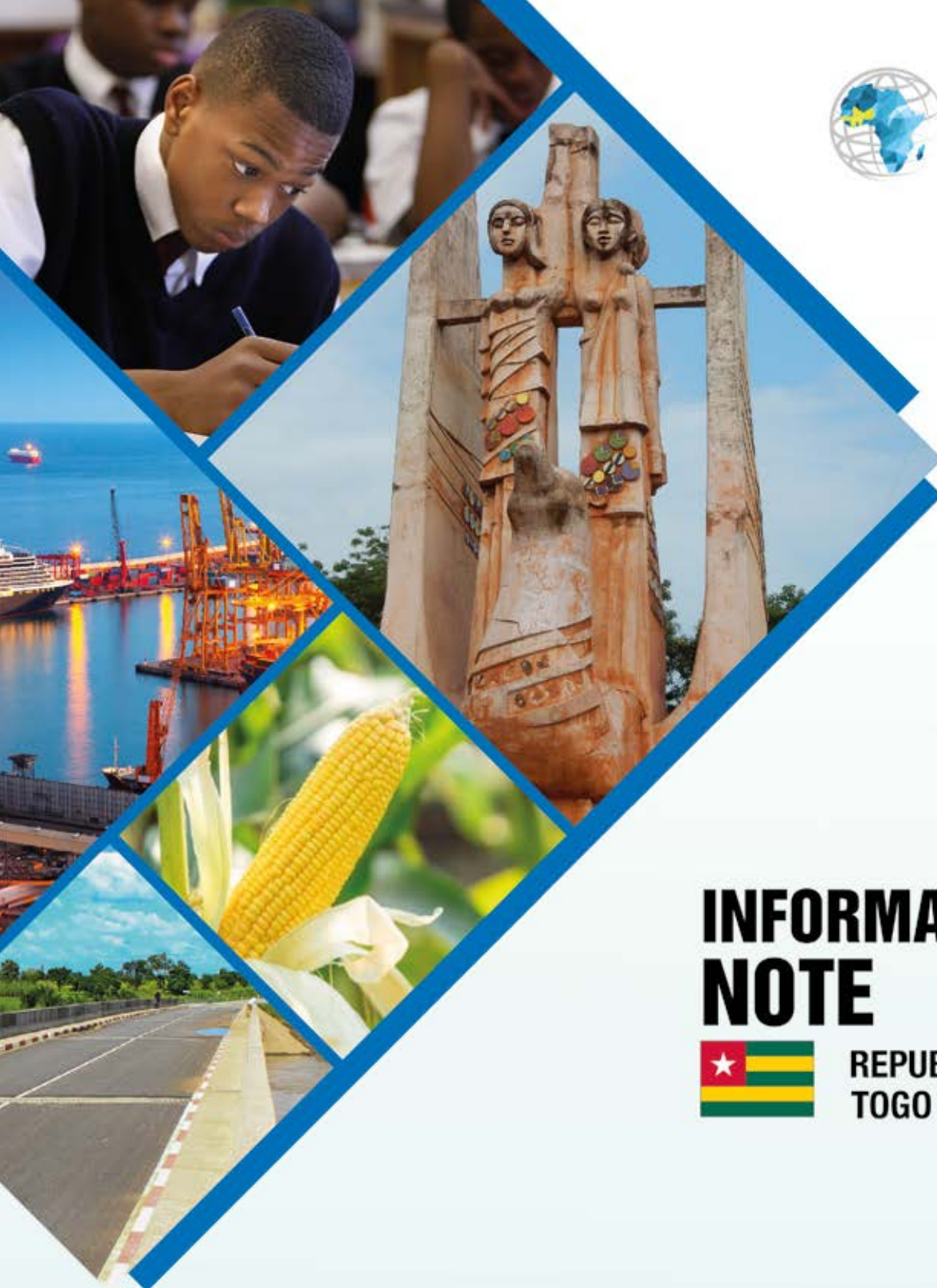




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# INFORMATION NOTE



REPUBLIC OF  
TOGO

## Presentation of Sovereign issuers of **West African Monetary Union**

September 2020

Quality review by **Deloitte.**



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# Summary

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## ACRONYMS

<b>NFA</b>	: Net foreign assets
<b>SIDE</b>	: Support for the integration and development of Employment
<b>NA</b>	: National assembly
<b>APRODAT</b>	: Agency for the promotion and development of agropoles in Togo
<b>ARV</b>	: Anti rétro viral
<b>ASEA</b>	: African Stock Exchanges Association
<b>APDS</b>	: Analysis of public debt sustainability
<b>ADB</b>	: African Development Bank
<b>BCEAO</b>	: Central Bank of West African States
<b>UCS</b>	: Undergraduate certificate of study
<b>ICP</b>	: Industrial and commercial profit
<b>BOAD</b>	: West African Development Bank
<b>BRVM</b>	: Regional Securities Exchange
<b>HTC</b>	: Higher technician certificate
<b>SMU-MSCI</b>	: Support and monitoring unit for mutual or cooperative savings and credit institutions
<b>BCU</b>	: Business Climate Unit
<b>ECOWAS</b>	: Economic Community of West African States
<b>EMCCA</b>	: Economic and Monetary Community of Central Africa
<b>CCPE</b>	: Certificate of completion of primary education
<b>AFCF</b>	: African Financial Community Francs
<b>BFC</b>	: Business Formalities Center
<b>NPDC</b>	: National Public Debt Committee
<b>CNY</b>	: CHINA Yuan
<b>EDPP</b>	: Excise duties on petroleum products
<b>ASD</b>	: Annual salary declaration
<b>DB</b>	: Doing business

<b>PDFB</b>	: Public Debt and Financing Branch
<b>DGESA</b>	: Directorate General of Economic Studies and Analysis
<b>DGTPA</b>	: Directorate General of the Treasury and Public Accounting
<b>ADR</b>	: Special drawing right
<b>EUR</b>	: Euro
<b>ADF</b>	: African Development Fund
<b>ECF</b>	: Extended credit facility
<b>IFAD</b>	: International Fund for Agricultural Development
<b>IMF</b>	: International Monetary Fund
<b>HAPFACRO</b>	: High authority for the prevention and fight against corruption and related offences
<b>FDI</b>	: Foreign direct investment
<b>HDI</b>	: Human Development Index
<b>HICP</b>	: Harmonized Index of Consumer Prices
<b>IIAG</b>	: Ibrahim Index of Governance in Africa
<b>FMT</b>	: Flat-rate minimum tax
<b>NISEDS</b>	: National Institute of Statistics, Economic and Demographic Studies
<b>PITI</b>	: Personal income tax for individuals
<b>CIT</b>	: Corporate income tax
<b>LMD</b>	: Licence-master-doctorat
<b>IMAF</b>	: Incentive mechanism for agricultural financing
<b>PMDD</b>	: Patriotic Movement for Development and Democracy
<b>MCR</b>	: Movement of centrist republicans
<b>NTC</b>	: New Togolese commitment
<b>TIN</b>	: Tax Identification Number
<b>SDO</b>	: Sustainable development goals
<b>WTO</b>	: World Trade Organisation
<b>TRO</b>	: Togolese Revenue Office

<b>PADP</b>	: Pan-African Democratic Party
<b>REP</b>	: Regional Economic Programme
<b>GDP</b>	: Gross Domestic Product
<b>PIP</b>	: Public Investment Programme
<b>SMEs</b>	: Small and medium enterprises/industries
<b>NHDP</b>	: National Health Development Plan
<b>PNDS</b>	: National Health Development Plan
<b>NAIFSP</b>	: National Agricultural Investment and Food Security Programme
<b>PPP</b>	: Public Private Partnership
<b>HIPC</b>	: Heavily indebted poor country
<b>PNVT</b>	: Promotion of national volunteering in Togo
<b>ESP</b>	: Education Sector Plan
<b>NSPYE</b>	: National Strategic Plan for Youth Employment
<b>TFP</b>	: Technical and financial partners
<b>GPHC</b>	: General population and habitat census
<b>SAGEP</b>	: Strategy for accelerated growth and employment promotion
<b>DFS</b>	: Decentralized financial system
<b>TLS</b>	: Trade liberalization scheme
<b>SPT</b>	: Supplementary protection tax
<b>CET</b>	: Common external rate
<b>SBT</b>	: Single business tax
<b>VAT</b>	: Value Added Tax
<b>WAEMU</b>	: West African Economic and Monetary Union
<b>WAMU</b>	: West African Monetary Union
<b>UAA</b>	: Unit of Account ADF
<b>UFC</b>	: Union of forces for change
<b>UNIR</b>	: Union for the Republic
<b>USD</b>	: United States Dollars

MINISTRE DE L'ECONOMIE  
ET DES FINANCES

SECRETARIAT GENERAL

DIRECTION GENERALE DU TRESOR  
ET DE LA COMPTABILITE PUBLIQUE



REPUBLIQUE TOGOLAISE  
Travail-Liberté-Patrie

## Attestation de l'émetteur

Je soussigné, Ekpao ADJABO, Directeur Général du Trésor et de la Comptabilité Publique, agissant au nom et pour le compte de l'État Togolais, atteste que les données et informations contenues dans la présente Note d'Information sont conformes à la réalité et n'ai connaissance d'aucune information de nature à en altérer la portée.

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État Togolais, toutes les informations utiles à la prise de décisions d'investissement.

Toutefois, je rappelle que les informations et analyses prospectives présentées dans ce document, sont basées sur des projections établies à partir d'hypothèses pouvant entraîner des différences entre les réalisations effectives et les performances économiques attendues.

Cette note d'information publiée sera mise à jour chaque fois que nécessaire, afin de rendre compte :

- de l'évolution de la situation économique du Togo ;
- de la disponibilité ou de la mise à jour des données économiques ;
- de quelques changements intervenus.

Le Directeur Général

**Ekpao ADJABO**



The Togolese economy has recorded an average increase in GDP per capita over the period 2015-2019 of 5% supported by the Strategy for Accelerated Growth and Employment Promotion (SAGEP), the implementation of the National Development Plan, the execution of agricultural sector projects through the National Agricultural Investment and Food Security Program (NAIFSP) and the execution of major construction and economic infrastructure strengthening works. This growth was achieved in a non-inflationary environment marked by the availability of local food products, particularly food crops, due to the cereal surpluses recorded during the agricultural seasons.

In terms of government finances, revenue mobilisation in 2019 stood at 23.4% of GDP against 21.8% in 2015. The execution of public expenditure was marked by prudent management in connection with the implementation of the economic program with the International Monetary Fund. Thus, public expenditure increased from 31% of GDP in 2016 to 25% of GDP in 2019.

On the debt side, the debt-to-GDP ratio stood at 68.7% in 2019, below the EU threshold of 70%, thanks to the implementation of a prudent debt policy contained in the debt strategy.

During the year 2020, Togo, like all the economies of the world, is confronted with the Coronavirus pandemic. Togo registered its first case in March 2019 and 13.452 laboratory tests have been carried out as of 18 May 2020, 330 cases of COVID-19 have been confirmed, 106 people have been cured and 212 cases remain active. There have also been 12 deaths. Overall, the overall financing needs to deal with the pandemic are estimated at about CFA Francs 70 billion (about \$130 million, or 2% of GDP).

Due to the covid-19 crisis, the observed dynamism in economic growth is expected to slow down in 2020, with an expected growth rate of 3% compared to 5.3% in 2019.



## Republic of Togo



Area

**56 785 km<sup>2</sup>**



Population in 2019

**8 082 359**



Capital

**Lomé**



Political System

**Presidential  
and pluralist**



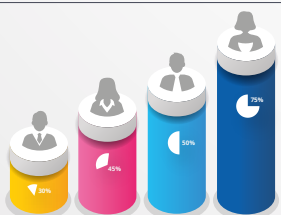
Currency

**CFA Francs**



Official language

**French**



**Nominal GDP in 2019**

**3 199.1** billion of  
**CFAF**

(Source : BCEAO and  
national services)

- ▶ Economy based on **agriculture, fishing, tourism** and **services**
- ▶ Growth rate in 2019 : **5.3%** of GDP
- ▶ Debt ratio in 2019 : **68.7%** of GDP
- ▶ Inflation rate in 2019 : **-0.7%** of GDP



## 1.1 Political system

Togo is a democratic and secular republic. It gained independence on 27 April 1960 and lives under the Fourth Republic. The fundamental law currently in force is the constitution of 19 May 2019. In Togo, the regime is presidential and pluralist.

French is the official language. There are a variety of national languages, including Ewe, Kabye, Kotokoli, Mina and Fulani.

### 1.1.1 Executif power

The President of the Republic is elected by universal, free, direct, equal and secret suffrage for a term of five (05) years renewable only once<sup>1</sup>. The President of the Republic remains in office until his elected successor takes office. He is elected by an absolute majority of the votes cast. If this majority is not obtained in the first round of voting, a second round is held on the 15th day after the proclamation of the final results of the first round. Only the two (02) candidates having received the highest number of votes in the first ballot may stand in the second ballot. In the event of withdrawal or death of either of the two (02) candidates, between the two (02) rounds, the next candidates will be presented in the order of their ranking. In the second round, the candidate who received the highest number of votes is declared elected.

Eligible candidates must be exclusively of Togolese nationality by birth, be at least 35 years of age on the date of submission of the application ; enjoy all their civil and political rights ; have a general state of physical and mental well-being duly certified by three sworn doctors appointed by the Constitutional Court and have been resident on national territory for at least 12 months.

The Constitutional Court is the court responsible for ensuring compliance with the provisions of the Constitution. The Constitutional Court judges the regularity of referendum consultations, presidential, le-

gislative and senatorial elections. It rules on disputes arising from these consultations and elections. It is the judge of the constitutionality of laws.

The President of the Republic is the Head of State, the guarantor of national independence and unity, territorial integrity, respect for the Constitution and international treaties and agreements, as well as the continuity of the State and the institutions of the Republic. It appoints the Prime Minister and, on the proposal of the latter, appoints the other members of the Government and puts an end to their office.

Under the authority of the President of the Republic, the Government, composed of the Prime Minister and Ministers, determines and conducts the policy of the Nation and directs the civil and military administration. It disposes of the administration, the armed forces and the security forces.

The initiative for legislation belongs concurrently to the deputies and the Government. The President of the Republic promulgates laws within fifteen days following the transmission to the Government of the law finally passed by the National Assembly. During this period, he may request that the law or some of its articles be re-discussed, the request must be substantiated. The new deliberation cannot be refused. The Prime Minister ensures the execution of laws. He may delegate some of his powers to ministers.

In the event of a vacancy in the office of President of the Republic by death, resignation or permanent incapacity, the office of President exercised provisionally by the President of the National Assembly. The vacancy is established by the Constitutional Court on a referral from the Government. The Government convenes the electorate within one hundred (100) days of the opening of the vacancy for the election of a new President of the Republic.

If the President of the Republic is unable to attend due to illness or absence from the national territory,

<sup>1</sup> The mandate limitation was introduced following the constitutional amendment of 19 May 2019.

his interim is handled by the Prime Minister.

Since 2005, Togo has had four (4) presidential elections, notably in 2005, 2010, 2015, and 2020 sanctioned by the election of President Faure Gnassingbé. The 2020 elections mark the beginning of a new democratic era, as they are part of the implementation of the provisions of the new constitution which enshrine the limitation of the number of presidential terms. Thus, on the basis of those provisions, the newly elected President will not be able to serve more than two terms.

### 1.1.2 Legislatif power

Legislative power is exercised by a Parliament composed of two assemblies : the National Assembly (NA) and the Senate. The latter is not yet operational. The National Assembly controls the action of the Government.

The deputies are elected by direct and secret universal suffrage for a term of six (06) years renewable two (02) times. Each deputy is the representative of the entire Nation. Any imperative mandate is null and void.

The National Assembly meets as of right in two (02) ordinary sessions per year : the first session opens on the first Tuesday of March and the second session opens on the first Tuesday of September.

As stated at the executive level, the initiative for legislation is shared between the deputies and the Government. Proposals and draft laws are submitted to the Bureau of the National Assembly, which sends them for examination to specialized committees whose composition and powers are set by the National Assembly's rules of procedure. At least eight days before deliberation and voting, bills are notified to the Government for information. Bills are deliberated in the Council of Ministers. The National Assembly votes on the law as a last resort.

The number of deputies in the National Assembly rose to 91 from 81 between 1994 and 2013. The legislative elections of 20 December 2018 ended the 5th legislature. The 6th legislature was installed in January 2019. It is composed as follows : 59 deputies for the Union for the Republic (UNIR), 14 deputies

for the opposition (7 for the UFC, 3 for the NET, 2 for the MPDD, 1 for the PDP and 1 for the CRM) and 18 independents. The UNIR represents the presidential majority.

### 1.1.3 Judiciary power

The judiciary, as the guarantor of individual liberties and the fundamental rights of citizens, is independent of the legislative and executive branches. Judges, in the exercise of their functions, are subject only to the authority of the law. The President of the Republic is the guarantor of the independence of the judiciary. He ensures the impartiality, professionalism, probity, integrity and dignity of the judiciary. To this end, he is assisted by the Higher Council of the Judiciary.

In addition, according to articles 20, 21 and 22 of Act No. 2019-015 of 30 October 2019 on the Judicial Organisation Code, justice is dispensed by ordinary and specialized courts. The ordinary courts of law are: the Supreme Court, the courts of appeal and the criminal courts of appeal, the courts of first instance and the criminal courts, the courts of first instance with criminal and civil jurisdiction and the courts of first instance with civil jurisdiction. Specialized courts are : labour courts, commercial courts, juvenile judges and juvenile courts, and the military court and the military court of appeal.

#### 1.1.3.1. The supreme court

The Supreme Court is the highest court of the State in judicial and administrative matters. It is composed of two chambers : the judicial chamber and the administrative chamber. Each of these chambers constitutes an autonomous jurisdiction within the Supreme Court and is composed of a president of chamber and councillors.

The Judicial Chamber of the Supreme Court is competent to hear and determine :

- Appeals to the Supreme Court of Cassation against final decisions handed down by the civil, commercial, social and criminal courts;
- The proceedings against the magistrates of the Court of Appeal in accordance with the



provisions of the Code of Civil Procedure;

- Criminal proceedings against magistrates of the Court of Appeal according to the conditions determined by the Code of Criminal Procedure ;
- Applications for review and judge's rules.
- As for the Administrative Chamber of the Supreme Court, it is competent to hear and determine the following :
- Appeals in cassation lodged against decisions rendered in administrative litigation ;
- Appeals for abuse of power lodged against the administrative acts of national authorities and administrations ;
- Litigation in local elections ;
- Appeals in cassation against the decisions of bodies and institutions ruling on disciplinary matters.

### 1.1.3.2. The High Court of Justice

It is composed of the President and the presidents of the chambers of the Supreme Court and four deputies elected by the National Assembly. The High Court of Justice is the only court with jurisdiction to hear offences committed by the President of the Republic and former Presidents of the Republic. The political responsibility of the President of the Republic is engaged only in cases of high treason.

The High Court of Justice hears crimes and offenses committed by members of the Government and members of the Supreme Court. The High Court of Justice is bound by the definition of crimes and misdemeanours and by the determination of penalties as they result from the criminal laws in force at the time of their commission.

The decision to prosecute as well as the indictment of the President of the Republic and the members of the Government is voted a four-fifths majority of the members of each of the two Assemblies composing the Parliament, according to the procedure laid

down by an organic law. In the event of conviction, they are stripped of their responsibilities.

### 1.1.3.3. Courts of Appeal

The seat and jurisdiction of each court of appeal is determined by decree in the Council of Ministers.

The Court of Appeal is competent to hear : appeals against decisions handed down at first instance by the lower courts, appeals against orders of the investigating judge and any other cases provided for by law. The court of appeal decides immediately, in accordance with the principle of adversarial procedure, on the dismissal of the appeal.

### 1.1.3.4. Criminal Courts of Appeal

The Criminal Court of Appeal is a permanent formation of the Court of Appeal, competent to hear appeals against judgments rendered by the criminal courts. It is composed of three (03) judicial magistrates and a jury of six (06) jurors. The Criminal Court of Appeal is constituted and seized in accordance with the provisions of the Code of Criminal Procedure.

### 1.1.3.5. The courts of first instance

The seat and jurisdiction of each High Court are determined by decree in the Council of Ministers. The tribunal of first instance is a court of general jurisdiction in criminal, civil and administrative matters.

In criminal matters, the tribunal de first instance hears all offences under ordinary law, requests for release made by any person detained and prosecuted before it, actions for compensation for damage caused by the offence, unless otherwise provided, and the application of penalties.

In civil matters, the tribunal of first instance has first and last instance jurisdiction over shares up to the value of five hundred thousand (500.000) CFA francs in capital or fifty thousand (50.000) CFA francs in annual income, calculated either by annuity or by lease price. It rules in the first instance at the expense of appeal for shares exceeding these sums as well as for those for which the rate cannot be assessed in money. The First Instance Court, having jurisdiction

over the main action, is also competent to rule on counterclaims, whatever the amount.

#### **1.1.3.6. The criminal courts**

The Criminal Court is a permanent formation of the High Court with jurisdiction to try all offences classified as crimes under the provisions of the Criminal Code. It is composed of three (03) magistrates of the judiciary and a jury of four (04) jurors. The criminal court is constituted and seized in accordance with the provisions of the Code of Criminal Procedure.

#### **1.1.3.7. Courts of first instance with criminal and civil jurisdiction**

The court of first instance with criminal and civil jurisdiction is the common law judge in criminal and civil matters.

In criminal matters, it deals with all offences classified as offenses or contraventions, regardless of the penalties incurred, subject to the exceptions provided for by law, in particular, in cases of connectedness, requests for release made by any person detained and prosecuted before it and the enforcement of penalties.

In civil matters, it has first and last resort jurisdiction over shares up to the value of five hundred thousand (500.000) CFA francs in capital or fifty thousand (50.000) CFA francs in annual income calculated either by annuity or by lease price. It rules in the first instance at the appeal court for shares exceeding these sums, as well as for those whose rate cannot be assessed in money. The court of first instance with criminal and civil jurisdiction, having jurisdiction over the main action. It is also competent to rule on counterclaims, whatever the amount.

#### **1.1.3.8. Courts of first instance with civil jurisdiction.**

The court of first instance with civil jurisdiction is the common law judge in civil matters. It has first and last instance jurisdiction over shares up to the value of five hundred thousand (500.000) CFA francs in capital or fifty thousand (50.000) CFA francs in annual income calculated either by annuity or by lease price. It rules in the first instance at the appeal

court for shares exceeding these sums, as well as for those whose rate cannot be evaluated in money. The court of first instance with civil jurisdiction have jurisdiction over the main action. It is also competent to rule on counterclaims, whatever the amount.

#### **1.1.3.9. Labour courts**

The Organisation, functioning and procedure to be followed before the labour courts are provided for in the Act establishing the Labour Code. The President of the Labour Court is competent to : (i) rule on summary proceedings; (ii) issue orders on motions; (iii) sit as a member of the arbitration board for the settlement of collective disputes; (iv) organize and distribute jurisdictional tasks among the members of the tribunal in the light of the conclusions of the meetings; (v) appoint the presidents of the sections; and (vii) administer the tribunal.

#### **1.1.3.10. Commercial courts**

The commercial courts operate in accordance with the provisions of Law No. 2020-002 of January 7, 2020 amending Law No. 2018-028 of December 10, 2018 establishing the commercial courts in the Togolese Republic. The commercial courts have jurisdiction :

- Disputes relating to commitments and transactions between traders and non-traders within the meaning of the Uniform Act on General Commercial Law ;
- Disputes between any persons relating to commercial acts and negotiable instruments within the meaning of the Uniform Act on General Commercial Law, with the exception of mixed acts in which the non-trading party may bring an action before the ordinary law courts ;
- Disputes relating to commercial companies and economic interest groups
- Collective procedures for the settlement of liabilities ;
- Disputes between partners of a commercial company or an economic interest grouping ;

- Disputes relating to security interests and privileges granted to secure the performance of commercial obligations ;
- Disputes relating to competition, distribution, industrial property and accounting operations ;
- Consumer disputes and consumer protection and, more generally, the application of commercial legislation whatever the nature of the persons concerned ;
- Disputes relating to leases for professional use;
- Disputes relating to land, air and sea transport;
- Disputes relating to commercial intermediaries in respect of acts performed in the course of or for the purposes of their trade and disputes concerning their commercial relations
- Disputes relating to registration in the Trade and Personal Property Credit Register (TP-PCR).

The Commercial Court decides in the first and last instance on all claims whose rate of dispute does not exceed one million (1 000 000) CFA francs in capital or one hundred thousand (100 000) CFA francs in annual income calculated either by annuity or by lease price, in the first instance on all claims where the rate of dispute is higher than the amounts below.

#### **1.1.3.11. Juvenile judges and juvenile courts**

One or more juvenile judges and a juvenile court is established in each High Court and Magistrates' Court. The Organisation and functioning of the juvenile courts are provided for in the Act establishing the Children's Code.

#### **1.1.3.12. The military court and the military court of appeal.**

Military courts specialize in the trial of military cases. The Organisation, jurisdiction and procedure to be followed before the military courts are provided for in the new Code of Military Justice. This code dis-

tinguishes between two military courts : the Military Tribunal and the Military Court of Appeal.

The Military Tribunal has jurisdiction over the entire national territory. It is the court of first instance for cases within its jurisdiction. It comprises a public prosecutor's office, one or more military examining magistrates, one or more correctional chambers, one or more criminal chambers and a military registry.

The Military Court of Appeal is the second level of jurisdiction in matters of military justice. It comprises a military prosecutor's office, an examining magistrate's chamber, one or more correctional appeal chambers, one or more criminal chambers and a registry.

### **1.2 Administrative organisation**

According to Law n°2019-006 of 26 June 2019 amending Law n°2007-011 of 13 March 2007 relating to decentralisation and local liberties as amended by Law n°2018- 003 of 31 January 2018, the national territory is divided into local authorities with legal personality and financial autonomy. These territorial authorities are : regions and municipalities. The region is a legal entity under public law with financial autonomy. It is composed of prefectures. The commune is the basic local authority with legal personality and financial autonomy. It brings together the inhabitants of a continuous territorial space. It consists of one or more cantons. It may also be divided into cantons. The territorial communities are freely administered by elected councils under the conditions provided for by law.

Togo is divided into five (5) administrative regions, themselves divided into thirty-nine (39) prefectures. The prefectures are subdivided into communes. Overall, Togo has 116 communes. From South to North, the 5 administrative regions are : Maritime region (chief town Lomé), Plateaux region (chief town Atakpamé), Central region (chief town Sokodé), Kara region (chief town Kara) and Savannah region (chief town Dapaong).

### **1.3 Geographical location**

Located in West Africa, on the coast of the Gulf of Guinea, Togo covers an area of 56.785 km<sup>2</sup>. It

stretches over a length of 600 km and a width varying between 50 and 150 km. It is bordered to the north by Burkina Faso, to the south by the Atlantic Ocean, to the east by Benin and to the west by Ghana. The Togolese relief is mainly composed of two (2) plains covered with savannas separated by the Togo chain (Atakora), oriented from North-East to South-West.

There are several lakes in Togo, the largest of which is Lake Togo. The country enjoys a tropical climate subdivided into two (2) major zones: a Guinean-type zone in the south with two (2) dry seasons (from November to March and from July to August) and two (2) rainy seasons (from March to July and from September to October), a second Sudanian-type zone covering the northern half and characterized by a single rainy season (from May to October) and a dry season (from November to April).

## 1.4 Population

### 1.4.1. Demographic trend

According to the 4th General Census of Population and Housing, the Togolese population amounted to 6.191.155 inhabitants in 2010. It was 48.6% male and 51.4% female in 2010.

In 2019, according to World Bank statistics, the population is estimated at 8.082.359 with a density of 148.6 inhabitants/km<sup>2</sup>. Women outnumber men. Indeed, they represent 50.25% against 49.75% for men. Life expectancy at birth was 60.8 years in 2018 against 59.9 in 2015. The total fertility rate was 4.3 children per woman in 2018 compared to 4.5 children in 2015. The AAGR<sup>2</sup> of the population was 2.3 % between 2010 and 2019. It will be around 2.4 % by 2025.

**Table 1 . Evolution of the Togolese population from 2010 to 2019  
(in millions of inhabitants)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total population</b>	6.42	6.60	6.77	6.95	7.14	7.32	7.51	7.70	7.89	8.08
<b>Men</b>	3.19	3.27	3.36	3.45	3.55	3.64	3.73	3.83	3.92	4.02
<b>Women</b>	3.24	3.32	3.41	3.50	3.59	3.68	3.78	3.87	3.97	4.06
<b>Proportion Male / Female (%)</b>	98.4	98.5	98.6	98.6	98.7	98.8	98.8	98.9	98.9	99.0
<b>Demographic growth rate (%)</b>	2.7	2.7	2.7	2.6	2.6	2.6	2.5	2.5	2.4	2.4

Source : World Population Prospects 2019, United Nations

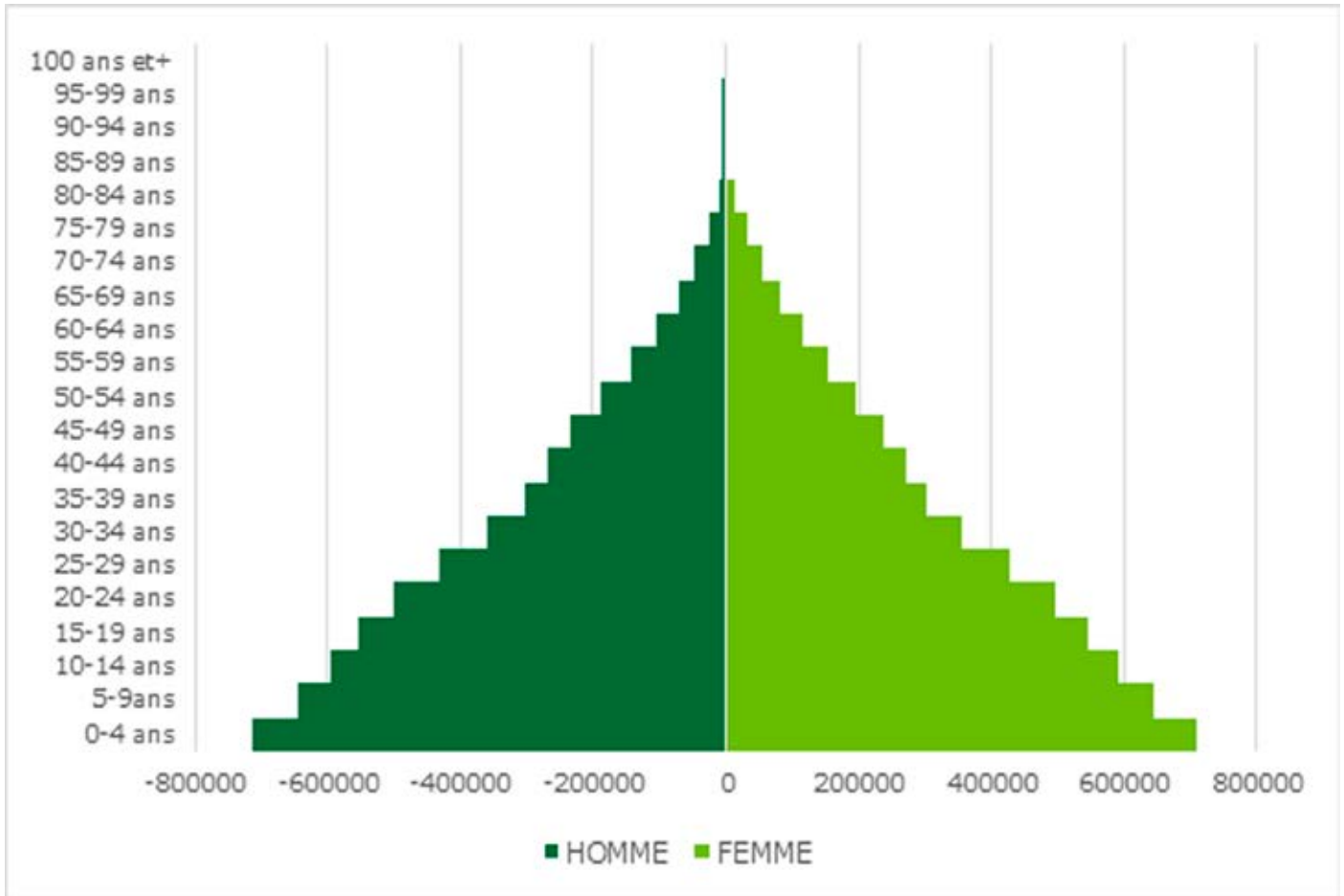
The age pyramid of the Togolese population has a broad base reflecting a preponderance of youth. Indeed, the structure by major age groups shows that

60.6 % of the population is under 25 years of age, 52 % under 20 years of age, 41 % under 15 years of age and only 4.7 % over 60 years of age.

