (iii) promotion of a national energy efficiency policy.

### **Expected Outcome 8: People, especially poor and vulnerable groups, have access to financial services adapted to their needs**

Togo has a good experience with mechanisms for financial inclusion of the most vulnerable segments of the population.

Over the next five years, the Government intends to: (i) pursue the strategy of getting things done while it implements its national policy of financial inclusion; (ii) increase efficiency and mitigate the risks associated with illegal operations; (iii) continue to improve financial products and services tailored to the needs of very small enterprises (SMEs) and micro-projects and improve the accessibility of financial services in peri-urban and rural areas; (v) improve the accessibility of financial services to more people; (vi) encourage mechanisms to facilitate efficient linkages between the micro-financial

sector and the financial sector as a whole (lines of credit adapted to the needs of decentralized financial systems (DFS), refinancing, etc.).

The access to financial services tailored to the needs of poor people, especially vulnerable groups, will require (i) the promotion of innovative new financial products and services; (ii) consolidation and professionalization of the microfinance sub-sector; and (iii) development of digital finance.

### **Expected outcome 9: Better organization and management of the national territory is ensured for a balanced and sustainable socio-economic development of the country**

Land use planning is a major trend fuelled by increasing social demand. The challenges are huge. There is a need to know, plan, arbitrate and observe the territory for any intervention and to develop a land use planning practice through the establishment of spatial coherence frameworks for development actions. The land use planning, therefore, complements the national planning system.

To achieve this outcome, priorities will focus on: (i) strengthening the legal and organizational framework for land use planning; (ii) creating land use planning tools, including the national scheme for better localization and promotion of agricultural and industrial infrastructure and equipment; (iii) identifying and promoting balanced cities; (iv) Supporting the local authorities in the establishment of tools for the conduct of local development; and (v) strengthening the geographic information system.

### **Expected Outcome 10: People have access to better living environment and decent housing**

The indicators of the living environment show that people have difficulty accessing decent habitat. To address these weaknesses, the government intends to continue providing localities (municipalities and districts) with master development and planning schemes (SDAU) to guide their physical and economic expansion. It will also be necessary to update the (SDAU) in the already provided communities.

The Government intends to pursue its urban development policy to (i) balance land planning and provide citizens with high standard public services; and (ii) promote, with the support of the private sector, the construction of at least 20,000 housing units throughout the country by 2022, with a view to implementing the urban development strategies already adopted and the estate and land code currently being adopted by the National Assembly. This code will pay particular attention to the right of access of vulnerable groups, especially women, to land and real estate.

This will be achieved through: (i) the provision of update master development and planning schemes for special economic zones, municipalities and districts; (ii) development and management of public and green spaces; and (iii) promotion of social and decent housing in the regional chief towns, particularly the special economic zones.

### **Box 9: Promoting safe, resilient and sustainable human settlement for all, in a context of rapid urbanization**

Planning and housing issues derive from two major findings, both at the international and national level. Internationally, it is recognized that cities are a major asset in the development and creation of wealth. To this end, 70% of the world's GDP comes from urban areas. Cities concentrate the vast majority of professional activities, health and education services and infrastructure. They are important migration destinations because they are attractive to people. However, the development of cities also involves risky issues such as: (i) 70% of greenhouse gases are produced by urban activities; (ii) negative effects of air pollution and energy consumption are concentrated in urban areas, and (iii) growing inequality and violence in urban areas are more pronounced.

At the national level, according to the results of the Fourth General Census of Population and Housing in November 2010,



37.7% of Togolese lived in the city compared to 25.2% in 1981. Forecasts suggest that, at the current rate of urban growth, 50% of the population will reside in urban areas by 2028. This rate will rise to 58% by 2050, according to the United Nations State of Urbanization Report (UNDESA, 2014). This will result in a three-fold increase in the urban population between 2014 and 2050; From 2.7 million to 8.4 million people, with ever greater pressure on available infrastructure.

The major challenges facing Togo therefore include increasing environmental problems with climate change, societal problems with increasing demands and human settlements. These problems are likely to worsen as urban growth accelerates.

The NDP intends to organize itself to manage this rampant urbanization, in order to make it an asset for accelerating sustainable development. To this end, the NDP will build upon the adoption of the new sustainable urban development agenda at the conference Habitat III. It reviews and identifies new ways to address the challenges of urbanization and the opportunities it offers for the implementation of the SDGs in general and Goal 11 in particular, "to ensure that cities and human settlements are open to all, safe, resilient and sustainable". In addition, the government will ensure that the country has a national land use plan for harmonious location of infrastructure, equipment, activities and people throughout the country.

### **Expected Outcome 11: Administrative and local governance is strengthened and contributes to regional development**

The goal of decentralization in Togo is the balanced development of the country through the existence of effective community administrations, greater mobilization and citizen participation, and the development of local development potential. In this regard, local elections are the objectively verifiable indicator of the outcome of the decentralization process, which they are a decisive step of.

Ultimately, the government's ambition is to set up an effective deconcentrated and decentralized territorial administration by increasing the share of the state budget transferred to the local authorities from 0.07% in 2015 to 0.5% in 2022 and the percentage of users satisfied with the provision of the local authorities to at least 60% by 2022.

This ambition will be achieved through: (i) establishing the local authorities bodies; (ii) operationalizing decentralization; (iii) continuing the modernization of public administration; (iv) strengthening and respecting the ethics of the public service; and (v) human capital development and skills promotion.

### **Expected outcome 12: Sustainable management of natural resources and resilience to the effects of climate change are ensured**

Togo is a country with an estimated forest cover rate of 24.24% and unfortunately has a high relative forest area loss rate in the world (5.1% between 2000 and 2010). In addition, this forest cover is in a highly degraded state and deserves to be restored. The high trend towards deforestation and forest degradation in Togo justifies the importance of formulating a national REDD+ strategy as a means of mitigating and adapting to climate change, but above all as a comprehensive approach to rural development.

The strategic objective is to ensure multi-sectoral coordination and good governance of the environment sector, with a view to making a significant contribution to the national economy.

The Government will work towards: (i) the preservation, restoration and sustainable use of ecosystems; (ii) reduction of the degradation of the natural environment and protection of the endangered species; (iii) reduction of the greenhouse gas emissions and the vulnerability of people and goods to extreme weather events and other shocks and disasters; (iv) improvement of the sound management of waste and chemicals and prevention of biological, radiological and nuclear hazards; and (v) adoption of practices necessary for sustainable development and a lifestyle in harmony with the nature.

### **Box 10: Environmental management for sustainable development**

Togo is on the path to sustainable development through its NDP, whose contribution to achieving the SDGs is widely confirmed. Indeed, to ensure this sustainability throughout its development and implementation, the NDP is guided by the principles of information, prevention, precaution, environmentally sound and effective management, differentiated shared responsibility, participation and subsidiarity.

The NDP strategic directions cover various areas with major interventions contained in the priority projects (port consolidation, development of the logistics corridor, creation of agropoles, strengthening of industrial parks, electricity generation, strengthening of telecommunications infrastructure, development of agricultural processing, manufacturing and extractive industries). The implementation of these interventions will certainly have direct and/or indirect negative impacts on both populations and environment. To this end, the Government intends to take all appropriate measures to minimize such impacts and thus enable Togo to make a significant contribution to the objectives of COP 21. This will include:

- Significantly increasing the share of sustainable and clean energy in the energy mix, as envisaged in the country's energy policy and environmental strategy, in order to hope for good results in the fight against deforestation and preservation of ecosystems;
- Implementing section 41 of the Constitution, which enshrines the right to a healthy environment, particularly in the context of the construction of structural infrastructure;
- Working to achieve the outcomes of the NDP in relation to environmental preservation, including those related to natural resource management, environmental protection, fighting climate change, land management and promotion of renewable energy;
- anticipating consideration of environmental and social concerns through a strategic environmental assessment (SEA) of the NDP to enable it to have an Environmental and Social Management Framework (ESMF), a Pest and Pesticide Management Framework (PPMF) and a Population Resettlement Framework;
- Making the National Environmental Management Agency (ANGE) established by the Environmental Framework Act, No. 2008-005 of May 30, 2008, with the main mission of contributing to the implementation of national environmental policy, the partner of choice for all environmental and social assessments

### **Expected Outcome 13: Equitable access to justice is guaranteed**

The Government intends to strengthen equitable access to law and justice, which remains a major challenge and a factor for social cohesion.

The ambition is to: (i) increase the rate of access to justice from 65.2% in 2016 to 68.2% by 2022; (ii) reduce the average processing time for commercial business from 119 days in 2016 to 80 days by 2022; (iii) increase the level of satisfaction of litigants with dispute resolution from 37% in 2016 to 40% by 2022; and (iv) increase the level of satisfaction of litigants with the functioning of justice from 29.2% in 2016 to 33.2% by 2022.

To achieve this outcome, the focus will be on: (i) improving the administration and management of justice; (ii) bringing justice closer to litigants; (iii) strengthening the arbitration and mediation mechanisms; and (iv) capacity building in commercial jurisdictions.

### **Expected Output 14: Defense and security of the national territory are ensured**

The first of the State's regalian missions is ensuring security, that is, the protection of the territory and people as well as the best interests of the nation. As such, the Government intends to continue efforts to modernize defense and security forces for greater effectiveness. This will create a secure environment for business. Concerted efforts will be made to combat terrorism and to preserve peace in the sub-region and on the African continent.

With this in mind, the focus will be on (i) strengthening and redesigning defense and security forces; (ii) strengthening military and security cooperation; and (iii) improving the contribution of the armed and security forces to socio-economic life.

### **Expected Outcome 15: Sport and recreation activities contribute to economic growth and development of the citizen**

Promoting sports and leisure as socio-cultural activities provides well-being and is a link for social cohesion. In this regard, it is important to reform the sports and leisure sectors by establishing frameworks that support the consolidation of a competitive and high-performance sport and the promotion of leisure activities.

These reforms will make sport and leisure not only sectors that promote public health, education, development, culture and social, economic and political integration at the national, regional, continental and international levels, but also sectors that provide wealth and jobs.

This will be achieved by: (i) strengthening modern infrastructure for international sporting events and leisure activities; (ii) strengthening the sector's governance and management capacity; (iii) diversifying sport activities; and (iv) developing sport value chains.

### **Box11: Promoting human rights in the NDP**

The cross-cutting nature of human rights places them at the heart of any development policy. Thus, the NDP takes into account the "human rights and public freedoms" dimension, which is a factor in social cohesion and peace.

Indeed, these human rights and public freedoms are about fostering social progress and promoting better living conditions and the full development of peoples. They guarantee the dignity of the human person and ensure respect for his or her freedom, opinion, expression and physical integrity.

The full range of the expected outcomes of strategic direction 3 contribute to the achievement of these rights and freedoms as part of this strategic direction, including access to health, education, nutrition, equitable access to justice, human rights, access to water and sanitation, access to a healthy environment, equitable access to basic social services, gender equity, vulnerability reduction and social protection, fighting poverty, corruption and impunity, decent work, elimination of abuse of vulnerable groups, promotion of arts and culture, sports and leisure.

### **Expected Outcome 16: Cultural enterprises are competitive, wealth and jobs creative**

As the cornerstone of the harmonious socio-economic development, culture will have to be better exploited and have a special place in the development process. This is as much important because cultural enterprises generate substantial income and many jobs around the world.

To this end, the government's main objective for the coming years is to give new momentum to the development of cultural and tourism heritage through cultural industries and cultural and tourism goods and services.

Government strategies will include: (i) promoting cultural enterprises embedded in the digital economy and stimulating job creation; (ii) developing cultural education in schools through the integration of culture into curricula; (iii) organizing cultural tourism, (iv) adopting a voluntary digital cultural strategy; (v) funding the cultural sector; (vi) establishing a legal and control framework protecting the country's copyright and heritage; (vii) promoting a training offer that meets the needs of industrialization and digitization of cultural and tourism activity; and (viii) providing incentives for the construction of infrastructure for the production and presentation of intangible goods and services.

To do so, by 2022, the government of Togo sets the following targets: (i) at least 30% of citizens consume cultural and creative arts goods and services; (ii) at least 20% of technical and vocational institutions have programs on the creation/manufacture of cultural objects, capacities building for the production/preservation of cultural properties, creation and management of cultural micro-enterprises; (iii) 70% of the identified national cultural heritage is inventoried and valued. To achieve this outcome, the focus will be on: (i) improving the legal and institutional framework; (ii) strengthening cultural infrastructure/equipment and diversifying the cultural offers; (iii) capacity building of professionals and cultural actors; and (iv) strengthening civic culture and education.

### **Box12: NDP contribution to the achievement of the SDGs**

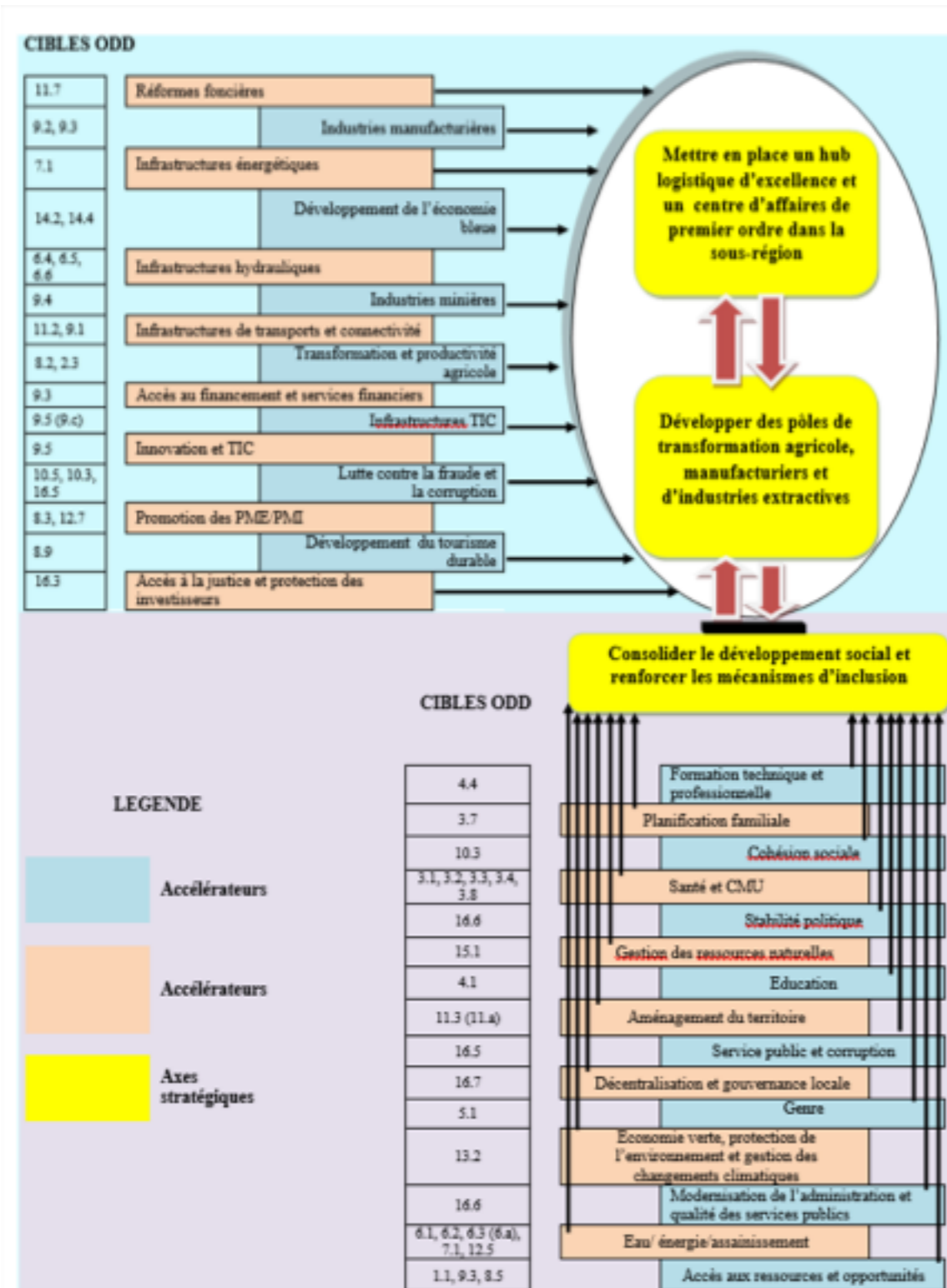
The NDP priorities reflect the conclusions of the consultations on the post-2015 development agenda with development actors in the preparation of the Agenda2030. The main conclusions expressed during these consultations were the need to (i) pursue equity and social inclusion efforts started in previous development strategies in the context of the MDGs; (ii) make agriculture the main source of economic growth, with a particular focus on the development of the processing and marketing chain; (iii) promote knowledge, know-how and know-how to be; by improving the quality of basic education; extending the universal training objectives in secondary and tertiary education; and promoting the technical and vocational training to ensure a quality education system that better prepares for employment and (iv) promote governance in all areas, including the rule of law, decentralization and the fight against corruption.