<sup>2</sup> Calculate on the basis of the formula Power (Pop2019/Pop 2010 ;1/10) -1



Figure 1. Age pyramid in 2019



Source : based on data from World Population Prospects 2019, United Nations

In terms of projection, the Togolese population would reach 18.03 million in 2050 against 8.28 million in 2020. The structure would undergo a slight change

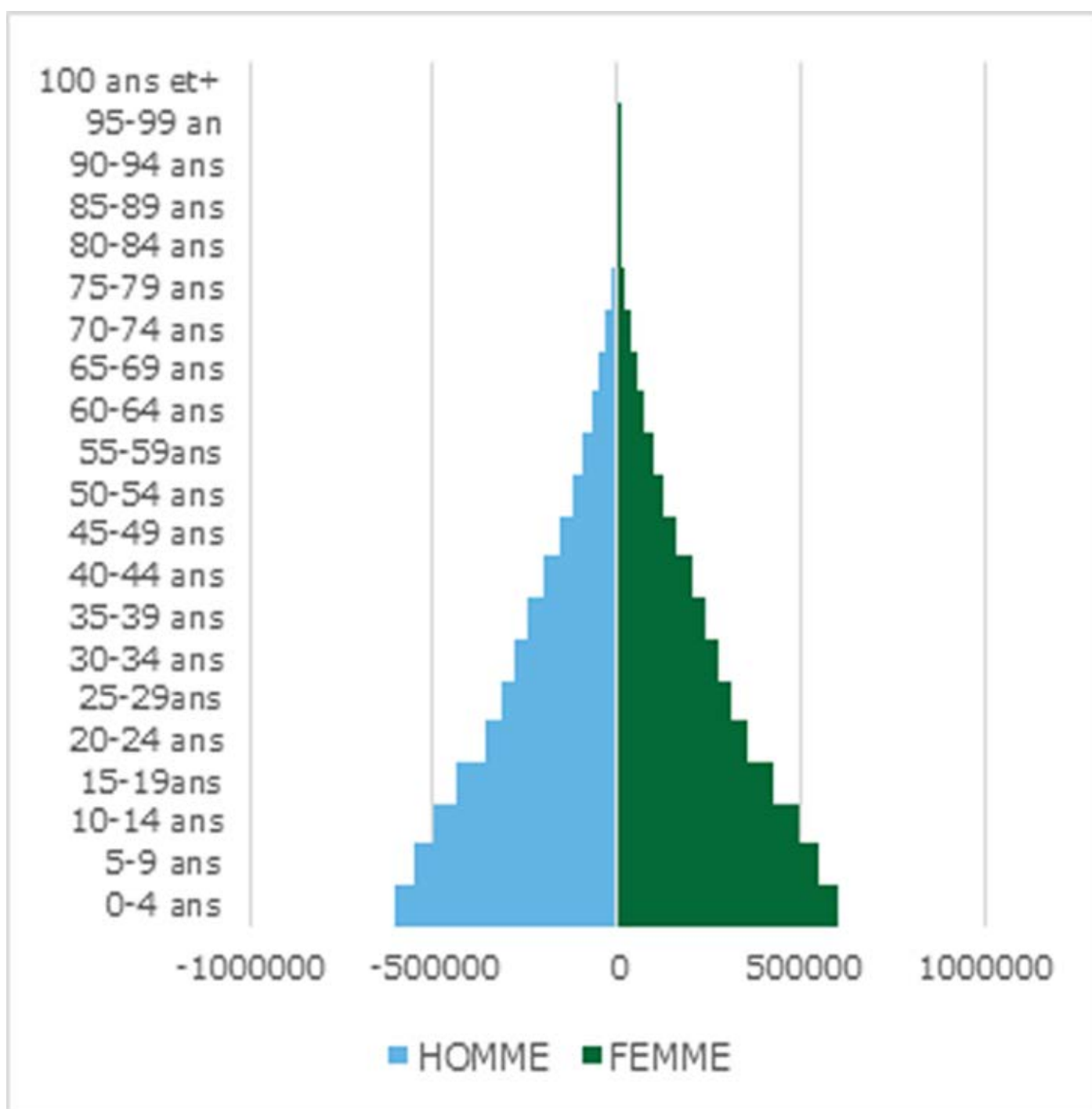
in 2050. Indeed, the proportion of people under 25 years old would be 51% against 57.5% in 2030 and 60.6% in 2019.

**Table 2 . Evolution of Togolese population projections from 2020 to 2050  
(in millions of inhabitants)**

	2020	2025	2030	2035	2040	2045	2050
<b>Men</b>	4.12	4.68	5.34	6.10	6.95	7.91	8.99
<b>Women</b>	4.16	4.72	5.38	6.13	6.98	7.95	9.04
<b>Total population</b>	8.28	9.40	10.72	12.23	13.93	15.85	18.03

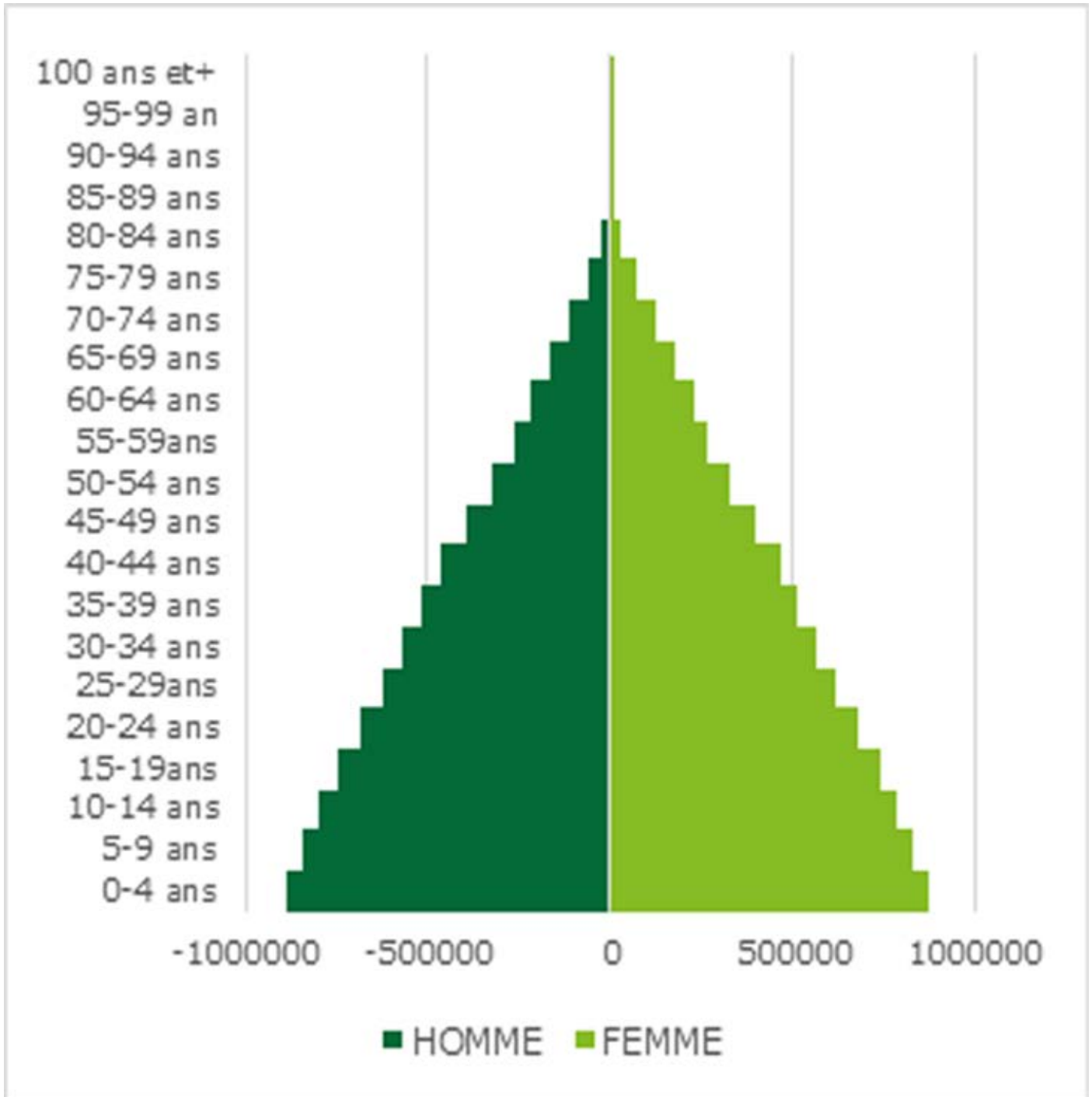
Source : World Population Prospects 2019, United Nations

**Figure 2. Age pyramid in 2030**



Source : World Population Prospects 2019, United Nations

Figure 3. Age pyramid in 2050



Source : World Population Prospects 2019, United Nations

The Togolese population is predominantly rural. In 2019, the rural population accounted for 57.3 % of the total population compared to 43.7 % for the urban population.

**Table 3 . Evolution of the Togolese rural and urban population from 2010 to 2019 (in millions of inhabitants)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
<b>Rural Population</b>	4.01	4.09	4.16	4.24	4.31	4.39	4.46	4.53	4.60	4.7
<b>Urban Population</b>	2.41	2.51	2.61	2.72	2.83	2.94	3.05	3.17	3.29	3.5
<b>Total</b>	6.42	6.60	6.77	6.95	7.14	7.32	7.51	7.70	7.89	8.2

Source : World Bank. \* World Urbanization Prospects 2018, United Nations

In terms of projection, the higher weight of the rural population is expected to continue until 2030. From 2035 onwards, Togo's population is expected to be

predominantly urban. In fact, the urban population would represent 61% of the total population in 2050 against 39% for the rural population.

**Table 4 . Evolution of rural and urban Togolese population projections from 2020 to 2050 (in % of total population)**

	2020	2025	2030	2035	2040	2045	2050
<b>Rural</b>	57%	54%	51%	48%	45%	42%	39%
<b>Urban</b>	43%	46%	49%	52%	55%	58%	61%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%

Source : World Urbanisation Prospects 2018, United Nations

## 1.4.2 Religion

According to article 25 of the Constitution, everyone has the right to freedom of thought, conscience, religion, worship, opinion and expression. The exercise of these rights and freedoms is subject to respect for the freedoms of others, public order and the standards established by law and regulations. The organisation and practice of religious beliefs are freely exercised in accordance with the law. The same applies to philosophical orders.

The exercise of worship and the expression of beliefs are done carried out with respect for the secular nature of the State. Religious denominations have

the right to organize themselves and freely exercise their activities in accordance with the law. The religions practised in Togo include Christianity, Islam and traditional religions. In terms of distribution, in 2018, the Togolese population was composed of Christians (47.7 %), animists (33.2 %), Muslims (18.3 %) and other beliefs (0.8 %)<sup>3</sup>.

## 1.5 Education

To meet the challenge of developing and modernizing its education system, the country has adopted an Education Sector Plan (ESP 2010-2020), which was adopted in March 2010 and revised in December 2013 for the period 2014-2025. This plan

<sup>3</sup> Source : <https://www.liberte-religieuse.org/togo/>



aims to balance the national education pyramid while correcting disparities, improve the efficiency and quality of the education service, develop an effective partnership with the various members of society and improve the management and governance of the sector.

### Organisation of school cycles

The formal school system begins with preschool, which lasts two years and is for children aged 4 to 5 years. Entry into primary school is at the age of 6 and lasts 6 years, the end of primary school being sanctioned by a certificate of completion of the first level (CCFL) which gives access to secondary school. General secondary education consists of a four-year first cycle which leads to undergraduate studies certificate (USC) and a three-year second cycle which leads to the baccalaureate. Pupils who choose the

pro-fessional route after the USC can continue their studies in a technical and vocational college.

Higher education lasts from two to seven years and is open to baccalaureate holders. It provides academic and professional training. In July 2008, the Bachelor-Master-Doctorate (BMD) system was introduced in higher education. BTS training is provided by the private sector.

### Pre-school education

The gross pre-school enrolment rate<sup>1</sup> for 4-5 year-olds was 22.8% in 2018, up from 13.7% in 2013. Between 2013 and 2018, there will be an average annual increase of 12 % in enrolment, bringing the number of pupils to more than 155,739 in 2018, compared with just over 86,680 in 2013<sup>4</sup>.

*Table 5 . Evolution in the gross enrolment ratio in kindergarten (%)*

	2013	2014	2015	2016	2017	2018
<b>Pre -School gross Rate</b>	13.7	15.0	17.6	Nd	21.3	22.8
<b>Variation</b>	-	1,3	2,5	-	-	1.5
<b>Male Sex</b>	13.4	14.8	17.3	Nd	20.9	22.5
<b>Variation</b>	-	1,4	2,5	-	-	1.6
<b>Female Sex</b>	14.0	15.3	17.8	Nd	21.8	23.2
<b>Variation</b>	-	1.3	2.5	-	-	1.4
<b>Enrolment rate girls / boys</b>	103.96	103.12	102.86	-	103.95	102.92

Source : World Bank, April 2020

The performance recorded in pre-school education has been boosted by several actions, including support from UNICEF<sup>5</sup>. In order to promote pre-school education, UNICEF has built 70 classrooms, provided equipment for 475 kindergartens and trained 1.302 educators for the benefit of an estimated minimum of 52.080 children, including 27.602 girls.

### Primary education

The gross primary school enrolment rate was 123.8% in 2018, compared to 124.4% in 2017, a slight decline of 0.6 percentage points.

<sup>4</sup> Source : Togo First

<sup>5</sup> Source : Unicef Country Office Annual Report 2018.

*Table 6 . Gross primary school enrolment ratio (%)*

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Gross schooling rate</b>	127.4	123.9	128.0	125.1	124.4	123.8
<b>Variation (%)</b>	-	-3.5	4.1	-2.9	-0.8	-0.6
<b>Male Sex</b>	131.7	127.6	131.2	128.2	127.3	126.0
<b>Variation (%)</b>	-	-4.0	3.6	-3.0	-0.9	-1.3
<b>Female Sex</b>	123.2	120.3	124.9	122.0	121.4	121.5
<b>Variation (%)</b>	-	-2.9	4.6	-2.9	-0.6	0.1
<b>Enrolment rate girls / boys</b>	93.6	94.2	95.2	95.2	95.4	96.4

Source : World Bank, April 2020

The authorities justify the importance of the gross enrolment rate by the government's initiatives to increase the presence of young pupils at school, and to improve schooling as a whole, including school canteens and School assur<sup>6</sup>.

These performances do not only concern gross enrolment at the primary level, other indicators also seem to respond positively. Thus, over a more recent period, improvements have been observed in the primary completion rate, which rose from 84.2 % in 2014 to 89.7 % in 2018. Similarly, the net enrolment rate, which was 90.31 % in 2014, increased to 90.7 % in 2018.

The adjusted net enrolment rate for children aged 6 to 11 years was 89,5 %<sup>7</sup> in 2017 at the national level, with differences according to background and region of residence. Grand Lomé, other urban areas and rural areas have net primary school enrolment rates of 95.3 %, 94.9 % and 86.7 % respectively. The regions with the highest net enrolment rates are Grand Lomé (95.3 %), Maritime (92.4 %) and Central (92.8 %). The gap in the net enrolment rate between boys (90%) and girls (89%) has narrowed considerably and is now only 1.1 points.

### **Secondary education**

At the secondary level, the gross enrolment rate was 61.69% in 2017 against 55.01% in 2011.

*Table 7 . Evolution in the gross secondary school enrolment ratio (%)*

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2011</b>	<b>2017</b>
<b>Enrolment rate</b>	41.64	43.43	46.15	48.39	45.41	55.76	61.84
<b>Variation</b>	5.77	3.94	6.02	4.7	-6.12	24.28	12.02

Source : World Bank, April 2020

<sup>6</sup> Launched on 1 September 2017, School Assur aims to provide insurance coverage for primary and secondary school children in Togo's public sector.

<sup>7</sup> Integrated Regional Survey of Employment and the Informal Sector, 2017, NISEDS

The net secondary school enrolment rate was 57.4 %<sup>8</sup> in 2017. Depending on the area of residence, this rate was 69.2 % in Grand Lomé and 67.7 % in

other urban areas, while in rural areas it was 50.4 %. The Savannah region has the lowest net attendance rate (47.3%).

*Table 8 . Net secondary school enrolment ratio in 2017 by region and residence (%)*

	<b>Man</b>	<b>Woman</b>	<b>Total</b>
<b>Region</b>			
Maritime	58.0	55.4	56.8
Plateaux	61.2	42.7	53.0
Central	60.3	54.0	57.6
Kara	60.1	53.5	57.3
Savanes	51.4	42.4	47.3
Grand Lomé	74.6	64.0	69.2
<b>Residence Environmen</b>			
Grand Lomé	74.6	64.0	69.2
Other Urban	70.9	64.4	67.7
Rural	55.3	43.8	50.4
Togo	61.5	52.5	57.4

Source : Integrated Regional Employment and Informal Sector Survey, 2017, NISEDS

## Higher education

As regards higher education and scientific research, according to the analysis made in the National Development Plan 2018-2025, they remain poorly developed. The sub-sector is confronted with several difficulties related to the massification of enrolments, the obsolescence and inadequacy of reception infrastructures, the inadequacy of pedagogical equipment, the lack of teachers, the weakness of financial resources, etc. The sub-sector is confronted with several difficulties related to the massification of enrolments, the obsolescence and inadequacy of reception infrastructures, the inadequacy of pedagogical equipment, the lack of teachers, the weakness of financial resources, etc. The sub-sector is confronted

with several difficulties related to the massification of enrolments, the obsolescence and inadequacy of reception infrastructures, the inadequacy of pedagogical equipment, the lack of teachers, the weakness of financial resources, etc. These difficulties affect the quality of teaching and the internal and external effectiveness of training. Research results are not very competitive, and the field remains marked by little innovation and progress. The government is aware that research and development is a priority area and must be encouraged and supported in Togo to make it a lever for economic growth.

The gross enrolment ratio stood at 14.5% in 2018 compared to 11.0% in 2013. It was higher for boys than for girls.

<sup>8</sup> Integrated Regional Survey of Employment and the Informal Sector, 2017, NISEDS

*Table 9 . Evolution of the gross enrolment ratio in tertiary education 2013 to 2018 (%)*

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Gross schooling rate</b>	11	10.5	11.0	12.5	13.1	14.5
<b>Variation</b>		-0.6	0.5	1.5	0.6	1.5
<b>Male Sex</b>		14.8	15.4	17.4	18.0	19.2
<b>Variation</b>		14.8	0.6	2.1	0.5	1.2
<b>Female Sex</b>		6.1	6.6	7.5	8.1	9.8
<b>Variation</b>		6.1	0.4	1.0	0.6	1.7
<b>Enrolment rate girls / boys</b>		41.6	42.7	43.1	45.2	51.0

Source : World Bank, April 2020

## Literacy

With regard to literacy and non-formal education, despite the actions taken by the State and civil society Organisations, adult illiteracy and the lack of schooling for young people remain a daily reality that penalizes many individuals within the population. The illiteracy rate for individuals aged 15 and over

was 36.7% in 2015 (QUIBB 2015 Survey)<sup>9</sup>. This proportion of individuals does not have the skills to access, in particular, the vocational training and quality apprenticeships needed for entrepreneurship and employment. However, the literacy rate is constantly improving. It rose from 53.18 % in 2000 to 67.7 % in 2017 according to the World Bank.

*Table 10 . Evolution of the literacy rate from 2000 to 2017 (%)*

	<b>2000</b>	<b>2006</b>	<b>2009</b>	<b>2011</b>	<b>2015</b>	<b>2017*</b>
<b>Values</b>	53.18	56.89	57.09	60.41	63.75	67.7
<b>Variations</b>	-	3.71	0.2	3.32	3.34	3.95

Source : World Bank, \*Statistical Yearbook 2018 BCEAO

## 1.6 Health

The vision of health policy is to "ensure the highest attainable standard of health for the entire popu-

lation by making every effort to develop a system based on public and private, individual and collective, accessible and equitable initiatives, capable of satisfying the right to health of all, particularly the

<sup>9</sup> The QUIBB survey numbers differ slightly from those of the World Bank.

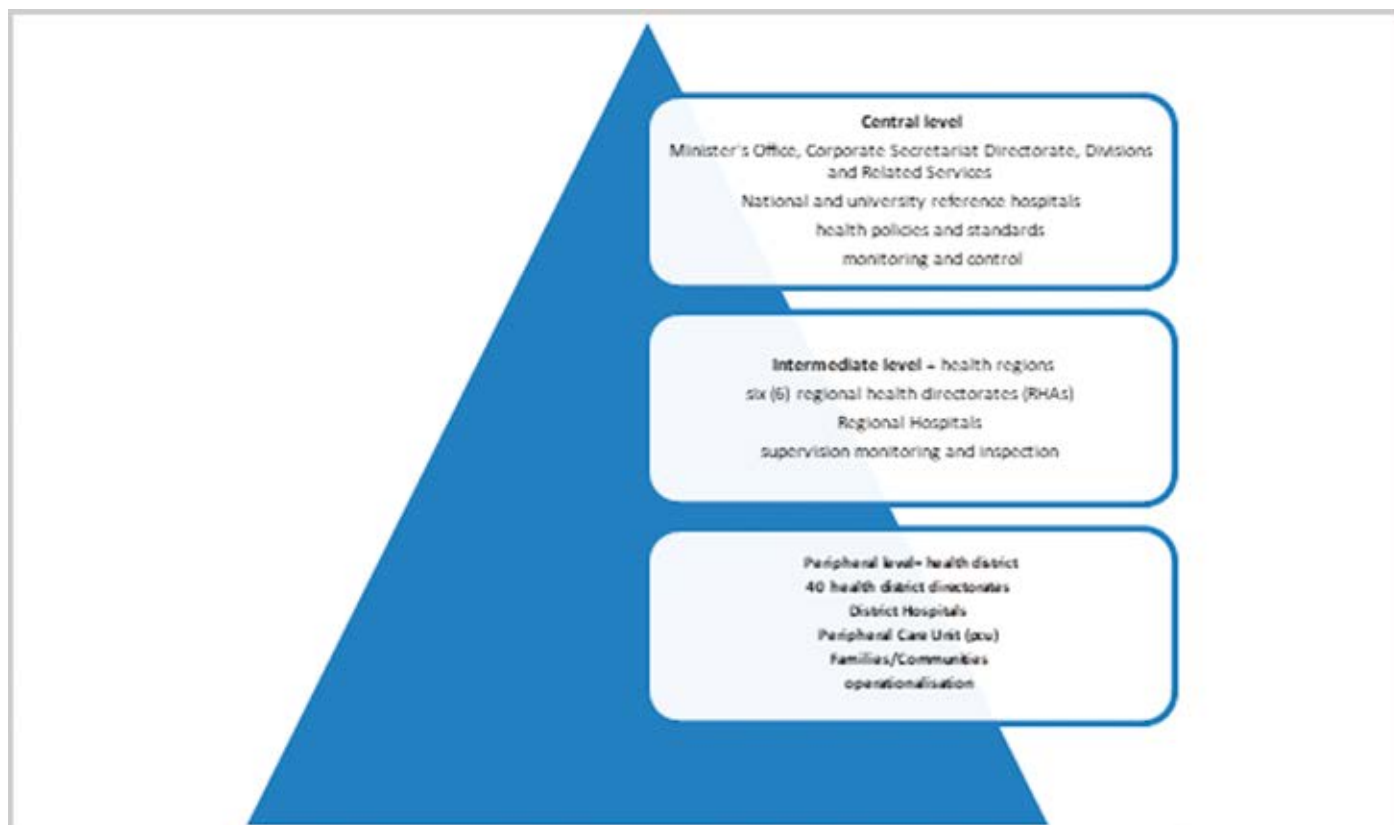
most vulnerable". Health policy remains based on primary health care and takes into account Togo's international commitments to subregional, regional and global Organisations in the field of health.

### Architecture of the Health system

Togo's health system is organized into six (6) health

regions : Savanes region, Kara region, Central region, Plateaux region, Maritime region and Lomé Commune region. The administrative management of the health system is ensured by a pyramidal Organisation at three levels : central, intermediate and peripheral.

**Figure 4. Diagram of the pyramidal organisation of the health system in Togo**



Source : National Health Development Plan 2017-2022

The central level is represented by the minister's office, the general secretariat, the two (2) general directorates and ten (10) central directorates with their divisions and sections. The intermediate level includes six (6) regional health directorates (RHD) and the peripheral level is represented by the health district which constitutes the operational entity. The administration of the health districts is ensured by forty (40) health district directorates.

According to the results of the health map drawn up in 2015, the State is the main provider of care with 59% of the supply. The private sector (41% of the health care supply) is mostly liberal and is concentrated in the major urban centres, mainly in Lomé,

where demand is more solvent. However, it is poorly regulated, especially in its geographical location, and is not always taken into account in the planning of the supply of services. To this supply must be added the presence of a fairly influential traditional sector, especially in rural areas.

In terms of social protection in health in Togo, in addition to the financing of public health care through budgetary allocations, there are several mechanisms for covering health risks. These include free mechanisms (partial or total subsidy of the cost of care for indigent persons in health facilities), free preventive care for certain vulnerable groups, free ARVs for PLHIV decreed by the Government in No-



verember 2008, subsidies for Caesarean sections effective since 2 May 2011, free or subsidized care for certain diseases (dialysis, treatment of tuberculosis, simple malaria, leprosy, etc.), and free access to health care for persons living with HIV/AIDS. and insurance mechanisms to protect against financial risk such as: coverage of occupational risks by the National Social Security Fund, compulsory health insurance for civil servants and their dependents effective since 1 March 2012, insurance for pupils in public schools (School Assur) since October 2017, insurance for beneficiaries of the National Fund for Inclusive Finance (NFIF) in 2017, community mutual health insurance companies, private for-profit health insurance companies.

Notwithstanding the many efforts made in the area of social health protection, 45.7 % of the Togolese

population is currently covered by a health insurance scheme. This indicates that the majority of the population continues to bear the cost of health care through direct payment and runs the risk of having to bear high costs that contribute to keeping them in poverty.

## 1.7 Health data

Togo's health system has improved in recent years. This has resulted in an improvement in the well-being of the population. For example, life expectancy at birth has increased from 53.5 years in 2000 to 60.8 years in 2018. Women live longer than men. Indeed, they had a life expectancy of 61.6 years compared to 59.9 years for men in 2018.

*Table 11 . Evolution of life expectancy at birth (years)*

	<b>2000</b>	<b>2010</b>	<b>2018</b>
<b>Men</b>	52.7	56.8	59.9
<b>Women</b>	54.3	58.1	61.6
<b>Total</b>	53.5	57.5	60.8

Source : World Bank, April 2020

### Child and maternal mortality

As part of the implementation of the health policy, the government has undertaken to bring care closer to the communities through the rehabilitation, construction and equipment of health structures. It has developed initiatives to provide free health care and targeted subsidies. In addition, it has undertaken sector reform aimed at increasing interventions in the poorest areas and among the poorest and most vulnerable populations by redirecting resources towards the implementation of interventions

with a high impact on the health of the population. This reform and the measures to provide free education have produced significant results in terms of reducing infant mortality. In fact, the infant mortality rate fell from 78 ‰ in 2010 (MICS4) to 49 ‰ of live births in 2014 (DHST-III), and the infant and child mortality rate from 123 ‰ to 88 ‰ during the same period. According to World Bank data, the under-five mortality rate was 69.8 ‰ in 2018 and the neonatal mortality rate (per 1.000 live births) was 24.9 ‰ in 2018 compared to 28.8 ‰ in 2010.

*Table 12 . Evolution in neonatal, infant and maternal mortality rates*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Neonatal mortality rate (per 1,000 live births)</b>	29.4	28.8	28.2	27.7	27.2	26.7	26.3	25.8	25.3	24.9
<b>Infant mortality rate, under 5 years, boys (per 1.000)</b>		96.1					82.7			75.3
<b>Infant mortality rate, under 5 years, girls (per 1000 live births)</b>		82.7					70.6			63.9
<b>Infant mortality rate, under 5 years (per 1.000)</b>	92.3	89.6	86.9	84.3	81.8	79.3	76.8	74.4	72.1	69.8
<b>Maternal mortality rate (100.000 births)</b>	459	440	422	410	404	401	398		396	

Source : World Bank, WHO.

The maternal mortality ratio was estimated at 401 deaths per 100.000 live births in 2014. From 2015, it declined to 396 deaths per 100.000 live births in 2017. According to the results of EDST-III (2013-2014),  $\frac{3}{4}$  of maternal deaths are related to direct obstetric causes such as haemorrhage (36.4 %), eclampsia (23.5 %), abortion complications (16.9 %), postpartum infections (14 %) and dystocia (22.3 %).

### Prevalence of diseases

Malaria was the number one reason for consulting patients in 2018. In 2018, Togo recorded 2.002.877<sup>10</sup> cases of malaria, including 76.870 severe cases. Among them, 30.534 are received at the referral. There were also 905 deaths related to this disease, i.e. a specific lethality of 3% (905/30 534). The fight undertaken by Togo for decades has continued throughout the national territory through several

<sup>10</sup> Source: MHPH Annual Performance Report 2018. Page 9.

strategies : (i) prevention, which includes vector control through the use of LLINs, prevention of malaria in pregnant women through Intermittent Preventive Treatment (IPT) and Seasonal Malaria Chemo-Prevention (SMC) ; (ii) diagnosis and treatment of cases according to national guidelines at the community and health facility levels ; and (iii) preventive treatment.

According to the 2016 yearbook of health statistics, after malaria as the first reason for consultation, there is respiratory tract infection and wounds and trauma with morbidity rates of 7 % and 6 %<sup>11</sup> respectively.

With regard to HIV/AIDS, in 2018, the National Programme to Combat AIDS and Sexually Transmitted Infections (NPCA-STI) showed an overall improvement in almost all indicators. The HIV/AIDS preva-

lence rate was 2.3 % in 2018, compared with 2.4 per cent since 2016. The incidence of the disease has also declined to 1.06 in 2018 compared to 1.16 in 2017. The number of new cases has also declined significantly. The number of new cases was 5.000 in 2018 compared to 5.300 in 2017. The prevalence of the disease among young people aged 15 to 24 years has stabilized, particularly among males at 0.5% and females at 1 %. The percentage of HIV-positive pregnant women who received antiretrovirals during pregnancy to reduce mother-to-child transmission of HIV increased from 71 % in 2017 to 80 % in 2018. With regard to antiretroviral (ARV) treatment, the number of people living with HIV on antiretroviral treatment increased from 59.752 in 2017 to 64.842 in 2018. The availability of ARVs made it possible to achieve this performance.

**Table 13 . Evolution of HIV AIDS indicators(in millions of inhabitants)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>HIV prevalence (% of population aged 15 -49)</b>	2.9	2.9	2.8	2.7	2.7	2.6	2.5	2.4	2.4	2.3
<b>HIV incidence (% of population aged 15 -49)</b>	1.85	1.79	1.68	1.59	1.51	1.45	1.36	1.28	1,16	1,06
<b>New cases of HIV infection in adults (15 years and older) and children (0 - 14 years)</b>	7 400	7 200	6 700	6 500	6 300	6 100	5 700	5 500	5 300	5 000
<b>New cases of HIV infection in children (0 - 14 years)</b>	2 500	2 400	2 000	2 000	1 800	1 700	1 400	1 300	1 300	1 200

<b>New Cases of HIV Infection in Adults (15 years and older)</b>	4 900	4 900	4 700	4 600	4 500	4 400	4 300	4 200	3 900	3 700
<b>Antiretroviral therapy coverage (% of people living with HIV)</b>	16	23	26	26	31	34	38	48	56	60
<b>HIV prevalence, men (% of men aged 15 - 24)</b>	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>HIV prevalence, women (% of women aged 15 -24)</b>	1.2	1.2	1.1	1.1	1.1	1.1	1	1	1	1
<b>Children (0 - 14) living with HIV</b>	16 000	16 000	16 000	16 000	15 000	15 000	14 000	14 000	13 000	12 000
<b>Antiretroviral treatment coverage among pregnant women (% of HIV - positive pregnant women)</b>	11	16	61	66	69	73	79	87	71	80

Source : UNAIDS 2019

Within the context of the fight against tuberculosis, 2,501 cases of all forms of tuberculosis have been notified, compared with 2.176 cases expected in 2018. The percentage of new cases of bacteriologically confirmed tuberculosis successfully treated (cure and treatment completed) declined from 83 % in 2017 to 80.7 % in 2018 against a target of 89.7 %.

With regard to epidemic cases, in 2018, no epidemics were recorded<sup>12</sup>. No district remained silent in the detection and reporting of cases of diseases with

epidemic potential (DEP). All detected cases of DEP and public health events were adequately responded to within 14 days, i.e. 100%.

Since December 2019, like most countries in the world, Togo has been affected by the Covid-19 pandemic. To cope with this pandemic, Togo has set up a prevention and warning system against the coronavirus. The country has taken all possible measures to be a modern country in the response to the coronavirus epidemic. Teams have been set up with the

necessary equipment at the borders to detect suspicious cases by examining all passengers entering the country. Logistically, medical ambulances have been mobilized in the country's major hospitals. The first case was detected on 06 March 2020. Immediate measures under a three-pronged action plan aimed at strengthening the public health system, containing the spread of the virus and mitigating its humanitarian and social effects have been taken.

Firstly, preventive measures include closing land borders, improving airport and border controls, as well as social barriers and distances. The latter measures include restrictions on mobility throughout the country, temporary closure of schools and universities and temporary bans on religious, cultural and other public events. Second, detection measures involve testing and identification of potential cases of COVID-19. Third, treatment measures include containment, dedicated hotels and hospitals, and mobile clinics.

The authorities plan to further strengthen the health system to increase resilience against pandemics and chronic diseases. Overall, the overall financing needs are estimated at about CFA FRANCS 70 billion (about \$130 million or 2% of GDP). Discussions with development partners to help meet these financing needs have been held and about CFA FRANCS 7 billion from the State and the World Bank have already been made available. The 2020 budget framework is being expanded by 1.7 percentage points to include expenditure requirements for the fight against COVID-19 (1.3 per cent of GDP) and revenue losses (0.4 % of GDP). As of 18 May 2020, 13,452 laboratory tests have been carried out, 330 cases of COVID-19 have been confirmed, 106 people have been cured

and 212 cases remain active. There have also been 12 deaths.

## 1.8 Employment

According to the National Development Plan, employment is a concern for the government because of the growing gap between the evolution of the labour force and the number of jobs created, and the weak short-term capacity of the economic system to generate sustainable, productive and decent jobs. To address these constraints and provide adequate solutions to the crucial issue of rising unemployment and underemployment, a national employment policy and a national strategic plan for youth employment (NSPYE) were adopted in 2014. Similarly, a national coalition for youth employment (NCYE) has been set up. Strengthening the employability and reducing underemployment of young people, promoting entrepreneurship and improving the coordination mechanism are the main thrusts of National Strategic Plan for Youth Employment.

### Labour force

According to the 2017<sup>13</sup> integrated regional survey on employment and the informal sector, the available jobs represented 60.7% of people of working age (15 years or older). This proportion was higher among males (62.5%), those with no more than primary education (68.2% with no education and 69.1% with primary education), in rural areas (62.8%) and in the Maritime (66.7%) and Plateaux (68.5%) regions. In terms of numbers, the working population was estimated in 2019 at 3,699,587 inhabitants, compared to 3,315,730 inhabitants in 2015, an increase of 11.6%. The male/female ratio shows that the male population is more active than the female population.



**Table 14 . Evolution of the labour force from 2015 to 2019**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Men</b>	1 671 293	1 715 808	1 760 980	1 806 420	1 861 311
<b>Women</b>	1 644 437	1 691 608	1 740 113	1 790 135	1 838 276
<b>Total</b>	3 315 730	3 407 416	3 501 093	3 596 555	3 699 587
<b>Men / Women (%)</b>	101.6	101.4	101.2	100.9	101.3

Source : World Bank, April 2020

Employment remains dominated by the informal sector. Indeed, in 2017, more than nine out of ten jobs (91.6%) were provided by the informal sector, regardless of the sector of activity. This level even reaches 98% in the private sector and 3.4% in the public sector. The dominance of informal employment is more marked in the agricultural institution-

nal sector with 99.7 % of jobs, including the private agricultural sector (100 %) and the public agricultural sector (23.1 %). This can be explained by the traditional and family-oriented nature of agriculture in Africa. The non-agricultural institutional sector is also dominated by informal employment (87.9 %) and more particularly the private sector (96.9 %).

**Table 15 . Employment balance sheet 2017**

	<b>Formal</b>	<b>Informal</b>	<b>Total</b>	<b>Numbers</b>
<b>Non-agricultural institutional sector</b>		(%)		
<b>Public Sector</b>	96.9	3.1	100	150 570
<b>Private Sector</b>	3.1	96.9	100	331 555
<b>Households</b>	0	100	100	10 758
<b>Total</b>	12.1	87.9	100	492 882
<b>Agricultural institutional sector</b>				
<b>Public Sector</b>	76.9	23.1	100	2659
<b>Private Sector</b>	0	100	100	17 501
<b>Households</b>	0	0	0	0
<b>Total</b>	0.3	99.7	100	20 159
<b>All together</b>				
<b>Public Sector</b>	96.6	3.4	100	153 229
<b>Private Sector</b>	2.0	98.0	100	349 056
<b>Households</b>	0	100	100	10 758
<b>Total</b>	8.4	91.6	100	513 042

Source : Integrated Regional Survey on Employment and the Informal Sector (ERSI\_ESI) Togo 2017, June 2019

## Unemployment

In terms of employment, unemployment as defined by the International Labour Office (ILO) was 3.9 %<sup>14</sup> of the labour force in 2017, compared to 3.4 % in 2015. However, it is higher in urban areas, at 6.3 % compared to 2.0 % in rural areas. Moreover, the unemployment rate is higher among men (5 %) than among women (2.9 %). According to place of residence, the Lomé agglomeration has the highest unemployment rate at 7.8 %, a rate significantly higher than that recorded in other urban areas (3.1 %). Unemployment affects young people and women even more, especially those aged 25-34, who make up 46.5 % of the unemployed, 51.7 % of whom are women and 43.2 % men. Persons in the 15-24 age group account for 32 % of the unemployed, with 35.8 % of women and 29.6 % of men.

According to ILOStat's estimates, the unemployment rate for people aged 15 and over would be 2.0 % in 2019 compared to 2.1% in 2018. It would remain higher in urban areas than in rural areas. Indeed, in urban areas, the unemployment rate in 2019 would be 4.4% compared to 4.5% in 2018. In rural areas, the unemployment rate would be 0.3 % in both 2018 and 2019.

With regard to underemployment, according to NISEDS data, it remains high at the national level. It is estimated at 26.8 % in 2017, compared to 24.9 % in 2015. Men are less underemployed (23.6 % in 2017 as against 25.8 % in 2015) than women (29.5 % in 2017 as against 24.1 per cent in 2015). The underemployment rate is lower in rural areas (24.7 %) than in urban areas (29.3 %).

### Employment policy

Since 2011, Togo has undertaken a policy of promoting youth employment through the programme for the Promotion of National Volunteerism in Togo (PNVT) and the programme of Support for Integration and Development of Employment (SIDE) aimed at providing a first professional experience to graduates.

Thus, several mechanisms have been implemented with the support of technical and financial partners. These mechanisms include the project to support the employability and integration of young people in promising sectors (PSEIY-PS), the Youth Economic Initiatives Support Fund (YEISF), the Grassroots Development Support Programme (GDSP), the Youth Entrepreneurship Promotion Programme (YEPP) and the Vulnerable Youth Employment Opportunities Project (VYOP).

The PSEIY-PS aims to create the conditions for more inclusive economic growth by strengthening the employability of young people and promoting entrepreneurship in promising sectors. It intends to provide a short-term response to the integration needs of young people through support for entrepreneurship, particularly in the agricultural value chain (AVC). EISF, GDSP and YEPP were initiated to strengthen the entrepreneurial capacities of young women and men through training and access to financial and non-financial services, and to significantly increase young entrepreneurs' access to microfinance through various supply activities. The EOVP includes a commitment to community services and training to provide vulnerable youth with a qualification, a job or to accompany them on the path to entrepreneurship.

### Employment dynamics

The various mechanisms put in place have enabled Togo to achieve commendable results in promoting youth employment. Indeed, the number of young people who found new job opportunities through voluntary work was 4.292 in 2018 and 5.063 in 2019, corresponding to an integration rate of 77.06 % and 68.34 % respectively. The number of young people trained in entrepreneurship and financed was 4.567 in 2018 and 9.921 in 2019, corresponding to a proportion of young people financed in entrepreneurship of 56.2 % and 44.36 % respectively. In terms of business creation, 2.148 businesses were created in 2018 and 1.856 in 2019.

<sup>14</sup> Integrated Regional Survey on Employment and the Informal Sector (ERSI\_ESI) Togo 2017, juin 2019.  
<sup>14</sup> QUIBB 2015 Survey, National Institute of Statistics and Economic and Demographic Studies.

**Table 16 . Evolution of the main employment indicators**

	<b>2018</b>	<b>2019</b>
Number of young people placed as volunteers	5 570	7 409
Number of volunteers inserted	4 292	5 063
Rate of integration of young people placed in voluntary work	77.06%	68.34%
Number of young people trained in entrepreneurship	8 127	22 365
Number of youth trained in entrepreneurship funded	4 567	9 921
Proportion of youth funded in entrepreneurship by Grassroots Development (PSEIY-PS, GDSP, YEISF and EOYYP)	56.2%	44.36%
Number of enterprises created by young people	2 148	1 856

Source : Citizen's Budget 2020

In terms of job creation, the number of jobs created was 15.863 in 2018 and 13.602 in 2019. The Plateaux region benefited from most of the jobs created.

**Table 17 . Number of jobs created by region in 2018 and 2019**

	<b>2018</b>	<b>2019</b>	
	Achievement	Forecast	Achievement
<b>Lomé Commune</b>	108	242	186
<b>Maritime</b>	621	723	713
<b>Plateaux</b>	11 071	7 721	7 998
<b>Central</b>	1 528	1 094	1 127
<b>Kara</b>	2 348	1 737	1 783
<b>Savanes</b>	187	2 283	1 795
<b>Total</b>	15 863	13 800	13 602

Source : Citizen's Budget 2020

## 1.9 Reminder of the main aggregates

### 1.9.1 Level of development

#### The Human Development Index

Togo's human development index (HDI) stood at 0.513 in 2018, compared to 0.45 in 2009, indicating an improvement in the population's standard of

living. This HDI level places Togo 167th in the world out of 189 countries. Its HDI level is higher than the average human development index of low human development countries (0.507) and lower than the average human development index of Sub-Saharan African countries (0.541). The improvement in the HDI is the result of reforms in the education and health sectors.

**Table 18 . Evolution of the Human Development Index**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>IDH</b>	0.45	0.46	0.46	0.47	0.47	0.48	0.49	0.5	0.5	0.513
<b>Variation (%)</b>		2.2	0.0	2.2	0.0	2.1	2.1	2.0	0.0	2.6

Source : World Bank

### Gini Index

The Gini index is an indicator that measures inequality in per capita spending. Between 2015 and 2017,

there will be an increase in inequality in the distribution of household consumption expenditure. Indeed, at the national level, the Gini index stood at 0.427 in 2017 as against 0.38 in 2015<sup>16</sup>, an increase of 12.4%.

**Table 19 . Evolution of the Gini index**

	2006	2007	2011	2015	2017
<b>Indice</b>	0.361	0.335	0.393	0.38	0.427
<b>Variation (%)</b>		-7.2	17.3	-3.3	12.4

Source : NISEDS : POVERTY PROFILE 2006-2011-2015-2017 Togo

### Gross Domestic Product per capita

Togo's GDP per capita is constantly improving. In current terms, it rose from CFA Francs 316.482.9 in

2014 to CFA Francs 395.812.7 in 2018, an increase of 25.1%. It is estimated at CFA Francs 336 758.9 in 2019.

**Table 20 . Evolution of GDP Per Capita in CFA Francs**

	GDP per capita (constant local currency units)	GDP per capita (current local currencies)
<b>2014</b>	265 067.5	316 481.9
<b>2015</b>	273 203.0	337 528/8
<b>2016</b>	281 217.5	354 064/7
<b>2017</b>	286 284.7	363 54.2
<b>2018</b>	293 084.7	377 123.5
<b>2019 *</b>	336 758.9	395 812.7

Source : World Bank, April 2020, \* Calculations based on estimates of GDP (IMF) and WPP 2010 (United Nations).

<sup>16</sup> The index calculated by the World Bank is 0.431 in 2015 and 0.46 in 2011. Its evolution reflects a reduction in inequalities as the national data.

## 1.9.2 Summary table

The following table presents the main economic aggregates observed over the last five years. It is expressed in billions of CFA Francs for the values and in % for the rates, unless otherwise indicated.

<b>Table 21 . Main economic aggregates (billions of FCFA for values)</b>						
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>National Economy</b>						
<b>Nominal GDP</b>	2 259.05	2 471.78	2 618.08	2 774.19	2 975.16	3 199.06
<b>Real GDP growth (%)</b>	5.9	5.7	4.9	4.4	4.9	5.3
<b>Investment rate (% of GDP)</b>	27.9	32.2	28.7	24.1	25.3	24.1
<b>Inflation rate (in %)</b>	0.2	1.8	0.9	-0.2	0.9	0.7
<b>Balance of payments</b>						
<b>Exports of goods</b>	655.5	597.7	614.2	591.5	600.4	631.9
<b>Imports of goods</b>	1 093.9	1 208.5	1 185.9	965.3	1 035.1	1 110.9
<b>Balance</b>	-438.40	-610.80	-571.70	-373.80	-434.70	-479.00
<b>Current balance</b>	-226.4	-272.6	-258.7	-56.1	-102.7	-135.9
<b>Government Finances</b>						
<b>Income and grants</b>	466.8	539.5	571.3	595.8	710.8	747.0
<b>Expenses</b>	621.9	760.5	823.9	603.6	733.8	783.9
<b>Balance</b>	-155.1	-220.9	-252.7	-7.8	-23.0	-36.9
<b>Public Debt</b>	1 439.32	1745.89	2092.67	2020.26	2191.04	2196.64
<b>Domestic Debt</b>	1 018.5	1 218.7	1 528.55	1 470.1	1 590.28	1 446.4
<b>External debt</b>	420.82	527.19	564.12	550.16	600.76	750.2
<b>Domestic debt as % of nominal GDP</b>	45.1	49.3	58.4	53.0	53.6	45.2
<b>Budgetary balance</b>						
<b>In value terms</b>	-155.1	-220.9	-252.7	-7.8	-23.0	-36.9
<b>As a percentage of nominal GDP (%)</b>	- 6.9	- 8.9	- 9.5	- 0.3	- 0.8	- 1.2

Source : DGBF/ DGESA, NISEDS, BCEAO, IMF

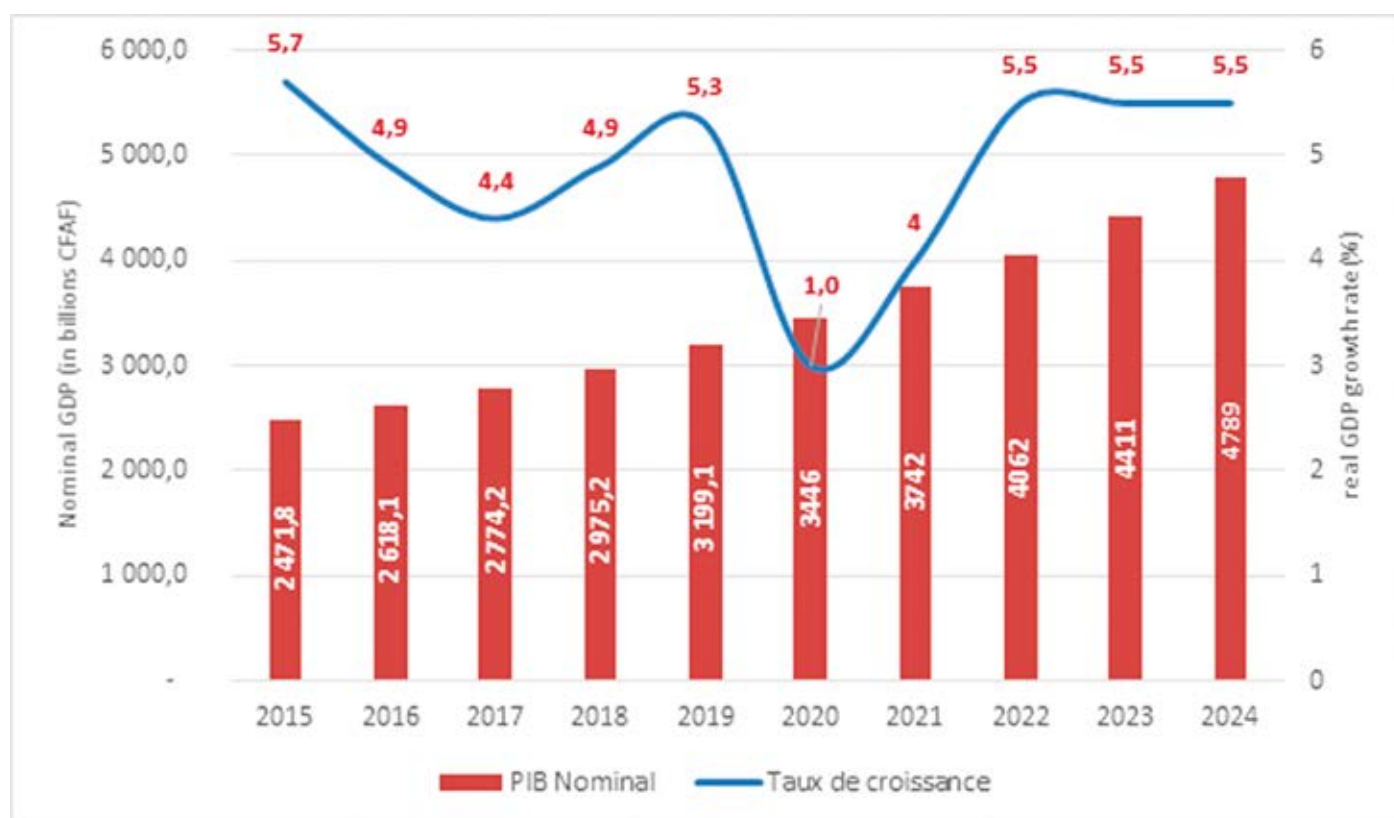


### 2.1 Evaluation of gross domestic product

Economic activity in Togo over the 2014-2019 period was marked mainly by the implementation of the Strategy for Accelerated Growth and Employment Promotion (SAGEP), the execution of agricultural sector projects through the National Agricultural

Investment and Food Security Programme (NAIFSP) and the implementation of major construction and economic infrastructure strengthening works. The Togolese economy recorded an average annual growth rate of 5.2% over the 2014-2019 period.

**Figure 5. Evolution of the economic growth rate and nominal GDP from 2015 to 2024**



Source: NISED, IMF Country Report No. 20/107

For 2020, macroeconomic performance is negatively affected by the spread of COVID-19. The real GDP growth forecast for 2020 has been revised downward from 5.5% to 1.0%. Economic activity will continue to grow at a rate of 5.5% by 2024.

#### 2.1.1 Level of GDP

In nominal terms, the gross domestic product would amount to CFA Francs 3.199.06 billion in 2019 against CFA Francs 2.259.05 billion in 2014, i.e. an average growth of 7.2% largely driven by the tertiary sector. Nominal GDP is expected to follow an upward trend to reach CFA Francs 4.789.0 billion in 2024.

**Table 22. Evolution of the Gross Domestic Product (in billions of CFA Francs)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
						Est
<b>Primary sector</b>	580.2	602.5	691.0	654.9	696.7	735.4
<b>Secondary sector</b>	365.4	385.4	422.9	471.3	460.0	497.6
<b>Tertiary sector</b>	1 313.5	1 483.9	1 504.2	1 648.0	1 818.4	1 966.1
<b>TOTAL GDP</b>	<b>2 259.0</b>	<b>2 471.8</b>	<b>2 618.1</b>	<b>2 774.2</b>	<b>2 975.2</b>	<b>3 199.1</b>

Source : NISEDS/DGESA

### 2.1.2 Real GDP growth

The growth rate would be 5.3% in 2019 and 5.9% in 2014. Despite the slight decline in the growth rate observed compared to 2014, overall activity is holding up well, with an increase in the value added of the various sectors. The revival of growth would be favoured by the vigour of phosphate extraction activities and cotton production, as well as by the good performance of the tertiary sector, especially airport activities, and by duties and taxes.

The economy is expected to benefit from the large public investments made in recent years and from increased foreign direct investment (FDI) flows. Thanks to the improved business environment and

public infrastructure, the private sector is expected to play an increasing role as an engine of growth. In 2020, the COVID-19 crisis will induce a slowdown in growth in line with the measures taken by the Government to curb the spread of the pandemic. Thus, growth would be 1.0% in 2020 but will consolidate in 2021 to reach 4% according to IMF estimates.

The analysis by sector shows that the Value Added (VA) of the primary sector, after a slowdown in its growth rate in 2017, consolidated from 2018 onwards to reach 5.2% in 2019. At the level of the secondary sector, average growth was 1.6% over the 2014-2019 period. For the commercial tertiary sector, the average annual growth rate over the period is 6.3%.

**Table 23. Evolution of the real GDP growth rate**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 (Est)</b>
<b>total GDP</b>	5.9	5.7	4.9	4.4	4.9	5.3
<b>Primary sector</b>	7.4	0.0	5.4	1.3	3.4	5.2

<b>Secondary sector</b>	1.0	1.6	3.4	1.3	0.5	4.2
<b>Tertiary sector</b>	6.8	6.7	5.6	4.8	7.4	4.9
<b>non-market GDP</b>	8.4	13.3	12.9	12.4	11.5	4.5
<b>Duties and taxes</b>	7.6	18.3	- 0.8	0.1	0.5	4.8

Source : NISEDS/DGESA, BCEAO, IMF forecasts

### 2.1.3 Structural decomposition of GDP

GDP growth was driven to a large extent by the tertiary and primary sectors throughout the 2014-2019 period. Indeed, the share of the tertiary<sup>17</sup> sector in GDP increased from 58.1 % in 2014 to 61.5 % in 2019, averaging 59.6 % over the period 2014-2019.

The share of the primary sector increased from 25.7 % to 26.4 % in 2016 before declining slightly to stabilize at around 23.0 % in 2019. The share of the secondary sector increased from 16.2 % in 2014 to 17.0 % in 2017 before stabilizing at around 15.6 % in 2019.

**Table 24. Share of different sectors in GDP by value**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Primary sector</b>	25.7%	24.4%	26.4%	23.6%	23.4%	23.0%
<b>Secondary sector</b>	16.2%	15.6%	16.2%	17.0%	15.5%	15.6%
<b>Tertiary sector</b>	58.1%	60.0%	57.5%	59.4%	61.1%	61.5%

Source : NISEDS/DGESA, BCEAO

### 2.1.4 GDP by value, sector detail

The structure of Togo's economy shows a predominance of the tertiary and primary sectors in the formation of GDP. At the level of the primary sector, it appears in particular that agriculture plays an important role in economic activity. Indeed, the value added of the agricultural sector increased from CFA

Francs 452.10 billion in 2014 to CFA Francs 520.70 billion in 2017. It represents on average 80% of the added value of the primary sector. In the tertiary sector, trade and transport and communications are the branches that create the most wealth. Indeed, the value added of the Transport, Warehouses and Communications branch increased from CFA Francs 248.70 billion in 2014 to CFA Francs 293.0 billion in

<sup>17</sup> Here the tertiary sector takes into account non-market GDP.

2017. It represents on average over the 2014-2017 period, 24.6% of the value added of the tertiary sector.

As regards the trade branch, its value added fell from CFA Francs 175.0 billion in 2014 to CFA Francs 170.0 billion in 2017, thus marking a slight decline.

With regard to the secondary sector, it is noted that manufacturing industries have an important share in wealth creation. Indeed, the value added of the manufacturing industries branch increased from CFA Francs 167.70 billion in 2014 to CFA Francs 225.90 billion in 2017. Its share is close to 50% of the wealth produced by the secondary sector.

**Table 25. GDP by value and its components**

<b>Wording</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 (est)</b>	<b>2019 (est)</b>
<b>Primary sector (i)</b>	580.204	602.471	690.991	654.903	696.744	735.4
<b>Agriculture</b>	452.10	463,80	552,80	520.70	-	-
<b>Secondary sector (ii)</b>	365.353	385.418	422.89	471.255	459.988	497.6
<b>Gas, water, electricity</b>	52.678	61.042	62.321	59.437	64.11	73
<b>Buildings and public works</b>	89.706	89.913	105.834	135.196	140.025	159
<b>Extraction Sector</b>	55.303	66.209	62.738	50.676	60.102	54.6
<b>Industries</b>	167.666	168.254	191.997	225.946	195.751	211
<b>Tertiary sector (iii)</b>	1313.49	1483.888	1504.196	1648.028	1818.431	1966.1
<b>Trade</b>	199.701	187.016	189.81	212.595	229.923	185.3
<b>Transport, Warehousing and Communications</b>	248.739	263.21	285.789	293.004	320.88	327.2
<b>Banking and Insurance</b>	73.60	91.80	90.60	89.10	-	-
<b>Other market services</b>	239.267	292.825	327.268	351.93	383.857	406.7
<b>market GDP</b>	1960.992	2128.794	2214.404	2304.586	2469.875	2586.8
<b>Public services</b>	173.90	225.90	272.80	339.20	348.60	-
<b>non - market GDP</b>	298.055	342.983	403.673	469.599	505.288	612.3
<b>NOMINAL GDP</b>	2259.047	2471.777	2618.077	2774.185	2975.163	3199.1

Source : NISEDS/ DGESA, BCEAO

### 2.1.5 GDP in composition

Since 2010, thanks to information and communication technologies, the tertiary sector (excluding non-market GDP) has played a major role in the creation of national wealth. Its weight in GDP in nominal terms was 42.3% in 2019 against 44.9% in 2014. The share of the Transport, Warehousing and Communications branch accounted for 10.8% of GDP in 2018 against 11.0% in 2014.

The primary sector accounted for 23.0% of GDP in 2019 and 25.7% in 2014. It is dominated by the agriculture sector with a share of around 18% of GDP between 2014 and 2017. As for the secondary sector, it is driven by the manufacturing industries branch whose share in GDP amounted to 8.1% in 2017 against 7.4% in 2014.

**Table 26. GDP in composition (%)**

Wording	2014	2015	2016	2017	2018	2019
					(est)	(est)
<b>Primary sector (i)</b>	25.7%	24.4%	26.4%	23.6%	23.4%	23.0%
<b>Agriculture</b>	20.0%	18.8%	21.1%	18.8%		
<b>Secondary sector (ii)</b>	16.2%	15.6%	16.2%	17.0%	15.5%	15.6%
Gas, water, electricity	2.3%	2.5%	2.4%	2.1%	2.2%	2.3%
Buildings and public works	4.0%	3.6%	4.0%	4.9%	4.7%	5.0%
Extraction Sector	2.4%	2.7%	2.4%	1.8%	2.0%	1.7%
Industries	7.4%	6.8%	7.3%	8.1%	6.6%	6.6%
<b>Tertiary sector (iii)</b>	58.1%	60.0%	57.5%	59.4%	61.1%	61.5%
Trade	8.8%	7.6%	7.2%	7.7%	7.7%	5.8%
Transport, Warehousing and Communications	11.0%	10.6%	10.9%	10.6%	10.8%	10.2%
Banking and Insurance	3.3%	3.7%	3.5%	3.2%		
Other market services	10.6%	11.8%	12.5%	12.7%	12.9%	12.7%
<b>market GDP</b>	86.8%	86.1%	84.6%	83.1%	83.0%	80.9%
Public services	7.7%	9.1%	10.4%	12.2%	11.7%	
<b>non-market GDP</b>	13.2%	13.9%	15.4%	16.9%	17.0%	19.1%
<b>NOMINAL GDP</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source : NISEDS/ DGESA, BCEAO



## 2.1.6 GDP by component

Final consumption at current prices increased by an annual average of 5.2% between 2014 and 2019, driven by both private consumption (+4.2%) and public consumption (+9.1%). The share of final consumption in GDP was 81.8% in 2019 against 90.1% in 2014. Gross fixed capital formation (GFCF) grew by an average of 6.8% during the period under

review. This increase in GFCF was largely driven by its public component, which recorded an average increase of 7.9% between 2014 and 2018, in line with the intensification of infrastructure construction work. Private GFCF, for its part, recorded an increase of 2.5% on average over the 2014-2018 period. Over the entire period, external demand remained in deficit due to the importance of imports.

**Table 27. GDP at current prices: demand perspective (in billions FCFA)**

	2014	2015	2016	2017	2018	2019 (Est)
<b>1. Internal demand</b>	<b>2 713.31</b>	<b>2 991.37</b>	<b>3 089.78</b>	<b>3 019.69</b>	<b>3 297.60</b>	<b>3 512.37</b>
<b>Total consumption</b>	2 035.74	2 218.27	2 353.85	2 396.80	2 543.49	2 615.37
<b>Private</b>	1 662.05	1 773.61	1 878.14	1 866.63	1 990.28	2 042.47
<b>Public</b>	373.69	444.66	475.71	530.17	553.21	572.90
<b>Total investments</b>	677.57	773.11	735.93	622.89	754.11	897.00
<b>Private</b>	482.50	513.9	449.9	447.4	521.1	
<b>Public</b>	195.1	259.2	286.1	175.5	222.7	
<b>2. Total external demand</b>	<b>- 407.33</b>	<b>- 542.98</b>	<b>- 486.98</b>	<b>- 291.49</b>	<b>- 322.44</b>	<b>- 313.27</b>
<b>3. Variation in inventories</b>	<b>- 46.94</b>	23.38	15.28	45.98	-	-

Source : NISEDS/ DGESA, BCEAO

### 3.1 Recent Achievements and Accomplishments

#### 3.1.1 Presentation of the national development plan

In order to find appropriate responses to the deterioration of macroeconomic and social indicators, a consequence of several years of socio-political crises, Togo embarked in 2006 on a process of structural reforms and macroeconomic policies through the implementation of national poverty reduction strategies, the latest of which was the Strategy for Accelerated Growth and Promotion of Employment (SAGPE) 2013-2017. This process made it possible to conduct, at both local and central levels, a prospective reflection on the strategic issues of sustainable development, particularly the economic and social challenges facing the country.

The implementation of various development policies has enabled Togo to make progress in economic recovery through regular real GDP growth of 5 % on average per annum over the period 2013-2017, reflecting an improvement in macroeconomic stability. The incidence of poverty fell by 3.6 percentage points between 2011 and 2015, from 58.7 % to 55.1 % of the total population. Employment increased between 2011 and 2015 as evidenced by the reduction in unemployment by 3.1 percentage points, from 6.5 % in 2011 to 3.4 % in 2015. However, in 2017, the unemployment rate worsened by 0.5 percentage points to 3.9%. The underemployment rate also remains high (26.7% in 2017).

Despite the significant progress made over the past decade or so, significant challenges persist in terms of social and spatial inequalities, the weakness of the national productive system, human resources and governance. With the implementation of the SAGPE having been completed, Togo has adopted a National Development Plan (NDP) for the period 2018-2022. The NDP draws on the lessons learned from the implementation of the various successive poverty reduction strategies and takes into account

the residual challenges arising from the SAGPE reviews and the results of the prioritization of Sustainable Development Goals (SDGs) targets at the central and regional levels. It also draws inspiration from the African Union's Agenda 2063 and the Economic Community of West African States (ECOWAS) Vision 2020.

The NDP 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 sectors of the value chains, the acceleration of growth, the reduction of poverty and inequality and the preservation of the environment. To achieve this ambition, the actions are centred on three (03) Strategic axis 1: Set up a logistics hub of excellence and a first-rate business center in the sub-region.

- Strategic axis 2 : develop poles of agricultural processing, manufacturing and extractive industries.
- Strategic axis 3 : consolidate social development and strengthen inclusion mechanisms.

The overall cost of investments registered in the NDP amounts to CFA Francs 4.622.2 billion over the period 2018-2022 with an expected contribution of the private sector of 65%, i.e. an amount of CFA Francs 2.999.1 billion. Public investment expenditure in this plan is estimated at CFA Francs 1.623.1 billion, representing 35% of the overall cost.

The structural transformation should make it possible to achieve real GDP growth of 7.6 %<sup>18</sup> by 2022, leading to an acceleration in the level of human development and, above all, an improvement in Togo's world HDI ranking by at least ten (10) places. Thanks to the support of the private sector and development partners, resources will be devoted to the agricul-

18 II This is the optimistic scenario. The results of the macroeconomic framework carried out according to a reference scenario assumes average growth of 5.2% over the period 2018-2022. Also with the advent of COVID-19, the expected growth for 2022 is 5.5%.

ture sector with innovative and adapted financing mechanisms that will be used as a priority to modernize agriculture. This includes improving agricultural yield through the development of adapted mechanization, control of water use and strengthening of cooperatives linked to the processing sector.

There are also plans to set up agropoles around high value-added commodity chains (including rice, pineapple and poultry) and to install a major processing plant for each targeted high value-added commodity chain. The manufacturing and extractive industries are identified<sup>19</sup> as key pillars for significant economic growth that creates jobs. To this end, Togo will set up a manufacturing and extractive industries cluster.

The NDP will place particular emphasis on : (i) vocational training, which is a central element in improving the productivity of the economy, accelerating youth employment and reducing social inequalities; (ii) social protection, in order to gradually broaden inclusion to all strata 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 of and access to basic social services, including general education, health, nutrition, energy services, water and sanitation.

The monitoring mechanism for the implementation of the NDP is based on a very adequate intentional framework. It is planned to set up an agency dedicated to the implementation of the NDP. All the ministries making up the government architecture, public bodies, local public administrations and decentralized local authorities are the institutional actors in the implementation of the NDP. The private sector and civil society, as partners of the State, will be strongly involved in the definition and implementation of certain specific components. The development partners will also be called upon to provide the State and other national development actors with appropriate technical and financial assistance in accordance with the needs expressed.

The operationalization of the NDP is also based on the implementation of the Priority Action Matrix

(PAM), which contains the major actions and strategic investment measures needed to achieve the targets. A framework for measuring performance indicators and monitoring-evaluation is also defined. The three-year public investment program (PIP) aligned with the strategic guidelines of the NDP remains a tool for operationalizing the plan, the annual instalment of which constitutes the investment part of the general budget. In addition, it is planned to strengthen the capacity of the national statistical system to meet the challenges of strengthening the coordination of the activities of the national statistical system between NISEDS and the sectoral ministries, the regular production of reliable statistics, particularly those from administrative sources, and the non-systematically sustainable financing of major statistical activities.

### **3.1.2 Structural reforms related to the National Development Plan**

In order to give impetus to a new economic dynamic based on the structural transformation of the national economy, Togo has opted for a new agricultural policy based on the development and promotion of agropoles. This new agricultural policy benefits from financing estimated at nearly CFA FRANCS 64 billion. This new strategy for the promotion of agropoles, launched in 2017, aims on the one hand at the transformation of agricultural, fishing and livestock products into manufactured products through the promotion of SME/SMIs and the strengthening of relations between the production, processing and marketing activities of these products. On the other hand, it aims to create synergy between most of the players and to promote social inclusion with a view to improving the living conditions of the rural population.

For the next five years, the implementation of this policy should focus on pilot agropoles: i) in the Kara basin centred around the sesame, poultry and beverage (fruit juice) value chains, ii) in the Oti basin around the rice, poultry and livestock/meat value chains, and iii) on the support of private stakeholders in the cashew nut sector with a view to creating an agropole in the Haut-Mono. The overall cost of the project, piloted by the Agence de Promotion et de Développement des Agropoles au Togo (APRODAT),

<sup>18</sup> Source : TOGO NDP 2018-2022

is estimated at CFA FRANCS 64 billion, of which CFA FRANCS 35 billion will be financed by the AfDB and BOAD. It is expected to invest in research, innovation, training and capacity building of the various stakeholders in the agricultural world in order to have more qualified human resources capable of making this new policy a success with concrete and sustainable positive impacts. The implementation of the agropoles will contribute to poverty reduction, mainly in rural areas, with a reduction of more than 15% over the next five years, and to job creation. It will also contribute to wealth creation in rural areas and to reducing the agricultural trade balance deficit. To definitively solve the problem of access to bank credits and financing for the agricultural sector, Togo launched the Incentive Mechanism for Agricultural Financing (IMAF) in June 2018. It is a project based on risk sharing which aims to be a driving force for the granting of more generous agricultural loans from the banking sector and to lower interest rates on credits granted to this sector. Through this mechanism, the aim is to develop policies adapted to the agricultural sector, to apply risk management tools to attract key skills and actors through effective mechanisms and to consolidate the links of the different value chains. By adopting it, Togo wants to finance the agricultural sector differently and lead its green revolution. In total, more than one million producers should be favourably impacted by 2021. This mechanism receives financial support from the International Fund for Agricultural Development (IFAD) and the African Development Bank (ADB).