At the launch of the NDP 2018-2022 process, all the stakeholders at both the central and local levels have again placed the same concerns at the heart of the sustainable development debate. The challenges that NDP intends to address are therefore well embedded in the Sustainable Development Goals as a whole.

The importance of logistical, industrial and commercial infrastructure in the NDP is explained by the strategy to leverage the country's geographic position and physical assets in the sub-region to accelerate growth. Togo is also aware of the major environmental risks it faces, particularly in terms of coastal erosion, deforestation, desertification and climate change.

In the NDP design and in the various areas addressed by its different strategic directions, it took into account the three dimensions of sustainable development and governance. The main objectives and targets of the NDP reflect the priorities of the Togolese and the Government, while being consistent with the implementation of the Agenda2030. Indeed, out of the 169 SDG targets, the NDP includes nearly 50. The economic dimension takes into account 39.5% of the targets, the social dimension 37.2%, and the environmental dimension 9.3% (apart from the environmental targets, repeated in the other dimensions) and the governance dimension 14.0%.

Graph 14: Synergy and intersectorality between the NDP strategic directions and the SDGs



# CHAPTER III : MACROECONOMIC AND BUDGET FRAMEWORKS 2018-2022

## 3.1 MACROECONOMIC FRAMEWORK

The macroeconomic framework takes into account the available information on the Togolese economy and its prospects, lessons learned from the implementation of the Accelerated Growth and Employment Promotion Strategy (SCAPE), the International Monetary Fund (IMF) services report on the Extended Credit Facility (ECF) program and the objective of structural transformation of the economy.

It is developed in the context of an international economic environment that was marked in 2016 by the global recovery<sup>24</sup> in activity that began in the second half of 2016 and strengthened in the first half of 2017.

Global growth is forecast to increase from 3.2% in 2016 to 3.6% in 2017 and 3.7% in 2018. The growth rate of the global economy is expected to pick up slightly after 2018, reaching 3.8% by 2022. In sub-Saharan Africa, the slowdown in economic activity that has affected most of the countries is easing, but the situation in the region remains fundamentally difficult. The growth rate is expected to reach 2.6% in 2017, well below the rates reached between 2005 and 2014.

The National Development Plan (NDP) growth blueprint stems from the macroeconomic framework of a pro-active scenario based on the trend situation described. The reference situation, with an average annual growth rate of 5.2% over the period 2018-2022, assumes a normal progress of ongoing reforms without fundamental change. The optimistic scenario (ambitious and voluntary) is consistent with the pattern of structural transformation in the economy. It is important to note that the assumptions in this macroeconomic framework do not take into account the ongoing GDP re-evaluation process that will certainly have a positive impact on the economic growth profile.

### 3.1.1 Reference Scenario

This is the key scenario of the macroeconomic framework. It is aligned with the data retained under the program concluded with the IMF in May 2017 and updated in March 2018 following the collection of information on the national economy at the end of December 2017, taking into account the impact of the political crisis on economic activity. The main consistencies between the four major macroeconomic accounts (real sector, balance of payments, public finances and monetary position) are assured. The 2017 achievements on investment, exports and consumption are considered. This scenario focuses on the continuation of reforms already underway, the need to strengthen macroeconomic stability, promote sustained and inclusive economic growth and ensure debt sustainability. It takes into account the regional and international economic environment.

Nationally, the economic situation in 2017 compared to 2016 is marked by an increase in activity at the Port Authority of Lomé (PAL) and the Gnassingbé Eyadéma International Airport (AIGE), medium-voltage electricity consumption and money supply. However, there has been a decline in exports and imports of goods, in the consumption of petroleum products, in government tax revenues and expenditures and in credit to the private sector.

At the Port of Lomé, the total port traffic increased from 38.1% compared to 2016 in relation to an increase in offloaded cargo (+11.4%), on-board cargo (34.4%) and transshipment (+57.3%).

At Gnassingbé Eyadéma International Airport, the total air cargo is 12,583.9 tons, an increase of 3.9% compared to 2016. On-board cargo rose at 11.9%, while in-transit cargo and offloaded cargo decline at 2.5% and 1.7%, respectively.

<sup>24</sup> Global Economic Prospects, IMF, October 2017

The medium-voltage electricity consumption is up to 2.1% and low voltage electricity consumption is down to 0.3% compared to 2016 levels. The consumption of petroleum products (white goods) declines to 2.9% compared to 2016.

At the end of 2017, Togo's trade was characterized by a decrease in exports and imports respectively of 3.2% and 13.7% in value compared to 2016, resulting in a reduction in the CFA F 134.6 billion trade deficit.

On the supply side in 2017, the government continued to support agriculture in the primary sector. Other sectors of activity have also achieved progress, but to a lesser extent, in the light of the wait-and-see and prudence that would be the result of the political crisis that began in August 2017. Added values recorded at the sector level were mitigated by lower import duties and taxes.

Growth in 2017 was driven on the demand side by final co-consumption (+18.1%) and to a lesser extent by private gross fixed capital formation (FBCF) (+0.3%). However, the contribution of the public FBCF is negative (-9.8%) in relation to the 46.3% decrease in public investment compared to the 2016 situation.

The first estimates from the 2017 national accounts show a real GDP growth rate of 4.4% compared to 5.1% in 2016, a 0.5 percentage point downward revision from the December 2017 update. The rate of inflation overshadowed by the change in the harmonized consumer price index averaged -0.8% over 2017. Assuming an unconstrained implementation of the investment budget in 2018, the GDP trajectory would remain the same with an average growth rate of 5.2% per year in real terms over the period 2018-2022. This growth will be spread across all sectors, including primary (1.6%), secondary (1.7%) and tertiary (1.9%).

The primary sector would experience a projected average annual growth rate of 5.1%, driven by good agricultural yield of 4.9% growth and the livestock sector averaging an increase of 6.3%. Food agriculture would grow by an average of 3.5% over the period.

The manufacturing/secondary sector is projected to post an 8.0% average value-added growth over the period 2018-2022. This performance would be related to growth in the extractive industries (8.2%) and construction and public works (9.7%), reflecting the government's will to continue the growth of the BTP in order to gradually bridge the country's infrastructure gap. The electricity, water and gas sub-sector is projected to grow by an average of about 5.6% with the urban and rural electrification efforts and the drinking water access policy.

The government will intensify its policy of exploiting mining potential through private capital and continue to restructure and liberalize the extractive sector over the period 2018-2022.

The tertiary sector would experience an average growth rate of 5.1% over the period. This performance would be supported by the growth in trade (6.6%) in relation to the development of economic activities in general. In the banking and insurance sectors, growth would be 5.7% in relation to the positive effects of financial sector privatizations and banking services efforts. Transport would increase by 3.7% following the expected improvement of the transportation chain around the Port of Lomé and the commissioning of the new AIGE terminal in Lomé, which is expected to drain significant air traffic.

The investment rate would average 22.9% over the period, declining from the average rate recorded in 2013-17 (24.1%). The private investment is projected to average 13.8% of the GDP, against 14.4% in 2013-2017. The average rate of the public investment would be around 8.9% over the period in connection with the continuation of major public infrastructure projects at a moderate pace.

In total, economic growth would progress at about the same rate as in the period 2012-2015, from 4.9% in 2018 to 5.4% by 2022, or an annual average of 5.2% over the period 2018-2022. This growth would be accompanied by a control over the general level of prices, whose average rate measured by the change in the GDP deflator index would be 1.1% below the regional standard of 3%.

Government finances projected over the period 2018-2022 reflect the objectives agreed to by the IMF following the last review under Article IV. The projections are based on changes in GDP and take into account elements such as domestic demand and imports of goods and services.

In 2017, the tax revenues declined of 0.9% in 2016 compared to CFA F 563.2 billion. The trend is expected to improve over the 2018-2022 period with an average of CFA F 702.6 billion. The capital expenditures are expected to increase from CFA F 174.5 billion in 2017 to CFA F 302.2 billion by 2022, i.e., an average of CFA F 291.9 billion over the period 2018-2022 (see Annex 1).

The revenues and grants over the period 2018-2022 would average nearly 26.5% of the GDP through internal tax mobilization efforts and support from technical partners in the form of grants.

The tax revenues are expected to grow from CFA F 563.2 billion in 2017 to CFA F 744.1 billion by 2022, an average annual increase of 5.9% and an average tax pressure of 21.2% above the community standard. This reflects the expected positive impact of the reforms aiming at broadening the tax base through the strengthening of the single taxpayer identification system, the reduction of tax and customs exemptions, the improvement of the revenue stream and the transparency of revenue procedures. It also incorporates the government's ambition to increase the share of own resources in the financing of public investment.

Total and net spending is expected to fall from 31.7% of the GDP in 2018 to 22.4% by 2022, reflecting better control of the current spending, accompanied by an increased targeting of the social spending. This shift also reflects the slowdown in the pace of major public works with the end of major investments in infrastructure projects. The share of the public investment in the GDP would gradually decline from 10.8% in 2018 to 8.1% by 2022, in line with the decrease in the internal contribution in the investments financing.

The primary grant balance, including planning basis, would give 2.8% of the GDP on average over the period, and the overall balance (on a planning basis, excluding grants) would be 1.3% of the GDP on average over the period.

At the external account level, the average import propensity is projected to decrease from 55.7% in 2018 to 45.0% by 2022, reflecting the downward trend in demand for imported capital goods and intermediate consumer goods with the end of some major investment works and the promotion of a manufacturing industry to replace certain imported current goods. The average propensity to export would be around 29.2% over the period, particularly under the drive of the industrialization policy that the authorities intend to promote to strengthen manufacturing industries and increase the share of industrial products in exports. The current account balance would show an average deficit of 2.8% of the GDP over the period 2018-2022 on a downward track from 5.3% in 2018 to 0.6% by 2022.

With respect to the monetary situation, it is anticipated that (i) imports of goods into the Central Bank's gross external assets will average close to 3 months; (ii) aim to deepen the financial system with the speed of circulation of the currency between 1.7 and 1.3; (iii) increase appropriations to the economy at an annual rate above the nominal GDP growth rate, an average growth rate of 17.3% to cover private sector financing needs. The ratio of credits to the GDP would increase from 34.8% in 2018 to 57.7% by 2022.

### 3.1.2 Optimistic Scenario

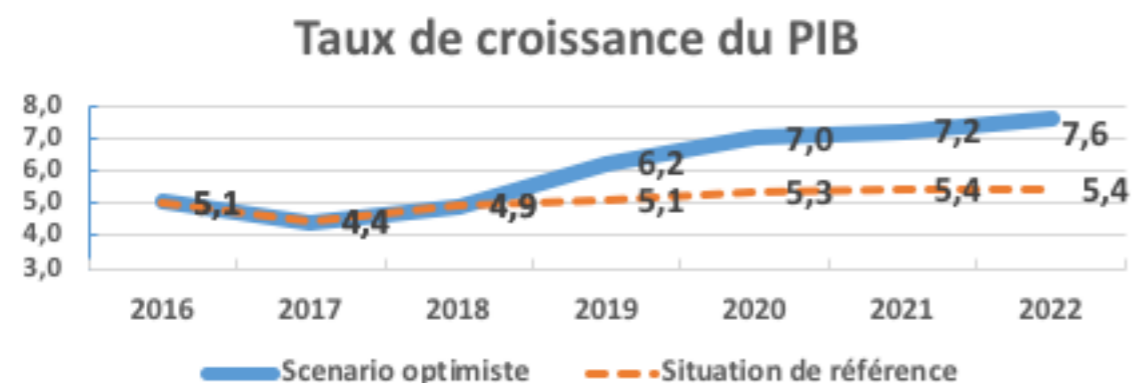
The optimistic scenario is ambitious and proactive. It is the result of increased private investment over the next five years. This will allow rapid progress towards the emergence of Togo by 2030. This is the scenario of the structural transformation of the economy.

Indeed, the economic activity would be more dynamic than in the reference situation. The real GDP growth would be higher at 6.6% per year on average, up to 1.4 percentage points from the reference scenario to 7.6% by 2022. This growth

would be achieved through the implementation of programs and projects under the strategic directions of the NDP.

For example, the primary, secondary and tertiary market sectors will experience average growth rates of 5.1%, 12.2% and 5.0% respectively. The investment rate would average 26.9% over the period, up to 4 percentage points from the reference scenario. The private investment rate would increase from 12.5% in 2017 to 21.3% by 2022, an average annual increase of 17.3% over the period 2018-2022. The public investment would average 9.6% annually over the period.

Graph 15 : GDP Growth



Source: Economic Studies and Analysis Directorate, Forecast Division, March 2018

The Togolese Government is aware that achieving these growth rates involves the vigorous implementation of a critical mass of reforms, the expansion of basic infrastructure, including the deep transformation of the Port of Lomé, construction of a north-south rail line, duplication of the RN1, establishment of agropoles and creation of two industrial parks with prerequisites such as land reform. The greater role of the private sector in creating wealth and employment will be supported by the Government as a regulator.

The inflation would remain in the regional standard due to the expected abundance of food crops and the availability of livestock products. Over the period, the average inflation rate measured by the GDP deflator would be 0.7%.

In terms of public finances, the tax pressure rate would remain above the 20% of the GDP standard with higher revenues. The capital spending would average 9.6% of the GDP per year, with an annual average contribution of 3.1% on domestic resources. The overall grant balance including planning basis reported to the GDP would average 1.5% per year over the period 2018-2022 (see Annex 2). To address the funding pressures of this scenario and to preserve the sustainability of the debt, the government intends to make greater use of highly concessional grants and financing. The debt rate will shift from 72.1% in 2018 to 54.5% by 2022, an average of 59.3% over the period.

The current balance in the external accounts would remain in deficit but in constant decline over the period. The structural transformation of the economy is expected to increase the export capacity of manufactured goods. On the monetary side, the velocity of circulation is set at an average of 1.7 per cent over the period, and the expansion of credits to the economy would be at the range of 12.7 per cent per year, reflecting higher demand for credit by the private sector. The credits ratio of to the GDP would be estimated at 55.2% by 2022, compared to 34.8% in 2018, thanks to the credit access facility that will be put in place.

### 3.1.3 Economic Policy Implications for the Optimistic Scenario: Accelerators of the Optimistic Scenario

The government recognizes that the proactive scenario that meets the demands of the structural economic transformation and legitimate international commitments is ambitious but achievable. This will include: (i) an effort to accelerate the ongoing reforms; (ii) an in-depth reorientation of the policy and economic and financial management by loosening

the government's grip on the economy opening the key sectors that are under a strong control and intervention of the government to competition for the private sector considered as the driver of wealth and employment creation; by implementing corrective measures to bring public debt to a sustainable level; relying on OTR (Togo Revenue Authority) to modernize the tax administration; streamlining the clearance process and strengthening cargo control at the port; ensuring the development and stability of the financial sector (restructuring of public banks and consolidation of the microfinance sector). In particular, efforts to broaden the tax base, through the search for new niches, will be intensified. Reforms to the public procurement system will be pursued by improving the quality of procurement plans; (iii) continuing to improve the business climate through, among others, simplifying procedures and statutory instruments to provide greater clarity, readability, and predictability; (iv) resolute structural reforms and clear incentives to attract SMEs/SMLs and foreign direct investment, including the Togolese diaspora; land reform to facilitate access to property will be a priority; (v) establishment of agropoles and industrial parks; (vi) development of an ambitious energy program that will help unlock hydroelectric potential with the development of hydro-electric dams (Tététo (50 MW), Danyi-Konda (10 MW), Baghan (6 MW), Landa-Pozanda (4 MW)), thermal potential with the coal-fired power plant project, international and regional connections program with 2,330 kV transmission lines and 4,161 kV transmission lines, and solar potential with the construction of a 10 MW solar power plant in Mango and 5 MW solar power plant in Kara; (vii) continued development of transportation infrastructure; and (viii) acceleration of the process of establishing decentralized local authorities through a progressivity approach in the levels of decentralization and in the level of skills to be transferred. In fact, decentralization is part of a national programme to improve the quality of governance in line with the strategy for modernizing public administrations and building capacity.

The government is also aware that implementing a critical mass of reforms and actions requires time for maturation and implementation, human and financial capacities, and strictness in implementation. That is why, under this scenario, conditions must be in place and provisions made for the necessary support so that the private sector becomes more entrepreneurial, more dynamic, more vigorous to contribute to the creation of more wealth and jobs.

The State/Private Sector dialogue will continue to build mutual trust. In addition, a legal and institutional framework will be established, particularly the introduction of the Public-Private Partnership (PPP) contract, making it possible to contract infrastructure projects to private investors with better guarantees, particularly for the strategic sectors of transport, energy, water, telecommunications, tourism and hospitality.

Agence Togolaise des Grands Projets will ensure the successful execution of public investments and equipment contracts in these strategic areas. Finally, it becomes imperative to take decisive action to reduce corruption, favoritism and rent-seeking in order to create a competitive economic environment for small and medium-sized enterprises and attract more foreign direct investment (FDI), including from the Togolese diaspora.

In addition, among the many lessons learned from the past, the government recognizes, among others, that the budget allocations are often mismatched with the objectives assigned. The resources are not adequately allocated to sectors with high growth potential that have robust ripple effects, and that reforms are being carried out very slowly. It intends to address these challenges to ensure effective delivery of the NDP, particularly by (i) basing the budget preparation process on medium-term macroeconomic and budget frameworks, sectoral strategies, sectoral medium-term spending frameworks, and the three-year slippery public investment agenda; (ii) developing an annual capacity-building plan for the administrations involved at the highest level and implementing a monitoring and evaluation system for the NDP process and the highest-level actors.

In an environment of resources scarcity, the government will initially focus on priorities and strategic directions with a strong ripple effect and with the potential to make a greater contribution to the achievement of others, especially infrastructure and productive sectors (agriculture, livestock, fisheries, industries and mining).

In particular, it is committed to improving the quality of public investment. To this end, it will strengthen the criteria for selecting, prioritizing, preparing, implementing and monitoring public investment projects in order to reduce losses and wastages and increase their effectiveness and efficiency. The ripple effect of public investment on the rest of the

economy will be analyzed and strengthened. It will invest more in the management of the full project cycle and ensure the proper preparation of all investment projects.

The debt policy will remain prudent to consolidate the macroeconomic achievements made in recent years. In this sense, the medium-and long-term sustainability of the debt is an imperative and the government will favor the use of concessional grants and loans. It will continue to include public debt management in the new vision taking into account the international requirements and UEMOA standards. This will strengthen the Government's debt management strategy to support the external and domestic public debt operational plan to meet its financing needs at the lowest possible cost and risk.

The government will continue to use the regional capital market for public securities on the basis of an issuance program consistent with its development objectives. Particular emphasis will be placed on the issuance of relatively long maturity public securities ranging from 5 to 10 years.

Finally, improving the country profile and coordinating development partners' interventions will be important for attracting resources (concessional grants and loans) and improving aid effectiveness. The probable eligibility of Togo to MCC is consistent with this.

## 3.2 BUDGET FRAMEWORK

The total cost of the NDP is CFA F 4,622.2 billion. The Public investment expenditures in this plan are estimated at CFA F 1,623.1 billion, representing 35.1% of the overall cost. The private investment covers the remaining CFA F 2,999.1 billion. These resources will help funding the programs and projects under strategic direction 1 relating to the establishment of a logistics hub of excellence and a business centre, the projects under strategic direction 2 on the agricultural processing, manufacturing and extractive industries hubs, and those under strategic direction 3 on the consolidation of social development and strengthening of inclusion mechanisms.

## 3.3 FUNDING SCHEME

The results of the macroeconomic and budget framework provide the following results with respect to the projected funding scheme for the NDP. These results in the table below are based on the assumption of the real GDP growth at an annual average rate of 6.6%.

Funding for the NDP will be through the implementation of an ambitious strategy to mobilize internal and external resources, focused on new and innovative approaches.

Under innovative financing, the issuance of public securities, methods of mobilizing funds from Togolese abroad, bonds guaranteed by donor countries sold on the financial market, allocations from funds generated by the sale of emission allowances, PPPs, enhanced loans, crowd funding, popular ownership, etc., can be used.

Table 6: NDP Funding Summary Table

Montant en milliards de FCFA	2018	2019	2020	2021	2022	Total	Moyenne 2018-2022
Investissement public	314,8	270,6	294,0	337,7	406,0	1623,1	324,6
Financé sur ressources intérieures	93,6	98,2	113,0	135,6	164,0	604,4	120,9
Financé sur ressources extérieures	221,2	172,4	181,0	202,1	241,9	1018,7	203,7
Investissement privé	367,4	468,4	577,7	717,3	868,3	2999,1	599,8

Coût global du PND	682,2	739,1	871,7	1055,0	1274,3	4622,2	924,4
PIB courant	2926,7	3138,1	3370,2	3619,3	3899,7		3390,8

Source: Economic Studies and Analysis Directorate, Forecast Division, March 2018

### Box13: NDP Funding Strategy

The government intends to use various resource mobilization strategies to address this important challenge. These include (i) better use of national tax systems, (ii) mobilization of national savings, (iii) mobilization of resources from Togolese abroad, (iv) strengthening of the public-private partnerships, (v) strengthening of the banking system, (vi) scaling up of microfinance and mesofinance, (vii) improvement of the country's absorption capacity, (viii) application of a new debt approach, and (ix) leveraging on the contracting-out strategy.

For each of these measures, the Government intends to ensure that it does contribute to boosting NDP funding by:

With respect to national tax systems, there will be a need for tax incentives to facilitate credit for agricultural sector financing;

The mobilization of national savings will be carried out through voluntary contributions, popular ownership, lottery schemes, issuance of T-bills and bonds in accordance with the regulations in force within UEMOA zone;

As for mobilizing the resources from Togolese abroad, it will be necessary to encourage them to make productive investments by facilitating the creation of businesses.

With regard to the public-private partnership, the strategy will be to accelerate the adoption of the PPP implementation texts to strengthen the existing legal framework in order to enable the private sector to build certain profitable infrastructures, exploit them for their return on investment before handing them over to the Government.

Regarding the strengthening of the banking system, the Government intends to strengthen, within the framework of the Community regulation, the monitoring of solvency indicators, asset quality, profitability and liquidity of banks to reduce the high risk of repayment which leads to the equally high guarantee requirements (235%); this is part of the banking system restructuring in order to maintain Togo's comparative advantages as the third financial centre in the sub-region.

In terms of scaling up micro-finance, the strategy will include better professionalization of the sub-sector to amplify its role in mobilizing household savings and promoting financial inclusion.

With respect to a new approach to debt, the government plans to make greater use of grants and loans at concessional rates. This will also involve working for a strong FDI attraction.

The government also intends to capitalize on South-South and triangular cooperation and work accordingly to broaden the range of TFPs.

# CHAPTER IV : NDP

## IMPLEMENTATION, MONITORING AND EVALUATION MECHANISMS

The NDP has been developed in a broadly participatory approach, with all the stakeholders involved. The implementation also requires the mobilization and involvement of all the stakeholders.

The implementation and monitoring and evaluation process is part of a process to (i) better monitor the implementation of programs and projects in order to improve the process put in place; (ii) reliably assess the results of projects/programs selected in the NDP; (iii) assess the effects and impacts of such results on the beneficiary populations; (iv) enable better communication with all development actors and (v) mobilize more resources needed for the funding of the NDP.

The mechanisms for implementation, monitoring-evaluation are based on (i) the guiding principles, (ii) institutional framework, (iii) instruments for implementation, monitoring and evaluation, (iv) capacity building for implementation and monitoring - evaluation, (v) communication strategy, and (vi) risks analysis and success factors.

### 4.1 GUIDING PRINCIPLES

The achievement of the objectives of the NDP is highly dependent on the dynamism of the entire monitoring and evaluation mechanism of its implementation. To this end, four guiding principles appear essential to improve the implementation, monitoring and evaluation process of the NDP. These include (i) effective priority given to the actions planned in the NDP, (ii) accountability and expectations of implementation actors, (iii) production of quality statistical information and other evidence to feed the process, including the production of periodic reports, (iv) large communication around the process and information of all the actors, and (v) effective use of the outcome of the mechanism at all levels.

The compliance with the priorities of the NDP is the principle that affirms and reinforces the effective priority given to the activities planned in the NDP, which is the principal and sole framework for all the country's development interventions. On this basis, the various cooperation programs will indeed have to contribute to achieving the priorities as defined by the NDP. Consequently, the first attribute of the Government budget is to truly reflect these priorities in the sectoral resources allocations. This principle also takes priority over budget support in the context of improving the low level of absorption of resources due both to administrative burdens, government procurement and programming capacity, and the complexity of procedures of some financial partners. The Togolese government's option for budget support is therefore a way to simplify these procedures. Indeed, it is increasingly recognized that budget support is a form of cooperation that significantly reduces costs compared to other procedures that weigh on the administrative capacities.

**The concerted and coordinated** monitoring is based on the principle of accountability and expectations of the implementation actors. Activities and deliverables will be assigned to each link in the chain. The heads of the various institutional levels of the upstream system will produce periodic monitoring and/or evaluation reports and tools to feed into the regular NDP review workshops. Downstream, the mechanism policy body that approves its outcomes as last resort and makes the necessary adjustments must ensure the operational implementation of such adjustments. It is important, in the context of the dynamic cooperation, that other actors, including the private sector and civil society organizations, produce independent reports that complement the periodic reports prepared by the government.

**The production of quality statistical information** and other evidence to feed the process, including the production of periodic reports, is at the heart of the mechanism, with the participation of sectors, key players in the National Statistical Information System (SNIS), universities and research centers. The statistical mechanism of the monitoring and evaluation system, which is one of the main tools of the NDP tracking system, will be linked to the National Statistics Development

Strategy (NSDS/SNDS) to ensure programming of the activities of the implementation, monitoring and evaluation of the NDP in relation to the indicator matrix.

**Information sharing** is based on constant communication around the implementation and monitoring and evaluation process for good information from all the stakeholders. As part of the monitoring and evaluation of the NDP implementation, information sharing is critical to successful coordination and greater buy-in. To this end, the government will continue its efforts to promote exchanges using a reliable information system. The focus will be on the various reports, the main monitoring and evaluation outcomes and budget management and the challenges encountered. This spirit of information sharing must also prevail among the technical and financial partners; this will undoubtedly help to increase aid effectiveness and reduce duplication of activities.

The effective use of the mechanism outcomes at all levels is the principle without which the expected changes may never occur. The situation is essentially one of the dynamic planning that requires justified, consensual, shared programmatic and budget adjustments.

### 4.2 INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION AND MONITORING- EVALUATION

The NDP development responds to a profound paradigm shift based on the need to refocus development efforts. The process was conducted through a widely participatory approach, with all the stakeholders involved, particularly at the national level. Its implementation also calls for the mobilization and involvement of all the stakeholders, including the private sector, civil society, and Technical and Financial Partners.

In order to ensure the effective achievement of the outcomes, the government, drawing on the lessons of the past experience, will establish an agency dedicated in particular to the NDP implementation. The aim is to have an integrated, focused and sufficiently effective tool to mobilize all the stakeholders, including the private sector and the civil society. This agency, which has evolved through institutional transformations of existing entities, will:

- ensure the NDP projects and programs successful implementation based on specific and measurable (including national) action-oriented, realistic and time-sensitive indicators;
- coordinate and organize resource mobilization;
- foster an attractive environment to promote, attract and tenfold private investment as a condition for the NDP success;
- monitor outcomes, jointly with all the stakeholders, and enable appropriate ownership, particularly by the private sector, civil society and population;
- promote mutual accountability among all the stakeholders;
- maintain ongoing dialogue with the technical and financial partners to ensure greater harmonization and alignment of resources;
- propose, by capitalizing on outcomes, actions to be taken to enable the NDP to give its full measure to the Togolese economy; and
- be a support, advisory and capitalization structure for the highest authorities of Togo.

To ensure an efficient monitoring and mobilization of resources from the NDP launch, the Government intends to rely temporarily on the existing structures, particularly the coordination structures of the ministries of planning and finance, as well as the special monitoring and implementation units under auspices of the Presidency of the Republic. This agency, fully integrating the private sector and the civil society, will be composed as follows:

- National Development Council: a strategically positioned structure that provides direction and strategic monitoring of outcomes;
- Strategic secretariat in support of the National Development Council and responsible for coordinating the monitoring

- of the actions carried out;
- Operational Secretariat established by the DSRP technical secretariat whose mission remains the day-to-day facilitation of the integrated monitoring agency. To this end, clear working relationships will be established between the DSRP Secretariat and the planning and budgeting structures that are the Planning and Development Directorates and the Budget Directorate.

At the regional and local level, the regional and local development and land-use planning commissions and their technical committees provided under the framework legislation on land use planning will be established.

All the departments forming the government architecture, public agencies, local governments and decentralized local governments are the institutional actors of the NDP implementation. The private sector and civil society, as Government partners, will be strongly involved in defining and implementing some specific aspects. The development partners will also be called upon to provide appropriate technical and financial assistance to the Government and other national development actors, based on the needs expressed.

### 4.3 MONITORING AND EVALUATION IMPLEMENTATION TOOLS

The NDP operationalization is based on the implementation of the Priority Action Matrix (MAP) which contains the major actions and strategic investment measures necessary to achieve the planned targets. A framework for measuring performance indicators and monitoring and evaluation is also defined. The three-year Public Investment Program (PIP) aligned with the NDP strategic directions remains a tool for operationalizing the plan, the annual tranche of which is the investment portion of the overall budget.

The value for money and efficient budget programming sought in the effective implementation of the CEF program with the IMF will support efforts to improve the effectiveness of the public expenditure in achieving the NDP objectives. In particular, the government will work to optimize current expenditures to provide additional manoeuvring margins for public investments.

In addition, a better management of the full project cycle and the preparation of all the public investment projects through the strengthening of the selection and prioritization criteria, as well as the implementation and monitoring of such projects will help to reduce losses and increase the effectiveness and efficiency of the public spending.

Ultimately, the objective is to align the implementation and monitoring of all government strategic and sector plans, particularly the preparation and implementation of the national budget. Monitoring and evaluation capacity building activities will also be implemented in parallel to ensure the sustainability and expansion of these competencies across government.

The NDP monitoring and evaluation will be carried out based on an integrated monitoring and evaluation plan and statistical framework, which will be achieved through the regular conduct of national surveys and the production of reliable sectoral statistics.

The monitoring of the NDP implementation will be based on a set of indicators and an information system that draws on CRESMIC and is based on the National Strategy for the Development of Statistics (NSDS/SNDS).

The NDP integrates the 17 SDGs, which represent for the SSN more challenges in terms of mastering statistical information than it has been with the 8 MDGs. New themes such as industrialization, urbanization, sustainable production and consumption technologies, peace, and modern energy services will require at the level of sectoral ministerial and INSEED, statistical information systems based on an appropriate mode of regular data collection for the monitoring of the expected progress. This approach must integrate the concerns and needs of the NDP and sectoral policies.

This context implies the need to set up a comprehensive program of regular data collection from the household and public statistical structures of the sectoral ministries and other information systems in the relevant themes for the country and included in the sustainable development agenda 2030 in general and in the NDP in particular. Togo also needs it to produce on a regular basis, the national report according to the international standard on the progress towards the achievement of the SDGs, as it has been doing it already.