As part of the implementation of the Togolese government's commitments to sustainable development objectives, particularly SDO7 on universal access to reliable and affordable energy services, Togo has also adopted a new national electrification strategy. In 2018, 45 % of Togolese had access to electricity, of which only 8 % were in rural areas. The electrification strategy is based on an optimal technological combination to provide access to electricity to all Togolese by 2030. The country hopes to install 300 mini-solar power stations in PPP (public-private partnership) mode and to strengthen off-grid coverage by connecting 555 000 remote households via individual kits. In addition, the electricity grid will be extended to nearly 1.000 localities.

The implementation of a national biometric identification system (e-ID) through the definition of the legal and regulatory framework was approved by the Council of Ministers on Thursday 6 March 2020. This project, with a total cost of 40 million US dollars, is mainly aimed at establishing a system of identification and authentication of natural persons, in order to offer, among other things, better public and social services.

### **3.2 Future projects**

Togo is aware that the development of the railway network is essential to strengthen its role as a transit and export country for mining and industrial products. Thanks to its more competitive tariffs compared to road tariffs and its loading capacity, the rail network could considerably improve the mobility of goods on the national territory. Togo's ambition is to significantly increase rail traffic. To this end, the rehabilitation and construction of the Lomé-Cinkassé line on the border with Burkina Faso and the modernisation of the existing network are projects.

These are based on the anticipation of an increase in potential traffic, both internal and external. The Lomé Cinkassé railway will link the Autonomous Port of Lomé to the border with Burkina Faso to serve Burkina Faso, Mali and Niger. It will thus promote the fluidity of trade between Togo and these countries. Almost 700 km long, this project aims not only to support the development and growth of the Togolese economy, but also to stimulate cross-border trade and the growth of hinterland economies. Entrusted to the state holding company Togo Invest, the project, for which pre-feasibility studies have already been carried out, will also make it possible to develop effective and efficient logistics systems around the port and the railway line, speed up container transport to the Sahel countries, and create several jobs.

In the mining sector, the Government of Togo signed two important partnerships with DIL (Dangote Industries Limited) in November 2019. With a total cost of US\$2.6 billion, these agreements are in line with the NDP. These partnerships are aimed at : (i) the valo-

rization and transformation of phosphate into phosphate fertilizers in order to supply the entire West African sub-region ; (ii) the establishment of a new

cement plant on Togolese soil, with the Togolese and Nigerian clincker as raw material.



## 4.1 Structural elements

### 4.1.1. Description of the Franc zone

The Franc zone is characterized by four (4) founding principles. These principles were set out in the monetary cooperation agreement between the Member States of the Bank of Central African States' issuing zone and France of 23 November 1972, as well as in the cooperation agreement between the Member States of the West African Monetary Union and France of 4 December 1973.

The 4 main principles of the Franc zone are:

- A guarantee from the French Treasury for the unlimited convertibility of the Central Bank currency: currencies issued by issuing institutions in the Franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-areas, an operations account is opened with the French Treasury by each Central Bank of the zone and on which the Central Banks have an unlimited drawing right in case of exhaustion of their foreign currency reserves;
- A fixed parity with the Euro of 1 Euro for 655.957 CFAF: the parity of the zone's currency with the Euro is fixed and defined for each subzone. The currencies of the zone are convertible between them, at fixed parities, without limitation of amounts. The changeover to the euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at an equivalent parity, i.e. 655.957 CFAF = 1 euro (the parity being identical for the West and Central African sub-areas)
- Free and unlimited transfer of reserves: transfers are, in principle, free within the Zone.
- Centralization of reserves: The States centralize their foreign exchange reserves in their Central Banks, while in return for the unlimited

convertibility guaranteed by France, the Central Banks of the franc zone are required to deposit a share of their net foreign assets (foreign exchange reserves) with the French Treasury in the operations account opened in the name of each of them. Since the reform of September 2005, BCEAO has been required to deposit 50% of its foreign assets on its operations account.

A new monetary agreement was signed in December 2019 by WAEMU member states and France to reform the CFAF. It lays the foundations for the accession of member countries to the ECO, the single currency project of ECOWAS. In order to enable WAEMU economies to prepare for the ECO, the monetary cooperation agreements linking member states of the zone to France have been profoundly revised. Three decisions were taken:

- The change of the name of the currency from CFA Franc to ECO, when the WAEMU countries join the new ECOWAS ECO zone;
- The end of the centralization of foreign exchange reserves at the French Treasury, the closure of the operations account and the transfer to BCEAO of the resources available in the account;
- The withdrawal of all French representatives in the decision-making and management organs of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key elements of monetary stability have been retained:

- Maintaining the fixed exchange rate against the euro (which ensures the current parity).
- The guarantee of unlimited convertibility of the currency by France.

In May 2020, the bill ratifying the end of the CFA franc was adopted by France in the Council of Ministers. It validates the transformation of the CFA franc, which will become the ECO, by maintaining a fixed parity with the Euro and the end of the centralization of foreign exchange reserves of West African states with the French Treasury.

#### 4.1.2. Description of BCEAO

WAEMU Treaty Article 41 designates the Central Bank of West African States (BCEAO) as an autonomous specialized institution of the Union. In complete independence, BCEAO contributes to the achievement of the objectives of the Treaty.

#### Members

The eight (8) Member States of WAEMU are members of BCEAO. They are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

#### Organs

The organs of the Central Bank are: The Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, the National Credit Councils, with one Council in each of the WAMU Member States

#### Functioning

The Central Bank, its organs, any member of its organs or its staff may not seek or receive instructions or directives from Community institutions or organs, from the governments of WAEMU Member States, from any other body or from any other person. Community institutions and bodies and the governments of WAEMU member states undertake to respect this principle.

The main objective of the Central Bank's monetary policy is to ensure price stability. Without prejudice to this objective, the Central Bank supports the economic policies of the West African Economic and Monetary Union (WAEMU) with a view to achieving sound and sustainable growth.

#### Roles

The Central Bank is entrusted with the following fundamental tasks:

- Defining and implementing monetary policy within WAEMU;
- Ensure the stability of the WAEMU banking and financial system;
- Promote the smooth functioning and ensure the supervision and security of payment systems in WAMU;
- Implement WAEMU's exchange rate policy in accordance with the conditions laid down by the Council of Ministers;
- Manage the official foreign exchange reserves of WAEMU member states.

The Central Bank may carry out, while respecting the monetary balance, specific missions or projects that contribute to improving the monetary policy environment, diversifying and strengthening the WAEMU financial system and technical and professional capacities in the banking and financial sector.

The main objective of the Central Bank's monetary policy is to ensure price stability. To this end, it defines the monetary policy that makes it possible to maintain the external coverage rate of the currency at a satisfactory level and to support the economic activity of the member countries without inflationary pressure<sup>20</sup>.

BCEAO oversees the monetary policy of each member country through the elaboration of money supply and credit targets set on an annual basis. Statutory advances to the national treasuries of member states were suspended in 2001 and abolished as from 2010.

For the management of the common monetary policy, BCEAO relies on market mechanisms and indirect instruments for regulating liquidity, in particular the steering of interest rates and the system of compulsory reserves.

20 The Monetary Policy Committee of BCEAO, at its first meeting held on 14 September 2010 in Dakar, defined the operational objective of price stability as an annual inflation rate in the Union within a margin of  $\pm$  one percentage point (1%) around 2%, with a horizon of twenty-four (24) months.

### 4.1.3. Monetary policy

BCEAO benefits from the exclusive privilege to issue money in all member states of the West African Monetary Union. It issues monetary signs, banknotes and coins, which are legal tender and have the power of discharge in all member states of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The management of the monetary policy of the Member States of the Union by the Central Bank consists of adjusting the overall liquidity of the economy in accordance with the evolution of the economic situation in order to ensure price stability on the one hand and to promote economic growth on the other.

The current money and credit management system relies on market mechanisms and indirect instruments to regulate liquidity, including interest rates and the reserve requirement system.

The functioning of BCEAO is based on:

Open market operations: seven-day and twenty-eight-day refinancing (respectively every week and every month for banks subject to compulsory reserves) allocated at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently 2.0%). Planned auctions are generally calibrated according to BCEAO's forecasts of liquidity needs over the maturity of the operations;

Permanent lending windows: refinancing for 1 to 7 days or 90 to 360 days against government securities and credit applications with maturities ranging from 5 to 20 years, at the request of banks (marginal lending window). The rates of these windows are above the key rate of 200 basis points. As of June 2017, recourse to the lending window has been capped at twice the counterparty's own funds.

The minimum interest rate for bidding in open market operations (tenders) and the interest rate applicable on the marginal lending window (repo rate), the levels of which are set by the Monetary Policy Committee, are 2.00% and 4.00% respectively, and constitute the two main key rates of BCEAO.

### Money supply (Monetary supply)

The monetary supply has steadily increased over the period under review from CFA Francs 1 057.69 billion in 2014 to CFA Francs 1 804.03 billion in 2019. This progression results from the increase in both domestic and foreign assets. However, it should be noted that national assets recorded a decline of 6.2% in 2019 compared to their 2018 level. Deposits represented on average 82.2% of the money supply during the period under review, compared with 17.8% for currency in circulation.

Domestic assets rose over the 2014-2018 period before declining by 6.2% in 2019 from their 2018 level. The decline in 2019 is driven by a 78.7 % decline in the Government's net debtor position compared with 2018.

**Table 28. Evolution of money supply aggregates (in Billion of CFA Francs)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Foreign Assets</b>	<b>309.65</b>	<b>455.63</b>	<b>530.75</b>	<b>546.85</b>	<b>562.20</b>	<b>730.98</b>
Foreign Assets	30.86	158.38	90.60	83.49	68.14	248.94
In the Banks	278.79	297.25	440.15	463.35	494.06	482.04
<b>Domestic assets</b>	<b>943.43</b>	<b>1 118.40</b>	<b>1 183.40</b>	<b>1341.80</b>	<b>1 434.10</b>	<b>1 345.60</b>
<b>To the credit of the State</b>	<b>81.69</b>	<b>59.90</b>	<b>30.95</b>	<b>164.93</b>	<b>208.41</b>	<b>44.26</b>
Central Bank	36.15	51.86	-	-	25.83	-
			13.37	11.84		115.38

Bank	45.55	8.04	44.32	176.77	182.58	159.64
<b>To the credit of the economy</b>	861.74	1 058.46	1 152.48	1 176.87	1 225.69	1 301.29
<b>Others</b>	<b>- 195.38</b>	<b>- 296.52</b>	<b>- 278.45</b>	<b>- 309.98</b>	<b>- 272.20</b>	<b>- 272.51</b>
<b>Money supply (M2)</b>	<b>1 057.70</b>	<b>1 277.47</b>	<b>1 435.72</b>	<b>1 578.67</b>	<b>1 724.09</b>	<b>1 804.03</b>
Currencies in circulation	146.26	240.49	245.23	298.25	335.21	338.70
Deposit	911.44	1 036.98	1 190.49	1 280.42	1 388.88	1 465.33
<b>% increase observed at 31. Dec from n - 1 to n</b>						
<b>Net foreign assets</b>	-	47.1	16.5	3.0	2.8	30.0
<b>Net domestic assets</b>	-	18.5	5.8	13.4	6.9	-6.2
<b>Credit to the State</b>	-	- 26.7	- 48.4	433.7	26.4	-78.7
Central Bank	-	43.6	- 125.8	- 11.9	- 318.6	-547.3
Banks	-	- 82.4	453.8	299.1	3.3	- 12.6
<b>Credit to the Economy</b>	-	22.8	8.9	2.1	4.1	6.2
<b>Money supply (M2)</b>	-	20.8	12.4	10.0	9.2	4.6

Source : BCEAO

Foreign assets increased over the entire period under review from CFA Francs 309.6 billion in 2014 to CFA Francs 730.9 billion in 2019. In 2019, the increase in foreign assets stood at 30.0%, driven by Central Bank assets, against 2.8% in 2018 driven by primary bank assets.

## 4.2 Banking system and financial markets

### 4.2.1 The banking environment

The Togolese banking landscape had 14 banks<sup>21</sup> in 2019 :

- International Bank for Africa in Togo (IBA-TOGO) ;
- Togolese Bank for Trade and Industry (TBTI),

- Togolese Bank Union (TBU),
- Inter-African Bank Corporation (IABC),
- Ecobank - Togo,
- Orabank CI TOGO Branch
- Bank Atlantic TOGO
- Sahelo-Saharan Bank for Investment and Trade TOGO (SBIT- TOGO),
- Popular Bank for Savings and Credit (PBSC),
- NSIA BANK TOGO,
- Bank Of Africa TOGO,
- Post Office Corporation (POC),
- Coris Bank International- TOGO (CBI-TOGO),
- Benin Societe Generale - TOGO branch.

Net foreign assets of commercial banks followed an upward trend over the 2014-2018 period be-

<sup>21</sup> Source : TOGO NDP 2018-2022

fore declining by 2.4% in 2019 compared to 2018. The decline in 2019 is related to a 25.4% increase in liabilities to non-residents. Indeed, commitments to non-residents amounted to CFA Francs 318.64 billion in 2019 against CFA Francs 254.11 billion in 2018.

With regard to credit to the Central Bank, they increased overall during the period under review to CFA Francs 137.74 billion in 2019 against CFA Francs 110.10 billion in 2014. However, it should be noted that in 2017, credit to the Central Bank recorded a 41.1% decline compared to 2016. This decline can be explained by both deposits and cash. During the period under review, deposits averaged 69.4% as against 30.6% in cash, reflecting the financial health of commercial banks.

The net credit to central government amounted to CFA Francs 159.64 billion in 2019 against CFA

Francs 45.55 billion in 2014 in connection with a faster progression of credits compared to that of commitments.

Credit to the economy increased to CFA Francs 1.298.37 billion in 2019 against CFA Francs 858.77 billion in 2014. Over the entire period under review, private sector financing was higher, averaging 92%. In fact, credit to the private sector increased from CFA Francs 801.23 billion in 2014 to CFA Francs 1 127.61 billion in 2019.

Other deposits and transferable deposits included in the broad money supply, and commitments to the Central Bank, constitute the three (3) largest components of commercial bank liabilities. Over the period under review, all liabilities were on an upward trend.

**Table 29. Situation of commercial banks (Billion of CFA Francs)**

	2014	2015	2016	2017	2018	2019
<b>ASSETS</b>						
<b>Net foreign assets</b>	278.79	297.25	440.15	463.35	494.06	482.04
Credit to non-residents	482.79	600.34	773.48	773.84	748.17	800.68
Liabilities to non-residents	- 204.00	-303.08	-333.34	-310.49	-254.11	-318.64
<b>Credits to the Central Bank</b>	110.10	119.51	160.48	94.45	128.75	137.74
Numeric	34.28	37.21	35.25	32.54	38.02	48.39
Deposits	75.82	82.31	125.23	61.86	90.72	89.35
Other Credit to the central bank	0	0	0	0.1	0	0
<b>Net Credit to the central government</b>	45.55	8.04	44.32	176.77	182.58	159.64
Credit to the Headquarters	227.78	207.62	287.71	393.64	474.07	515.26
Commitments to the Headquarters	-182.24	-199.59	-243.39	-216.87	-291.49	-355.62



<b>Credit to the economy</b>	858.77	1055.82	1150.07	1174.15	1222.78	1298.37
Credit to the other financial companies	6.43	6.45	7.50	19.86	16.10	10.87
Credit to the state and local governments	0.00	0.00	0.00	0.00	5.24	0.00
Credit to public non-financial corporations	51.11	59.27	50.62	57.70	118.69	159.89
Credit to the private sector	801.23	990.09	1091.94	1096.59	1082.74	1127.61
<b>Liabilities</b>						
<b>Commitments to the central bank</b>	185.55	174.94	341.78	316.21	350.11	351.90
<b>Transferable deposits included in broad money</b>	395.96	426.66	511.71	534.68	554.34	595.60
<b>Other deposits included in broad money supply</b>	499.79	590.80	659.22	721.94	809.49	841.30
<b>Securities other than shares included in broad money</b>	0	0	0	0	0	0
<b>Deposits excluded from broad money supply</b>	27.33	29.90	39.85	45.59	59.29	75.73
<b>Securities other than shares excluded from the broad money supply</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>	7.00	6.38	6.89	9.92	11.88	22.20
<b>Financial derivatives</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Technical insurance reserves</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Shares and other investments</b>	91.47	108.06	127.78	134.57	131.46	142.11
<b>Other posts (net)</b>	86.11	143.88	107.79	145.80	111.58	48.94

Source : BCEAO, 2020

The rates charged by commercial banks vary according to the nature of the loan or deposit, whether short, medium or long-term. They also vary according to the time of year.

**Table 30. Evolution in interest rates charged by commercial banks by type of loan or deposit in 2019**

<b>Average interest rate on loans granted</b>									
	<b>Average</b>	<b>less than a month</b>	<b>between 1 et 3 mois</b>	<b>between 3 et 6 mois</b>	<b>between 6 mois et 1 an</b>	<b>between 1 et 2 ans</b>	<b>between 2 et 5 ans</b>	<b>between 5 et 10 ans</b>	<b>more than 10 years</b>
January	8.35	9.26	7.17	8.28	9.23	8.01	8.44	8.23	4.94
February	8.59	9.28	8.44	7.21	8.09	8.23	8.56	8.99	3.62
March	7.23	8.94	7.77	8.54	9.22	7.31	6.09	7.08	7.30
April	8.00	9.52	8.38	8.42	9.48	6.79	8.65	8.42	3.71
May	7.27	8.98	5.40	8.36	7.45	7.51	6.85	8.06	4.12
June	7.68	6.30	8.33	7.76	8.52	7.82	7.86	8.90	5.15
July	8.14	9.27	8.19	8.64	6.73	7.18	8.05	8.47	3.89
August	7.75	9.13	6.01	8.80	7.88	9.50	8.14	7.47	4.85
September	7.58	6.92	7.74	8.32	8.34	6.42	8.87	8.49	6.01
October	7.37	9.46	5.78	9.19	7.80	7.71	6.79	7.51	5.80
November	7.54	6.90	8.07	7.71	7.57	8.48	7.30	8.20	4.78
December	7.54	6.91	5.93	8.33	8.36	9.62	7.50	8.10	4.27
<b>Average rate of return on deposits</b>									
	<b>Average</b>	<b>less than 1 month</b>	<b>between 1 and 3 months</b>	<b>between 3 and 6 months</b>	<b>6 months and 1 year</b>	<b>between 1 and 2 years</b>	<b>between 2 and 5</b>	<b>between 5 and 10 years</b>	<b>more than 10 years</b>
January	5.76	5.34	5.71	5.85	5.91	5.67	6.11	nd	6.12
February	5.45	5.37	5.21	5.72	5.84	4.69	5.37	nd	5.26
March	5.64	5.31	5.19	5.87	5.36	5.06	5.94	nd	6.53
April	5.57	5.27	5.88	6.01	5.49	3.42	5.57	nd	4.91
May	5.40	5.36	5.32	5.80	5.55	3.13	5.50	nd	5.26
June	5.46	5.24	5.20	6.17	5.52	5.04	5.89	nd	5.36
July	5.68	5.34	5.97	5.71	5.64	3.95	5.95	nd	4.31
August	5.39	5.31	4.89	5.80	6.38	6.19	4.81	nd	3.84
September	5.78	5.36	5.25	6.06	6.23	6.09	6.10	nd	6.03
October	5.64	5.44	5.51	5.72	6.16	5.86	5.79	nd	5.67
November	5.47	5.38	5.24	6.26	5.67	4.54	5.72	nd	4.48
December	5.46	5.35	5.19	5.80	5.48	5.67	5.51	nd	5.13

Source : BCEAO, 2020

## Microfinance

In Togo, the demographic penetration rate of micro-finance services was 1.3 % in 2018 and 1.1 % in 2014. The rate of use of microfinance services by the adult population (15 years and older) increased from 44.8 % in 2014 to 58.6 % in 2019.

As of September 30, 2019, the total number of Decentralized Financial Structures in Togo was 77 compared to 75 one year earlier. The number of depositors increased from 2.48 million at September

30, 2018 to 2.8 million at September 30, 2019. The amount of deposits increased from CFA Francs 188 009 million as at 30 September 2018 to CFA Francs 209 523 million as at 30 September 2019. Outstanding loans increased by 8.03% between the two periods. Indeed, the amount of outstanding loans increased from 161 272 million CFA Francs to 174 230 million CFA Francs. As at September 30, 2019, the amount of outstanding loans was CFA Francs 12.9 billion and the rate of deterioration of the portfolio was 7.40%.

**Table 31. Microfinance indicators in Togo**

	<b>1T 2018</b>	<b>2T 2018</b>	<b>3T 2018</b>	<b>4T 2018</b>	<b>1T 2019</b>	<b>2T 2019</b>	<b>3T 2019</b>
<b>Number of members/ customers</b>	2 296 892	2 379 985	2 483 190	2 559 933	2 615 380	2 706 712	2 864 379
<b>Number of service points</b>	476	496	515	520	526	518	519
<b>Total number of SFDs</b>	75	75	75	76	76	73	77
<b>Amounts of deposits (in millions CFA Francs)</b>	170 690	178 189	188 009	186 677	198 009	203 490	209 523
<b>Outstanding credits (in millions CFA Francs)</b>	140 324	146 275	161 272	164 942	161 834	163 226	174 230
<b>Amounts of outstanding receivables (in millions CFA Francs)</b>	11 534	12 949	13 709	11 789	11 335	12 232	12 954
<b>Rate of portfolio deterioration</b>	8.22%	8.85%	8.50%	7.15%	7.00%	7.49%	7.40%

Source : BCEAO's Economic and Financial Database 2020

### 4.2.2 Financial markets

The WAEMU financial market is structured around the debt securities market (public and private bonds) and the equity market. The regional public securities market has two (2) components: the auction market and the syndication market.

The public securities auction market is organized and regulated by BCEAO through Agence UMOA-Titres ; while the public securities syndication market, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (CREPMF) and organized by the Regional Stock Exchange (BRVM) and the Central Custodian/Settlement Bank (CC/BS).

### 4.2.2.1 Regional Stock Exchange

The Regional Stock Exchange (BRVM) is a specialized financial institution created on 18 December 1996, in accordance with a decision of the Council of Ministers of the West African Economic and Monetary Union (WAEMU) taken in December 1993.

BRVM is a public limited company with a community public service mission. It is common to the 8 countries of West Africa. BRVM/CC/SB started its activities on 16 September 1998 in Abidjan. Its main missions are the following:

- The organization of the stock market;
- The publication of stock exchange transactions;
- Dissemination of information on the stock exchange;
- The promotion and development of the market.

#### Evolution of BRVM bond and equity market

Since 2016, the WAEMU stock market (BRVM) has been experiencing successive declines that accelerate until 2018 and then slowdown in 2019. It fell from -3.8% in 2016 to -16.81% in 2017 and -29.14% in 2018. However, the decline slows to -3.4% in 2019. This underperformance shows that the WAEMU market did not fully withstand the general downward trend that gripped the world's financial markets. BRVM's decline in 2018 is particularly marked. The stocks preferred in 2015, oriented towards the food

and beverage as well as agribusiness, consumer, automobile and equipment and banking sectors, have experienced a decline.

The fall in BRVM prices could be explained, on the one hand, by the profit-taking of several large investors who had made significant capital gains on their investment. The drop also comes from the readjustment (rectification) after four (4) years of intensive market increases (2012 to 2015) and, on the other hand, from the misunderstanding of the different splits made on the market. New investors are speculating and most listed companies have not reacted to the fall in their capitalization.

During the 2019 financial year, BRVM Composite Index rose from 172.2 on 31/12/2018 to 159.2 on 31/12/2019. The market capitalization of the stock market fell from CFAF 4.845 billion at the end of 2018 to CFAF 4.741 billion at the end of 2019, a drop of 2%.

BRVM also reached the CFAF 236 billion mark in transactions in 2018 and 117.303.543 shares were exchanged for a value of CFAF 174.449.217.023.

Concerning the bond compartment, 6.359.442 bonds were traded for a value of CFAF 61.767.647.783 in 2018. The market capitalization of bonds amounted to CFAF 4.233 billion as at 31 December 2019 against CFAF 3.444 billion the previous year, an increase of 23%. This improvement was driven by the appetite of WAEMU member states to use the regional financial market to support their respective economies.

**Table 32. Evolution of BRVM financial market**

	2013	2014	2015	2016	2017	2018	2019
<b>BRVM 10 index</b>	246	268	290	262	220	154	149
<b>BRVM composite index</b>	232	258	304	292	243	172	159
<b>Composite market capitalization (shares and bonds) in billions of CFA francs</b>	6 706	7 459	9 079	10 216	9 806	8 289	8 973
<b>Equity Market</b>	5 634	6 320	7 500	7 706	6 836	4 845	4 741
<b>Bond Market</b>	1 073	1 139	1 579	2 509	2 970	3 444	4 233
<b>Number of listed companies</b>	37	38	39	43	45	45	46

Source : BRVM

#### 4.2.2.2 Bond market

In 2019, Togo issued seventeen (17) government securities, including fourteen (14) ATBs (Assimilable Treasury Bonds) with maturities ranging from 24 to 60 months and three (03) TABs (Treasury Assimilable Bonds) with a maturity of 12 months. On 11

May 2020, Togo had issued ten (10) bonds, including eight (08) ATBs and two (02) TABs. Assimilable Treasury Bonds (ATBs) are short-term debt securities issued by the government by auction. ATBs (Assimilable Treasury Bonds) are medium- and long-term debt securities issued by the government by auction.

**Table 33. Evolution of BRVM financial market**

INSTRUMENT	TRANSACTION DATE	VALUE DATE	MATURITY	MATURITY (MONTHS)	AMOUNT (MILLIONS OF CFA Francs)	AMOUNT RETAINED (MILLIONS OF CFA Francs)	MARGINAL RATE	WEIGHTED AVERAGE RATE
ATB	08/05/2020	11/05/2020	13/03/2023	36	35 000	22 383.40	6.15	
ATB	08/05/2020	11/05/2020	02/03/2025	60	35 000	16 116,60	6.4	
BAT	17/04/2020	20/04/2020	18/04/2021	12	20 000	22 000.00	5.25	5.04
ATB	13/03/2020	16/03/2020	16/03/2023	36	50 000	31 610.30	6.87	6.81
ATB	13/03/2020	16/03/2020	02/03/2025	60	50 000	10 819.72	6.76	6.51
ATB	13/03/2020	16/03/2020	16/03/2027	84	50 000	12 528.45	6.17	6.15
ATB	28/02/2020	02/03/2020	02/03/2025	60	25 000	27 500.00	6.4	6.37
ATB	14/02/2020	17/02/2020	03/02/2023	36	25 000	27 500.00	6.15	6.14
ATB	31/01/2020	03/02/2020	03/02/2023	36	25 000	27 500.00	6.15	6.11
BAT	17/01/2020	20/01/2020	17/01/2021	12	25 000	27 500.00	4.99	4.95
ATB	04/10/2019	07/10/2019	07/09/2022	36	20 000	22 000.00	6.53	6.39
ATB	06/09/2019	09/09/2019	09/09/2024	60	20 000	22 000.00	6.73	6.62
ATB	09/08/2019	13/08/2019	15/07/2022	36	20 000	22 000.00	6.82	6.55
ATB	26/07/2019	29/07/2019	11/03/2024	60	20 000	22 000.00	6.74	6.68
ATB	12/07/2019	15/07/2019	15/07/2022	36	20 000	22	6.62	6.52
ATB	28/06/2019	01/07/2019	03/06/2022	36	20 000	22 000.00	7.01	6.62
BAT	14/06/2019	17/06/2019	14/06/2020	12	20 000	15 729.00	6	5.83



<b>ATB</b>	31/05/2019	03/06/2019	03/06/2022	36	15 000	16 500.00	6.6	6.29
<b>ATB</b>	17/05/2019	20/05/2019	11/03/2024	60	20 000	22 000.00	6.73	6.62
<b>BAT</b>	19/04/2019	23/04/2019	20/04/2020	12	20 000	22 000.00	5.75	5.63
<b>ATB</b>	05/04/2019	08/04/2019	11/03/2022	36	20 000	22 000.00	7.22	7.17
<b>ATB</b>	08/03/2019	11/03/2019	11/03/2022	36	20 000	16 587.71	7.39	7.26
<b>ATB</b>	08/03/2019	11/03/2019	11/03/2024	60	20 000	5 412.29	7.48	7.34
<b>ATB</b>	22/02/2019	25/02/2019	23/04/2021	24	15 000	13 000.00	8	7.88
<b>ATB</b>	08/02/2019	11/02/2019	11/02/2022	36	20 000	20 000.00	7.99	7.57
<b>ATB</b>	25/01/2019	28/01/2019	28/01/2022	36	20 000	22 000.00	7.58	7.38
<b>BAT</b>	10/01/2019	11/01/2019	09/01/2020	12	20 000	13 625.00	6.5	6.44

Source : WAMU Security Agency

### 4.2.2.3 Stock market

Two companies based in Togo are listed on the Bourse Régionale des Valeurs Mobilières. They are Ecobank Transnational Incorporated (ETI) and ORAGROUP. Ecobank Transnational Incorporated, a bank founded in 1985, joined BRVM on 11 September 2006. It is present in 36 African countries and is currently the second largest bank in Africa. As for the ORAGROUP banking group, it joined BRVM on 16 April 2019. The group is present in twelve countries in West and Central Africa.

### 4.2.3 Debt underwriting mechanisms

Any investor based in or outside the WAEMU may invest in public securities issued by auction or syndication. Orders are placed through authorized market participants: an underwriting syndicate or any MIC operating in the Union in the case of issues by syndication, and credit institutions based in the Union or MICs having an account in the books of the Central Bank in the case of issues by auction. Transactions on BRVM share market are carried out through stock exchange intermediaries, in particular MIC.

#### Organization of market by auction

The auction market is a segment of the public securities market, on which WAEMU member states issue Treasury bills and bonds following an auction procedure in order to finance their budgets.

Unlike the syndication market, the auction market is led by the following players:

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it enacts the applicable provisions, intervenes in the organization of auctions of public securities, acts as Central Custodian / Settlement Bank, clearing, settlement and delivery of transactions between participants with an account in its books, through its electronic platform SAGETIL-UMOA<sup>22</sup> ;
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- Agence UMOA-Titres, a regional structure in charge of issuing and managing public debt securities, materially organises issues and, in this capacity, provides assistance to Member States in mobilizing resources on the capital markets and managing their debt;
- Investors which are credit institutions, IMS and regional financial bodies with a settlement account in the books of the Central Bank<sup>23</sup> ;
- Specialists in Treasury Securities (STs) which are credit institutions and IMSs that have obtained the approval of the Ministers in charge of Finance of WAEMU Member States to act in this capacity and thus benefit from the status of privileged partners of one or more Treasuries of Member States on transactions on public debt securities issued on the regional market.<sup>24</sup>

<sup>22</sup> Automated Securities and Liquidity Management System of the West African Monetary Union.

<sup>23</sup> All other investors wishing to participate will have to go through the approved participants.

<sup>24</sup> The operationalisation of primary dealers in the WAEMU started on 1 March 2016.

Securities issued by auction are traded on the secondary market, following an over-the-counter procedure.

### Organization of the markets by syndication

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public sector consisting of the Regional Council for Public Savings and Financial Markets (**CREPMF**) and a private sector which includes the central structures of the Regional Stock Exchange (BRVM) and the Central Custodian/Bank of Settlement (CC/BS) on the one hand, and the commercial players on the other.

**CREPMF** is the WAEMU's regional financial market regulator (FMR). Its missions are, among others, to :

- To ensure the authorization and control of public offering procedures;
- Authorize market management structures and approve commercial operators;
- Approve the tariffs of commercial operators;
- Regulating the operation of the market;
- Ensure the supervision of the regularity of stock exchange operations.

BRVM is organized at a central site based in Abidjan (Côte d'Ivoire) and represented in each member state by a National Stock Exchange Antenna (NSEA). The main responsibilities of BRVM are:

- Authorization of the scholarship holders to carry out their activity;
- The management of the market, in particular ensuring the centralization of buy or sell orders, the management of the coast, the dissemination of market information, as well as the promotion and popularization of financial culture within the WAEMU;
- The management of unsettled transactions.

The Central Custodian/Settlement Bank (CC/BS) is a financial institution whose role is to:

- To clear applicants for the position of account keeper;

- Ensuring the settlement of negotiations and the management of the financial service of securities;
- Ensure the maintenance of current accounts for securities opened by Management and Intermediation Companies (MIC) in its books;
- To ensure the safekeeping and the scriptural circulation of securities;
- Proceed to the payment in cash, in its capacity as settlement bank, of the balances of stock exchange transactions.

When organizing issues by syndication, the States entrust the process of placing the securities to an underwriting syndicate, whose members are MICs approved by CREPMF. In addition, the issuer chooses a lead manager from among the syndicate's members to carry out specific tasks in the issuance process.

Since its creation, the main products present on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk Debt Securitization Fund) have been introduced. Securities issued by syndication are traded on the secondary market on BRVM's electronic trading platform.

### 4.3 Inflation rate

Since 2015, the inflation is contained within the 3% limit prescribed by the WAEMU. The average inflation rate was 0.8% over the period 2015 to 2019. In 2019, the inflation rate stood at 0.7% compared to 1.8% in 2018. This control of inflation is mainly driven by the availability of local food products, especially food crops, due to the cereal surpluses recorded during the agricultural seasons. In perspective, the fall in prices should fade from 2020 onwards. The rise in inflation in 2020 and 2021 would result from the expected recovery of oil<sup>25</sup> and food prices on the international market, as well as the increase in the price of local cereals, after the decline noted in 2019. Inflation is expected to be 0.8% in 2020 and 0.9% in 2021.

<sup>25</sup> This forecast does not take into account the impact of COVID-19 on petroleum product prices.

**Table 34. Inflation rates in Togo and the WAEMU**

	2015	2016	2017	2018	2019	2020*	2021*
<b>TOGO</b>	1.8	0.9	-0.2	0.9	0.7	0.8	0.9
<b>WAEMU</b>	1.0	0.3	1.2	1.2	-0.7	0.8	1.4

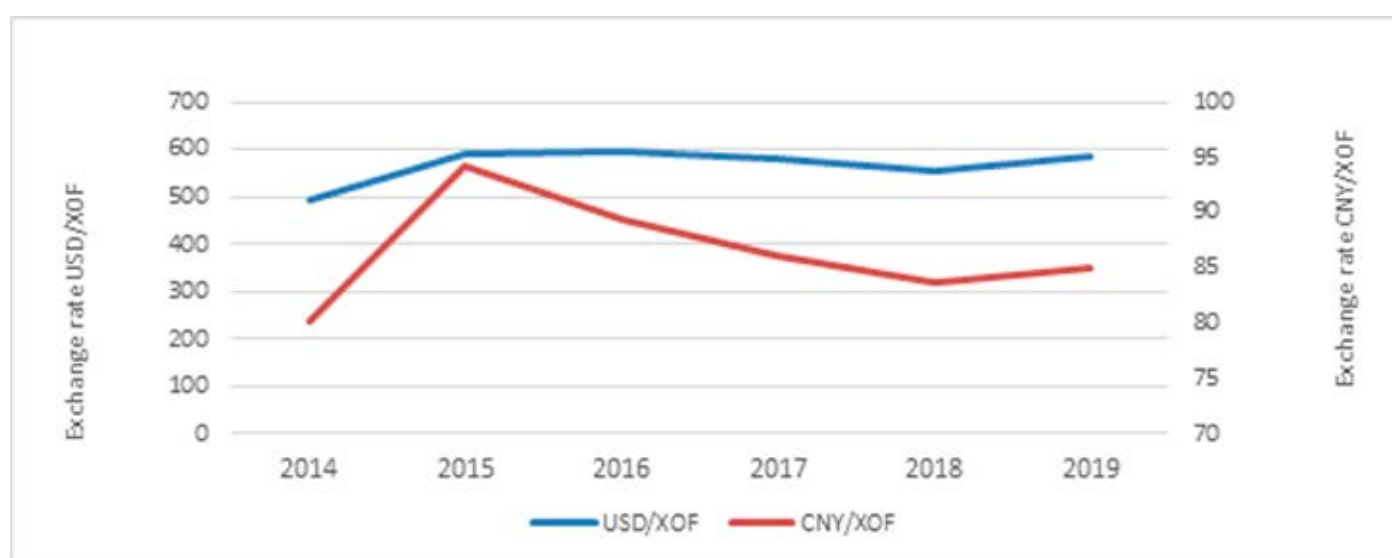
Source : BCEAO and NISEDS Togo, \* central scenario forecasting<sup>26</sup>

#### 4.4 Exchange rates

The dollar/ CFA Francs exchange rate did not fluctuate significantly. It increased between 2014 and

2016 but did not reach the 600 CFA Francs per dollar mark. In 2017 and 2018, there was a slight depreciation of the dollar against the CFA Francs followed by a rise in 2019.

**Figure 6. Evolution of USD/XOF and CNY/XOF exchange rates**



Source : BCEAO

The Chinese currency appreciated from 80.11 CFA Francs per CNY in 2014 to 94.13 CFA Francs in 2015. From 2016, the CNY currency depreciated to reach CFA Francs 84.87 at the end of 2019.

#### 4.5 Foreign reserves

Togo's reserve assets showed a surplus of CFA Francs 106.8 billion in 2019 against CFA Francs 77.7 billion in 2018. Official assets are drawn by the Special Drawing Rights and the IMF reserve position.

**Table 35. Togo's official reserve assets (in millions of CFA Francs)**

	2015	2016	2017	2018	2019
<b>Credit to non- residents</b>	462.7	4512	522.8	428.3	781.1
<b>Official reserve assets</b>	45.4	32.4	45.1	77.7	106.8

<sup>26</sup> Report on Consumer Price Trends in the WAEMU in 2019 and Outlook, March 2020

<b>Foreign Currencies</b>	4.2	3.8	2.4	0.4	1.3
<b>Reserve position in the IMF</b>	1.4	18.6	9.2	17.2	13.7
<b>Assets in SDRs</b>	39.8	10.0	33.5	60.2	91.7
<b>Other foreign assets</b>	417.3	418.8	477.7	350.6	674.3

Source : BCEAO

## 5.1 Balance of paiements

Togo's trade balance is structurally in deficit due to the importance of imports of goods in relation to exports. The trade deficit stood at CFA Francs 347.7 billion in 2018 against CFA Francs 407.3 billion in 2014. Thus, a faster progression of imports in relation to exports is noted. Indeed, over the 2014-2018 period, imports experienced an average increase of 1.4% against 0.15% for exports. Estimates for 2019 forecast a trade deficit of CFA Francs 479.0 billion, up 10.2% from its 2018 level. In 2020, it is expected, in connection with the Covid-19 crisis, a 3% decline in exports against a 2% increase in imports. The trade deficit would remain on an upward trend throughout the period 2020-2024 due to the importance of imports compared to exports.

The balance of the primary income account remained in surplus throughout the period under review, coming out at CFA Francs 10.7 billion in 2018 against CFA Francs 22.8 billion in 2014, mainly driven by the excess of salaries<sup>27</sup> and other primary incomes. Investment income<sup>28</sup>, for its part, recorded a deficit of CFA Francs 14.5 billion, against a deficit of CFA Francs 16.7 billion in 2017. This evolution is mainly related to the increase observed in portfolio investment income received from abroad. For 2019, the estimated primary income balance was CFA Francs 12.1 billion, up 13.0% compared to 2018. In 2020, the income balance would increase slightly CFA Francs 12.5 billion. In 2024, it would reach CFA Francs 14.1 billion.

The balance of the secondary income account showed a surplus and an increase over the entire period under review in line with the increase in secondary income of other sectors, including transfers between individuals or between institutions outside government, remittances from migrant workers other than for investment purposes, including current consumption, health, education, family and religious events, etc. The balance of the secondary income

account showed a surplus and an increase over the entire period under review in line with the increase in secondary income of other sectors, including transfers between individuals or between institutions outside government, remittances from migrant workers other than for investment purposes, including current consumption, health, education, family and religious events, etc. The balance of the secondary income account showed a surplus and an increase over the entire period under review in line with the increase in secondary income of other sectors, including transfers between individuals or between institutions outside government, remittances from migrant workers other than for investment purposes, including current consumption, health, education, family and religious events. The balance of the secondary income account stood at CFA Francs 234.3 billion in 2018 against CFA Francs 158.16 billion in 2014. Estimates for the year 2019 indicate a secondary income balance of CFA Francs 240.1 billion. The balance of secondary incomes would maintain its upward trend until 2024 when it would stand at CFA Francs 364.5 billion.

In line with the evolution of the trade balance and the primary and secondary income balance, the current account showed a deficit of CFA Francs 102.7 billion in 2018 against CFA Francs 226.4 billion in 2014. As a percentage of GDP, the current account balance represented 3.5% in 2018 compared to 3.5% in 2014. Estimates for 2019 point to a current account deficit of CFA Francs 135.9 billion, representing 4.2% of GDP. In perspective, for 2020, the current deficit is expected to deteriorate to CFA Francs 169.3 billion (4.9% of GDP) in line with the deterioration of the trade deficit. On the basis of projections, the current deficit would reach CFA Francs 194.4 billion in 2024. The capital account remained in surplus over the entire period under review at CFA Francs 175.7 billion against CFA Francs 157.5 billion in 2018. It would be CFA Francs 162.5 billion in 2019, down 7.5% com-

<sup>27</sup> Compensation of employees consists mainly of salaries, wages and other benefits paid, on the one hand, to resident staff of diplomatic missions and international organisations and, on the other hand, to non-resident agents by resident entities.

<sup>28</sup> Investment income is dividends paid to shareholders in respect of foreign investment income as well as interest paid on other investments and government debt.



pared to 2018. In 2020, a 37.6% increase in the surplus of the capital account is expected in connection, among other things, with the increase in capital transfers as part of support for the management of the Covid-19 crisis. On the basis of projections, the capital account surplus would reach CFA Francs 270.4 billion in 2024 against CFA Francs 223.6 billion in 2020.

The balance of the financial account showed contrasting trends over the period driven by direct and portfolio investment. It amounted to CFA Francs 99.1 billion in 2018 against CFA Francs 9.8 billion in 2014. It would be CFA Francs 95.5 billion in 2019 and would increase by 42.7% in 2020 to reach CFA Francs 136.1 billion in line with the increase in direct and portfolio investments. In projection, a contrac-

tion of direct investments and portfolio investments is expected, resulting in a contraction of the balance of the financial account. The latter would emerge in 2024 at CFA Francs 50.5 billion against CFA Francs 136.1 billion in 2020.

The overall balance of payments showed a deficit in 2018 compared to a surplus in 2017 and 2016. The deficit of the overall balance in 2018 was CFA Francs 23 billion. Estimates for 2019 indicate a worsening of the deficit, which would amount to CFA Francs 68.8 billion. In 2020, in connection with the deterioration of the current balance, the deficit of the overall balance would reach CFA Francs 81.8 billion. Projections forecast a surplus in the overall balance from 2021 onwards.

**Table 36. Balance of Payments Situation (Billion of CFA Francs)**

ITEM (billions CFA francs)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
							Est	Projections			
<b>Current account balance</b>	<b>-226.4</b>	<b>-272.6</b>	<b>-258.7</b>	<b>-56.1</b>	<b>-102.7</b>	<b>-135.9</b>	<b>-169.3</b>	<b>-161.6</b>	<b>-179.7</b>	<b>-190.7</b>	<b>-194.4</b>
<b>Balance of trade in goods and services</b>	<b>-407.3</b>	<b>-543.0</b>	<b>-487.0</b>	<b>-291.5</b>	<b>-347.7</b>	<b>-388.0</b>	<b>-444.2</b>	<b>-458.4</b>	<b>-501.4</b>	<b>-539.6</b>	<b>-573.0</b>
Exports of the goods	655.5	597.7	614.2	591.5	600.4	631.9	612.9	665.5	724.0	792.0	868.4
Imports of the goods	1 093.9	1 208.5	1 185.9	965.3	1 035.1	1 110.9	1 134.3	1 211.0	1 319.5	1 434.6	1 555.2
<b>Net Services</b>	<b>31.1</b>	<b>67.8</b>	<b>84.7</b>	<b>82.3</b>	<b>86.9</b>	<b>91.0</b>	<b>77.2</b>	<b>87.1</b>	<b>94.1</b>	<b>103.0</b>	<b>113.8</b>
<b>Primary income balance</b>	<b>22.8</b>	<b>83.1</b>	<b>25.8</b>	<b>2.9</b>	<b>10.7</b>	<b>12.1</b>	<b>12.5</b>	<b>12.0</b>	<b>12.5</b>	<b>13.1</b>	<b>14.1</b>
<b>Secondary income balance (transfer)</b>	<b>158.2</b>	<b>187.3</b>	<b>202.4</b>	<b>232.5</b>	<b>234.3</b>	<b>240.1</b>	<b>262.3</b>	<b>284.8</b>	<b>309.2</b>	<b>335.7</b>	<b>364.5</b>
<b>Capital in account</b>	<b>157.5</b>	<b>159.4</b>	<b>163.6</b>	<b>141.4</b>	<b>175.7</b>	<b>162.5</b>	<b>223.6</b>	<b>234.1</b>	<b>245.4</b>	<b>257.4</b>	<b>270.4</b>
<b>Financial account</b>	<b>9.8</b>	<b>-225.5</b>	<b>-159.8</b>	<b>117.8</b>	<b>99.1</b>	<b>95.5</b>	<b>136.2</b>	<b>72.9</b>	<b>49.8</b>	<b>40.3</b>	<b>50.5</b>
Direct investments	150.6	53.7	179.7	-70.3	139.5	114.0	128.3	114.5	81.4	88.4	96.0
Portfolio investments	68.4	-75.5	-160.5	176.6	91.9	59.0	62.5	58.7	55.3	52.2	49.5

Other investments	-209.1	-203.7	-179.1	11.6	-132.4	-77.5	-54.6	-100.3	-86.9	-100.3	-95.0
Statistical errors and omissions	2.2	2.7	2.5	2.2	3.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Overall balance</b>	<b>-76.5</b>	<b>115.0</b>	<b>67.2</b>	<b>-30.2</b>	<b>-23.0</b>	<b>-68.8</b>	<b>-81.8</b>	<b>-0.4</b>	<b>15.84</b>	<b>26.4</b>	<b>25.5</b>

Source : BCEAO, IMF country report, april 2020

## 5.2 Regional trade

### 5.2.1 Regional trade policy

West African countries are engaged in numerous trade negotiations at the regional (integration process), bilateral (Interim Economic Partnership Agreement - IEPAi) and multilateral (World Trade Organisation - WTO and regional EPAs) levels.

Good articulation between the various negotiations at regional and international level (CET; EPAs; WTO, AGOA, etc.) is essential to achieve the trade performance objectives of WAEMU member states.

National and regional trade policies in West Africa depend on different spaces. Indeed, the regional negotiating space is articulated around the following elements :

- The finalization of the Common External Tariff (CET) at ECOWAS level, and thus the constitution of a Customs Union ;
- A space for bilateral negotiations, particularly between the West African region and the union, on the EPA ;
- A multilateral negotiating space, which refers to the rules of the WTO, of which all West African states are members (with the exception of Liberia, which has observer status). It should be noted that each country negotiates individually and that WAEMU and ECOWAS have only ad hoc observer status in the WTO Trade and Development Commission.

With regard specifically to the WAEMU, it has a common commercial policy based in particular on :

- A common market was established on 1 July 1996 for local and unprocessed products (animal, mineral and plant products of the Union) and traditional crafts, and until 1 January 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004 ;
- A customs union set up on 1 January 2000, based on a CET applicable to all WAEMU member countries, comprising four categories of products, taxed from 0 to 20%, in force until 1 January 2015, the date on which the WAEMU CET was replaced by the ECOWAS CET, which enshrines the enlargement of the customs union to the 15 ECOWAS countries.
- Common rules of origin and competition, harmonization of VAT and excise duties, harmonization and mutual recognition of standards, common safeguards and protection measures (degressive protection tax (DPT), cyclical export tax (CET), reference values and anti-dumping duty)

WAEMU also has a regional trade promotion programme, a "Regional Strategy for the Implementation of the WAEMU Aid for Trade Programme" and a "Logical Framework for the Implementation of the WAEMU Aid for Trade Programme".

The overall objective of the Aid for Trade strategy is to help Member States increase their exports of goods. The logical framework provides the basis for a programme that involves international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of Aid for Trade :

- Ensuring ownership and control of trade policies and regulations by experts from Member States and the Commission ;
- To develop intra-regional and international trade of the Member States ;
- Strengthen trade-related infrastructure in the sub-region ;
- Diversify and increase the production capacities of Member States ;
- Make necessary adjustments and take into account other trade-related needs.

policy and regional trade negotiations such as the EPA ; boosting regional production and investment capacity, and consolidating the regional market.

The CET is organized around an architecture including :

- (i) A Tariff and Statistical Nomenclature (TNS), i.e. a common customs nomenclature based on the Harmonized System for the Description and Coding of Goods (HS) of the World Customs Organization (WCO) adopted by the Community ;
- (ii) A schedule of duties and taxes applicable to imported products and which includes : customs duty (CD), statistical fee (SF) and the ECOWAS Community Levy (ECOWAS CL) ;
- (iii) Trade defence measures or additional protective measures, where appropriate, which may generate duties which may affect the final price of products imported into the Community from third countries ;
- (iv) The statistical royalty rate set at 1% applicable equally to all imported products, whether exempt or not ;
- (v) The tax base for the application of the Common External Tariff is ad valorem.

The needs and priorities were identified on the basis of the Regional Economic Programme (REP) which constitutes the reference framework for the WAEMU integration process, as well as existing capacity building programmes in the States.

#### • The Common External Tariff

The rules in force at ECOWAS borders in terms of customs policy are those laid down in the ECOWAS Common External Tariff (CET). The applicable rules of origin are defined by the Trade Liberalization Scheme (TLS).

The CET aims to harmonize customs duties and taxes with a view to deepening economic integration through the establishment of a Customs Union, providing a platform for building the common trade

The tariff structure of the CET is presented in the following table :

Category	Description	Rate
0	Essential social goods	0 %
1	Basic raw materials and capital goods	5 %
2	Intermediate products	10 %
3	Final consumer goods	20 %
4	Specific goods for economic development	35 %

The CET has been established in accordance with the requirements of the World Customs Organization's (WCO) Harmonized System and those of the World Trade Organization (WTO) relating to Regional Trade Agreements (Article 24 of the GATT).

- **Specific rules applicable to external trade in goods of ECOWAS countries**

Several trade regimes are in force within ECOWAS. The following table presents the existing regimes according to trading partners.

PARTNERS	SPECIFIC REGIMES
European Union (EU)	IEPA, GSP, GSP +, TSA
ECOWAS	CET, TLS
Rest of AFRICA	Bilateral agreements
USA	AGOA
ASIA	Bilateral Agreements
Other industrialized countries	Generalized System of Preferences (GSP)
Rest of the world	Bilateral agreements, GSP

Pending the implementation of the EPA, different tariff regimes apply depending on the status of the countries in the framework of trade between ECOWAS and the union:

- **Côte d'Ivoire and Ghana** ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been in provisional application since 4 September 2016 and Ghana's EPA applies since 15 December 2016. These IEPAs guarantee both countries full access to the European market and provide for the eventual liberalization of 80% of tariff lines by Côte d'Ivoire and Ghana over a period of 15 years.<sup>29</sup>;
- Under the GSP, **Nigeria** benefits from a reduction of the union customs duties on about 1/3 of tariff lines and total exemption from customs duties on an additional 1/3 of tariff lines.
- **Cape Verde** benefits from the GSP+ which grants exemption from European customs duties on about 2/3 of the tariff lines;

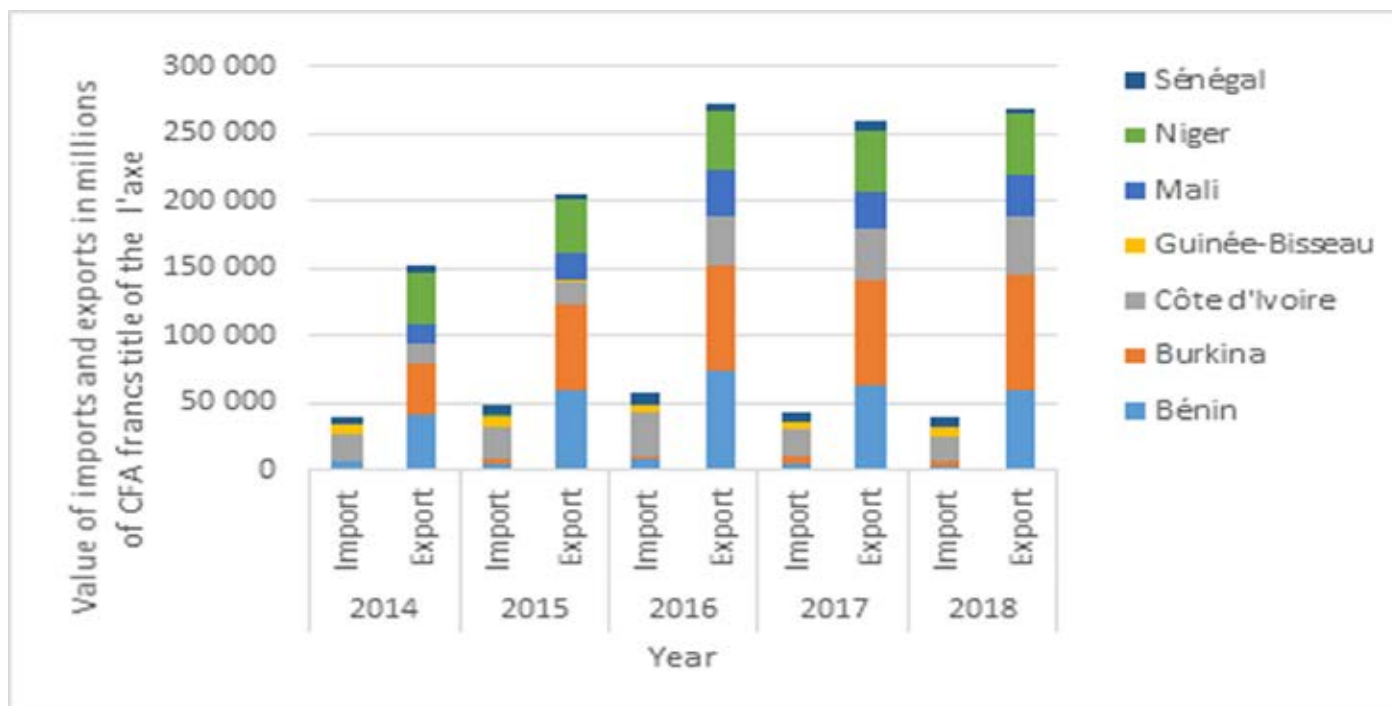
- **The other 12** countries (including the seven WAEMU countries outside Côte d'Ivoire), because of their LDC status, benefit from the Everything but Arms GSP, which gives them access to the European market for all their exports to the union without duties or quotas.

## 5.2.2 Regional trade in value terms

Since 2016, more than half of Togo's exports are destined for the WAEMU. In 2018, exports to member countries of the Union accounted for 52.7 % of total exports by value, compared to 53.6 % in 2017. In absolute terms, exports in 2018 are up by CFA Francs 9.2 billion. This increase is driven by exports to Côte d'Ivoire, Mali and Niger. Togo's trade balance with WAEMU member countries is in surplus over the period 2014 to 2018.

<sup>29</sup> Over 11 years (2019-2029) currently for Côte d'Ivoire.

Figure 7. Value of exports and imports between Togo and the 7 other WAEMU countries



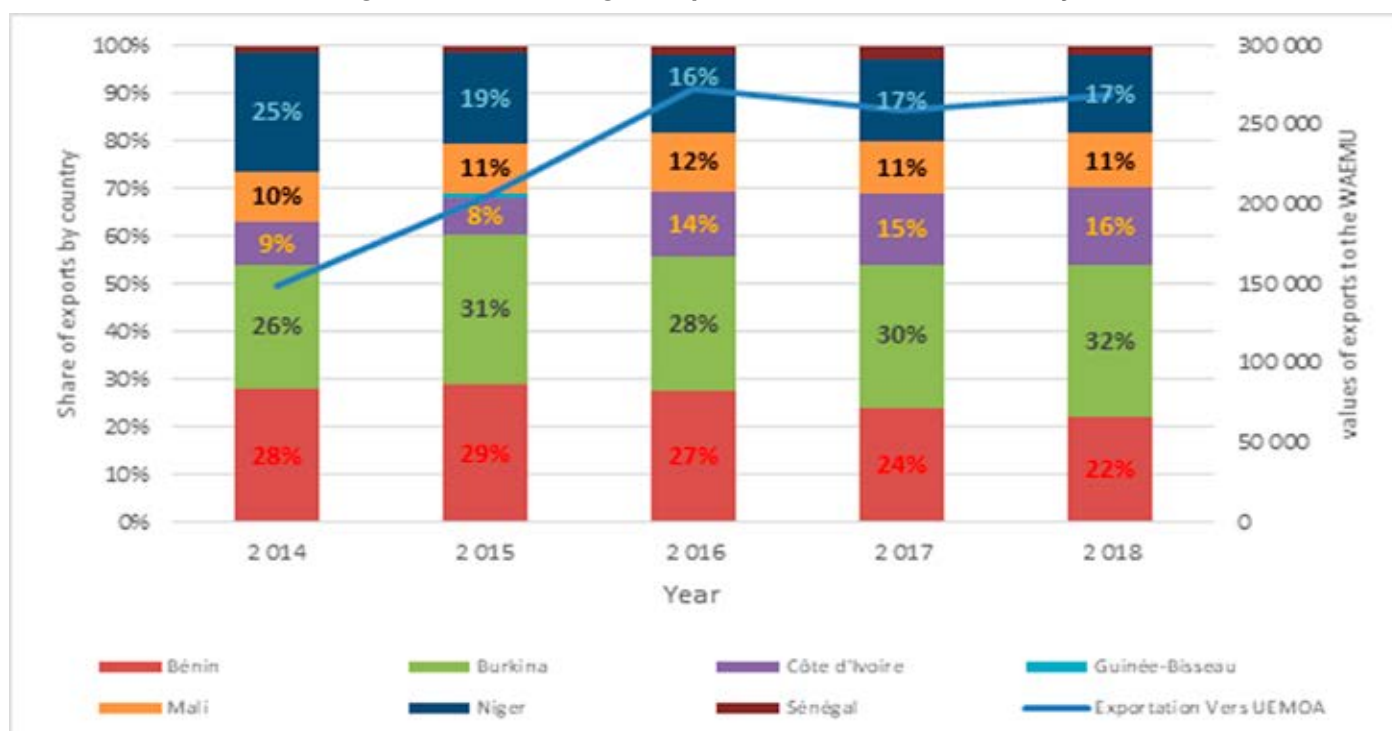
Source : BCEAO

### 5.2.3 Regional trade by partner

Togo's exports are mainly to Burkina Faso, Benin, Niger, Côte d'Ivoire and Mali. Burkina Faso is the first WAEMU country to receive products from Togo with a share of 32% in 2018 against 30% in 2017. It is followed by Benin with a share of 22% in 2018 against 24% in 2017. It should be noted that Benin and Bur-

kina Faso are two countries bordering Togo. Niger has been the 3rd country of destination for Togolese products within the WAEMU with an average of 17% of exports over the last two years. It is followed by Côte d'Ivoire with 16% of Togolese exports in 2018 against 15% in 2017. As for Mali, it receives on average 11% of Togolese exports to WAEMU countries.

Figure 8. Share of Togo's exports to each WAEMU country



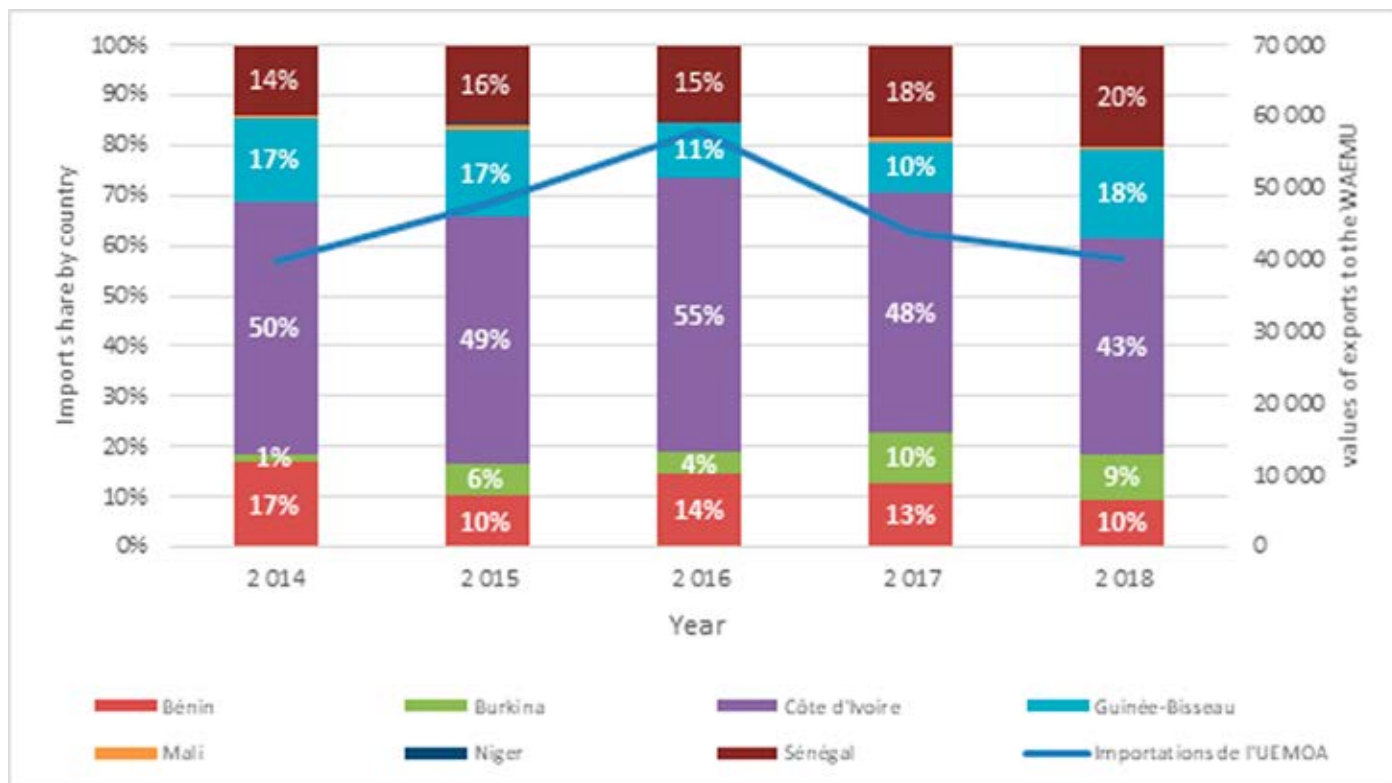
Source : BCEAO



Togo's main supplier within WAEMU is Côte d'Ivoire (49% on average during the period under review). Imports of Ivorian products amounted to CFA Francs 17.4 billion in 2018 against CFA Francs 21.0 billion

in 2017 and CFA Francs 31.7 billion in 2016, marking a decline for the second consecutive year. The other secondary suppliers are Senegal (17%), Guinea Bissau (15%), Benin (13%) and Burkina Faso (6%).6 %).

**Figure 9. Share of Togo's imports from WAEMU countries**



Source : BCEAO

### 5.2.4 Regional trade by type

Togo's exports to WAEMU member countries are made up of manufactured products, minerals, and agricultural products. More specifically, in 2018, Togo exported to :

- Burkina Faso: hydraulic cements, articles for transport or packaging, milk and cream, flat-rolled products of iron or non-alloy steel, wine from fresh grapes, tableware and other household articles, wigs and similar articles of hair, plaits and similar articles of plaiting materials, motorcycles (including mopeds) and cycles fitted with an auxiliary motor, petroleum or bituminous mineral oils, mineral or chemical fertilisers, bulldozers and angledozers, sacks and bags for packaging, wheat or meslin flour, beauty or make-up products, mineral and carbonated waters, and ice cream;
- Benin : cosmetics, transport or packaging

articles, hydraulic cements (including unpulverized cements known as "clinkers"), motor vehicles for transporting goods, malt beers, palm oil and its fractions, sacks and bags for packaging, flat-rolled products, water (mineral and aerated) and non-alcoholic beverages, tubes, pipes and fittings of plastics, crude petroleum or bituminous mineral oils, wigs, plaiting materials and braids, and edible ice ;

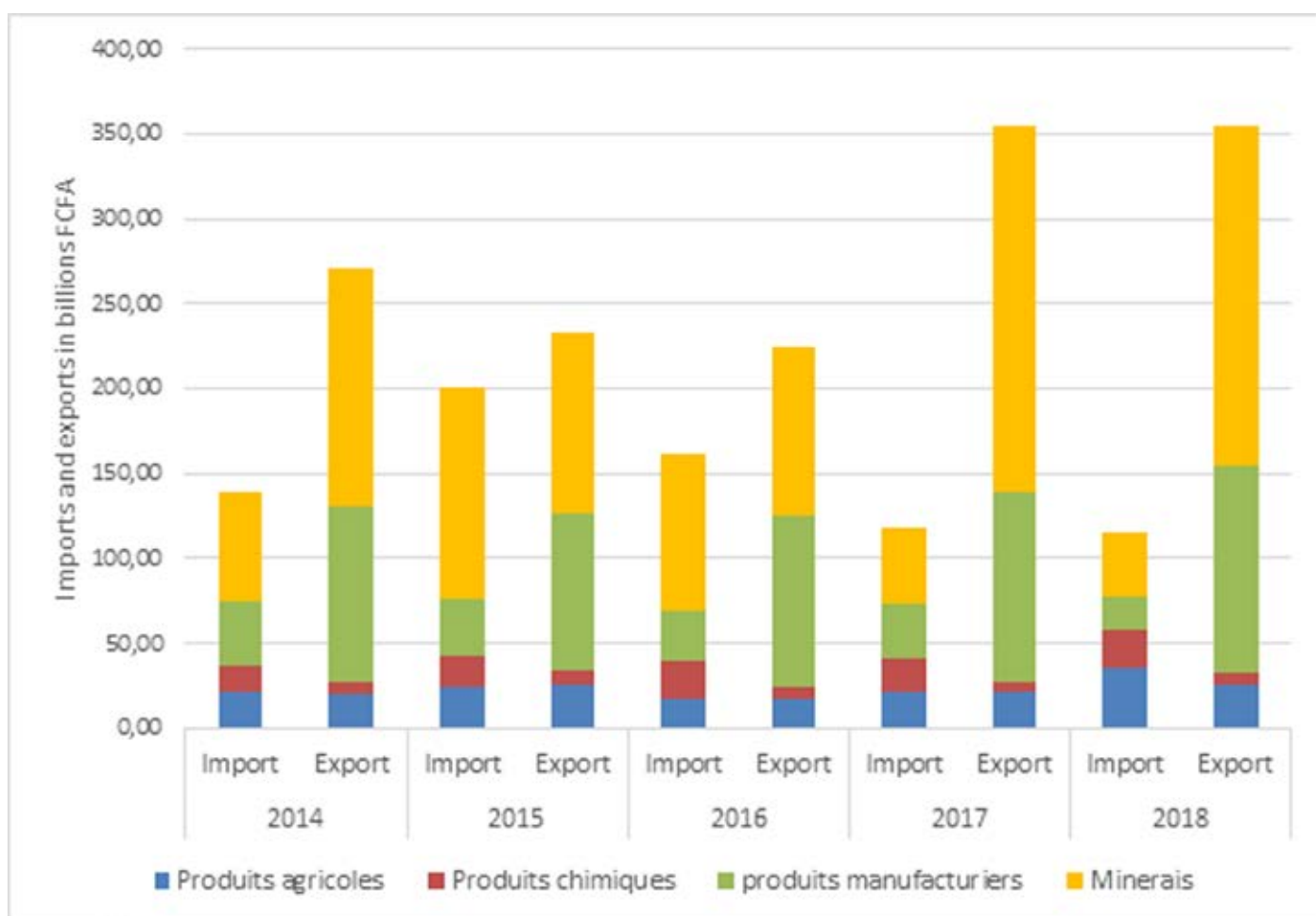
- Niger: palm oil and its fractions, articles for transport or packing, motorcycles (including mopeds), hydraulic cements, plaits and similar articles of plaiting materials, worn clothing and worn textile articles, sugar confectionery (not containing cocoa), wheat or meslin flour, milk and cream, bars, tubes and pipes and their fittings of plastics, and pasta.
- Côte d'Ivoire : cotton cloth, parts of appliances, motorcycles, wine of fresh grapes, milk and cream, cosmetics or make-up, other articles of

plastics and articles of other materials, sugar confectionery, not containing cocoa, and machines and apparatus for sorting, sifting, separating, washing, crushing, grinding, mixing or kneading earth ;

- Mali: motorcycles (including mopeds), articles for transport or packing, tableware, petroleum

oils or oils obtained from bituminous minerals, plaits and similar articles of plaiting materials, beer made from malt, cane or beet sugar and chemically pure sucrose, mineral and aerated waters, and other articles of plastics and articles of other materials.