The challenges are therefore generally related to (i) regular national surveys with households (QUIBB, EDST, EESI, MICS, etc.); (ii) operationalization of the sectoral administrative information systems (health, education, energy, water, agriculture, justice and human rights, transport and urban security, land-use planning and sustainable cities, financial and banking sector, etc.); (iii) identification of priority information needs to evaluate consistently the development programs (iv) provision of qualified human resources at the level of the public statistical structures to produce the necessary data for M&E of the NDP and SDGs; (v) mobilization of resources by the national statistical system to finance statistical development programs, so as to facilitate the evaluation of public development policies, in particular those contained in the NDP and these sectoral policies. The National Strategy for the Development of Statistics (NSDS II) currently being finalized will integrate this major concern before its adoption by the National Council of Statistics.

#### Box 14: Information system for monitoring the NDP implementation

The NDP Implementation Monitoring Information System aims at providing a common information platform to governments, the private sector, development partners and civil society in a timely manner to (i) enable a good piloting of the actions scheduled in the NDP and (ii) obtain, thanks to the transparency of the information, the adhesion of all those who are involved in those actions. Three sub-systems are envisaged for this purpose.

The monitoring subsystem of poverty and living conditions of the households: this covers the systematic production of indicators on the living conditions of the households and/or basic information for each of the priority areas identified in the NDP. It mainly provides outcome indicators and impact indicators based on the approaches to income poverty, basic needs poverty, capacity or opportunity poverty and poverty through social exclusion. The set of disaggregated indicators on the disparities, vulnerabilities and inclusive social protection systems falls under this subsystem. INSEED and the SSN will mainly be responsible.

The subsystem for monitoring the implementation of the NDP programs and projects: It mainly concerns input indicators and output indicators of physical and financial outputs to be produced at both central and local level, based on the budget programs.

The subsystem of the policies or programs impact evaluations: these are mainly specific studies that are more limited in scope and aim to measure whether the actions carried out with the target groups have actually achieved the expected outcomes. This subsystem ensures coherence between the first two subsystems and provides material for policy formulation.

The link between the three subsystems proceeds from the logical chain of outcomes of a program or project. To achieve the monitoring economic policies objectives and strengthen the philosophy of "reporting" and "accountability", the monitoring mechanism of the NDP implementation will develop a list of indicators and a number of statistical operations to be carried out in order to ensure the production of the selected indicators. The statistical operations are to be included in the NSDS/SNDS the horizon of which is consistent with that of the NDP

A set of indicators is defined to measure the progress achieved in the implementation of the NDP (see Annex). The monitoring indicators dashboard includes both impact, outcome and output indicators. The monitoring and evaluation of the NDP will be carried out particularly in terms of the results measured through the impact and outcome indicators as they provide better information on the changes induced by the NDP on the Togolese economy and on the populations.



## Box 15: Participatory monitoring

The participatory monitoring is carried out at the level of regions, districts and municipalities. It brings together representatives of key local development actors. Its mission is to ensure the overall implementation of the NDP in local governments. In particular, it oversees the effective implementation of Public Investment Program (PIP) projects in the regions, districts and municipalities, specific monitoring of poverty and employment, health and education issues, monitoring the production and growth regional and local potentials development.

The main objectives include: (i) developing ownership of the participatory development process; (ii) improving the transparency and accountability of the various actors; (iii) improving the quality and relevance of service delivery; and (iv) providing control of the NDP monitoring process.

Various groups of actors the roles of which are summarized below have been identified:

- **target groups and beneficiary communities:** they must organize themselves to help identify their needs and priorities, and also to monitor effectiveness and the quality of the achievements;
- **local elected representatives:** they must report on the effective implementation of the NDP activities in their localities;
- **administration and its branches:** they must ensure the supervision of the NDP implementation process and the participatory monitoring;
- **civil society organizations:** they must ensure that the government complies with its commitments and is held accountable for its actions. In particular, they must look after the interests of vulnerable groups;
- **technical and financial partners:** they act as an external regulation instrument of the process by ensuring the effective participation of all the stakeholders in the participatory monitoring of the NDP. They are also involved in making concrete proposals and providing multifaceted support at all stages of the participatory monitoring;
- **private sector:** it must ultimately play the driving role of growth and job provider as a partner in the implementation of the NDP. It presents the actions that will be undertaken at their level to the participatory monitoring actors.

## 4.4 MONITORING EVALUATION IMPLEMENTATION CAPACITY BUILDING

The capacity building approach is part of a paradigm shift that combines supply and demand to (i) facilitate access to knowledge, (ii) facilitate stakeholder commitment, (iii) take into account participatory dialogue and advocacy, (iv) promote an development integrated approach including at local level and (v) provide a learning space through action. In general, the approach is based on improving capacities that lead to significant and positive changes for development outcomes, establishing therefore a correlation between capacities and development.

The process of capacity building will be carried out at three levels namely at (i) individual level with the acquisition of knowledge, technical skills and experience, (ii) organizational level with the improvement of systems, procedures and institutional framework and (iii) enabling environment level where political, legislative, power relations and social standard changes occur. This process will be carried out in four stages including (i) assessment of existing capacities and needs for their strengthening, (ii) formulation of missing capacity building strategies, (iii) implementation of such capacity building strategies and (iv) evaluation of their implementation, as already provided for under the PNRCME-DD.

To ensure a proper integration of capacity building in the structures in charge of the NDP IME/MSE mechanisms, the following principles must be followed:

- plan the capacity building as part of sectoral policy development;

- effectively ensure national ownership of the NDP development implementation and M&E process;
- ensure consistency between the expected outcomes of the sectoral policies and those of the NDP;
- align the NDP development, implementation and M&E process with the existing systems, bodies and tools;
- focus on capacity building in PISE of the sectoral programs.

The implementation of this strategy requires, first of all, a considerable capacity building of the various actors to master the NDP tool and its implementation and monitoring-evaluation instruments. This capacity building concerns primarily the (i) administrations, (ii) national statistics system, responsible for providing quality information that is essential in the development, implementation and monitoring/evaluation phase and (iii) civil society.

### Capacity building of the administrations

Through the program of reform and modernization of the public administration that addresses the efficiency challenges of these administrations and the promotion of a development and local administration, the country is planning a transformation of planning capacities to lead the NDP process in an easier dialogue between the different jurisdictions in a context of upward leveling of the PPBESE competencies. This process of introducing and deepening the results-oriented management (ROM) will include central, deconcentrated and decentralized administrations.

The administrative governance will be promoted by: (i) building the technical capacity of public administration, (ii) introducing a new administrative culture of community development, information and communication within the public administration, (iii) redefining and rationalizing the missions of the structures and the legal norms, (iv) generalizing the electronic administration (e-administration).

### Capacity building of the national statistical system

The National Statistical System (NSS/SSN) has made a lot of progress in terms of more regular and diversified statistical production and a quality that meets international standards. This allows within the framework of UEMOA and ECOWAS to provide evaluation elements of community standards. However, the NSS is still facing some challenges related to the: (i) strengthening of the systemic activities coordination, particularly between INSEED and the sectoral ministries, (ii) regular production of reliable statistics, particularly those derived from administrative sources, and (iii) non-systematically sustainable financing of the major statistical activities.

Moreover, the government, taking cognation of the current state of the national statistical system, has undertaken institutional and legal reforms to strengthen the capacity of the system through the development of a new National Strategy for the Development of Statistics (NSDS II) being finalized and replacing the one covering the period 2009-2013. Through the NSDS II, the authorities aim at integrating statistics into national policy and planning processes, producing data that meets the needs of various users, including different sectors and other stakeholders in the National Statistical System (NSS), coordinating the NSS and addressing key data challenges. The essential triggers for setting this dynamics in motion concern:

- strong political support and explicit recognition of the role of the statistics in development, confirmed by the priority given to it in the descriptive paper of the national development plan;
- dialogue with the main categories of data users (government, private sector, civil society), with a view to meeting their needs;
- involvement of all the components of the NSS in a common strategy to meet the needs of users and the requirements in terms of monitoring and evaluation of the SDGs;
- mobilization of public funds, complemented by the support of coordinated partners.

As part of the implementation, monitoring and evaluation of the NDP, efforts will be made to strengthen the national statistical system through the implementation of the NSDS II via the multiannual program of statistical operations in

order to have statistical data that meet the monitoring needs of the NDP. In addition, the statistical services of the ministries and the institutions will have their capacity built to regularly collect, exploit and publish the information under their competences to meet the needs of the users.

To achieve these results, upstream capacity building of the national statistical system will be carried out in the following axes:

- improvement in material resources, in particular with regard to the work environment of statisticians and the implementation of the IT master plan of the national statistical system; the improvement of human resources, by raising the technical level of managers in terms of analysis and data processing through continuous training and diploma courses in the statistics schools of the sub-region and at ENA-Togo and the mobilization of substantial financial resources;
- development of statistical production, through the conduct of major statistical operations, organization of the statistical data collection and processing from administrative sources, improvement of collection tools, data analysis and publication in real time of statistics of all the sectoral statistical services hosted in the ministries;
- promotion of the data use, through workshops and seminars, establishment of a statistical culture through awareness and training of users, the production of media adapted to different categories of users.

## 4.5 COMMUNICATION STRATEGY

In general, communication plays a crucial role in achieving the goals of development programs, by (i) supporting evidence-based advocacy efforts for greater clarity on relevant development issues, (ii) building the capacity to mobilize resources through reporting to attract donors and (iii) increasing the visibility of the country through the production of adequate communication media.

The NDP communication strategy will be based on behavioral change which is a long process on which communication for development can bring improvements by contributing to the development of knowledge, skills and practices. Outreach media will be involved in developing appropriate content of messages for each stakeholder category and each stage of the NDP IME process.

In order to promote the resources mobilization and the commitment of all development actors, an appropriate communication plan will be implemented.

The identification of the stakeholders and their classification into homogeneous target groups based on the groups in the continuum of change is therefore a significant challenge. The outcomes of the stakeholder analysis carried out at the beginning of the NDP development process provide a first approximation.

The classification of the stakeholders in terms of roles in the NDP process into four categories (to manage, satisfy, inform and control) provides classification elements to be used for the development of standard messages.

This classification into four categories was carried out using two factors related to the "interest" and "influence" some of which are included in the matrix below, to justify how to proceed with the classification.

Table 7: Matrix of clarifications of the stakeholders strategic roles

Categories	Classification factors	Main determinants of factors	Expectations of the authorities
To manage	High interest	Partner's mandate consistent with the objective	The partner is by his/her interest and influence, predisposed to achieving the objective. Work with him/her to put him/her in the best possible conditions.  Such a stakeholder is usually in partnership with the Government
		Objective outcome useful to the partner	
	High influence	Partner's operational mandate consistent with the objective	
		Partner's strategic or legitimate position in relation to the objective	
To satisfy	Low interest	Partner's physical, human, technical and financial capacities to influence the objective	The partner has a high influence on the objective and it is necessary to mitigate the impact of his/her low interest and make it progress towards a partner to manage, especially if his/her high influence is linked to capacities.
		No consistency between the partner's mandate and the objective	
	High influence	Objective Outcome not necessarily useful to the partner	
		No consistency between the partner's operational mandate and the objective	
To inform	High interest	Partner's strategic or legitimate position in relation to the objective	The partner has a his interest in the objective and should be involved in the implementation to ensure such interests, including through a good information, appropriate empowerment or any other approach.
		Partner's physical, human, technical and financial capacities to influence the objective	
	Low influence	Partner's mandate consistent with the objective	
		Objective outcome useful to the partner	
		Partner's operational mandate consistent with the objective	
		No strategic or legitimate position of the partner in relation to the objective	
		Absence of physical, human, technical and financial capacities of the partner to influence	

Categories	Classification factors	Main determinants of factors	Expectations of the authorities
To control	Low interest	No consistency between the partner's mandate and the objective	The partner has neither interest nor influence on achieving the objective. If his/her action is not detrimental to this achievement, he/she must be ignored, otherwise must be monitored to reduce any harm to the achievement of the objective.
		Objective outcome not necessarily useful to the partner	
	No consistency between the partner's operational mandate and the objective		
	Low influence	No strategic or legitimate position of the partner in relation to the objective	
Absence of physical, human, technical and financial capacities of the partner to influence			

Source: Ministry of Development Planning, April 2017

Each partner in the process can now be classified into one of the four categories unequivocally. For each category of stakeholder, it is left to define: the objectives, type, content, channels and tools that formalize and maintain the communication for each given target.

The focus on information, awareness, ownership, behavior change and education calls for the diversification of resources according to the groups concerned, namely leaflet, website, press conference, policy statement, radio show, TV show, news article, newsletter, etc. The table below specifies the means of action.

Table8: Means of action for the community on the NDP

Objectives	Target audience	Means of action
Inform the stakeholders about the objectives, outcomes and challenges of the NDP	Ministries (central and decentralized administration)	-Website -newsletter -mail
	Elected Representatives	-mail -insertion in parliamentary publications -newsletter
	Legal authority	-website -newsletter -insertion in court proceedings publications
	CSO	Website - newsletter - use of relays (peer educators, etc.)
	TFP	-Website-advocacy tools (information leaflet, reports)
	Local governments	-mail- proximity communication tools (palaver tree, storyteller, village groupings)
	Private sector	-website -reports -newsletter
	Media	press relations (press release, press conference, press trip) -website -newsletter
Diaspora	-website -fairs and international exhibitions -activitiesreview	

Source: Ministry of Development Planning, April 2017

## 4.6 RISK ANALYSIS AND SUCCESS FACTORS

### 4.6.1 Risk Analysis

The implementation of the NDP 2018-2022 will take place in a context that presents risks that could hinder smooth progress of Togo towards emergence. The government is planning to lead a coherent agenda of large-scale measures and reforms that will minimize these risks and lead to the structural transformation of the economy.

The successful implementation of the NDP also requires a forward-looking posture, anticipating future challenges in order to be able to address the threats and exploit the best short, medium- and long-term opportunities.

In the current context, the implementation of the NDP could face some bottlenecks that would reduce its efficiency and impact. These main risks are related to the (i) security situation in the sub-region; (ii) socio-political instability; (iii) financing; (iv) climate hazards; (v) capacity gaps; (vi) administrative, social and economic instability relating to the implementation of the decentralization; (vii) treatment of human rights and (viii) exogenous shocks.

### Security situation risk in the sub-region

The socio-political instability in the sub-region and the terrorist threats pose security risks to the economies of the West African countries. Despite the good performance recorded in the region in recent years, the risks of an economic slowdown are not to be ruled out. In addition, the geographical position of Togo exposes it to the growing risk of maritime piracy in the Gulf of Guinea and the aftermath of political crises in the ECOWAS countries. That is why the ECOWAS countries, including Togo, must focus their priorities on the fight against terrorism and organized crime.

Indeed, to address this risk of deteriorating security, solutions for Togo include among others, strengthening the defense and security forces, improving intelligence and security systems, strengthening military and security cooperation with the countries in the sub-region and those engaged in the fight against terrorism.

### Socio-political instability risk

The future emergence of Togo cannot be possible without the establishment of institutions which guarantee the political stability and respect for human rights and individual freedoms. Social peace is an important factor in attracting foreign investors and ensuring the smooth implementation of the NDP. The continued implementation of the political and institutional reforms will strengthen the foundations of the democratic process and appease the political situation.

### Financing risk

The NDP funding scheme provides for external and internal contributions. However, the current trend is to reduce aid flows to developing countries, particularly in Africa. In addition, the external resource mobilization procedures remain quite burdensome despite efforts made in the framework of the mutual aid effectiveness research. Finally, the capacity of Togo to mobilize domestic resources is still insufficient compared to the urgent and growing development needs of the country. All these elements each constitute a real risk for the availability of financial resources and together the major risk of the NDP failure.

This risk of insufficient mobilization of the financing needed for the implementation of the NDP can only be reduced and controlled by: (i) an increased effort to mobilize domestic resources (tax and non-tax); (ii) redeployment of the external economic cooperation to diversify development partnerships and sources of official development assistance; (iii) good control of the State's cash flow plan, to allow for timely expenditure initiation; (iv) substantial scheduling of the issue of treasury bills, necessary to regulate the public treasury; (v) a determined but prudent use of non-concessional external borrowing which, if not entirely excluded, must be reserved in priority for projects with proven financial profitability and

intervene within the limits compatible with the long-term sustainability of public debt;(vi) a significant improvement in the effectiveness of the incentives for reinvestment, support for start-ups and attraction of foreign direct investment;(vii) establishment of an efficient mechanism to better mobilize the resources of the Togolese diaspora and channel their transfers to productive investments that generate growth and jobs;(viii) rapid success of banking reform, which should lead to enhanced capacity for effective financial intermediation, both in quantity and quality.