**Figure 10. Value of exports and imports between Togo and the 7 other WAEMU countries according to product categories (FAFFrancs billion)**



Source : UN Comtrade

Togo's imports from WAEMU countries consist of minerals, manufactured goods, agricultural products and chemicals to a lesser extent. More specifically, in 2018, Togo imported dried and salted fish, frozen fish, soaps, cigars and cigarettes, wire, cables and other insulated conductors for electricity, boxes, bags, pouches and other packaging made of paper or cardboard, crude petroleum oils or bituminous minerals, preparations for soups or broths, cotton fabrics, sacks and bags for packaging, and iron or steel bars.

## 5.3 International trade

### 5.3.1 Trade policy

With regard to customs measures, Togo applies the WAEMU rules of origin, most of which are harmonized with those of ECOWAS. On the basis of the information available, in 2017, 43 enterprises and 233 Togolese products are approved under the preferential regime for intra-Community trade<sup>30</sup>. In addition, Togo has been applying the ECOWAS Common External Tariff (CET) since January 2015, as well as

<sup>30</sup> WEAMU Commission, 2017 report on commercial surveillance in WEAMU space.

other community duties and taxes (excise duties, value added tax). The rate also respects the commitments made to the World Trade Organisation (WTO),

of which it has been a member since 31 May 1995. The customs rules which this implies for the country are set out in the attached table.

**Table 37. Specific rules that apply to imports, exports and partners**

<b>Section A</b>	<b>Tariffs and imports by product group</b>									
<b>Product groups</b>	<b>Final consolidated duties</b>					<b>Applied MFN duties</b>			<b>Imports</b>	
	<b>Average</b>	<b>Exempt en %</b>	<b>Max. Consolidation</b>		<b>Average</b>	<b>Exempt in %</b>	<b>Max.</b>	<b>Share</b>	<b>Exempt in %</b>	
				<b>in %</b>				<b>in %</b>		
Products of animal origin	80.0	0	80	100	24.5	0	35	0.8	0	
Milk products	80.0	0	80	100	17.0	0	35	1.3	0	
Fruits, vegetables, plants	80.0	0	80	100	17.9	0	35	1.0	0	
Coffee, tea	80.0	0	80	100	18.5	0	35	0.2	0	
Cereals & other preparations	80.0	0	80	100	13.6	0	35	6.1	0	
Oilseeds, fats & oils	80.0	0	80	98,8	11.1	0	35	3.7	0	
Sugar and candy	80.0	0	80	100	12.6	0	35	2.2	0	
Beverages and tobacco	80.0	0	80	100	17.3	0	35	2.4	0	
Cotton	80.0	0	80	100	5.0	0	5	0.0	0	
Other agricultural products	80.0	0	80	100	9.6	0	20	0.2	0	
Fisheries and fishery products	80.0	0	80	0,9	15.6	0	20	2.2	0	
Metals & Minerals	80.0	0	80	2,8	11.6	1.9	20	16.9	7.8	
Oil	-	-	-	0	7.7	19.0	10	6.2	0	
Chemical products	80.0	0	80	0.4	7.4	3.8	35	19.8	34.6	
Wood, paper, etc.	-	-	-	0	11.3	5.1	20	2.4	4.4	
Textiles	-	-	-	0	16.1	0.3	35	9.2	1.6	
Clothing	-	-	-	0	20.0	0	20	0.8	0	

Leather, shoes, etc.	80.0	0	80	4.4	12.3	1.3	20	2.2	2.8
Non-electrical machinery	-	-	-	0	6.8	0	20	5.2	0
Electrical Machines	80.0	0	80	0.4	11.2	0.4	20	4.8	1.3
Transport equipment	-	-	-	0	8.1	2.5	20	10.6	0.1
Other manufactured articles, n.e.s.	-	-	-	0	14.2	2.1	20	1.9	0.5
<b>Section B</b>	<b>Exports to major partners and applicable duties</b>								
<b>Main partners</b>	<b>Import. Bilateral</b>		<b>Diversification</b>		<b>MFN Average</b>		<b>Margin</b>	<b>Import. Exempt</b>	
		<b>in million</b>	<b>95% trade in nb SH</b>		<b>of trade in LT</b>		<b>Prefer.</b>	<b>LT</b>	<b>Value</b>
		<b>US\$</b>	<b>2 numbers</b>	<b>6 numbers</b>	<b>Simple</b>	<b>Weighted</b>	<b>Weighted</b>	<b>in %</b>	<b>in %</b>
Agricultural Products									
1. European Union	2017	67	8	11	11.7	2.2	2.2	100.0	100.0
2. China	2017	65	3	3	13.3	12.6	7.8	85.7	88.0
3. Vietnam	2017	58	2	2	2.5	4.3	0.0	50.0	14.3
4. India	2017	29	2	4	24.5	29.0	28.8	72.7	99.3
5. Ghana	2017	21	11	20	19.0	28.0	28.0	100.0	100.0
Non-agricultural products									
1. United Arab Emirates	2016	409	1	1	3.3	0.0	0.0	33.3	100.0
2. Côte d'ivoire	2017	203	1	2	13.7	0.4	0.4	100.0	100.0
3. Benin	2017	195	19	42	14.1	7.8	7.8	100.0	100.0
4. Lebanese Republic	2017	175	1	1	1.7	0.0	0.0	66.7	100.0
5. India	2017	117	6	7	5.8	4.7	4.5	92.0	95.0

Source : WTO

The tariffs applied by Togo vary according to the products. At the import level, average final bound tariffs are around 80 %. With regard to applied most-favoured-nation (MFN) tariffs, average tariffs range from 5 % for cotton to 24.5 % for animal products with a maximum tariff of 35 %.

In terms of exports, Togo's main partners differ according to the nature of the product. For agricultural products, they are India, Vietnam, Ghana and China. Simple average MFN tariffs range from 2.5% for Vietnam to 24.5% for India.

For non-agricultural products, the main partners are the United Arab Emirates, Côte d'Ivoire, Benin, the Lebanese Republic and India. Simple average MFN tariffs range from 1.7% for the Republic of Lebanon to 14.1% for Benin.

### 5.3.2 International trade in value and by destination<sup>31</sup>

Togo's exports increased overall during the period under review, rising from CFA Francs 336.33 billion

in 2014 to CFA Francs 510.780 billion in 2018, but fell back in 2017 compared to 2016. The drop in exports in 2017 is mainly linked to exports to the WAE-MU and more specifically to Benin and Mali. Indeed, exports to the WAEMU recorded a 4.5% decline in 2017 compared to 2016. In 2018, the increase in exports is driven by products destined for Asia, Europe and Africa, in particular WAEMU. The main recipients of Togolese exports are : (i) in Asia, India followed by Malaysia ; (ii) in Africa, Burkina Faso followed by Benin, Niger and Côte d'Ivoire ; (iii) in Europe, France and the United States.

At the continental level, Africa is the leading destination for Togolese exports, accounting for 68.6% of total exports in 2018 against 77.9% in 2014. It is followed by Asia with 18.2% in 2018 against 11.6% in 2014 and Europe (9.8% in 2018 against 10.0% in 2014).

**Table 38. Repartition of exports and imports in millions FCFA by geographical area**

	2014	2015	2016	2017	2018
<b>COUNTRIES OF DESTINATION</b>	<b>EXPORTS OF GOODS (millions CFA Francs)</b>				
<b>EUROPE</b>	<b>33 479</b>	<b>48 037</b>	<b>40 668</b>	<b>42 853</b>	<b>50 132</b>
<b>EUROPEAN UNION</b>	<b>31 254</b>	<b>46 425</b>	<b>39 489</b>	<b>41 399</b>	<b>49 196</b>
<b>EURO ZONE</b>	<b>28 922</b>	<b>44 299</b>	<b>36 247</b>	<b>40 983</b>	<b>48 377</b>
Germany	1 803	1 917	1 104	535	3 685
Belgium	3 107	12 578	5 914	3 951	3 002
Spain	960	2 214	2 673	2 664	2 289
France	12 944	15 753	17 415	25 441	31 993
Irland	12	24	0	0	0
Italy	611	2 676	2 613	2 747	1 416
The Netherlands	8 900	6 861	4 081	4 294	3 423
Other Eurozone countries	585	2 276	2 447	1 351	2 568

<sup>31</sup> This trade does not take into account uncontrolled trade.



<b>OTHER EU COUNTRIES</b>	<b>2 332</b>	<b>2 126</b>	<b>3 243</b>	<b>417</b>	<b>819</b>
Denmark	0	167	109	15	0
Poland	1 577	12	2 002	0	0
United Kingdom	755	1 945	1 094	316	761
Others	0	2	38	86	58
<b>OTHER EUROPEAN COUNTRIES</b>	<b>2 225</b>	<b>1 612</b>	<b>1 178</b>	<b>1 454</b>	<b>936</b>
Norway	0	0	5	7	0
Russia	3	0	29	515	0
Switzerland	873	1 576	1 060	791	592
Ukraine	47	32	84	140	321
Others	1 302	4	0	0	24
<b>AFRICA</b>	<b>262 027</b>	<b>300 029</b>	<b>362 042</b>	<b>348 083</b>	<b>350 549</b>
<b>WAEMU</b>	<b>148 872</b>	<b>204 309</b>	<b>272 331</b>	<b>259 945</b>	<b>269 184</b>
Benin	41 758	59 069	74 600	62 545	59 768
Burkina	38 421	64 334	76 902	78 241	85 684
Côte d’Ivoire	13 538	15 814	37 394	38 778	43 204
Guinea-Bissau		1 277	413	151	173
Mali	15 435	21 664	32 940	27 513	30 622
Niger	37 513	38 856	44 821	44 666	44 508
Senegal	2 208	3 294	5 261	8 051	5 224
<b>ECOWAS (excluding WAEMU)</b>	<b>82 407</b>	<b>59 914</b>	<b>69 925</b>	<b>72 295</b>	<b>69 252</b>
Ghana	35 781	32 264	41 635	33 515	38 454
Guinea	457	1 300	3 578	3 447	2 557
Nigeria	44 748	25 248	23 511	34 131	26 747
Other ECOWAS (excluding WAEMU)	1 422	1 101	1 200	1 201	1 494
<b>EMCCA (CEMAC)</b>	<b>27 479</b>	<b>24 220</b>	<b>13 081</b>	<b>5 262</b>	<b>7 155</b>
Cameroon	4 869	3 459	1 391	1 456	1 135
Congo (Brazzaville)	1 450	2 043	5 116	314	1 423
Gabon	19 354	17 528	5 329	1 804	2 474
Equatorial Guinea	557	444	442	507	422
Central African Republic	776	335	206	314	522

Chad	473	411	597	867	1 180
<b>OTHER AFRICAN COUNTRIES</b>	<b>3 268</b>	<b>11 586</b>	<b>6 706</b>	<b>10 582</b>	<b>4 957</b>
South Africa	215	382	296	140	253
Angola	400	127	49	143	100
Marocco	571	7 991	3 285	1 266	929
Democratic Republic of Congo	1 695	570	1 716	2 133	780
Tunisia	97	308	95	291	126
Others	290	2 209	1 264	6 609	2 770
<b>AMERICA</b>	<b>1 783</b>	<b>16 692</b>	<b>13 679</b>	<b>9 712</b>	<b>9 293</b>
Netherlands Antilles				30	0
Brazil				4	4
Canada	85	9 224	10 806	5 883	6 048
Cuba				33	0
USA	1 662	3 038	2 859	3 638	3 117
Other countries in the Americas	37	4 430	14	124	123
<b>ASIA</b>	<b>39 048</b>	<b>87 821</b>	<b>68 948</b>	<b>70 941</b>	<b>92 720</b>
China	7 112	4 527	5 538	8 630	4 856
India	10 004	38 870	32 540	26 708	39 873
Indonesia	5 405	9 545	4 000	5 765	2 790
Lebanon	133	252	321	402	589
Malaysia	2 510	9 907	9 981	3 994	25 167
Pakistan	666	321	2 588	8 952	1 192
Taiwan	882	57	309	322	675
Vietnam	5 621	7 527	3 020	2 300	6 658
Other Asian countries	6 717	16 815	10 650	13 867	10 922
<b>OCEANIA</b>	<b>0</b>	<b>642</b>	<b>3 665</b>	<b>13 812</b>	<b>8 086</b>
Australia	0	0	3 664	13 791	8 086
Other countries in Oceania	0	642	1	21	0
<b>TOTAL EXPORT</b>	<b>336 336</b>	<b>453 222</b>	<b>489 002</b>	<b>485 401</b>	<b>510 780</b>

COUNTRY OF ORIGIN	IMPORTS OF GOODS (millions CFA Francs)				
<b>EUROPE</b>	<b>382 904</b>	<b>365 549</b>	<b>378 616</b>	<b>324 889</b>	<b>312 400</b>
<b>EUROPEAN UNION</b>	<b>328 534</b>	<b>334 268</b>	<b>322 015</b>	<b>289 446</b>	<b>265 327</b>
<b>EURO ZONE</b>	<b>297 990</b>	<b>292 157</b>	<b>279 168</b>	<b>250 687</b>	<b>228 199</b>
Germany	32 987	37 646	39 948	29 418	27 403
Belgium	44 217	38 969	41 150	30 251	24 397
Spain	40 771	39 481	18 444	16 770	18 448
France	79 510	95 915	94 908	101 347	89 261
Italy	16 429	15 206	13 207	11 518	13 490
The Netherlands	41 660	20 721	45 068	46 590	35 710
Other Eurozone countries	42 416	44 219	26 444	14 792	19 491
<b>OTHER EU COUNTRIES</b>	<b>30 543</b>	<b>42 111</b>	<b>42 847</b>	<b>38 759</b>	<b>37 127</b>
Denmark	1 165	2 986	3 217	4 566	3 376
Latvia	15 171	17 633	7 757	17 377	8 616
United Kingdom	5 638	9 012	8 263	5 595	14 596
Sweden	689	4 569	3 688	1 486	2 946
Others	7 880	7 909	19 923	9 736	7 593
<b>OTHER EUROPEAN COUNTRIES</b>	<b>54 370</b>	<b>31 281</b>	<b>56 601</b>	<b>35 443</b>	<b>47 073</b>
Iceland	61	569	1	41	46
Norway	370	325	239	6 876	2 205
Russia	35 939	23 904	28 907	17 488	33 912
Switzerland	3 068	3 513	13 320	4 802	3 663
Ukraine	1 607	2 610	14 024	5 517	6 511
Others	878	360	111	719	736
<b>AFRICA</b>	<b>109 149</b>	<b>181 360</b>	<b>146 495</b>	<b>161 460</b>	<b>163 228</b>
<b>WAEMU</b>	<b>39 924</b>	<b>47 889</b>	<b>57 993</b>	<b>43 830</b>	<b>40 364</b>
Benin	6 775	4 876	8 356	5 597	3 840
Burkina	579	3 020	2 569	4 291	3 566
Côte d'ivoire	20 085	23 670	31 739	21 044	17 437
Guinea-Bissau	6 774	8 242	6 334	4 471	7 079
Mali	54	545	119	322	222
Niger	68	56	29	55	8
Senegal	5 590	7 480	8 848	8 050	8 212

<b>ECOWAS (excluding waemu)</b>	<b>37 417</b>	<b>42 397</b>	<b>54 115</b>	<b>67 008</b>	<b>66 927</b>
Ghana	31 095	34 528	36 036	38 782	29 230
Nigeria	6 317	7 840	17 844	28 166	37 645
Other ECOWAS (excluding WAEMU)	4	29	235	59	51
<b>EMCCA (CEMAC)</b>	<b>290</b>	<b>839</b>	<b>1 419</b>	<b>323</b>	<b>174</b>
Cameroon	274	781	462	59	71
Congo (Brazzaville)	0	2	55	1	0
Other EMCCA	15	57	902	263	103
<b>OTHER AFRICAN COUNTRIES</b>	<b>31 519</b>	<b>90 235</b>	<b>32 968</b>	<b>50 299</b>	<b>55 763</b>
South Africa	15 204	50 339	10 714	24 282	16 346
Egypt	3 206	3 514	3 014	5 383	9 803
Marocco	9 006	23 172	10 385	5 846	13 559
Mauritania	1 723	5 982	4 688	7 025	10 437
Mozambique	0	0	1 652	5 569	38
Seychelles	0	0	0	0	0
Tunisia	1 595	2 217	1 720	1 382	1 658
Others	786	5 012	796	811	3 923
<b>AMERICA</b>	<b>49 261</b>	<b>52 410</b>	<b>51 496</b>	<b>43 448</b>	<b>71 398</b>
Netherlands Antilles	3 870	1 606	0	0	0
Brazil	9 973	12 990	9 062	14 120	10 455
Canada	5 543	7 430	9 004	5 422	5 954
Cuba	0			1	198
Mexico	829	2 247	1 767	1 401	2 306
USA	25 951	25 279	20 335	18 854	44 948
Other countries in the Americas	3 095	2 858	11 328	3 650	7 537
<b>ASIA</b>	<b>317 188</b>	<b>426 627</b>	<b>510 012</b>	<b>407 906</b>	<b>425 902</b>
Saudi Arabia	19 309	25 061	30 514	29 662	20 914
China	151 984	205 805	299 902	184 195	202 173
South Korea	11 914	11 637	13 524	10 702	9 814
United Arab Emirates	8 102	14 945	16 786	13 166	21 637
India	27 766	39 378	34 696	33 426	40 481

Japan	33 302	41 780	46 213	47 561	42 198
Lebanon	3 535	2 456	2 239	1 401	2 152
Malaysia	7 842	10 049	11 105	14 723	14 998
Thaïlande	18 839	17 248	10 127	12 459	11 253
Turkey		13 399	15 744	15 447	19 649
Other Asian countries	34 596	44 870	29 163	45 163	40 634
<b>OCEANIA</b>	<b>637</b>	<b>88</b>	<b>380</b>	<b>474</b>	<b>429</b>
Australia	557	55	379	474	429
Other countries in Oceania	79	33	1	0	0
<b>TOTAL IMPORTS</b>	<b>859 139</b>	<b>1 026 033</b>	<b>1 086 999</b>	<b>938 177</b>	<b>973 358</b>

Source : BCEAO

Imports increased between 2014 and 2016 before declining in 2017. The decline in imports in 2017 is due to imports from Asia, particularly China, and from Europe, especially Belgium and Germany. In 2018, an upturn in imports was noted, driven by products from the United States of America, China, Russia, Morocco and Nigeria. Togo's main partners in terms of imports are (i) in Asia, China ; (ii) in Europe, France and (iii) in Africa, Nigeria, Ghana and Côte d'Ivoire.

Asia remains the first continent of origin of Togo's imports in 2018, with 43.8%, followed by Europe with 32.1%. China is Togo's main partner. It is followed by France. Africa's share of imports was 16.8%. In Africa, Nigeria is Togo's main supplier. In the WAEMU zone, Côte d'Ivoire is Togo's main supplier.

### 5.3.3 International trade in value and by product

In terms of structure, exports have diversified, with a decline in the relative share of traditional products

such as cement and phosphates, although there is a slight increase in 2018 compared to 2017 for these products. The importance of cotton has increased and exports of coffee, cocoa, chemicals and steel products have picked up.

Overall, the increase that began in 2017 in the share of agricultural products, industrial products, and petroleum products (for re-export) continued. Mining products also increased in 2018 after a decline in 2017. Industrial products were Togo's largest export item, accounting for 45.7% in 2018, compared with 47.2% in 2017. They mainly consist of machinery and transport equipment, food products, chemicals and other manufactured products. The second item is agricultural products, which accounted for 19.5% of total exports in 2018 against 18.2% in 2017. Mining products accounted for 19.5% in 2018 against 18.7% in 2017. They consist mainly of phosphate and clinker.



*Table 39. Value of exports and imports in millions CFA Francs by product*

	<b>2014</b>	<b>2 015</b>	<b>2 016</b>	<b>2 017</b>	<b>2 018</b>
<b>EXPORTS OF GOODS</b>	<b>335 396</b>	<b>453 221</b>	<b>489 001</b>	<b>485 401</b>	<b>510 794</b>
<b>Agricultural Products</b>	<b>62 273</b>	<b>92 829</b>	<b>68 172</b>	<b>88 579</b>	<b>101 197</b>
Cacao	14 443	14 551	8 128	3 125	5 084
Coffe	7 844	11 540	4 638	1 482	6 679
Cotton Fiber	28 615	37 393	30 224	42 281	49 075
Other agricultural raw materials	1 551	1 396	1 641	4 711	1 208
<b>Other Products of Plant Origin</b>	<b>9 820</b>	<b>27 949</b>	<b>23 541</b>	<b>36 980</b>	<b>39 151</b>
Oilseed	6 877	25 741	21 275	30 694	27 197
Cereals and flours	837	319	146	1 579	2 756
Chillies and Spices	383	8	9	1	3
Vegetables and fruits	1 430	1 643	1 808	4 578	9 062
Flowers and cuttings	-	25	47	14	15
Other products of plant origin	293	212	256	114	117
<b>Mining products</b>	<b>86 355</b>	<b>98 781</b>	<b>100 119</b>	<b>90 707</b>	<b>99 522</b>
Phosphates	55 056	59 249	46 869	39 603	46 211
Clinker	28 371	38 237	53 250	51 104	53 311
Iron minerals	2 928	1 295	-	-	-
<b>Petroleum Products</b>	<b>35 299</b>	<b>21 737</b>	<b>25 210</b>	<b>41 897</b>	<b>46 205</b>
<b>Industrial Products</b>	<b>146 166</b>	<b>207 935</b>	<b>270 335</b>	<b>229 190</b>	<b>233 563</b>
Cement	19 105	7 860	6 373	4 000	4 497
Steel products	19 191	16 162	13 607	12 413	17 078
Food products	24 862	43 131	57 969	42 659	36 090
Textiles and articles of clothing	27 316	27 426	21 393	22 901	22 637
Chemical products	22 113	41 087	46 917	38 435	43 149

Machinery and equipment for transport	14 097	35 003	61 108	50 873	52 061
Other manufactured products	19 483	37 266	62 968	57 909	58 051
<b>Other products</b>	<b>5 303</b>	<b>31 939</b>	<b>25 165</b>	<b>35 028</b>	<b>30 307</b>
<b><u>IMPORTS</u></b>	<b>859 139</b>	<b>1 026 033</b>	<b>1 086 999</b>	<b>938 177</b>	<b>973 358</b>
<b>Consumer Goods</b>	<b>258 169</b>	<b>315 041</b>	<b>349 043</b>	<b>342 444</b>	<b>335 975</b>
Food products	100 868	117 436	117 793	123 684	132 643
Beverages	6 075	7 573	7 644	10 544	11 048
Tobacco	6 093	5 057	5 053	4 952	5 727
Pharmaceutical products	44 097	59 171	60 276	65 005	52 990
Chemical products	30 606	35 948	37 332	36 029	37 005
Other manufactured products	70 429	89 856	120 944	102 230	96 562
<b>Energy and lubricants</b>	<b>160 178</b>	<b>145 522</b>	<b>142 260</b>	<b>145 716</b>	<b>166 873</b>
Lamp oil	5 978	4 830	2 623	2 727	2 860
Gasoline	44 789	36 909	42 836	40 375	56 321
Diesel and fuel oil	68 614	60 132	63 366	62 735	62 011
Lubricating oils	10 707	9 337	11 928	10 737	13 168
Butane and other gases	6 175	6 068	6 346	6 452	9 655
Bitumen and bitumen products	19 671	26 296	13 223	20 433	22 686
Others	4 244	1 949	1 938	2 257	173
<b>Raw Materials and Semi-finished Products</b>	<b>213 856</b>	<b>287 701</b>	<b>272 361</b>	<b>247 555</b>	<b>260 891</b>
Raw materials	59 270	45 123	36 034	47 757	51 032
Including Wheat	16 565	17 072	21 790	21 028	22 135

Semi-finished products	154 587	242 579	236 327	199 798	209 859
Including steel products	124 146	177 303	163 486	158 648	160 370
Other materials of construction	11 368	22 437	13 974	9 151	8 011
<b>Capital Goods</b>	<b>226 937</b>	<b>277 769</b>	<b>323 336</b>	<b>202 462</b>	<b>209 619</b>
Finished products for agriculture	2 065	6 868	3 474	2 138	2 005
Finished products for industry	224 871	270 901	319 862	200 324	207 614

Source : BCEAO

In contrast, the structure of imports remained relatively stable. Imports consist largely of manufactured goods (84% on average over the period under review) and primary materials and semi-finished products to a lesser extent (26%). Manufactured products are made up of capital goods, consumer goods and energy and lubricants.

Consumer goods are the first item with 34.5% of total imports in 2018 against 36.5% in 2017. They are followed by raw materials and semi-finished products (26.8% in 2018 against 26.4% in 2017), capital goods (21.5% in 2018 against 21.6% in 2017) and energy and lubricants (17.1% in 2018 against 15.5% in 2017).

With the National Development Plan 2018-2022 currently being implemented, imports of capital goods are expected to increase thanks to the establishment of production units in the manufacturing sector, particularly for the processing of agricultural products (agri-foodstuffs) but also with the strengthening of energy capacity. Eventually, Togo will see an increase in exports of food products.

#### 5.4 Foreign Direct Investment

FDI in Togo is only allowed in certain sectors. Foreign ownership of land is restricted and capital transactions are subject to government controls or approval. FDI flows into Togo have been particularly low and unstable in recent years. An improved business environment and the launching of power plant construction projects should facilitate an increase in FDI in the coming years.

Togo's outward FDI flows have been higher since 2014. Thus, the stock of outward FDI has significantly increased over the period 2014 to 2018. It rose from CFA Francs 861.88 billion in 2014 to CFA Francs 1.383.95 billion in 2018, an average annual increase of 9%. The incoming stock, for its part, increased from CFA Francs 724.16 billion in 2014 to CFA Francs 994.49 billion in 2018 after reaching CFA Francs 1 031.35 billion. The incoming stock essentially finances financial activities and services.

**Table 40. Foreign direct investments 2014-2018 (in billions FCFA)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Incoming flow</b>	26.61	152.48	-27.46	51.39	56.67
<b>Outgoing Flow</b>	176.97	206.12	152.28	-18.92	144.17
<b>Incoming Stock</b>	724.16	927.39	874.09	1 031.35	994.49
<b>Outgoing Stock</b>	861.88	1 128.49	1 240.57	1 365.43	1 383.95

Source : UNCTADSTAT

France, the United States, Canada, Brazil and China are the main providers of FDI in Togo. It should also be noted that FDI comes from some African countries, especially from WAEMU countries, but also Nigeria.

Based on the results of the Coordinated Direct Investment Survey (CDIS) for 2018, net capital outflows mainly concerned the "Financial Intermediation, Insurance and Retirement" branch. The main country responsible for these net outflows is Nigeria.

**Table 41. Foreign direct investments by country of origin (in millions of FCFA)**

	<b>2014</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>	
	<b>Amount</b>	<b>share (%)</b>	<b>Amount</b>	<b>share (%)</b>	<b>Amount</b>	<b>share (%)</b>	<b>Amount</b>	<b>share (%)</b>	<b>Amount</b>	<b>share (%)</b>
<b>Stock of financial assets</b>	<b>1 617.33</b>	<b>100%</b>	<b>1 894.21</b>	<b>100%</b>	<b>2 107.59</b>	<b>100%</b>	<b>1 892.56</b>	<b>100%</b>	<b>1 997.96</b>	<b>100%</b>
Other WAEMU countries	260.61	<b>16%</b>	238.80	13%	244.03	12%	198.31	10%	231.95	12%
Euro Zone	35.61	<b>2%</b>	44.71	2%	185.65	9%	41.84	2%	42.90	2%
Other countries	1 321.11	<b>82%</b>	1 610.70	85%	1 677.91	80%	1 652.41	87%	1 723.11	86%
<b>Stock of financial liabilities</b>	<b>539.72</b>	<b>100%</b>	<b>703.41</b>	<b>100%</b>	<b>1 477.23</b>	<b>100%</b>	<b>1 167.32</b>	<b>100%</b>	<b>1 180.39</b>	<b>100%</b>
Other WAEMU countries	101.66	<b>19%</b>	137.93	20%	96.15	7%	206.37	18%	287.08	24%
Euro zone	147.46	<b>27%</b>	146.43	21%	30.80	2%	81.85	7%	365.93	31%
Other countries	290.60	54%	419.05	60%	1 350.28	91%	879.10	75%	527.38	45%

Source : BCEAO

It should also be noted that two important partnerships have been signed between the Togolese state and DIL (Dangote Industries Limited) in the mining sector in 2019. These agreements amount to a total of US\$2.6 billion. These two agreements are in line with the NDP (National Development Plan, 2018-2022), which has the great ambition to revive the Togolese economy from a structural point of view and to establish it as an essential financial hub in the sub-region.

The projects focus on : (i) the valorization and transformation of Togolese phosphate (the main mineral wealth of this West African State) into phosphate fertilizers in order to supply the entire West African sub-region, and (ii) the establishment of a new cement plant on Togolese soil with Togolese and Nigerian clinker as raw material.

## 5.4.1 FDI by sector

The main sectors of the economy benefiting from foreign direct investment in Togo are cotton, infrastructure, coffee and cocoa, manufacturing and extractive industries (phosphates), trade, telecommunications and the financial sector. Investment projects have focused on : i) the construction of a third quay by Bolloré for 72.0 million euros in 2013-2014, ii) the construction of a container terminal and a new dock at the autonomous port of Lomé by Lomé Container Terminal for 250.0 million euros over the period 2013-2016; 250.0 million over the period 2013-2016; (iii) the construction of a 100 MW power plant by Contour Global at a cost of \$195.0 million; and (iv) the extension of the Lomé International Airport, as well as the construction and renovation of hotels.

The cost of the airport extension amounted to EUR 131.0 million financed by Eximbank China. With regard to hotels, two major investments have been made since 2012 and have made it possible to make up for the deficit in world-class hotels in Lomé. These are the renovation of the February 2 hotel at an estimated cost of 37.0 billion CFA Francs and the construction of a 120-room hotel by the Onomo Group. In the mining sector, Scan Togo-mines, a subsidiary of the German company Heidelberg Cement, has invested US\$258 million in the construction of two plants, one for the production of clinker and the other for the production of cement in the northern part of Togo.

## 5.5 Regional integration

### 5.5.1 WAEMU convergence criteria

The WAEMU Convergence, Stability, Growth and Solidarity Pact comprises five (05) criteria divided

into first-tier and second-tier criteria.

#### The First-tier criteria

Ratio of the budget balance including grants to nominal GDP (key criterion) : should be greater than or equal to -3%.

- Average annual inflation rate : should be maintained at a maximum of 3% per year.
- Ratio of domestic and external debt stock to nominal GDP : should not exceed 70%. Le respect des critères de premier rang permet de passer à la phase de stabilité.

#### The second-tier criteria

- Ratio of the wage bill to tax revenue : should not exceed 35%.
- Tax burden ratio : should be 20% or more.

Togo's performance in meeting the convergence criteria has been inconsistent.

At the level of the primary criteria, only the criterion on the inflation rate has been met from 2014 to 2019. The key criterion on the budget balance has been met only in the last three years. The criterion on domestic and external debt was met in 2019.

As regards the second-tier criteria, they are not met in 2014 and 2019. For the year, 2020, it is expected that the balance criterion will not be met in relation to the increase in public expenditure resulting from the implementation of the covid-19 pandemic-related expenditure.



**Table 42. Evolution of the TOGO convergence criteria**

		2014	2015	2016	2017	2018	2019	2020
<b>First row</b>								
Overall fiscal balance, including grants, on GDP (%)	$\geq -3\%$	-6.9%	-8.9%	-9.5%	-0.3%	-0.8%	-1.2%	-3.6
Annual inflation rate (% change in average indices)	$\leq 3\%$	0.2	1.8	0.9	-0.2	0.9	0.7	2.0
Total public debt outstanding in relation to nominal GDP (in %)	$\leq 70\%$	60.8	70.6	79.9	72.8	73.9	68.7	65.3
<b>Second row</b>								
Wages and salaries as % of tax revenues (R.F.)	$\leq 35\%$	38.8	40.2	41.1	42.9	40.7	38.9	39.6
Tax revenues on GDP (in %)	$\geq 20$	16.36	17.30	16.8	16.1	16.5	17.2	17.5

Source : WAEMU-NEPC Commission Togo, IMF country report April 2020

## 5.5.2 Review of regional integration

In December 1999, an additional act to the treaty creating WAEMU, dealing with the convergence of member states was adopted. This was the birth of the Convergence, Stability, Growth and Solidarity Pact (CSGP). It is composed of four first-tier and four second-tier criteria. Failure to comply with the first-rank criteria leads to the explicit formulation of guidelines by the Council of Ministers requesting the member country concerned to draw up and implement a programme of corrective measures. The second-tier criteria, on the other hand, are treated as indicative structural benchmarks that are rigorously monitored because of their crucial role in achieving the objective of internal and external sustainability of the economies. However, there are no explicit recommendations for their non-compliance.