### Climatic hazards risk

The earth warming and climate variability are realities; the floods of the past years are a perfect illustration.

However, the agricultural activity, which occupies the vast majority of the labor force, is highly dependent on climate hazards. At the same time, the adaptation programs envisaged benefit from very little funding, producers' support for new intensive farming methods (use of fertilizers and improved seeds, mechanization) remains low, the control of water is still a concern. All these items increase the risk and threat of climate conditions.

The prevention and reduction of these risks includes the consideration of these issues in the development programs, in particular the identification and development of risky areas for better management of natural disasters. The sectors identified as most vulnerable to climate change and for which adaptation and mitigation measures are to be prioritized are: agriculture, forestry, energy, water resources, human settlements, health, and coastal zone.

### Capacity gaps risk

The NDP 2018-2022 is quite proactive. Its success will largely depend on the government's ability to drive the policies and programs that will be implemented. Indeed, the scale of the necessary reforms will require a successful sharing of responsibilities in the implementation, monitoring and evaluation of policies and programs.

This will require new forms of association of private actors and NGOs (stakeholders) in the execution of certain programs. The novelty of these approaches entails a risk that must be minimized by the capacity building of the administration to supervise and monitor the implementation of actions on the field.

In addition, the implementation plan assumes that the resources needed to finance the strategy are available on time. This requires development partners to put in place mechanisms to ensure the availability of resources in line with the signed agreements and the scheduling of disbursements. In return, the government will take special measures to increase the absorption capacity within the administration.

### Administrative, social and economic instability risk in the decentralization implementation

Beyond the problem of transferring human, material and financial resources for the proper functioning of decentralized governments, the major risk is the failure to implement local elections. Indeed, local elections are the objectively provable indicator of the success of the decentralization process, which represent a decisive step. In addition, this risk will be heightened by the fact that the level of education of both populations and local elected representatives will be low to allow meaningful participation in decision-making.

In addition to the organization of the elections, the government should (i) operationalize the consultation frameworks for the implementation of the land-use planning policy; (ii) implement land-use planning tools; (iii) identify homogeneous socio-economic zones to facilitate the development of production activities based on local resources; and (iv) upgrade the different regions through the development of special programs to reduce regional imbalances and the development of micro-projects for the development of local potential.

### Human rights treatment risk

The risk in the treatment of human rights lies in the fact that different actors do not have the same understanding and the same behaviors towards these rights. To minimize this risk, it is necessary to develop strategies in terms of awareness-raising, training and social communication.

The table below summarizes the risks and proposes the mitigation measures

Table 9: Risks and Mitigation Measures

RISKS	MITIGATION MEASURES
<b>Security situation risk in the sub-region</b> <b>Increasing risk of the maritime piracy in the Gulf of Guinea</b> <b>aftermath of political crises in neighboring countries</b> <b>Terrorist threats in the sub-region</b>	Strengthening the defense and security forces Strengthening the regulatory framework to fight against maritime piracy Strengthening intelligence and security mechanisms Strengthening military cooperation with neighboring countries Conducting information and awareness campaigns on terrorist threats and building public confidence in the defense and security forces
<b>Socio-political instability risk</b> <b>Lack of consensus in the management of socio-political issues</b> <b>Lack of consensus in conducting political, institutional and constitutional reforms</b>	Promoting political dialogue Promoting social dialogue
<b>Financing risk</b> <b>Insufficient mobilization of funding for the implementation of the NDP</b>	Increasing efforts to mobilize internal resources (new tax niches) Diversifying development partners and sources of official development assistance Controlling the government treasury plan Making consistent programming of the government securities issues Achieving savings on current expenses Very limited use of non-concessional external borrowing Improving the effectiveness of incentives to reinvest and attract the foreign direct investment Putting in place a resource mobilization mechanism for the diaspora
<b>Climatic hazards risk</b> <b>Floods</b> <b>Low water control</b> <b>Coastal erosion</b> <b>Low ability to adapt to climate change</b>	Building water reservoirs Implementing modern irrigation systems Strengthening people's buy-in to sustainable production and consumption patterns Strengthening early warning system and effective coordination of responses
<b>Capacity gaps risk</b> <b>Slowness in the conduct of the reforms and weak capacity to lead the implementation of the NDP</b> <b>Late implementation of external financing</b>	Building the capacity of the Administration to oversee and monitor the actions implementation in the field Improving the absorption capacity of budget resources Strengthening the Government-Technical and Financial Partners Dialogue Framework

RISKS	MITIGATION MEASURES
<b>Administrative, social and economic instability related to the implementation of decentralization</b>	Organizing and conducting local elections Raising awareness of the decentralization issues and challenges Ensuring transfer of resources and skills Building the capacities of elected officials and municipalities
<b>Human rights treatment risks Poor understanding, interpretation and application of the concept</b>	Developing a democratic culture through awareness, training and social communication
<b>Exogenous shocks risks Increase in oil prices and commodity prices</b>	Implementing an equity identification policy to prevent and/or cushion shocks

#### 4.6.2 Success factors analysis

The NDP is a strategy paper which aims at creating the conditions to allow Togo to start its expected emergence by 2030. The achievement of this objective will depend to a large extent on the government's capacity to implement the projects and programs planned for this purpose. To succeed in such a bet, several conditions must be met. These include the continuation of the (i) strengthening of social cohesion and political stability; (ii) strengthening of administrative and economic governance; (iii) reorientation of Togolese diplomacy; (iv) digital transformation of socio-economic life; (v) strengthening of the partnership with the TFPs; (vi) mobilization of the private sector as a major stakeholder in the structural transformation; and (vii) implementation of a communication plan around the NDP.

With regard to the **strengthening of the social cohesion and political stability**, the Government is committed to (i) continuing the dialogue with all the actors of the socio-political life, holding the local elections and strengthening the security of people and goods throughout the country; and (ii) accelerating the compensation of victims of various crises in the country.

The political will shall be confirmed to **modernize public administration** in order to promote people's access to quality public services and strengthen the accountability system at all levels. In particular, the government will focus on implementing the recommendations of the strategic and organizational audit of the ministerial departments, the national e-government management program. It will also develop and implement effective public administration human resource management performing tools, as well as a national quality program of government services. The stability of the institutions and a better clarification of the missions and responsibilities of the different ministerial departments will mitigate the conflicts of competence and will increase the efficiency of the governmental action. Its medium-term ambition is to set up a development administration.

**The government intends to strengthen the economic governance.** It is decided to pursue the consolidation of the macroeconomic framework, implement prudent fiscal policies and strengthen structural reforms, including the business climate. As part of the search for a better appreciation of the national wealth, the government will continue the process of the GDP revaluation. It will favor a prudent debt policy in order to preserve the viability of the external debt. Particular emphasis will be placed on the strategies to fight against fraud, corruption and money laundering to stem the evils that hinder the country's socio-economic development.

In order to make the business environment particularly attractive and competitive in Togo to attract both domestic and foreign investment, the government intends to focus on: (i) furthering implementation of deep reforms to facilitate business creation, granting building permits, land title and ownership transfer; (ii) improving the judicial system and reducing the processing time of the commercial litigation; (iii) strengthening the institutional mechanism for support and promotion of the private sector; (iv) simplifying and rationalizing the taxation of the SMEs/SMLs, and the developing and implementing an investment promotion strategy.

The application of the planning, programming, budgeting, execution and monitoring-evaluation (PPBESE) chain by all

the actors from the central and decentralized level is a factor that must guarantee the effectiveness of the programs, projects and actions to be implemented.

With regard to the revitalization of the microfinance sector, the government's policy is to encourage the establishment of microfinance institutions in rural areas by (i) encouraging them to streamline their management; (ii) granting credit lines to institutions with sound management quality; and (iii) putting in place tax benefits.

The new challenges at the national, regional and international levels as well as the structural transformation of the economy create a new impetus in **Togolese diplomacy**, which consists of the implementation of mechanisms and practices in order to capture the momentum of the global economy to improve Togo's strategic positioning and promote the national economy.

The challenge is to consolidate the role of Togo bilaterally and internationally, to integrate economic diplomacy into a national framework to better serve the state interests and promote wealth and job creation, namely (i) facilitate and expand the opportunities for domestic firms abroad, (ii) attract foreign investment, and (iii) influence, during the negotiations, the regional and international rules and guidelines in relation to national interests and regional groupings (of which the country is a member), in areas such as trade, investment, migration, development assistance.

In this perspective, by 2022, the diplomatic network will have to be extended to emerging countries and strengthened through (i) the creation of economic and cultural advisers' positions in diplomatic and consular representations, (ii) opening of permanent representations with international development organizations, and (iii) promotion of nationals at decision-making levels within these bodies.

In addition, the Togolese diplomacy will seek to diversify strategic partnerships through the signature of cooperation agreements, revitalization of joint co-operation commissions and establishment of bilateral consultation frameworks. Moreover, it is essential to accelerate the implementation of mechanisms for mobilizing the diaspora resources, in particular the investment fund of Togolese abroad, the strategy to harness its talents, protection and defense of economic interests of Togolese abroad and promotion of attractive projects.

To this end, the government will adopt a sectoral policy for development diplomacy.

The government will set up a data center equipped with state-of-the-art equipment. This new center will contribute to **the digital transformation of the socio-economic life** of Togo which will take into account the acquisition of a new culture that is the digital for citizens and also the development of high added value services for the economy. To achieve this, the Government will focus on the capacity building and develop a policy for advanced university training in ICT in order to have high quality human resources that will bring the digital transformation of the Togolese society and economy.

Finally, the government will implement a **communication plan** around the NDP to facilitate its ownership and implementation by all the development actors.

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# ANNEXES

**Annex 1 :** Table of the Government Financial Transactions: Reference Scenario

Amount in billions of CFA F unless otherwise indicated	2016	2017	2018	2019	2020	2021	2022	Average 2018-2022
	Réal.	Réal.	Budget	Projections				
TOTAL INCOME AND DONATION	695,0	709,9	856,1	826,0	870,2	910,0	915,0	875,5
TOTAL INCOME	619,4	621,4	739,9	739,2	775,5	811,8	817,1	776,7
TAX REVENUES	568,5	563,2	660,3	666,6	702,8	739,0	744,1	702,6
NON-TAX REVENUES	50,9	58,2	79,6	72,6	72,7	72,9	73,0	74,2
DONATIONS	75,6	88,5	116,2	86,8	94,6	98,1	97,9	98,7
Projects DONATIONS	11,3	48,3	27,5	29,5	34,4	34,9	31,6	31,6
Programs DONATIONS	64,3	40,2	88,7	57,3	60,2	63,2	66,4	67,2
TOTAL EXPENDITURES AND NET LOANS	912,7	717,7	928,7	750,3	778,5	826,1	721,9	801,1
CURRENT EXPENDITURES	580,5	543,2	613,9	479,6	490,3	503,5	530,6	523,6
Wages and Salaries	182,7	192,8	204,0	214,7	226,0	237,9	259,0	228,3
Goods and services	70,0	59,5	68,0	71,4	74,9	78,7	82,6	75,1
Transfer and subsidies	81,0	80,4	92,4	94,3	96,1	98,1	100,0	96,2
Interests on public debt	62,9	48,6	71,0	45,0	30,0	21,5	17,7	37,0
Interests on domestic debt	54,1	38,7	56,9	34,1	20,5	12,3	7,4	26,2
Interests on external debt	8,8	9,9	14,1	10,9	9,5	9,3	10,3	10,8
PUBLIC INVESTMENT	332,4	174,5	314,8	270,6	280,7	291,2	302,2	291,9
Funded on domestic resources	185,8	104,4	93,6	98,2	103,2	108,3	113,7	103,4
Funded on external resources	146,5	70,0	221,2	172,4	177,6	182,9	188,5	188,5
Primary balance donations including cash base	-64,7	-9,6	-66,3	120,8	121,6	105,3	210,8	98,5
Primary balance donations including cash base/GDP in %	-2,5	-0,4	-2,3	3,9	3,7	3,0	5,7	2,8
INTERIOR PRIMARY BALANCE	-44,7	56,8	-24,2	132,2	137,7	147,0	115,2	101,6
CURRENT BALANCE	38,9	78,2	126,1	259,6	285,3	308,3	286,0	253,0
OVERALL BALANCE CASH BASE(DONA- TIONS included)	-217,7	-7,8	-72,5	75,7	99,2	115,2	81,8	59,9
OVERALL BALANCE CASH BASE (DONA- TIONS excluded)	-293,3	-96,3	-188,7	-11,1	4,5	17,1	-16,2	-38,9
ARREARS VARIATION	90,1	-50,4	-64,8	0,0	0,0	0,0	0,0	-13,0
INTERNAL	90,1	-50,4	-64,8	0,0	0,0	0,0	0,0	-13,0
EXTERNAL	0,0	0,0	0,0	0,0	0,0	0,0	0,0	

OVERALL BALANCE CASHBASE (excluding DONATIONS)	-203,2	-146,8	-253,5	-11,1	4,5	17,1	-16,2	-51,8
FUNDING	203,2	146,8	253,5	11,1	-4,5	-17,1	16,2	51,8
INTERNAL FUNDING (net)	64,9	53,6	27,7	184,2	198,4	-11,1	-12,1	77,4
EXTERNAL FUNDING (net)	138,3	93,1	225,8	115,8	125,9	131,7	138,9	147,6
FUNDING VARIATION (+Funding need)	0,0	0,0	0,0	-288,8	-328,8	-137,7	-110,6	-173,2
GDP in current prices	2 614,5	2 739,8	2 926,7	3 115,6	3 309,7	3 513,1	3 726,2	3 318,3
Overall balance cash base donation included /GDP in %	-8,3	-0,3	-2,5	2,4	3,0	3,3	2,2	1,7
Tax pressure	21,7	20,6	22,6	21,4	21,2	21,0	20,0	21,2

**Annex 2** : Table of the Government financial transactions : optimistic scenario

Amount in billions of CFA F unless otherwise indicated	2016	2017	2018	2019	2020	2021	2022	Average 2018-2022
	Réal.	Réal.	Budget	Projection				
TOTAL INCOME AND DONATION	695,0	709,9	856,1	827,9	904,8	944,2	978,4	902,3
TOTAL INCOME	619,4	621,4	739,9	741,1	810,1	846,1	878,5	803,2
TAX REVENUES	568,5	563,2	660,3	668,5	737,4	773,2	805,5	729,0
NON-TAX REVENUES	50,9	58,2	79,6	72,6	72,7	72,9	73,0	74,2
DONATIONS	75,6	88,5	116,2	86,8	94,6	98,1	99,8	99,1
Projects DONATIONS	11,3	48,3	27,5	29,5	34,4	34,9	31,6	31,6
Programs DONATIONS	64,3	40,2	88,7	57,3	60,2	63,2	68,3	67,5
TOTAL EXPENDITURES AND NET LOANS	912,7	717,7	928,7	750,3	784,3	841,1	937,1	848,3
CURRENT EXPENDITURES	580,5	543,2	613,9	479,6	490,3	503,4	531,1	523,7
Wages and Salaries	182,7	192,8	204,0	214,7	226,0	237,9	259,0	228,3
Goods and services	70,0	59,5	68,0	71,4	74,9	78,7	82,6	75,1
Transfer and subsidies	81,0	80,4	92,4	94,3	96,1	98,1	100,0	96,2
Interests on public debt	62,9	48,6	71,0	45,0	30,0	21,5	17,8	37,1
Interests on domestic debt	54,1	38,7	56,9	34,1	20,5	12,3	7,4	26,2
Interests on external debt	8,8	9,9	14,1	10,9	9,5	9,2	10,4	10,8
PUBLIC INVESTMENT	332,4	174,5	314,8	270,6	294,0	337,7	406,0	324,6
Funded on domestic resources	185,8	104,4	93,6	98,2	113,0	135,6	164,0	120,9
Funded on external resources	146,5	70,0	221,2	172,4	181,0	202,1	241,9	203,7
Primary balance donations including cash base	-64,7	-9,6	-66,3	122,7	150,5	124,5	59,0	78,1
Primary balance donations including cash base /GDP in %	-2,5	-0,4	-2,3	3,9	4,5	3,4	1,5	2,2
INTERIOR PRIMARY BALANCE	-44,7	56,8	-24,2	134,1	168,8	162,0	123,2	112,8
CURRENT BALANCE	38,9	78,2	126,1	261,5	319,9	342,6	347,4	279,5

OVERALL BALANCE CASH BASE (DONATIONS included)	-217,7	-7,8	-72,5	77,6	120,5	103,1	41,2	54,0
OVERALL BALANCE CASH BASE (DONATIONS excluded)	-293,3	-96,3	-188,7	-9,2	25,9	4,9	-58,6	-45,1
ARREARS VARIATION	90,1	-50,4	-64,8	0,0	0,0	0,0	0,0	-13,0
INTERNAL	90,1	-50,4	-64,8	0,0	0,0	0,0	0,0	-13,0
EXTERNAL	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
OVERALL BALANCE CASH BASE (excluding DONATIONS)	-203,2	-146,8	-253,5	-9,2	25,9	4,9	-58,6	-58,1
FUNDING	203,2	146,8	253,5	9,2	-25,9	-4,9	58,6	58,1
INTERNAL FUNDING (net)	64,9	53,6	27,7	184,2	198,4	-11,1	-12,1	77,4
EXTERNAL FUNDING (net)	138,3	93,1	225,8	115,8	129,3	151,0	192,4	162,9
FUNDING VARIATION (+Funding need)	0,0	0,0	0,0	-290,7	-353,6	-144,8	-121,7	-182,1
GDP in current prices	2 614,5	2 739,8	2 926,7	3 138,1	3 370,2	3 619,3	3 899,7	3 390,8
Overall balance cash base donation included /GDP in %	-8,3	-0,3	-2,5	2,5	3,6	2,8	1,1	1,5
Tax pressure in %	21,7	20,6	22,6	21,3	21,9	21,4	20,7	21,6

**Annex 3 : Outcomes Framework**

Outcome Levels	Indicators		Reference Value	Reference Year	Medium Target 2020	Final Target 2022	Verification Source, means and assumptions
	Description	Unit					
<b>STRATEGIC DIRECTION 1 : ESTABLISHING A FIRST-CLASS LOGISTICS HUB AND BUSINESS CENTRE IN THE SUB-REGION</b>							
Outcome1: Logistical performance contributes to improved competitiveness and overall productivity of the economy and massive creation of sustainable jobs	GDP real growth rate	%	4,4	2017	7,3	7,6	Macroeconomic Framework of NDP/MoF/Directorate of Economy
	Unemployment rate	%	3,4	2015	2,8	2,6	QUIBB 2015 Survey Report/ INSEED estimates
	Under-employment rate	%	25,8	2015	21,0	19,4	QUIBB 2015 Survey Report/ INSEED estimates
Expected outcome 1.1: PAL is modernized with improved competitiveness	Relative share of PAL in GDP	%					National Accounts/ INSEED
Expected outcome1.2: Road transport infrastructure and services are developed to support economic growth	Relative share of road transport in GDP	%	5	2012	7	7,7	MIT /DTRF Report of activities
	Transit Access Rates	%	70,6	2015	84,5	90	QUIBB 2015 Survey Report/ INSEED estimates
	Structured urban transit coverage rates	%	42	2017	55	65	MIT/SOTRAL Report of activities
	Percentage of paved roads with a fair level of service	%	60	2016	71	75	MIT Report of activities
Expected outcome1.3: Air transport is developed and Lomé Airport is positioned as the Regional Hub	Lomé Airport Regional Ranking	Rank	UEMOA ranking :	2017		UEMOA ranking: First	MIT/SALT Report of activities
	Air Transport Sector's share in GDP	%					MIT/MEF/INSEED Report of activities
Expected outcome1.4: Rail transport infrastructure is developed	Relative share of rail transport in GDP	%					MIT/MEF/INSEED Report of activities
Expected outcome1.5: Digital is developed and facilitates economic and financial transactions	Relative share of the digital sector in GDP	%	8	2015	9	>=10	Policy statement of the Digital economy sector for 2018-2022 period
	High-throughput data penetration rate (mobile and fixed)	%	28,25	2017	60	>=90	Policy statement of the Digital economy sector for 2018-2022 period
	Mobile and fixed data penetration rate	%	36,31	2017	66,3	>=95	Policy statement of the Digital economy sector for 2018-2022 period
	ICT service user satisfaction rate	%	Not available	2017		>=60	Policy statement of the Digital economy sector for 2018-2022 period
Expected outcome 1.6: Togo is a major centre for business tourism in the West African sub-region	Relative share of tourism in the GDP	%	4 ,0	2015	5,5	6,2	Report of Activities of the Ministry of Industry and Tourism /INSEED estimates
	Tourism Services Visitor Satisfaction Rates	%					Report of Activities of the Ministry of Industry and Tourism /INSEED estimates
Expected outcome1.7: Togo is positioned as a first class financial centre in the sub-region	Doing Business Ranking	Rank	154	2015	134	94/Top 100	MPD Activities Report
Expected outcome1.8: SMEs/SMLs have access to adequate financing	SMEs/SMLs access rate to funding	%					MDBAJEJ/MCSP/ANPGF activities Report
Expected outcome 1.9: Togo is positioned as a commercial business centre in the sub-region	Trade share in the GDP	%	7,2	2015	8,3	8,9	MCPSP/MEF/INSEED Activities Report
	Banking rate	%	19,6	2015	40	>=50	MoEActivities Report
Expected outcome 1.10: The media landscape is transformed	Media sector share in the GDP	%					MCCSFC/MEF/INSEED Report
	Public media users satisfaction rate	%	Not available	2017	40	50	INSEED Survey and estimates Report
	All business linescoverage rate (departments and institutions of the Republic through media	%	Not available	2017	75	100	MCCSFC /INSEED Activities Report
	Public media geographical coverage rate	%				100	MCCSFC /INSEED Activities Report
Expected outcome 1.11: Economic operators are satisfied with the business environment in Togo	Economic operators satisfaction rate of the business climate in Togo	%					MCPSP/MoFActivities Report
	Corruption perception index (Ranking)	Rank	107 <sup>th</sup> over 167 of transparency				MCPSP/MoFActivities Report
		Rank	frican ranking 26 <sup>th</sup> over 52				MCPSP/MoFActivities Report

Outcome Levels	Indicators		Reference Value	Reference Year	Medium Target 2020	Final Target 2022	Verification Source, means and assumptions	
	Description	Unit						
<b>STRATEGIC DIRECTION 2: DEVELOPING AGRICULTURAL PROCESSING, MANUFACTURING AND EXTRACTIVE INDUSTRIES POLES</b>								
Poverty is reduced by accelerating wealth creation and better redistribution of the growth fruits and the creation of decent jobs	Impact of monetary poverty	Nationwide	%	55,1	2015	47,6	44,6	QUIBB 2015 Survey Report/ INSEED Estimates
		Rural areas	%	68,7	2015		50	QUIBB 2015 Survey Report/ INSEED Estimates
	Multidimensional Poverty Index			0.242	2015	0.199	0.182	OPHI/ INSEED Estimates
	Gini Index			0.38	2015	0.36	0.35	QUIBB 2015 Survey Report/ INSEED estimates
	Income/head		dollar US	610,5 US\$	2016		670 US\$	MoFAactivities Report/ INSEED Estimates
Expected outcome 2.1: Chains of value from the growth chains are developed, agropoles and competitiveness poles for agricultural processing are established and massive agricultural jobs are created	Agricultural Productivity		%					MAEP Activities Report
	Growth rate of value added in agricultural value chains		%	9,62	2016	20,0	35,0	MAEP Activities Report
	Agricultural product processing rates		%	19,0	2015	25,0	30,0	MCPSP/MITo/MoFAactivities Report
	Share of agriculture sector in GDP		%	30,8	2015	28,7	28,1	MAEP/MEF/INSEED Activities Report
	Share of Irrigated Area		%	0,16	2016	0,42	0,5	MAEP Activities Report
	Balance of agricultural trade		billion	-44	2016	-13,32	-5,65	MAEP Activities Report
Expected outcome 2.2: Water systems are developed and contribute to agricultural and energy production	Percentage of transboundary water basins with operational cooperation		%	43,23	2017	50	55	MEHV Activities Report
	Share of Irrigated Area		%	0,16	2016	0,42	0,5	MEHV Activities Report
	Percentage of hydroelectric sites also used for agricultural purposes		%	0	2017	100	100	MAEH/MME Activities Report
Expected outcome 2.3: Togolese industry is developed, environmentally friendly, integrated with the rest of the economy and creating jobs	Industry share in GDP		%	8,7	2015	7,3	6,9	MIToActivities Report/ MME et MEF/ Macroeconomic forecast / INSEED/ Activities Report
	Share of Manufacturing in GDP		%	4,9	2015	4,3	4,2	MoFAactivities Report/ MITo macroeconomic forecast /INSEED
	Share of Extractive Industry in GDP		%	3,7	2015	3,0	2,8	MME /MEF Activities Report/macroeconomic forecast/ INSEED/
	Share of Exports of Industrial Products in Total Exports		%	34,8	2015	40,0	50,0	MIToActivities Report/ MEF/ MCPSP Macroeconomic forecast/ INSEED/
Expected outcome 2.4: Craft enterprises are competitive, creating wealth and jobs in industrial and tourism development	Relative share of handicraft in GDP		%					MCPSP/ MDBAJEJ Activities Report
Expected outcome 2.5: Energy is developed and effectively contributes to improved agricultural, industrial and mining productivity	Relative share of energy sector in GDP		%					Activities Report of MEM /MEF
	Electrical energy dependency rate		%	50	2016	40	35	Activities Report of MEM /MEF
	Loss rates on the network		%	16,8	2016	11,9	10	Ministry of Mines and Energy Report
<b>STRATEGIC DIRECTION 3: CONSOLIDATING SOCIAL DEVELOPMENT AND STRENGTHENING INCLUSION MECHANISM</b>								
Outcome 3: improved level of human development, including better access to basic social services	Human Development Index			0.484	2014	0.544	0.554	UNDP World Report on Human Development
	CPIA			3	2015	3.25	>3,25	World Bank Annual Report
	Mô Ibrahim Index		Rank	26	2016	24	23	FondationMô Ibrahim Annual Report
	Life expectancy at birth		Year	60,8	2010	66	68	RGPH4 Analysis / INSEED estimates
	Synthetic Fertility Index			4,8	2014	4,1	4	EDST-III Survey Report/ INSEED estimates

Outcome Levels	Indicators		Reference Value	Reference Year	Medium Target 2020	Final Target 2022	Verification Source, means and assumptions
	Description	Unit					
Expected outcome 3.1: Populations have equitable access to education, vocational training and quality labor market-oriented higher education	Primary school net enrolment rate	%	93,8	2017	100	100	Statistical Diary of the Ministry of Primary, Secondary Education and Vocational Training
	General lower secondary retention rate	%	63,5	2017	64,7	65,5	Statistical Diary of the Ministry of Primary, Secondary Education and Vocational Training
	Retention rate in upper secondary school	%	72,3	2017	74,7	76,3	Statistical Diary of the Ministry of Primary, Secondary Education and Vocational Training
	Job Entry Rate in Technical Education	%	11,8	2017	11,8	12	Statistical Diary of the Ministry of Technical Education and Vocational Training
	Job Entry Rate in Vocational Training	%	76,6	2017	78,5	80	Statistical Diary of the Ministry of Technical Education and Vocational Training
	Transition Rate to Technical Secondary Education	%	10	2016	10,5	11	Statistical Diary of the Ministry of Technical Education and Vocational Training
	Transition rate to vocational secondary education	%	1	2016	1,5	2	Statistical Diary of the Ministry of Technical Education and Vocational Training
	Participation rate in technical education programs (16 - 18 years)	%	7,01	2016	8	9	Statistical Diary of the Ministry of Technical Education and Vocational Training
	Participation rate in vocational training program (15-24 years)	%	0,79	2016	2	5	Statistical Diary of the Ministry of Technical Education and Vocational Training
	Proportion of students in science and technology fields	%	18,2	2016	20	22	Statistical Diary of the Ministry of Higher Education
	Number of students per 100,000 population		1183	2016	1190	1200	Statistical Diary of the Ministry of Higher Education
Youth and adult literacy rates	%	63,3	2015	66	70	Ministry of Social Affairs and Women Promotion Report / QUIBB 2015 Survey Report / INSEED estimates	
Expected outcome 3.2: Togolese populations have access to universal health care/nutrition	Geographic accessibility rates for health facilities	%	70,9	2015	85,2	90,0	Statistical Diary of the Ministry of Health
	Health Services Attendance Rate	%	44,7	2016	47,7	50,0	Statistical Diary of the Ministry of Health
	Modern contraceptive prevalence	%	16,7	2014	30,8	35,5	EDST III Survey Report/ INSEED estimates
	Percentage of women who completed 4 CPN visits	%	57,2	2014	74,3	80	EDST III Survey Report/ INSEED estimates
	Percentage of births attended by skilled personnel	%	73	2014	85,6	90	EDST III Survey Report/ INSEED estimates
	Prevalence of global acute malnutrition in children under 5	%	6,5	2014	3,9	3,0	EDST III Survey Report/ INSEED estimates
Expected outcome 3.3: People, especially young people and women, have access to productive, decent and sustainable employment	Youth unemployment rate (15-29 years)	%	3,2	2015	2,7	2,5	QUIBB 2015 Survey Report / INSEED estimates
	Unemployment rate of women	%	2,7	2015	2,2	2	QUIBB 2015 Survey Report / INSEED estimates
	Youth underemployment rate (15-29 years)	%	22,2	2015	17,9	16,2	QUIBB 2015 Survey Report / INSEED estimates
	Under-employment rates of women	%	24,1	2015	19,8	18,1	QUIBB 2015 Survey Report / INSEED estimates
Expected outcome 3.4: Population benefits from a social and civil protection system	Proportion of population covered by INAM	%	4	2015	15,4	≥20,0	Ministry of Health Report/INAM Report// INSEED estimates
	Proportion of population receiving health insurance	%	7,6	2015	≥ 20	≥ 25,0	Ministry of Health Report/INAM Report// INSEED estimates
	Percentage of seniors receiving social protection	%	13	2015	21,6	≥ 25,0	Ministry of Social Affairs & Women Promotion Report