The deadline for achieving the various criteria defined in the CSGP was initially set at 31 December 2002. In the long run, the convergence objective was

not achieved. This led to an extension of the deadline first in 2005, then to 2008 and finally to 2013. In 2013, almost fifteen years after the adoption of the convergence pact, the balance sheet reveals unsatisfactory results leading to the revision of the CSSP and the definition of a new pact in 2015 by the Additional Act N°01/2015/CCEG/WAEMU expiring on 31 December 2019.

In terms of evaluation of Community projects and programmes, in 2019, significant progress was noted in the implementation of one hundred and thirteen (113) Community reforms examined in particular in three areas: economic governance and convergence, the common market and sectoral policies. Overall in 2019, Togo recorded a rate of 71% in terms of transposition and implementation of reforms compared to 64% in 2018, an increase of 7 points.

With regard to economic governance and convergence, WAEMU has evaluated twenty-five (25) texts. An average rate of 73% was raised in 2019 against

50% in 2018, i.e. an increase of 23 points. With regard to the common market, the evaluation covered thirty-nine (39) texts and the average implementation rate stabilised at around 63% between 2018 and 2019.

For sectoral reforms, forty-nine (49) texts were evaluated. The implementation rate rose from 73% in 2018 to 77% in 2019, an increase of 4 points.

The analysis of convergence achievements over the period 2014-2018 shows that, for each year, Togo has not met all the criteria. Only one criterion was

met throughout the period under review. This is the criterion relating to the inflation rate, compliance with which is linked to the good performance of the agricultural sector. The criterion on the budget balance has been met over the last three years. As regards the debt criterion, from 2015 Togo's debt ratio has exceeded the 70 percent standard set by the CSGP and has been maintained until 2018 due to significant investments. Since 2017, Togo has concluded a programme with the IMF aimed at stabilising the macroeconomic framework, consolidating government finances and thereby reducing the debt ratio. In 2019, the debt ratio fell below 70%.

## 6.1 Business Climate

The business environment has been considerably reformed in Togo. For the second consecutive year, the country is among the ten economies that have reformed their regulations for business facilitation the most. Togo has thus become the first reforming country in sub-Saharan Africa and the 3<sup>rd</sup> in the world according to the Doing Business 2020 report.

It ranks 97<sup>th</sup> out of 190 countries, with a score of 62.3 points compared to 55.3 points in the 2019 ranking. This reflects a good performance with an improvement in the score obtained in absolute terms of 7 points and an increase of 40 places compared to the previous report.

Table 43. Ranking Doing Business Togo

	2015	2016	2017	2018	2019	2020
<b>(Number of countries classified)</b>	<b>(189)</b>	<b>(189)</b>	<b>(190)</b>	<b>(190)</b>	<b>(190)</b>	<b>(190)</b>
<b>Overall Rank</b>	<b>149</b>	<b>150</b>	<b>154</b>	<b>156</b>	<b>137</b>	<b>97</b>
<b>Starting a business</b>	134	133	123	121	74	15
<b>Obtaining of a building permit</b>	170	179	180	173	133	127
<b>Electricity connection</b>	134	109	147	142	105	99
<b>Transfer of property</b>	182	182	183	182	127	56
<b>Obtaining credit</b>	131	133	139	142	144	48
<b>Protection of minority investors</b>	122	155	145	146	149	120
<b>Payment of taxes and duties</b>	163	163	169	173	172	174
<b>Cross - border trade</b>	112	126	117	121	129	131
<b>Enforcement of contracts</b>	134	125	145	143	137	140
<b>Regulation of Insolvency</b>	93	93	87	81	86	88

Source : Doing Business Reports, World Bank

Togo is one of the economies with the greatest improvement in the ease of conducting business activities in West Africa. Indeed, it has continued its initiatives aimed at improving the business climate. Since September 2017, the Business Climate Unit was created with the aim of establishing optimal conditions for the effective implementation of reforms. Thanks to it,

Togo has accelerated the implementation of important reforms in five areas :

- **The creation of a company has been facilitated by the abolition of the obligation to have documents authenticated and by the shortening of the registration period.**

Togo recorded a 6.4 point jump in the DB 2020 compared to the Doing Business 2019 index. Indeed, the deadline for obtaining a business creation card at the Center for Business Formalities (CBF) has been reduced to 7 hours since February 28, 2019 with the possibility of submitting the business creation application online with mobile payment since March 6, 2019. In addition, the possibility offered to create Limited Liability Companies (LLC) by private deed without recourse to a notary has made it possible to drastically increase the creation of LLCs, which now represent more than 85% of the companies created since 2018.

- **Costs and delays in obtaining building permits have been reduced through lower fees and the implementation of an online portal for filing applications.**

Togo recorded an increase of 3.6 points in the DB 2020 compared to the previous year. The most decisive reform was the digitalisation of the building permit application. In addition, World Bank experts noted an improvement in the transparency of the building permit process, with the publication of the circular requiring the documents required for the issuance of the permit, prior approval and fees to be posted online.

- **The cost of connecting to electricity has decreased as a result of the lower cost of connection work and the security deposit for new connections.**

The margin of progression in the DB 2020 is 2.6 points. This improvement is driven by the efforts of the Togolese authorities to further reduce the cost of connection to the medium-voltage electricity network by 50%.

- **The transfer of property has been simplified and costs have been reduced.**

Togo has made significant progress on this indicator. The increase is 17.2 points compared to DB 2019 and reflects the improvement in the transfer of ownership in the country. This progress is driven, among other things, by the reduction of registration fees, the digitisation of land titles, the significant reduction in the time required for total transfer, the creation of a property transfer office, the creation and online availability of the Guichet Unique du Titre Foncier and freedom of access to land information for all.

- **Togo has improved access to credit information by expanding the coverage of the credit bureau and starting to report utility data.**

Access to credit information is the only indicator where the step forward is remarkable, a gain of 40 points over the DB 2019 Index. The notable improvement noted is due to the expansion of the Credit Bureau's coverage and the start of reporting of utility company data.

**Table 44. Doing Business Indicators**

Indicator	Regulation	Metric (indicate those available)
<b>Starting a business</b>	2018 Finance Law: abolition of registration fees and stamps, exemption from the Single Business Tax for companies registered with the Centre de Formalité des Entreprises (Business Formalities Centre) for the creation of privately-owned companies. Decree n°2014-119/PR of May 19, 2014: for limited liability companies, the share capital and the company share are freely determined by the articles of association.	Deadline for issuing the Single Business Start-up Card is 24 hours.
<b>Building Permit</b>	Memorandum n°001/LNBTP/DG/2018 of 10 January 2018 relating to the reduction of the costs of the soil study for the construction of a warehouse (1 - 2 level)	The cost increases from 900.000 CFA Francs to 350.000 CFA Francs For households, the cost is 250,000 CFA Francs.
<b>Access to electricity</b>	Decision n°001/DG/CEET/2017 of 07 December 2017 of the Compagnie Energie Electrique du Togo : Reduces the cost of works to connect medium voltage to the public service distribution network	Connection fees reduced by 30% with the possibility to pay on a schedule of up to 6 months.
<b>Property registration</b>	Reduction of registration fees (art. 598 LF 2018) Land Titles Digitization Project Memorandum No. 400/MEF/SG/DADA of 14 December 2017 establishing a Transfer of Ownership Office	The total cost of transferring ownership increases from 9.3% of the value of the land in 2017 to 6.3% in 2018. As of April 3, 2018, 98% of the land titles have been digitized. Reduction of the time required to issue descriptive statements (copies of land titles) from 07 to 02 days

<b>Access to Credit</b>	<p>Uniform Law n°2016 -005 of March 14, 2016 relating to the regulation of credit information bureaus (CIBs) as amended</p> <p>Decree n°2018 -109/PR of 25/05/2018 authorising the implementation of automated processing of personal data to bring major invoicing companies to integrate the platform.</p>	
<b>Average time to get paid</b>		
<b>Protection of minority investors</b>		
<b>Level of taxes</b>		
<b>Ease of paying taxes</b>	<p>Launch of electronic tax filing for large businesses in 2016 and for SMEs in January 2017. Instruction 174 of the Commissariat des Impôts of December 28, 2017: request the services to issue tax exemption certificates within 8 hours at the latest, upon receipt of the request.</p>	
<b>Export facility</b>		
<b>Enforcing contract law</b>	<p>Court of First Instance of Lomé by Order No 2699/2017 of 22 December 2017 setting up special commercial chambers to deal with small claims with disputed interest between 0 and 1.000.000 FCFA.</p> <p>Court of Appeal of Lomé, by order n°1294/2017 of 26 December 2017, recomposing the chambers of the Court of Appeal of Lomé: it sets up specialized commercial chambers with magistrates assigned for this purpose in order to speed up the handling of commercial disputes.</p>	<p>Average processing time is 100 days.</p>

Source : Business Climate Unit-TOGO / National Services



In terms of governance, the Ibrahim Index of African Governance (IIAG) shows that Togo has made progress. Thus, according to the IIAG 2018, Togo ranked 30th out of 54 countries with a score of 49.1 out of 100 in global governance. The trend over the last ten years (2008-2017) is +5.2, an improvement driven by the implementation of reforms in strategic sectors, including the modernisation of the justice system, the consolidation of government finances, the improvement of business climates and investment in economic infrastructure, etc. The IIAG 2018 shows that Togo has made progress.

Togo, aware that corruption is a real obstacle to good governance and economic development, has ratified the international instruments on the fight against corruption. These are the United Nations Convention against Corruption, the African Union Convention on Preventing and Combating Corruption and the ECOWAS Protocol on the fight against corruption. Despite the legal framework in place, the results are not yet encouraging. Togo scored 29 points in 2019, one point lower than in 2018. The score was 32 points between 2015 and 2017. The country thus finds itself in 130th place out of 180 countries in the world. Nevertheless, awareness-raising campaigns have been launched by the High Authority for the Prevention and Fight against Corruption and Related Offences HAPFACRO (HAPLUCIA) and efforts are continuing to combat the scourge of corruption.

## 6.2 Financial Governance

Togo's performance under the economic program supported by the extension of the Extended Credit Facility (ECF) was generally satisfactory. Indeed, an IMF review carried out in December 2019 revealed that the economic recovery was strengthening. Economic growth is estimated to have accelerated from 4.9% in 2018 to 5.3% in 2019. Construction activity accelerated as cement production and sales increased. Traffic at the port and airport continued to grow ; electricity consumption increased by 27% in December 2019 compared to the same period in 2018. Credit to the private sector increased by 4% at the end of 2019. Meanwhile, there are signs of weakness in export-oriented sectors : coffee and phosphate production has been significantly lower since the second quarter of 2019 compared to the same period in 2018. The trade balance is expected

to deteriorate slightly in 2019 due to less dynamic exports and sustained imports linked to the National Development Plan. Headline inflation declined to -0.3 % in December 2019 mainly due to an abundant supply of agricultural products and lower communications costs, while core inflation fell to 0.1 %.

Macroeconomic outcomes in 2020 will be significantly impacted by the COVID-19 pandemic. The baseline economic growth forecast for 2020 has been revised downwards from 5.5% prior to the pandemic to 3%. This lower forecast is supported by the decline in airport traffic hampered by various bans and the decline in economic activity. Private consumption is expected to decrease significantly in 2020, affecting the poor more severely given their already low level of consumption. The budget deficit and external financing gap for 2020 are also larger in the current baseline scenario compared to previous projections.

Although the decline in exports of goods may be offset by a decline in imports of goods (especially as the effects on oil prices are favourable for oil importers), the decline in exports of services and inflows of foreign direct investment and portfolio investment is expected to be significant, thereby increasing the need for external financing. More broadly, COVID -19 could impede the continuation of economic activity due to confidence effects, containment efforts, supply disruptions and behavioural changes (such as social distancing). These macroeconomic projections are subject to a high degree of uncertainty given the rapidly changing impacts of COVID -19.

The 2020 budget approved by Parliament on 18 December 2019 targets an overall budget deficit of 1.9% of GDP. This target is supported by revenue and expenditure measures. On the revenue side, the authorities expect significant returns (around 0.4% of GDP) from the recently introduced property tax, motor vehicle tax and flat rate import deposits.

In addition, stricter customs controls and the collection of tax arrears will support tax revenues. On the expenditure side, the recently completed expenditure review suggested potential long-term savings (up to 1.1% of GDP) through the review of unduly paid wages and pensions, better prioritisation of

subsidies and expenditure on goods and services, and reduction in the prices of goods and services. Strengthening public procurement, with the support of World Bank technical assistance, could also generate fiscal savings. The 2020 fiscal target reflects continued fiscal consolidation efforts and is expected to keep public debt below 70 percent of GDP in 2020.

The Togolese authorities have implemented important structural reforms. Several measures related to revenue administration have been implemented, including the creation and harmonisation of tax identification numbers, the introduction of tele-procedures to reduce compliance costs, withholding taxes and provisional guarantees to ensure revenue collection, internal controls to combat corruption and the reduction of tax exemptions.

Important steps are being taken to promote voluntary consent to the payment of taxes. All customs clearance procedures will be progressively automated to reduce the potential for revenue losses and improve services to private sector operators.

The evaluation and selection of public investment projects has become more rigorous; all new projects must undergo a cost-benefit analysis before they can be included in the public investment programme. It is planned to switch to a programme budget from 2021 onwards. Continued implementation of these reforms will improve the efficiency of public spending.

Financial sector reforms are progressing and discussions continue. A pre-qualification notice for the privatisation of the two state-owned banks was announced in the international financial press. The privatization tender has still not been issued because the global financial uncertainty arising from COVID-19 is deemed unfavourable to such a tender. The authorities sent a confidentiality agreement to pre-qualified buyers in March 2020 allowing access to the data room.

This approach allows the process to move forward while mitigating risks in the current global environment. In collaboration with BCEAO and the WAEMU Banking Commission, it would be essential to ensure

that the selected buyer is suitable and appropriate ; the liquidity situation of the banks should also be closely monitored ; and the senior management of the two public banks should keep all stakeholders informed of developments.

### 6.3 Financial ratings

The US financial rating agency, Standard & Poor's, gave Togo its first long and short-term sovereign credit ratings in foreign and local currency on 3 June 2019. Togo is rated "B/B" with a stable outlook. In an update issued on 24 April 2020, the agency predicted that Togo's real GDP growth will slow to 1% in 2020 (the rate initially adopted by the IMF, but subsequently revised to 3%) due to the adverse effects of the Covid-19 pandemic. According to the agency, these projections are uncertain, as they depend on the evolution of the pandemic. Moreover, according to the agency, the fact that the "large informal economy" is not included in official data also makes the economic impact particularly difficult to estimate.

Standard & Poor's projections are based on the fact that the Togolese economy is sensitive to demand from its main trading partners : "The port of Lomé is a transport hub between Asian economies, Togo and neighbouring landlocked countries. The importance of Togo's export sectors, mainly agriculture (cotton, coffee and cocoa), which accounts for about two-thirds of employment, and minerals (phosphate, cement and clinker), makes the economy very vulnerable to the pandemic. However, the agency maintains its "B/B" rating and stable outlook and forecasts "a strong recovery in 2021 with fiscal consolidation that will gradually resume". Similarly, Togo's membership of the West African Economic and Monetary Union (WAEMU) is a reassuring factor. Following Standard & Poor's, the US agency Moody's, in its update of 27 April 2020, maintained Togo at B3 with a stable outlook, one notch below S&P. Togo's stable B3 credit profile, according to the agency, is limited by "its undiversified and uncompetitive economy, with very low income levels, and weak policy effectiveness and fiscal management. The high public debt, which accounts for 68.7% of GDP, limits the country's capacity to absorb shocks. Regarding growth prospects, Moody's remains more pessimistic and expects the Togolese economy to

stagnate in 2020. While the US agency acknowledges that the programme with "the IMF has helped to anchor fiscal and economic policy", it is less optimistic and expresses reservations. Moody's is concerned that these recent improvements will be reversed as soon as the programme ends. Similarly, Moody's

says "fiscal management remains weak, with significant slippages under the IMF programme" and says it is closely monitoring new developments in Togo and will not hesitate to update again if there are any changes.

## 7.1 Budget

### 7.1.1 Expenditure and revenue

State revenues have been increasing since 2015. They rose from CFA Francs 539.54 billion in 2015 to CFA Francs 747.0 billion in 2019, an average increase of 38.5%. This revenue is made up of tax revenue, non-tax revenue and grants. The level of revenue mobilisation compared to 2015 is induced by the various reforms undertaken by the Togolese

Revenue Office (TRO). These reforms relate to the strengthening of the fight against fraud, corruption and smuggling, revenue collection by banks, the strengthening of risk analysis, the computerisation of services and increased efforts to raise awareness. In 2020, despite the Covid-19 crisis, revenue is expected to increase to CFA Francs 818.4 billion. In perspective, revenues will continue to rise to CFA Francs 1.172.8 billion in 2024.

**Figure 11. Evolution in State revenue and expenditure**



Source : CP-SPRPF -IMF

Budgetary expenditure amounted to CFA Francs 783.9 billion in 2019 against CFA Francs 760.48 billion in 2015, an increase of 3.1% over the period. This low level of increase is attributable to the decline in expenditure in 2017. Expenditure is made up of current and capital expenditure. As a percentage of GDP, budgetary expenditure represented 24.5% in 2019 against 30.8% in 2015. Public expenditure is expected to rise in 2020 to CFA Francs 943.6 billion in line with the increase in capital, social and health

expenditure devoted to the response to the Covid-19 pandemic. Public expenditure would represent 27.4% of GDP in 2020. By 2020, public expenditure would amount to CFA Francs 1.233.1 billion, representing 25.8% of GDP.

### 7.1.2 Detailed presentation of expenditure and income

Tax revenues constitute the largest share of the State's income. Between 2015 and 2019, they ac-



counted for an average of 75% of total revenue against 11% for non-tax revenue and 14% for grants. Tax revenues increased from CFA Francs 427.6 billion in 2015 to CFA Francs 551.4 billion in 2019. Tax revenue is made up of domestic taxes (taxes) and

taxes on foreign trade (customs). Domestic taxes accounted on average for 53% of tax revenue compared to 47% for taxes on foreign trade. In 2020, tax revenue is expected to increase by 9.4% compared to 2019.

**Table 45. Table of State financial operations (in billions of FCFA)**

WORDING	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
						Est			Prévisions		
<b>Total revenue and grants (R1)</b>	<b>466.8</b>	<b>539.5</b>	<b>571.3</b>	<b>595.8</b>	<b>710.8</b>	<b>747</b>	<b>818.4</b>	<b>895.1</b>	<b>977.4</b>	<b>1 072.10</b>	<b>1 172.80</b>
<b>Total revenue excluding grants (R2)</b>	<b>413.9</b>	<b>482.3</b>	<b>495.7</b>	<b>507.2</b>	<b>604.9</b>	<b>624.5</b>	<b>679.8</b>	<b>744.6</b>	<b>814</b>	<b>894.7</b>	<b>980.2</b>
CURRENT REVENUE (R3)	413.9	482.3	495.7	507.2	604.9	624.5	679.8	744.6	814	894.7	980.2
Tax revenues	369.6	427.6	444.7	449	491.9	551.4	603	661.2	722.6	793.2	868.4
Income Tax Revenues	175	213.6	238	247.2	259.8	292.5	327.2	363.8	399.7	442.6	487.8
Customs revenue	194.6	214	206.8	201.8	232.1	258.9	275.8	297.4	322.9	350.6	380.6
Including Oil revenues	16.9	18	19.9	20.3	23	-	-	-	-	-	-
Non-tax revenues	44.3	54.7	50.9	58.2	113.1	73.1	76.8	83.4	91.4	101.5	111.8
1. Including dividends	13.2	16.2	11.3	27.1	31.6	-	-	-	-	-	-
GRANTS	52.9	57.2	75.6	88.5	105.9	122.5	138.6	150.5	163.4	177.4	192.6
Programmes	0	9.7	11.3	48.3	33.2	62.1	16.5	17.9	19.4	21.1	22.9
Projects	52.9	47.5	64.3	40.2	72.7	60.4	122.1	132.6	144	156.3	169.7
<b>Total expenditure and net lending (D1)</b>	<b>621.9</b>	<b>760.5</b>	<b>823.9</b>	<b>603.6</b>	<b>733.8</b>	<b>783.9</b>	<b>943.6</b>	<b>951.9</b>	<b>1 036.60</b>	<b>1 136.20</b>	<b>1 233.10</b>
TOTAL EXPENDITURE (D2)	621.5	759.1	824	603.5	733.8	783.8	943.6	951.9	1036.6	1136.2	1233.1
current expenditure (D3)	365.3	436.1	456.7	429	532.1	549	614.2	603.2	652.2	708.2	759.6
Wages and salaries	143.4	171.7	182.7	192.8	200.4	214.6	239.1	260	282.3	306.5	332.8
Procurement of goods and services	63.4	89.4	100.3	84.3	144.9	125.9	143.9	106.3	115.4	125.3	136
Transfers and grants	124.6	115.9	110.8	103.3	116.5	122.6	131.3	142.7	155	168.3	182.7
Interest on Public Debt (D4)	33.9	59.1	62.9	48.6	70.4	85.9	99.9	94.2	99.5	108.1	108.1
Interest on domestic debt	25.1	44.9	54.1	38.7	61.6	77	89.8	81.6	85.4	92.2	90.7
Interest on external debt	8.8	14.2	8.8	9.9	8.8	8.9	10.1	12.6	14.2	15.8	17.4
CAPITAL EXPENDITURES (D5)	256.2	319.6	367.3	174.5	201.7	234.8	329.4	348.7	384.4	428	473.5
Internally financed (D51)	152.9	181.1	220.8	104.4	70.8	112.3	134.9	127.4	144.1	167.1	190.3
On external financing (D52)	103.2	138.5	146.5	70	130.9	122.5	194.5	221.3	240.3	260.9	283.2
OTHER EXPENSES (miscellaneous)	0	0	0	0	0	-	-	-	-	-	-
LOANS LESS RECOVERIES	0.4	1.4	-0.1	0.1	0	0.1	0	0	0	0	0
<b>Primary balance <sup>32</sup></b>	<b>-70.4</b>	<b>-75.8</b>	<b>-119</b>	<b>22.4</b>	<b>72.3</b>	<b>49.1</b>	<b>30.6</b>	<b>108.2</b>	<b>117.2</b>	<b>127.5</b>	<b>138.4</b>

Source : CP-SPRPF-IMF

Non-tax revenue consists mainly of dividends from government shareholdings in companies, administrative fees and charges, domain and company revenues, and levies for the clearance of the oil sector debt. They increased from CFA Francs 54.7 billion in 2015 to CFA Francs 113.0 billion in 2018. They are expected to decline in 2019 to CFA Francs 73.1 billion. The strong increase between 2017 and 2018 is explained in particular by the 4G licence royalties paid by TOGOCEL and MOOV for a total amount of CFA Francs 23.0 billion.

Composed of programme grants (budget support) and project grants, grants amounted to CFA Francs 122.5 billion in 2019 against CFA Francs 57.2 billion in 2015, an average increase of 21.1%. Grants are drawn by project grants in line with the dialogue with development partners under the Extended Credit Facility (ECF) programme with the IMF and efforts to stabilize the macroeconomic framework. Grants are expected to increase in 2020 to CFA Francs 138.6 billion, mainly driven by project grants (CFA Francs 122.1 billion).

<sup>32</sup> Revenue (excluding grants) minus expenditure (excluding interest and future investments).

Current expenditure represented on average 65.3% of budgetary expenditure between 2015 and 2019 compared to 34.6% for capital expenditure and 0.1% for net lending.

Current expenditure is made up of personnel expenditure, acquisition of goods and services, current transfers, financial charges and debt. Overall, they increased from CFA Francs 436.1 billion in 2015 to CFA Francs 549.0 billion in 2019. That is to say, an increase of 25.9% driven in particular by personnel expenditure and expenditure on the purchase of goods and services.

Capital expenditure amounted to CFA Francs 234.8 billion in 2019 against CFA Francs 319.6 billion in 2015. The budgetary contribution to investment represented on average 52% of investments over the

period under review.

The primary balance is in deficit, going from CFA Francs 75.8 billion in 2015 to CFA FRANCS 119.0 billion in 2016 due to the importance of capital expenditure and the acquisition of goods and services. From 2017 onwards, the primary balance remained in surplus at 49.1 billion CFA francs in 2019 against 22.4 billion CFA francs in 2017 and 72.3 billion CFA francs in 2018.

### 7.1.3 General presentation of the budget

The expenditure planned in the 2020 budget is 2.4% lower than that forecast in the Amending Budget Act, Management 2019. The main sectors that recorded budget cuts include agriculture, justice, the army and, to a lesser extent, social protection.

**Table 46. Evolution of the State Budget by major item in value and structure from 2015 to 2020 (in billions FCFA)**

	2015		2016		2017		2018		2019*		2020	
	Value (CFA F)	Structure (%)	Value (CFA F)	Structure (%)	Value (CFA F)	Structure (%)	Value (CFA F)	Structure (%)	Value (CFA F)	Structure (%)	Value (CFA F)	Structure (%)
<b>Education</b>	88.4	10.7	102.8	10.3	102.9	7.2	113.3	8.7	123.55	9.0	138.01	9.4
<b>Higher Education</b>									35.42	8.2	36.001	2.5
<b>Health</b>	44.8	5.4	56	5.6	55.6	3.9	56.7	4.3	58.117	2.4	81.712	5.6
<b>Housing</b>	8.9	1.1	2.54	0.3	1.7	0.1	2.1	0.2	5.34	3.9	6.108	0.4
<b>Social</b>	2.85	0.3	3.4	0.3	3.3	0.2	3	0.2	3.22	0.4	3.172	0.2
<b>Agriculture</b>	55.4	6.7	70.7	7.1	45.7	3.2	45.5	3.5	38.82	0.2	35.149	2.4



<b>Energy</b>	11.7	1.4	12.3	1.2	13.9	1.0	14.7	1.1	18.17	2.6	39.86	2.7
<b>Interior</b>	11.8	1.4	13.3	1.3	13.4	0.9	12.5	1.0	14.47	1.2	16.18	1.1
<b>Justice</b>	7.0	0.9	6.2	0.6	5.2	0.4	5.7	0.4	7.23	1.0	6.44	0.4
<b>Army</b>	41.4	5.0	48.64	4.9	51.8	3.6	58	4.4	99.94	0.5	66.93	4.6
<b>Enviro- nment</b>	3.8	0.5	6.5	0.6	11.9	0.8	5	0.4	10.38	6.7	11.7	0.8
<b>Total</b>	<b>827.2</b>		<b>1002.2</b>		<b>1433.4</b>		<b>1307.6</b>		<b>1378.68</b>		<b>1466.16</b>	

Source : Directorate General of the Budget and Finance \* Amending Budget Act 2019

In line with the government's vision of achieving the MDGs, the budgets allocated to the health and education sectors are expected to increase by 11.6% and 40.6% respectively in 2020 compared to 2019. The same will be true of the housing and internal security sectors, which will also see increases.

In addition to the above-mentioned sectors, the energy sector has seen its allocation more than double. In fact, its budget rose from CFA Francs 18.11 billion in 2019 to CFA Francs 39.86 billion in 2020, an increase of 120.1%. The increase in the budget of the energy sector is justified by the Government's desire to bring the country to an electrification rate of 50% by 2020 and 75% by 2025 to finally reach 100% by 2030. In order to achieve this objective, it is planned to develop more than 300 mini-solar power plants,

to connect 800.000 households via individual solar kits by 2030 and to electrify 550,000 others. Experts have estimated the overall cost of the project at CFA Francs 1.000 billion, or 1.5 billion euros of investment, 50% of which will come from the private sector. An electrification project that is divided into three phases, including the so-called "demonstration" phase, is underway and will be completed in 2020.

#### 7.1.4 Detailed presentation budget by item of expenditure

The 2020 finance bill balances resources and charges at the sum of CFA Francs 1 466.16 billion against CFA Francs 1 501.86 billion in 2019<sup>33</sup>. The 2020 finance bill is thus down by 2.4% compared to the 2019 provisional budget.

Table 47. Situation of the 2020 budget compared to the 2019 budget

	<b>FORECAST 2019</b>	<b>COLLECTIF 2019</b>	<b>FORECAST 2020</b>	<b>Variation 2020/2019</b>
<b>BUDGETARY EXPENDITURES</b>	<b>894 969 620</b>	<b>935 800 941</b>	<b>959 092 573</b>	2.5
<b>Ordinary expenditure</b>	<b>601 268 496</b>	<b>611 237 095</b>	<b>629 735 373</b>	3.0
Personnal	215 260 452	211 734 320	239 080 723	12.9
Goods and Services	98 777 676	161 338 717	98 571 733	-38.9

33 Amending Finance Act, management 2019.

Current transfers	124 817 432	125 720 510	131 253 016	4.4
Financial expenses of the debt	78 148 936	78 148 936	99 929 901	27.9
Interiors	66 807 302	66 807 302	89 827 057	34.5
Exteriors	11 341 634	11 341 634	10 102 844	-10.9
Expenditures in Revenue Mitigation	84 264 000	84 264 000	60 900 000	-27.7
Capital in Expenditures	293 701 124	274 594 458	329 357 200	19.9
Internal Resources	95 275 167	94 144 769	123 835 116	31.5
External Resources	198 425 957	180 449 689	205 522 084	13.9
Amortisation of Public Debt	562 882 918	562 882 918	504 740 630	-10.3
Special Account Expenditures	3 180 436	3 180 436	2 323 868	-26.9
<b>Total Budget</b>	<b>1 461 032 974</b>	<b>1 501 864 295</b>	<b>1 466 157 071</b>	<b>-2.4</b>

Source : Directorate General for Budget and Finance

The decrease in the 2019 budget was driven by operating expenditures (goods and services and revenue mitigation) and expenditures related to debt amortization. On the basis of the voted budget, staff expenditure and transfers would increase in 2020 by 12.9% and 4.4% respectively compared to the 2019 budget. Capital expenditure is also expected to rise by 19.9%, due to the increase in the budgetary contribution, but also to the increase in external financing.

## 7.2 Tax Policy

### 7.2.1 General budget revenue broken down by source

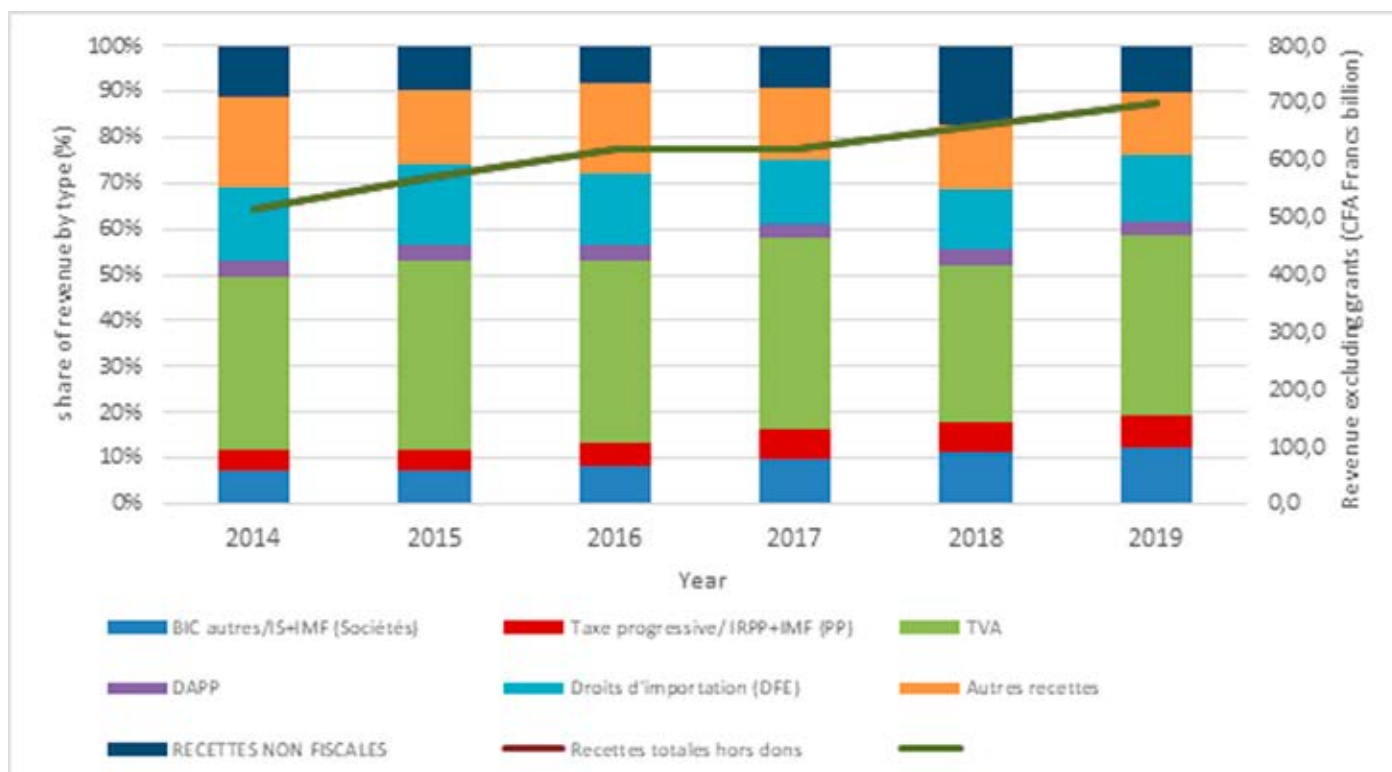
Since 2012, Togo has undertaken a series of reforms aimed at restructuring its fiscal policy and financial management. These reforms led to the operationalisation of the Togolese Revenue Office (TRO) in 2014.