Outcome Levels	Indicators		Reference Value	Reference Year	Medium Target 2020	Final Target 2022	Verification Source, means and assumptions
	Description	Unit					
Expected outcome 3.5: Gender equity and equality strengthened	Gender Inequality Index	%	0,588	2014	0,453	0,400	Ministry of Social Affairs & Women Promotion Report
	Proportion of women with access to credit	%	44,4	2015	55,5	60,0	QUIBB 2015 Survey Report / INSEED estimates
	Proportion of women agriculture owning land(%)	%	19,9	2015	24,3	26,0	QUIBB 2015 Survey Report / INSEED estimates
	Proportion of Women in Government	%	20,83	2016	33,3	30,0	Ministry of Social Affairs & Women Promotion Report/ INSEED estimates
	Proportion of women in the National Assembly	%	17,58	2016	29,3	30,0	Ministry of Social Affairs & Women Promotion Report/ INSEED estimates
Expected outcome 3.6: Improved access to drinking water, hygiene and sanitation for people, especially the poorest	Proportion of households using a drinking water source	%	61,8	2015		80	Ministry of Social Affairs and Women Promotion Activity Report
	National Drinking Water Service Rates	%	50	2015	64	68	Ministry of Social Affairs and Women Promotion Activity Report/INSEED Estimates
	Rural Drinking Water Service Rates	%	55	2015	69	74	QUIBB 2015 report/INSEED estimates
	Urban Drinking Water Service Rates	%	50	2015	64	70	QUIBB 2015 report/INSEED estimates
	Semi-urban drinking water service rates	%	49	2015	53	55	Ministry of Social Affairs and Women Promotion Activity Report/ INSEED Estimates
	Percentage of households using improved latrine nationally	%	13,5	2015	60	45,5	Ministry of Social Affairs and Women Promotion Activity Report/ INSEED Estimates
	Improved water source coverage rates in sanitation training	%	67,0	2015	76	80	QUIBB 2015 Report/INSEED estimates
	Water and sanitation coverage rates in public schools	%	25,0	2015	30,0	31,4	Ministry of Water and Village Hydraulics Activity Report/ INSEED estimates
	Health training coverage rates in adequate sanitation facilities	%	82,0	2015	84,0	85,4	Ministry of Water and Village Hydraulics Activity Report/ INSEED estimates
	Proportion of Households with Access to Wastewater Works		7,0	2015		10,0	Ministry of Water and Village Hydraulics Activity Report/ INSEED estimates
Expected outcome 3.7: Increased access to sustainable home energy services for people, especially the poorest	Proportion of households with access to electricity at the national level	%	48,3	2015	57,0	60,0	Ministry of Water and Village Hydraulics Activity Report/ INSEED estimates
	Proportion of the poorest households with access to electricity in rural areas	%	4,8	2015	12,8	16,0	Ministry of Water and Village Hydraulics Activity Report/INSEED Estimates
	Electricity Access Rates	%	36,0	2016	50,0	60,0	Ministry of Water and Village Hydraulics Activity Report/INSEED Estimates
	Rural Electricity Access Rates	%	6,0	2016	2016		Ministry of Water and Village Hydraulics Activity Report/INSEED Estimates
	Share of Biomass-Energy in Final Household Consumption	%	65	2016	2016	40	Ministry of Water and Village Hydraulics Activity Report/INSEED Estimates
	Share of Butane Gas in Final Household Consumption	%	3,0	2015	5,1	>=6,0	QUIBB 2015 Report/INSEED estimates
Expected outcome 3.8: People, especially the poor and vulnerable groups, have access to financial services tailored to their needs	Proportion of poor individuals with a national savings account	%	11,56	2015	21,16	>=25	QUIBB 2015 Survey Report/ l'INSEED estimates
	Proportion of poor individuals with a national savings account	%	15,28	2015	22,22	>=25	QUIBB 2015 Survey Report/ l'INSEED estimates
	Financial inclusion rates	%	60,0	2016	70,0	80,0	MDBAJEJ/DPFI Activity Report
	Overall geographic penetration rate of financial services per 1000 km2	%	81	2016	90	95	MDBAJEJ/DPFI Activity Report
	Overall demographic penetration rate of financial services per 10,000 inhabitants	%	11,0	2016	32,0	47,0	MDBAJEJ/DPFI Activity Report
	Proportion of poor individuals with a savings account in rural area	%	8,43	2015	20,26	>=25	QUIBB 2015 Survey report/estimations de l'INSEED estimates
Expected outcome 3.9: Ensuring better organization and management of the national territory with a view of a balanced and sustainable socio-economic development of the country	Proportion of grassroots communities with action/development plans	%	20	2017	25	30	MDBAJEJ/MPD Activity Report

Outcome Levels	Indicators		Reference Value	Reference Year	Medium Target 2020	Final Target 2022	Verification Source, means and assumptions
	Description	Unit					
Expected outcome 3.10: People have access to better living conditions and decent housing	Access to decent housing rates	%	47,7	2015	65,1	72,1	QUIBB 2015 Report/INSEED estimates
	Proportion of municipalities with up-to-date master planning and planning patterns	%	38	2017	42	50	Ministry of Planning Activity Report/ INSEED Estimates
	Urbanization rates	%	40,1	2015	43,0	44,0	Ministry of Planning Activity Report/ INSEED Estimates
Expected outcome 3.11: Local governance is strengthened and contributes to regional development	Percentage of decentralized bodies established and operational	%					Departmental Activity Report on Decentralization
Expected outcome 3.12: Ensuring Sustainable management of natural resources and resilience to the effects of climate change	Forest cover rate	%	24,24	2015	24,94	24,94	Ministry of the Environment and Forest Resources Activity Report
	Share of land protected for biodiversity conservation	%	7,4	2016	8,1	8,5	Ministry of the Environment and Forest Resources Activity Report
	Proportion of coastlines protected from coastal erosion	%	41,7	2017	62,23	82,3	Ministry of the Environment and Forest Resources Activity Report
	Proportion of endangered species protected	%	Not Available	2015	100	100	Ministry of the Environment and Forest Resources Activity Report
Expected outcome 3.13: Ensuring Equitable access to justice	Access to Justice Rates	%	65,2	2016		68,2	Department of Justice Activity Report
	Level of Client Satisfaction with Litigation Resolution	%	37,0	2016		40,0	Department of Justice Activity Report
	Level of satisfaction of litigants with the functioning of justice	%	29,2	2016		33,2	Department of Justice Activity Report
Expected outcome 3.14: Ensuring Defence and security of national country	Crime rates by nature of offences	%	1,91 for thousand	2016	1,6 for thousand	1,5 for thousand	MSPC Activity Report
	Vision of Humanity Global Peace Index	Ranking	63 <sup>rd</sup> out of 163 countries in the world	2017	60 <sup>th</sup> out of 163 countries in the world	58 <sup>th</sup> out of 163 countries in the world	UK Institute for Economics and Peace /INSEED estimates
		Ranking	12 <sup>th</sup> out of 50 countries in Africa	2017	9 <sup>th</sup> out of 50 countries in Africa	7 <sup>th</sup> out of 50 countries in Africa	UK Institute for Economics and Peace /INSEED estimates
		Ranking	2 <sup>nd</sup> in West Africa	2017	2 <sup>nd</sup> in West Africa	1 <sup>st</sup> in West Africa	UK Institute for Economics and Peace /INSEED estimates
	Status of the country's security situation	%	70	2017	90	95	Ministry of Defence / General Staff / Operations Centre Activity Report
Expected outcome 3.15: Sport and recreation activities contribute to economic growth and citizen development	Populations' satisfaction with sports and recreation	%					MCCSFC Activity Report
	Rates of participation of national sport federations in international competitions	%		2017			MCCSFC/National Olympic Committee Activity Report
	Relative share of sport and recreation sector in GDP	%					MCCSFC Activity Report
Expected outcome 3.16: Cultural enterprises are competitive, creating wealth and jobs	Relative share of cultural industry in GDP	%					Ministry of Trade, Industry, Private Sector Promotion and Tourism Activity Report /MCCSFC/MEF/INSEED Estimates
	Proportion of citizens consuming cultural and creative arts goods and services	%	Not available	2015	>=15	>=30	MITo/MCCSFC Activity Report/INSEED Estimates
	Proportion of technical and professional institutions with programs for the development of cultural enterprises	%	Not available	2015	>=10	>=20	MITo Activity Report/INSEED Estimates
	Proportion of national cultural heritage identified, inventoried and valued.	%	Not available	2015	>=50	70	MITo Activity Report/INSEED Estimates

**Annex 4 : Priority actions**

Strategic directions	Outcome Levels	Programs / Projects
<b>SD 1: Establishing a logistics hub of excellence and a first class business center in the sub-region</b>	<b>Impact 1: Logistics performances contribute to improving competitiveness and overall productivity of the economy and creating sustainable jobs</b>	
	<b>Expected outcome 1.1: The PAL is modernized and its competitiveness is improved</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- traffic of the Port of Lomé is increased</li> <li>2- reception and logistics facilities of the Port of Lomé are diversified and increased</li> <li>3- Port Authority is created and operational</li> </ul>	<p>Program: Establishing of a logistics hub around the Port of Lomé</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Deep renovation of the port of Lomé</li> <li>2- Renovation of the Port Authority of Lomé</li> <li>3- Development of a repackaging activity</li> <li>4- Strengthening of reception facilities inside the PAL</li> </ul>
	<b>Expected outcome 1.2: Road transport infrastructure and services are developed to support the economic growth</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- The two North-South and East-West corridors are maintained, rehabilitated, built and accessible to all</li> <li>2- National road infrastructures built, rehabilitated and maintained comply with Community standards</li> <li>3- Passenger and freight transport fleet is strengthened</li> <li>4- Legal, regulatory, institutional and organizational frameworks for transport services and road infrastructure are strengthened</li> </ul>	<p>Program: Modernization of road transport</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Development of the North South Logistics Corridor</li> <li>2- Strengthening the East-West corridor (Togolese portion of the Abidjan-Lagos corridor)</li> <li>3- Construction of the Abidjan-Lagos highway</li> <li>4- Facilitation of the connection between transport infrastructure and SEZs</li> <li>5- Rehabilitation and construction of secondary national roads</li> <li>6- Renewal of the car fleet</li> <li>7- Development of mass urban transport</li> <li>8- Organizational and Regulatory Capacity Building of the Road Transport Sector</li> <li>9- Support to logistics services for competitiveness</li> <li>10- Construction and rehabilitation of road transport equipment</li> <li>11- Support to the transport sector governance</li> </ul>
	<b>Expected outcome 1.3: Air transport is developed and Lomé airport is positioned as a regional hub</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Passenger traffic is increased</li> <li>2- Freight traffic is increased</li> </ul>	<p>Program: Development of an air hub in Togo</p> <p>Projects :</p> <ul style="list-style-type: none"> <li>1- Enhancement of airport infrastructures</li> <li>2- Strengthening and modernization of the air transport</li> <li>3- Promotion of business centers around the airport</li> </ul>
	<b>Expected outcome 1.4: Rail transport infrastructure is developed</b>	
	<p>Outputs :</p> <ul style="list-style-type: none"> <li>1- Feasibility studies are carried out</li> <li>2- Containerized freight transport is developed</li> </ul>	<p>Program: Development and modernization of rail logistics</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Construction of a north-south railway line</li> <li>2- Feasibility studies for the establishment of rail networks at the level of SEZs in connectivity with the Port</li> <li>3- Development of the Dry Port</li> </ul>
	<b>Expected outcome 1.5: Digital is developed and facilitates economic and financial transactions</b>	

Strategic directions	Outcome Levels	Programs / Projects
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Digital divide is significantly reduced to build an open and transparent information society</li> <li>2- Digital diffusion and integration in all sectors of the national economy are effective</li> <li>3- Incubators are strengthened and a funding platform is put in place</li> <li>4- National digital sovereignty including cybercrime and protection of services is guaranteed</li> <li>5- ICT services are diversified and quality improved</li> <li>6- Digital ecosystem is operational to support private actors and entrepreneurs</li> </ul>	<p>Program: Digitalization of socio-economic life</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Strengthening of digital connectivity infrastructure</li> <li>2- Development and modernization of digital services</li> <li>3- Continuation of the WARCIP project (Carrier Hotel)</li> <li>4- Continuation of the e-government project</li> <li>5- Continuation of the ENT (Digital Work Environment) project</li> <li>6- Continuation of the SOFIE project (monitoring of drilling works and water indicators)</li> <li>7- E-village project</li> <li>8- Agri-SME Project</li> <li>9- Project of development and design of ICT training modules</li> </ul>
	<b>Expected outcome 1.6: Togo is a major center for business tourism in the West African sub-region</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Tourism offer is diversified, increased and valued (cultural, craft, ecological, economic and social)</li> <li>2- Financing investments in the tourism and hotel sector are facilitated</li> <li>3- Legal and organizational framework is strengthened</li> </ul>	<p>Program: Business Tourism Development</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Establishment of a business tourism center around a conference center and a luxury hotel</li> <li>2- Development of a mechanism for financing investments in the tourism sector</li> <li>3- Strengthening of the institutional and organizational framework of tourism</li> </ul>
	<b>Expected outcome 1.7: Togo is positioned as a first class financial center in the sub-region</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Regulatory framework for banks and microfinance institutions is strengthened</li> <li>2- Financial sector jobs are promoted</li> <li>3- Establishment of major foreign financial groups is strengthened</li> </ul>	<p>Program: Establishment of an international business center</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Establishment of a financial and business center around a dedicated SEZ</li> <li>2- Development of a specialized business school for banking and finance</li> <li>3- Facilitation of the establishment conditions of banks and microfinance institutions</li> <li>4- Development and diversification of financial centers</li> </ul>
	<b>Expected outcome 1.8: SMEs/SMIs have access to adequate financing</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- SMEs / SMIs' capacities in the production of financial statements and the development of business plans are strengthened</li> <li>2- New forms of financing and guarantee are promoted</li> <li>3- New banking products for SMEs/SMIs are created</li> </ul>	<p>Program: Strengthening the promotion of SMEs/SMIs</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Facilitating access to credit for SMEs/ SMIs and individual entrepreneurs</li> <li>2- Support, managerial support to SMIs /SMEs</li> <li>3- Establishment of innovative mechanism for financing SMEs / SMIs</li> </ul>
	<b>Expected outcome 1.9: Togo is positioned as a first-class business center in the sub-region</b>	
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Platform dedicated to the export market is set up</li> <li>2- Exhibition centers are built</li> <li>3- Legal, institutional and organizational framework is strengthened</li> </ul>	<p>Program: Strengthening trade competitiveness</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Establishment of commercial exhibition facilities</li> <li>2- Implementation and operationalization of APIEX</li> <li>3- Reconstruction of Lomé and Kara markets (PARMCO)</li> </ul>



Strategic directions	Outcome Levels	Programs / Projects
	<b>Expected outcome 1.10: The media landscape is transformed</b>	
	Outputs: 1- Transition from analog to digital is achieved 2- The country is covered by the media through quality products 3- Media informing business activities are created and operational	1- Program: Modernization of media in Togo 2- Projects: 3- Launch of a TV channel that informs business news in Togo 4- Digitalization of public media 5- Coverage and improvement of TV and radio programs 6- Strengthening the contribution of the media to growth
	<b>Expected outcome 1.11: The Economic operators are satisfied with the business environment in Togo</b>	
	Outputs: 1- Transparency is strengthened and administrative procedures simplified 2- Business law is modernized and an appropriate regulatory and incentive framework for investment and entrepreneurship is offered 3- Consultation and communication around the reforms initiated by Togo are improved	Program: Improving the business environment Projects: 1- Improvement of the business climate 2- Private sector capacity building
<b>SD 2: Developing centers for agricultural processing, manufacturing and extractive industries</b>	<b>Impact 2: Poverty is reduced through the acceleration of wealth creation and a better redistribution of the fruits of growth as well as the creation of decent jobs</b>	
	<b>Expected outcome 2.1: Value chains of the promising sectors are developed, agropoles and competitiveness clusters for agricultural processing are set up and agricultural jobs are massively created</b>	
	Extraitants: 1- Des agropoles sont développés 2- Des coopératives de grande envergure sont mises en place 3- Les petits producteurs sont appuyés mis en réseau pour soutenir les agropoles	<b>Programme :</b> Programme national d'investissement agricole et de sécurité alimentaire et nutritionnelle (PNIASAN) <b>Projets :</b> 1- <b>Mises en place d'Agropoles fédérant plusieurs activités (Kara, Oti, Haut Mono)</b> 2- <b>Développement de coopératives de plus grande envergure et enrôlant plus d'agriculteurs</b> 3- Appui aux populations vulnérables (PAPV)
	<b>Effet attendu 2.2 : Les aménagements hydrauliques sont développés et contribuent à la production agricole et énergétique</b>	
	Outputs: 1- Agropoles are developed 2- Large-scale cooperatives are set up 3- Small producers are supported, networked to support agropoles	Program : Agricultural Investment and Food Security and Nutrition Program (PNIASAN) Projects: 1- Establishment of Agropoles federating several activities (Kara, Oti, Haut Mono) 2- Development of large-scale cooperatives and enlisting more farmers 3- Support to Vulnerable Populations (PAPV)
	<b>Expected outcome 2.2: Hydraulic facilities are developed and contribute to agricultural and energy production</b>	
	Outputs: 1- Water control facilities are maintained and constructed 2- All transboundary water basins are equipped with an operational cooperation mechanism 3- Dams are built to allow people access to fish and energy at a lower cost	Program: Hydro-agriculture development program Projects: 1- Planned Agricultural Development Zones (ZAAP) 2- Integrated rice development of the plains of Mô (PDRI-Mô) 3- Project of the Lower Mono River Valley (PVBM) 4- Rice Development of Djagblé Plain (PDRD) 5- Project for the management of agricultural lands of the Oti Plain (PATA-Oti) 6- Integrated Water Resources Management (IWRM) 7- Hydraulic cooperation 8- Energy cooperation 9- Development of fisheries and aquaculture production

Strategic directions	Outcome Levels	Programs / Projects
	<b>Expected outcome 2.3: The Togolese industry is developed, respectful of the environment, integrated with the rest of the economy and creating jobs</b>	
	Outputs: 1- Industrial parks are created 2- Mineral resources are exploited, diversified and valued 3- New mining sites are available and exploited 4- Quality infrastructure and industrial property system are strengthened 5- Manufacturing pole is set up	Program : Strengthening the processing industries of local products Projects: 1- Construction of 2 industrial parks 2- Development of the phosphates processing industry 3- Strengthening the limestone processing industry 4- Strengthening the institutional and regulatory framework 5- Mining exploratory studies 6- Strengthening quality and industrial property 7- Revitalization of manufacturing industries
	<b>Expected outcome 2.4: Small businesses are competitive, creating wealth and jobs and participating in industrial and tourism development</b>	
	Outputs: 1- Institutional and organizational framework for the promotion of craft enterprises is improved 2- Learning, training and development system of craftsmen is strengthened 3- Support system for crafts is reinforced	Program: Promotion of local handicrafts Projects: 1- Building the capacity of production and processing units of craft production 2- Strengthening dual training 3- Building the technical and material capacities of craftsmen
	<b>Expected outcome 2.5: Energy is developed and contributes effectively to the improvement of agricultural, industrial and mining productivity</b>	
	Outputs: 1- Institutional, political and legal framework of the energy sector is strengthened 2- Production and distribution capacities of electric power are reinforced 3- Hydrocarbon storage and distribution capacities are increased	Program: Diversification of energy sources and improvement of the access to low-cost energy Projects: 1- Increased priority electricity production capacity and electrification of priority areas 2- Strengthening the governance of the energy sector 3- Strengthening the distribution of fossil and hydroelectric energies 4- Standardization of hydrocarbon distribution 5- Improvement of the country coverage in hydrocarbon distribution
<b>SD 3: Consolidating social development and strengthening inclusion mechanisms</b>	<b>Impact 3: The level of human development is improved, thanks to better access to basic social services</b>	
	<b>Expected outcome 3.1: People have equitable access to education, vocational training and quality labor market-oriented higher education</b>	
	Outputs: 1- Vocational training centers for industry, agriculture, tourism, finance and crafts are reinforced 2- Infrastructure of technical education and vocational training is increased and brought up to standard 3- Technological universities and development research centers are promoted 4- Orientation system for scientific and technical fields is reinforced	Program: Strengthening of the quality of education / training in line with the job market Projects: 1- Establishment of training centers adapted to new trade (industries ...) 2- Creation of training centers for middle management 3- Strengthening basic education 4- Improving access-equity and the quality of basic education 5- Improving the quality of vocational training 6- Establishment of a training partnership for civil servants 7- Promotion of the dual approach in technical and vocational education 8- Promotion of research and development and technological innovations 9- Promoting Equity, Inclusion and Education For sustainable development 10- Improving access to equity and quality access to basic education in Togo 11- Rebalancing the training offer related to science development 12- Implementation of the university map 13- Capacity building of Togo's public universities
	<b>Expected outcome 3.2: Togolese people have access to universal health / nutrition</b>	

Strategic directions	Outcome Levels	Programs / Projects
	<p>Outputs:</p> <p>1- Governance in the health sector is reinforced;</p> <p>2- Coverage of funded risk related to the disease is wide-spread;</p> <p>3- Health human resources are strengthened;</p> <p>4- Services offer and easy to access and quality health care throughout the territory is provided;</p> <p>5- Health technologies, medicines and other quality health products, including safe labile blood products, are available in health facilities;</p> <p>6- National health information system is strengthened and health research is promoted.</p>	<p>Program : Health Development National Program (PNDS)</p> <p>Projects:</p> <p>1- Improving health throughout the life cycle;</p> <p>2- Strengthening health security and response to epidemics and other public health emergencies;</p> <p>3- Hospital management and care provision (contractual approach, results-oriented funding, quality of care and services)</p> <p>4- Strengthening the fight against diseases</p> <p>5- Strengthening the fight against all forms of malnutrition (failure to thrive and micronutrient deficiencies)</p> <p>6- Promoting the community health system</p> <p>7- Strengthening the health public-private partnership</p> <p>8- Strengthening health infrastructure and facilities</p> <p>9- Improving availability of medicines including safe labile blood products and other quality health products</p> <p>10- Strengthening governance in the health sector</p> <p>11- Health Human Resources Development (initial training, continuing education, ...)</p>
<b>Expected outcome 3.3: People, especially young people and women, have access to productive, decent and sustainable employment</b>		
	<p>Outputs:</p> <p>1- Employability of the workforce is reinforced</p> <p>2- Youth and women's entrepreneurship is promoted</p> <p>3- Social promotion and youth participation in the development are strengthened</p>	<p>Program : Strengthening of employability, job creation and social promotion of youth</p> <p>1- Projects:</p> <p>2- National Volunteering (PROVONAT)</p> <p>3- Youth Economic Initiatives Support Fund (FAIEJ)</p> <p>4- Support to the employability and insertion of young people in the growth sectors (PAEIJ-SP)</p> <p>5- National Project for the Promotion of Rural Entrepreneurship (PNPER)</p> <p>6- Building youth centers</p> <p>7- Supporting the associative life of young people</p> <p>8- Organizing socio-educational activities</p> <p>9- Youth fora</p>
<b>Expected outcome 3.4: The population benefits from a social and civil protection system</b>		
	<p>Outputs:</p> <p>1- Contributory social security and social insurance systems are reformed and extended to the formal and informal sector of the economy</p> <p>2- Social safety nets and social protection mechanisms are improved</p> <p>3- Togolese households benefit from Universal Health Coverage</p> <p>4- Children are protected from all forms of abuse and violence including harmful traditional practices</p> <p>5- A national biometric identification system coupled with a single social register allowing a better targeting of beneficiaries of social services is put in place</p> <p>6- Coordination and management of the civil protection information and early warning system are strengthened</p>	<p>Program: Strengthening social and civil protection</p> <p>Projects:</p> <p>1- Community Development Emergency Project (PUDC)</p> <p>2- Promotion of universal health coverage</p> <p>3- Promotion of social safety nets (all over the territory and in the SEZs)</p> <p>4- Strengthening the protection of children,</p> <p>5- Strengthening disaster warning and emergency response mechanisms</p> <p>6- Establishment of a national biometric identification system and a single social register</p>
<b>Expected outcome 3.5: gender Equity and equality are strengthened</b>		

Strategic directions	Outcome Levels	Programs / Projects
	<p>Outputs:</p> <p>1- Women have their legal, social economic and cultural status strengthened</p> <p>2- Women are actively involved in economic activities</p> <p>3- Women are actively involved in decision-making</p>	<p>Program : Strengthening of equity and gender and development</p> <p>Projects :</p> <p>1- Improving the integrated status of women (social, economic, cultural)</p> <p>2- Support and monitoring of women-generating initiatives and activities</p> <p>3- Strengthening women's participation and engagement in development services</p>
<b>Expected outcome 3.6: Access of the populations, especially poor people, to drinking water, hygiene and sanitation is improved</b>		
	<p>Outputs:</p> <p>1- Drinking water facilities are reinforced</p> <p>2- Hygiene and sanitation facilities are in place</p> <p>3- Master plans for water development and management are elaborated</p>	<p>Program : Improvement of drinking water facilities of Hygiene and sanitation facilities to populations</p> <p>Projects :</p> <p>1- Development and implementation of the water development and management master plan</p> <p>2- Study of drinking water supply in rural, semi urban and urban areas</p> <p>3- Strengthening village hydraulics in the 5 regions</p> <p>4- Strengthening mini-water supply and extension of networks in semi-urban centers</p> <p>5- Strengthening the production and extension of drinking water distribution network in urban and peri-urban areas</p> <p>6- Strengthening the sanitation facilities and equipment in the 5 regions of the country</p>
<b>Expected outcome 3.7: Access for people, especially poor people, to sustainable domestic energy services is increased</b>		
	<p>Outputs:</p> <p>1- Solar energy infrastructures are developed</p> <p>2- Renewable energy sources are diversified</p> <p>3- National energy efficiency policy is promoted</p>	<p>Program : Promotion of low-cost renewable energy</p> <p>Projects:</p> <p>1- Continuing the CISO project</p> <p>2- Continuing rural electrification</p> <p>3- Continuing urban electrification (especially in SEZs)</p> <p>4- Intensifying domestic gas promotion</p> <p>5- Strengthening the promotion of improved stoves</p>
<b>Expected outcome 3.8: People, especially the poor people and vulnerable groups, have access to financial services adapted to their needs</b>		
	<p>Outputs:</p> <p>1- Innovative and diversified new financial products and services are promoted</p> <p>2- Microfinance sub-sector is sound and professionalized</p> <p>3- Development of digital finance is promoted</p>	<p>Program: Strengthening Inclusive Financial Systems</p> <p>Projects:</p> <p>1- National Fund for Inclusive Finance (FNFI)</p> <p>2- Support, assistance and monitoring of financial service providers (PSF)</p> <p>3- Strengthening the link between banks and DFS/SFD</p>
<b>Expected outcome 3.9: Better organization and management of the national territory is ensured in the perspective of a balanced and sustainable socio-economic development of the country</b>		

Strategic directions	Outcome Levels	Programs / Projects
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Legal and organizational frameworks are strengthened</li> <li>2- Land-use planning tools are put in place</li> <li>3- Counter magnet centers are established</li> <li>4- Local governments are equipped with tools for the conduct of local development</li> <li>5- Geographic information system is strengthened</li> </ul>	<p>et mise en œuvre des textes d'application du code foncier moderne</p> <ul style="list-style-type: none"> <li>3- Mise en place des outils d'aménagement du territoire et des schémas directeurs d'aménagement et d'urbanisme</li> <li>4- Etudes et valorisation des potentialités régionales</li> <li>5- Identification et création des pôles de développement par excellence</li> <li>6- Appui et accompagnement des communautés à la mise en place des outils de planification, de gestion et de suivi du développement local</li> </ul>
<b>Expected outcome 3.10 : People have access to better living environment and decent housing</b>		
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Special economic zones, municipalities and districts are equipped with up-to-date master plans</li> <li>2- Public spaces and green spaces are developed and better managed</li> <li>3- Social and decent housing in regional chief-towns including in the special economic zones are promoted</li> </ul>	<p>Program : Establishment of decent habitat (in the 5 regions in general and especially in the SEZs)</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Developing and implementing master plans of planning and urban planning</li> <li>2- Establishing social housing in regional chief-towns including the SEZs</li> <li>3- Creating modern housing agglomerations in urban and semi-urban areas</li> </ul>
<b>Expected outcome 3.11: Administrative and local governance is strengthened and contributes to regional development</b>		
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Local government bodies are set up and operational</li> <li>2- Decentralization is operationalized</li> <li>3- Modernization of the public administration is continued;</li> <li>4- Ethics of the Public Service is strengthened and respected;</li> <li>5- Human capital and skills development are developed</li> </ul>	<p>Program: Implementation of decentralization and local development</p> <p>1- Projects:</p> <ul style="list-style-type: none"> <li>2- Studying and analyzing the potentials and capacities of local government (Regions, districts and municipalities)</li> <li>3- Implementing the electoral consultations</li> <li>4- Transferring skills and resources to communities</li> <li>5- Supporting and institutional and managerial monitoring of local governments</li> <li>6- Strengthening financial support mechanisms for local government</li> <li>7- supporting and monitoring Specifically the mobilization of domestic resources</li> </ul> <p>Program: National Program for Capacity Building and State Modernization for Sustainable Development (PNRCME-DD)</p> <ul style="list-style-type: none"> <li>1- Simplification of procedures and administrative formalities</li> <li>2- Elaboration of an integrated communication plan</li> <li>3- Reform project of ENA</li> <li>4- Public services deconcentration Project</li> <li>5- Strengthening project of the public administration computer park</li> <li>6- Tourism Promotion Project for Public Administration Agents</li> <li>7- State staff management IT system renewal project</li> </ul>
<b>Expected outcome 3.12: Ensuring Sustainable management of natural resources and resilience to and from climate change</b>		

Strategic directions	Outcome Levels	Programs / Projects
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Preservation, restoration and sustainable use of ecosystems are ensured</li> <li>2- Degradation of the natural environment is reduced and protection of threatened species strengthened</li> <li>3- Greenhouse gas emissions and the vulnerability of people and goods to extreme climate events and other shocks and disasters are reduced</li> <li>4- Practices for sustainable development and a way of life in harmony with nature are adopted</li> <li>5- Sound management of waste and chemicals and risk prevention NRBC is strengthened</li> </ul>	<p>Program: Sustainable Environmental and Natural Resource Management</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Conservation and restoration of degraded forest lands and ecosystems</li> <li>2- Enhancing the Benefits of Ecosystem Services</li> <li>3- Strengthening the fight against climate change</li> <li>4- Coastal erosion and degradation of the marine environment</li> <li>5- Pollution and nuisance control</li> <li>6- NRBC Hazard Prevention</li> <li>7- Promoting sustainable development and environmental monitoring</li> <li>8- Waste Management and Recycling Project</li> </ul>
<b>Expected Outcome 3.13: Equitable access to justice is ensured</b>		
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Administration and management of justice is strengthened</li> <li>2- Justice is close to the litigant</li> <li>3- Arbitration and mediation mechanisms are strengthened</li> <li>4- Capacity of commercial jurisdictions strengthened</li> </ul>	<p>Program: Support for the Justice Sector</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Jurisdictional Management Capacity Building</li> <li>2- Acquisition of materials and equipment</li> <li>3- Building new infrastructure and rehabilitating old ones at the jurisdictional level in the five regions</li> <li>4- Improved management and living conditions of prisoners</li> <li>5- Strengthen chambers of commerce, trade tribunals and administrative bodies</li> <li>6- Promotion of human rights and peacebuilding</li> <li>7- Strengthening Youth Justice</li> </ul>
<b>Expected Outcome 3.14: National defence and security are ensured</b>		
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Defence and security force redesign is strengthened</li> <li>2- Military and security cooperation is strengthened</li> <li>3- Contribution of the military and security forces to socio-economic life is improved</li> </ul>	<p>Program: Defence and Security Force Redesign</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Strengthening Armed Forces response and security capabilities</li> <li>2- Strengthening the contribution of defence and security forces in the socio-economic life of the country</li> <li>3- Strengthening South-South military and security cooperation and international cooperation</li> <li>4- Strengthening the fight against the proliferation of small arms and light weapons</li> </ul>
<b>Expected outcome 3.15: Sport and Leisure activities contribute to economic growth and citizen development</b>		
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Modern infrastructure adapted to international sporting events and recreational activities is built, rehabilitated and equipped</li> <li>2- Sector management and piloting capabilities strengthened</li> <li>3- Sport activity is diverse</li> <li>4- Sports value chains are developed</li> </ul>	<p>Program: Sport and Leisure Development</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Strengthening physical education in schools and universities</li> <li>2- Sport and Mass Recreation Support Project</li> <li>3- Promoting elite sport</li> <li>4- Reinforcement of leisure activities (leisure activities, cinema and other new disciplines)</li> <li>5- Strengthening the institutional, legal and financial coordination of the sport and recreation sectors</li> <li>6- Modernizing sport and recreation infrastructure</li> </ul>
<b>Expected outcome 3.16: Cultural enterprises are competitive, wealth and jobs creative</b>		

Strategic directions	Outcome Levels	Programs / Projects
	<p>Outputs:</p> <ul style="list-style-type: none"> <li>1- Cultural infrastructure/facilities are strengthened and cultural offer is diversified</li> <li>2- The capacities of professionals and cultural actors are build</li> <li>3- Institutional and legal framework improved</li> <li>4- Citizen culture and civic education are strengthened</li> </ul>	<p>Program: Strengthening and Modernizing the Cultural Sector</p> <p>Projects:</p> <ul style="list-style-type: none"> <li>1- Creation of a culture promotion agency</li> <li>2- Strengthening the infrastructure and facilities of youth recreation and cultural centers</li> <li>3- Strengthening of training centers for cultural development specialists</li> <li>4- Support, accompaniment of artists and cultural clubs</li> <li>5- Strengthening the National Cultural Support Fund</li> <li>6- Promoting civic education and civic culture</li> <li>7- Technical and managerial capacity building of cultural professionals</li> </ul>



**TOGOLESE REPUBLIC**

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