The TRO has a dual function : to collect tax resources and to ensure the country's future by creating an environment conducive to the sustainability of the tax base. After four years of existence, the TRO has improved resource mobilization.

Reforms are continuing and focus on putting in place the fundamentals of a modern tax system geared to promoting the economy and taking social parameters into account. Tax policy now aims to remove the constraints faced by economic operators in the payment of taxes.

Over the 2014-2019 period, gross revenue, excluding grants, of the general budget increased by an average of 6.3%, driven by an increase in tax revenue of 6.7% and in non-tax revenue of 15.0% on average per year.

Figure 12. Evolution of budget revenue by type of tax



Source : CP-SPRPF

In terms of tax revenue, value added tax (VAT) remains the main tax source. It is followed by import duties. Their relative shares are 39.0% and 15.3% of total revenue on average over the period under review. Other taxes and duties, whose contribution is not negligible, are : profit, industrial and commercial/ corporate tax and the flat-rate minimum tax (PIC/

CT+FMT ; 9.4%), personal income tax (PIT ; 5.7%) and excise duties on petroleum products (EDPP ; 3.3%).

Non-tax revenues averaged 10.6% of revenues. They are derived from dividend income.

Table 48. Level and progression of revenue items from 2014 to 2019 in Billion of CFA Francs

		2014	2015	2016	2017	2018	2019
<b>gross receipts excluding grants</b>	<b>Level</b>	<b>516.3</b>	<b>571.0</b>	<b>619.4</b>	<b>621.4</b>	<b>660.0</b>	<b>699.3</b>
	Progression		10.6	8.5	0.3	6.2	5.9
<b>Gross TAX RECEIPTS</b>	<b>Level</b>	<b>458.2</b>	<b>516.3</b>	<b>568.5</b>	<b>563.2</b>	<b>546.9</b>	<b>626.2</b>
	Progression		12.7	10.1	-0.9	-2.9	14.5

<b>BIC other/IS+IMF (Companies)</b>	<b>Level</b>	37.0	42.5	52.6	59.4	73.5	87.1
	Progression		15.0	23.7	12.8	23.7	18.5
<b>Personal income tax</b>	<b>Level</b>	23.1	24.5	29.1	42.1	45.6	49.8
	Progression		6.0	18.9	44.5	8.5	9.1
<b>Value Added Tax (VAT)</b>	<b>Level</b>	196.3	236.7	247.1	258.8	223.9	273.2
	Progression		20.6	4.4	4.7	-13.5	22.0
<b>Excise duty on petroleum products (EDPP)</b>	<b>Level</b>	16.9	18	19.9	20.3	23	20.7
	Progression		6.5	10.6	2.0	13.3	-10.0
<b>Import duties</b>	<b>Level</b>	83.2	101.7	98.0	86.4	87.2	103.5
	Progression		22.2	-3.6	-11.9	1.0	18.7
<b>Other Tax Revenue</b>	<b>Level</b>	101.8	92.9	120.7	96.2	93.7	91.9
	Progression		-8.7	29.9	-20.3	-2.6	-1.9
<b>NON-TAX REVENUES</b>	<b>Level</b>	44.3	54.7	50.9	58.2	113.1	73.1
	Progression		23.5	-6.9	14.3	94.3	-35.4

Source : CP-SPRPF

The rate of VAT is a single rate of 18% applicable to all activities and all products except those that are exempt. In addition to VAT, there is the tax on financial activities (TAF). The TAF is based and liquidated on the gross amount of profits made on transactions relating to banking, financial activities and, in general, trade in securities and money. The rate of this tax is set at 10%.

Excise duties (EDPP) are levied on petroleum products on entry into the national territory. The amount is included in the selling price of petroleum products at the pump. DAPP rates are as follows : CFA Francs 57.76 per litre of unleaded premium grade fuel, CFA Francs 48.06 per litre of diesel, CFA Francs 59.99 per litre of petroleum, aviation gasoline and jet fuel, CFA Francs 15 per litre for fuel oil, CFA Francs 50 per

litre of lubricating oil and CFA Francs 60 per kilogram of grease.<sup>34</sup>

In the case of the PIT, a single annual personal income tax known as income tax is levied on the taxpayer's overall net income. It is mainly levied on salaries, wages, allowances, emoluments, pensions and life annuities ; industrial, commercial and artisanal profits and farm profits. Tax rates are progressive. They range from 7% (for an overall net income between 900.001 and 4.000.000 CFA francs) to 35% for an overall net income of more than 15.000.000 CFA francs.

Natural persons liable to income tax on account of their industrial, commercial or non-commercial activities are subject, regardless of their operating re-

<sup>34</sup> A grease is a more or less consistent pasty product used as a lubricant. Grease forms a film that reduces friction and promotes sliding.

sults, to payment of the flat-rate minimum tax. The annual amount of the said tax is fixed at CFA Francs 50.000 for companies whose turnover is less than CFA Francs 5.000.000. It is capped at 500.000.000 CFA Francs for any enterprise with an annual turnover of more than 50.000.000 CFA Francs.

For the SI, it is established on all the profits or income made by companies and other legal entities. The corporate income tax rate is set at 29.0% of taxable profit.

## 7.2.2 Presentation of the 2020 tax change

The Finance Management Act 2020 renewed three old measures, introduced several new measures and revised certain articles of the General Tax Code and the Book of Criminal Procedures.

The renewed measures concern the continuation under the 2020 Management Finance Act of the collection of the African Union Levy (AUL), the Pass Tax (PT), the National Solidarity Levy (NSL) and the application of the provisions of Article 5 of Act No. 2018-020 of 20 November 2019 on the Finance Act, Management 2019, relating to the special tax regime applicable to restructuring operations of companies in difficulty.

The new measures relate to :

- (i) Investment promotion and improvement of the business climate. In addition to the provisions of Articles 3 and 19 of the National Customs Code, Article 4 of the 2019 Finance and Management Act, Article 175 of the General Tax Code and Articles 102 and 103 of the Tax Procedure Book (TPB), the release for consumption on Togolese territory of vehicles for the transport of goods and persons benefits from the following customs and tax advantages from 1 January to 31 December 2020
  - Allowance on the value for duty of : 100% for new electric or hybrid vehicles ; 90% for new vehicles ; 50% for vehicles between one (1) and two (2) years old ; 35% for vehicles between three (3) and five (5) years old.

- Exemption from the National Solidarity Levy (NSL) ;
- Exemption from value added tax (VAT) levied at the customs cordon ;
- Exemption from CT-PITI advance levy, category of business income received at the customs cordon.

- (ii) Reduction of the tax burden of the private sector through the amendment of Articles 120 443 and 115 of the General Tax Code. The provisions of article 120 of the General Tax Code, which set the minimum flat-rate tax at CFA Francs 600,000, have been amended. The amendment consists in reducing the floor from six hundred thousand (600 000) CFA Francs to twenty thousand (20 000) CFA Francs. This floor is henceforth applicable to all. The amendment of article 443 has made it possible to insert the measure taken by the Government to facilitate the transfer of registered buildings. This provision stipulates that for total transfers of registered immovable property, transfer duties and land registration duties are merged and gives rise to the levying of a fixed duty of CFA Francs 35.000. The provision linked to Article 115 of the General Tax Code provides that where the amount of the instalments paid exceeds the tax definitively due, the excess is refunded after deduction of any other taxes, duties and direct taxes which may be due by the taxpayer. Henceforth, the excess of the minimum flat-rate tax can be charged later or be reimbursed.
- (iii) The strengthening of control measures and the fight against tax fraud and tax evasion through the amendment of Articles 104 of the CGI and 206 of the Tax Procedure Book. Indeed, the measures establishing the obligation for companies to produce the documentation necessary for the control of their intra-group transactions (transfer pricing) are reinforced. They further specify the conditions and relevant information required from these companies.
- (iv) Preservation of public health, in particular by increasing excise duties on tobacco from 45%

to 50% in 2019 and from 50% to 150% in 2020. This increase in excise duties will make it possible to influence prices and discourage the consumption of these products that are harmful to health, in accordance with the new Directive N°01/2017/CM/WAEMU.

(v) Technical adjustments and simplification of tax procedures through :

- The institution of a system of withholding tax or deduction of VAT at source in order to limit the risks of wastage with regard to the declaration and payment of Value Added Tax (VAT). Under the conditions defined by regulation, the purchasers of goods or recipients of services concerned by the said

measure are obliged to make the withholding tax or deduction at source of the VAT invoiced to them;

Alignment of the advance payments of the SBT (Single Business Tax) according to the declaratory regime (Art 133 CGI & 57 TPB). According to the new provisions, the SBT gives rise to the payment of four (04) installments each rounded down to the nearest thousand francs and equal to a quarter of the contributions payable by taxpayers for the last fiscal year. The installments are paid no later than January 31, May 31, July 31 and October 31 of each year to the tax collector's office. From now on, the balance of the tax is paid spontaneously when the financial statements are filed.



### 8.1 Political and security risks

The risks related to the electoral process are real in Togo. The lack of consensus in the management of socio-political issues. Street demonstrations generated by socio-political crises have a negative impact on economic activity. The political risk is above all that of disruptions likely to hamper the smooth functioning of the economy and the Government in the event of a sudden rise in social protest against President Faure Gnassingbé, who has been in power since 2005. The strengthening of social dialogue and the promotion of political dialogue should help to limit these risks.

The security situation in the WAEMU zone is threatened mainly in the Sahelian countries, particularly Niger, Mali and Burkina Faso. The fact that Togo shares a border with Burkina Faso means that it is not exempt from possible terrorist attacks. In addition to those threats, we must add those of maritime piracy in the Gulf of Guinea, as a result of the political crises in neighbouring countries and the development of large-scale banditry, particularly in market areas and on the waterfront, by gangs armed with edged weapons. Cross-border cooperation between security services, raising awareness of terrorist threats, strengthening public confidence in the defence and security forces and reinforcing the regulatory framework for combating maritime piracy should help to mitigate these risks.

### 8.2 Social risks

The labour market is characterized by a high rate of underemployment due to an education system oriented towards low-professionalization training. Under these conditions, the much sought-after economic dynamism could come up against a skills deficit in certain areas. It is necessary for the State to work for the adequacy of training and employment. Moreover, very few Togolese have access to a formal social protection system, especially those living in rural areas and in the urban informal sector. The State must implement programmes to strengthen

social protection in order to ensure that the largest possible number of people benefit from it.

### 8.3 Macroeconomic risks

Togo is a country with important mining resources (limestone, phosphate, gold etc.). In West Africa, it is one of the main producers of cotton, cocoa, dairy products, mineral water and palm oil. In recent years, these products are mainly exported to its main customers, which are Burkina Faso, Benin, Ghana, Niger, India, Mali, Côte d'Ivoire, Nigeria, United Arab Emirates and Australia. Jihadist threats in the Sahel, Islamist attacks in Nigeria and the volatility of the prices of exported raw materials (cotton, coffee, cocoa, etc.) constitute risks for the sale of Togolese products.

In terms of product procurement, Togo's main imports are petroleum oils or bituminous minerals, medicines, ethylene polymers, motorcycles, passenger cars, cotton fabrics, coal, frozen fish and iron or steel wire rod. Its main suppliers are China, France, Japan, the Netherlands, Ghana, India, Belgium, Saudi Arabia, Germany and Nigeria. Any shock to the economies of the latter countries could lead to higher prices for imported goods, a widening of the trade deficit, thus jeopardizing macroeconomic performance and, in turn, economic policy objectives.

On the other hand, Togo's risk of external vulnerability is considered "very low (+)" despite relatively large current account deficits (estimated at 8% of GDP in 2018), thanks to its membership of the WAEMU, which includes an agreement under which the French Treasury guarantees the convertibility of the CFA franc into euros, thus limiting the risks of a balance of payments crisis.

The CoVID-19 pandemic also poses a significant risk to Togo mainly due to its position as a regional logistical hub, its close trade links with China and its lack of preparedness in the response. Indeed, a

local outbreak of the pandemic will weaken economic activity on both the supply and demand side. On the supply side, activities in the service sectors, mainly those related to the airport, port and tourism, will be most affected. Lomé is the hub of a major pan-African airline ; traffic at Lomé airport is likely to decline as a result of travel bans throughout the region and across continents. The port of Lomé is also an important transit point for goods to neighbouring landlocked countries ; reduced trade flows around the world will hamper port activity.

The retail industry sector will also be affected as China is the main source of Togolese imports, accounting for about a quarter of total imports ; the current disruptions in China will undermine the ability of Togolese importers to supply local markets. On the demand side, the resulting loss of income and the uncertain business environment will affect the private sector through lower consumption and investment. More generally, COVID-19 could further disrupt economic activity through a combination of confidence effects, containment efforts, supply disruptions and behavioural changes (such as social distancing). In the health sector, according to the Global Health Security Index, Togo is ranked among the least prepared countries for outbreaks such as COVID-19. An outbreak will widen the budget deficit and worsen the balance of payments.

Macroeconomic risk mitigation measures include : diversifying the base of exported raw materials ; strengthening and broadening local production and promoting the consumption of local products ; intensifying phytosanitary research to anticipate crop attacks ; strengthening investments to support the economy, particularly in the field of energy and transport, including air and sea transport. Under COVID-19, the risk mitigation measure would be to reallocate public expenditure to the health sector and to call on additional concessional external financing.

#### **8.4 Risks relating the mobilisation of public and private financial resources**

Domestic resource mobilisation is generally based on the evolution of economic activity. The latter takes place in a social, political, legal, regional and international environment that significantly influences it.

The main risk for internal resource mobilisation is the low level of fiscal citizenship of most economic operators and the potential for corruption within the financial authorities. This situation leads to tax evasion and fraud despite the implementation of reforms.

In addition to the risk related to fiscal incivility, there is also the risk related to the low mobilisation of door revenues in connection with the fluctuation of raw material prices, particularly the price of petroleum products.

Appropriate measures to ensure optimal mobilisation of internal resources should help to mitigate these risks. These measures include broadening the tax base and combating tax evasion and avoidance through the strengthening of tax controls.

The risk associated with the banking sector in the form of contingent liabilities for the government is considered "low (+)" given the relatively modest size of the Togolese banking sector despite the recapitalisation needs of the two public banks, Union Togolaise de Banque and Banque Togolaise pour le Commerce et l'Industrie.

Risks related to the mobilisation of external resources include the weak control of disbursement procedures by Technical and Financial Partners (TFPs), all of which leads to the late implementation of external financing; the reluctance of TFPs to implement the principles of the Paris Declaration on Aid Effectiveness, which is a major handicap for the proper implementation of programmed projects; and the rise in borrowing costs, which could restrict capital inflows and slow growth in many emerging markets and developing economies.

The government's liquidity risk stems from the large gross financing requirements - of the order of 15% of GDP (2018 estimate) - mainly related to domestic debt maturities, while external debt presents a much more limited risk. All other things being equal, the government's gross financing requirements will increase in 2020 and 2021 due to a peak in the repayment of domestic debt during these two years. Togo's membership of the WAEMU gives it access to the regional financial market which, although small compared to international markets and allowing ac-

cess to relatively short-term financing, is significant in relation to Togo's financing needs.

The measures to mitigate these various risks are : operationalization of the aid management platform (AMP) ; improvement of the capacity to absorb budgetary resources ; strengthening of the framework for dialogue between the government and technical and financial partners ; establishment of a mechanism to mobilize resources from the diaspora ; and capacity building of actors on TFP disbursement procedures. On the other hand, socio-political movements can also undermine consumer and investor confidence and thus have an impact on macroeconomic performance. Electoral deadlines are also risks that could affect economic activity and, consequently, the mobilization of internal resources.

## 8.5 Health Risks

The global news in terms of health risk at the beginning of 2020 the COVID-19 pandemic which is raging and has already caused several hundred deaths worldwide. TOGO, like several countries, has already recorded several cases of covid-19. As of May 18, 2020, 330 cases of COVID-19 have been confirmed, 106 people have been cured and 212 cases remain active. There have also been 12 deaths. To deal with the pandemic, the Togolese authorities have set up a committee and drawn up an action plan to tackle COVID-19. The plan aims mainly at reorganising the health system and containing/mitigating the spread of the virus. At this stage, the direct cost of this plan is estimated at 21 billion CFA francs (about \$35 million or 0.6 percent of GDP).

*Table 49. TOGO COVID -19*

<b>Measures</b>	<b>Estimated costs (billion FCFA)</b>
Monitoring	0.13
Laboratory	0.99
Entry Points	0.37
Communication	0.23
Cases Management	2.63
Infection prevention and control	0.14
Coordination	0.3
Rehabilitation of hospitals in major cities to build resilience against pandemics and chronic diseases	16.06
<b>Total</b>	<b>20.69</b>

Source : IMF country report April 2020

Including other costs, such as strengthening the resilience of the health system and negative effects on economic activity, the authorities estimate the overall financing needs at around CFA FRANCS 70 billion (about USD 130 million or 2 percent of GDP).

Furthermore, Togo remains exposed to health threats, including epidemics (Ebola, Lassa fever, meningitis, etc.). The main measures to mitigate these epidemics include the continuation of the fight against epidemiological diseases and border surveillance.

## **8.6 Environmental Risks**

Togo, like several countries in the world, remains exposed to the impact of climate change with the corollary of repeated floods. Coastal erosion is also a reality in Togo. The agricultural sector, which employs the vast majority of the labour force, is the

most exposed to climatic hazards (droughts, floods). Togolese agriculture is highly dependent on rainfall. The country has a low capacity to adapt to climate change and the planned adaptation programmes receive very little funding. Water control therefore remains a matter of concern. All these risks could lead to a decline in water production.

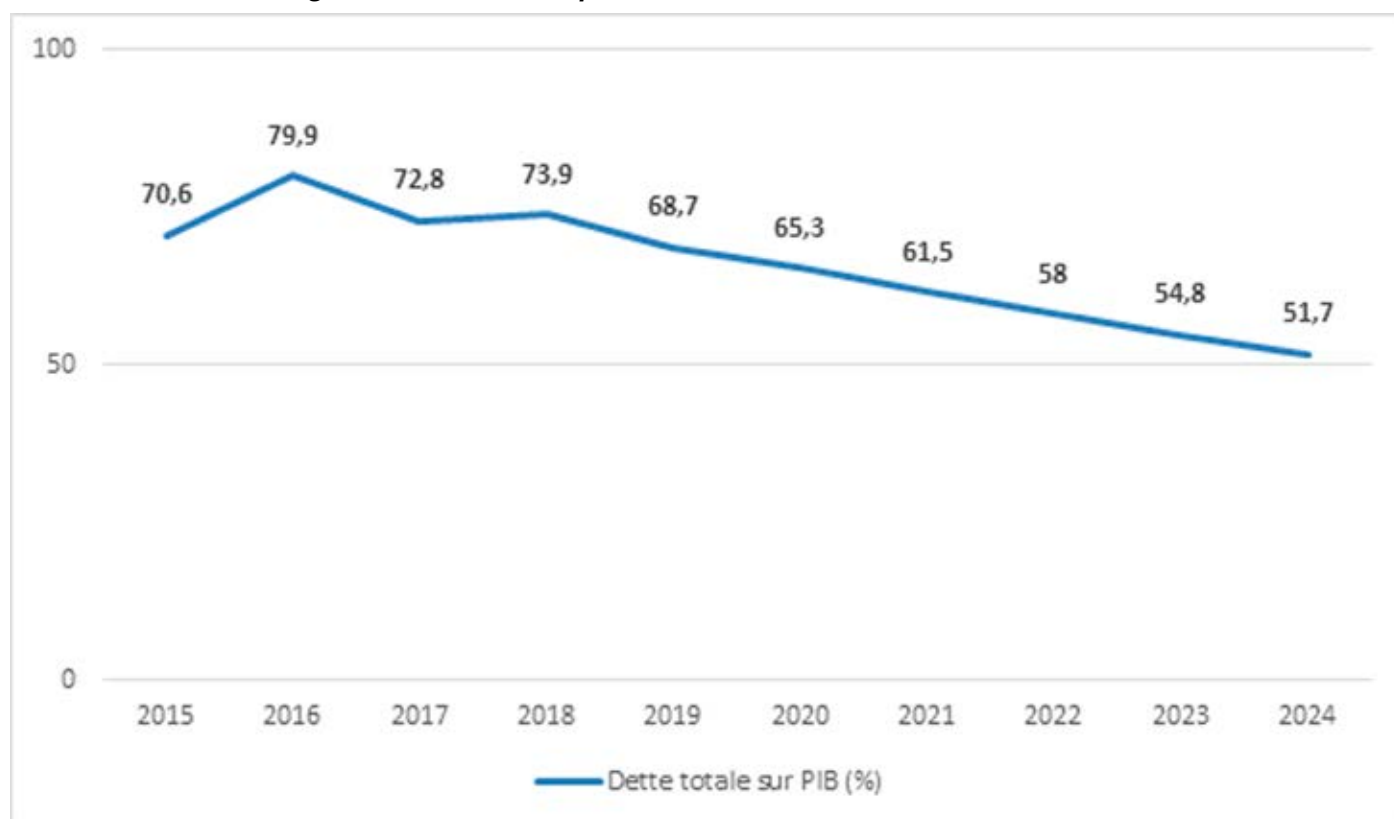
Mitigation measures include intensifying the reforestation of the flora; combating the indiscriminate felling of trees; modernizing the agricultural sector in order to limit the impact of climatic hazards on production (building water reservoirs, setting up modern irrigation systems); strengthening public support for sustainable production and consumption patterns; strengthening the early warning system and effective coordination of responses; and identifying and developing risk areas for better management of potential natural disasters.

## 9.1 General Description of the Public Debt

Togo's outstanding public debt has followed an upward trend, rising from CFA Francs 1745.89 billion in 2015 to CFA Francs 2196.64 billion in 2019, an average increase of 6.3%. It should be noted, however, that the rate of increase literally dropped in 2019 compared to 2018, thus bringing the outstanding debt below the community standard of 70% recommended by WAEMU. Indeed, the debt-to-GDP

ratio stood at 68.7% in 2019 against 73.9% in 2018. The performance noted in 2019 is induced by the implementation of the three-year program (2017-2019) under the Extended Fund Facility with the IMF. This program aims, among other things, at significantly reducing the overall budget deficit at the beginning of the period in order to ensure debt sustainability.

Figure 13. Evolution of public debt-to-GDP stock from 2015 to 2024



Source : Ministry of Finance, IMF April 2020

In 2020, the debt ratio should be further reduced by about 4 percentage points. This is mainly due to the early repayment of domestic loans, including through the reprofiling operation, and to GDP growth, despite the adverse impact of the Coronavirus epidemic on growth. The external debt ratio is projected to increase in 2020 from 23.7 % of GDP at the end of 2019 to 25.2 % of GDP at the end of 2020.

The projected increase in official external financing (including additional financing from the IMF) would be partly offset by a reduction in external borrowing

from commercial banks, assuming no further reprofiling operations are implemented in 2020. Since the Government borrowed externally in December 2019 to repay domestic loans in January 2020, the proceeds of the external loan would have been saved as financial assets in 2019, with repayment financed by a reduction in financial assets in 2020. Any further accumulation of financial assets would contribute to an increase in the debt ratio, relative to projections. By 2024, continued fiscal consolidation is expected to significantly reduce domestic debt and total publicly and publicly guaranteed debt.



## 9.1.1 Overall image

**Table 50. Public debt and its components (in billions of CFA Francs)**

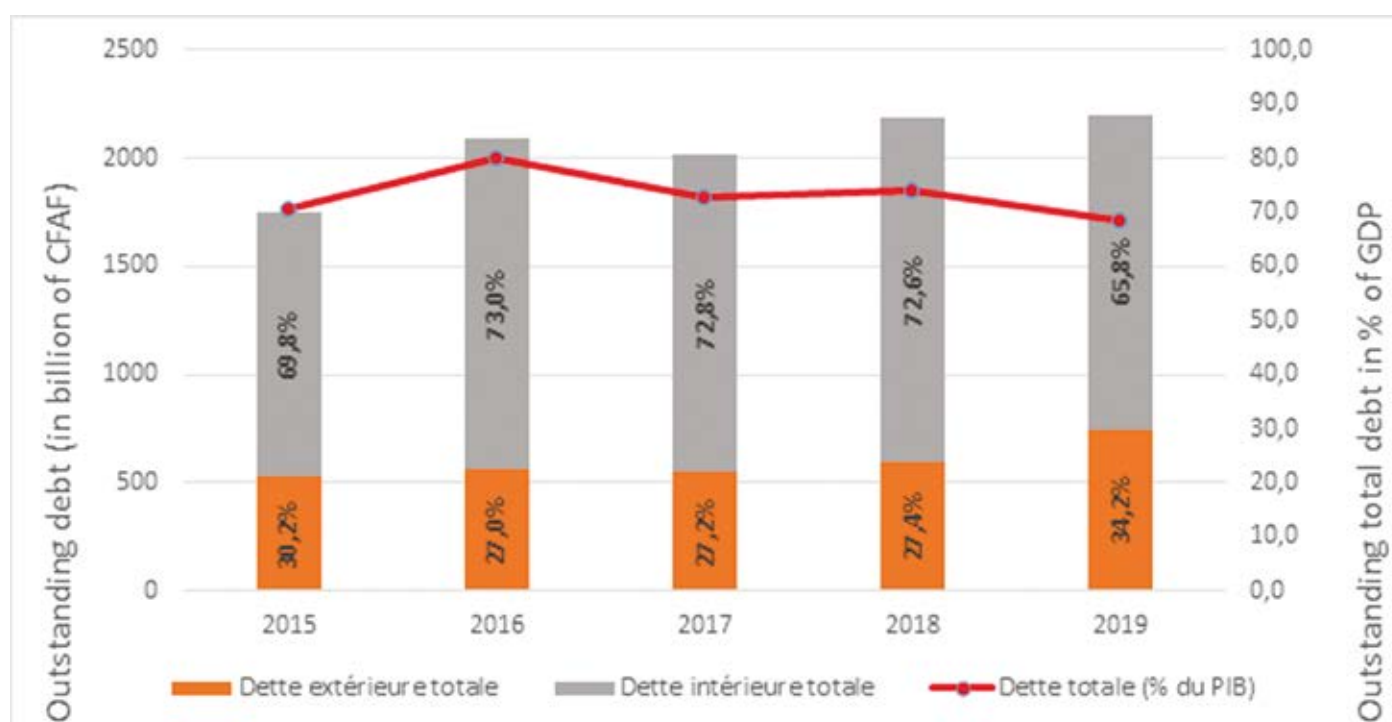
	2015	2016	2017	2018	2019
Total debt	70.6	79.9	72.8	73.9	68.7
(% of GDP)	1 745.89	2 092.67	2 020.26	2 191.04	2 196.64
<b>External debt total</b>	527.19	564.12	550.16	600.76	750.20
<b>Domestic Debt total</b>	1 218.70	1 528.55	1 470.10	1 590.28	1 446.40
<b>nominal GDP (current price)</b>	2 471.78	2 618.08	2 774.19	2 975.91	3 199.06

Source : Minister of the Economy and Finance

Public debt is driven more by domestic debt, which averaged 70.8% of total debt compared to 29.2% for external debt over the entire period under review. In 2019, the share of domestic debt in total debt was 65.8% against 72.6% in 2018. This decline is due to the partial early repurchase of some loans as part of the debt reprofiling operation.

External debt increased by 24.9 % in 2019 from its 2018 level. It accounted for 34.2 % of total debt in 2019 compared to 27.4 % a year earlier. This upward variation is justified by drawings for CFA Francs 182.51 billion, repayments for CFA Francs 38.81 billion and exchange rate fluctuations for about CFA Francs 6.20 billion.

**Figure 14. Distribution of public debt from 2015 to 2020**

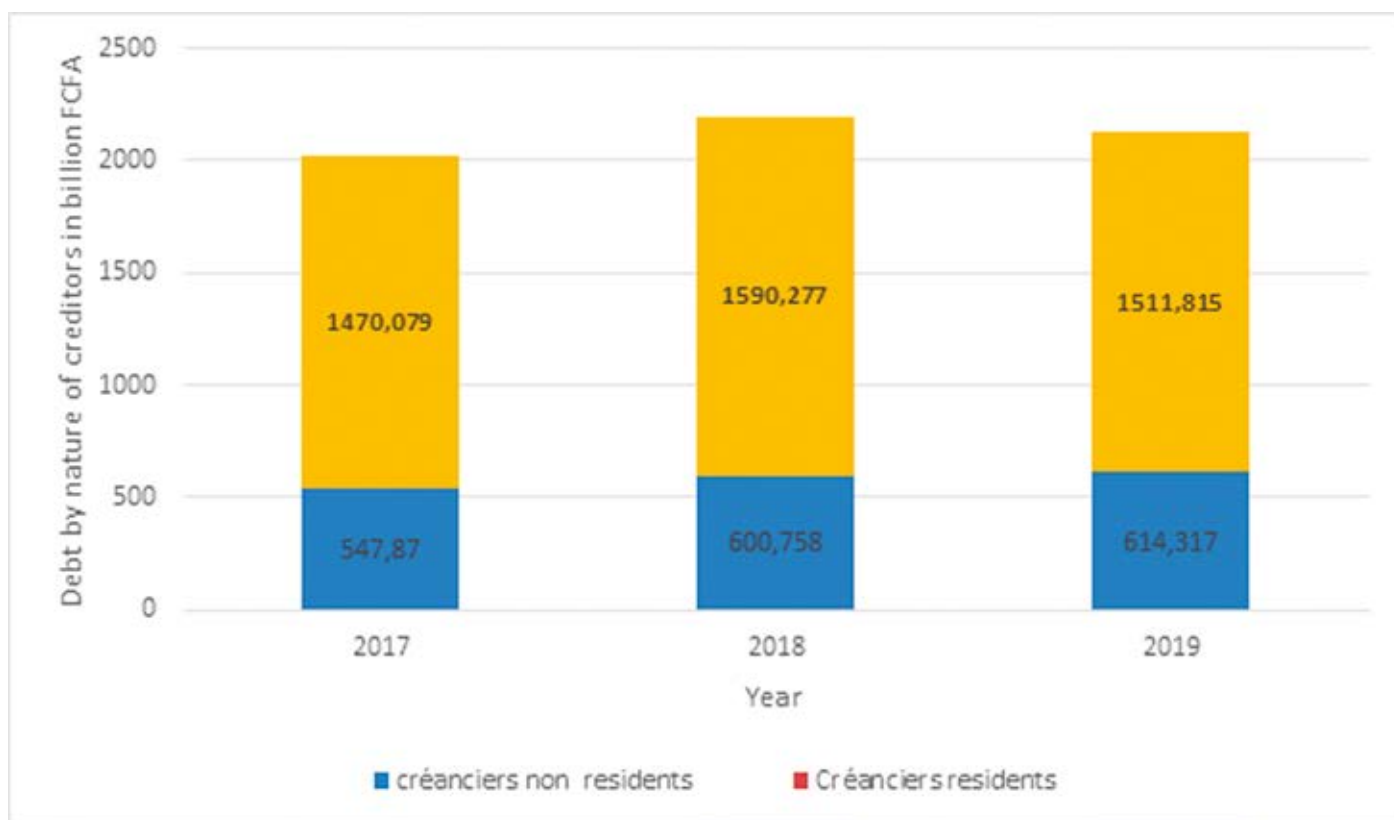


Source : Minister of the Economy and Finance



In terms of residence, the public debt contracted with residents amounted to CFA Francs 1446.44 billion in 2019 against CFA Francs 1590.28 billion in 2018. The debt contracted with non-residents was CFA Francs 750.20 billion in 2019 against CFA Francs 600.76 billion a year earlier.

**Figure 15. Distribution of public debt by type of creditor from 2017 to 2019 (in billions of CFA Francs)**



Source : Minister of the Economy and Finance

### 9.1.2 Time profile of the debt to be repaid

In terms of time profile, the stock of public debt is dominated by long-term debt. It accounted for 71.7% of total debt in 2019 compared with 56.7% in 2015. Medium-term debt stood at 20.9% in 2019 compared to 23.7% in 2015. It had been on a downward

trend in 2016 and 2017 before rising again from 2018 onwards.

Short-term debt followed a downward trend during the period under review. In 2019, it represented 7.4% of total debt compared to 19.7% in 2015.

**Table 51. Time Profile of Public Debt.**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Short term (&lt; 1 year)</b>	19.7	16.5	17.0	16.1	7.4
<b>Medium term (1 to 5 years)</b>	23.7	22.4	11.0	13.7	20.9
<b>Long term (&gt; 5 years)</b>	56.7	61.1	72.0	70.2	71.7
<b>Total</b>	100	100	100	100	100

Source : Minister of the Economy and Finance

### 9.1.3 Amount of debt to be repaid in the short term

Short-term debt to be repaid consists mainly of domestic debt over the period 2015-2019. It amounted to CFA Francs 161.80 billion in 2019 against CFA Francs 352.10 billion in 2018, a decrease of 54.0%

related, among other things, to the clearance of domestic arrears. The breakdown of the debt to be repaid in 2019 shows that it is composed of CFA Francs 85.44 billion<sup>35</sup> in arrears to be paid immediately, CFA Francs 51.35 billion on debt securities and CFA Francs 25 billion in credit.

**Table 52. Evolution of the debt to be repaid in the short term (in billions of CFA Francs)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>External debt</b>	0	0	0	0	0
<b>Domestic Debt</b>	343.39	345.60	343.55	352.10	161.80
<b>Debt securities</b>	96.00	30.00	52.31	126.61	51.35
<b>Credits</b>	-	-	-	-	25.00
<b>Other accounts to be paid</b>	247.39	315.60	291.24	225.49	85.44

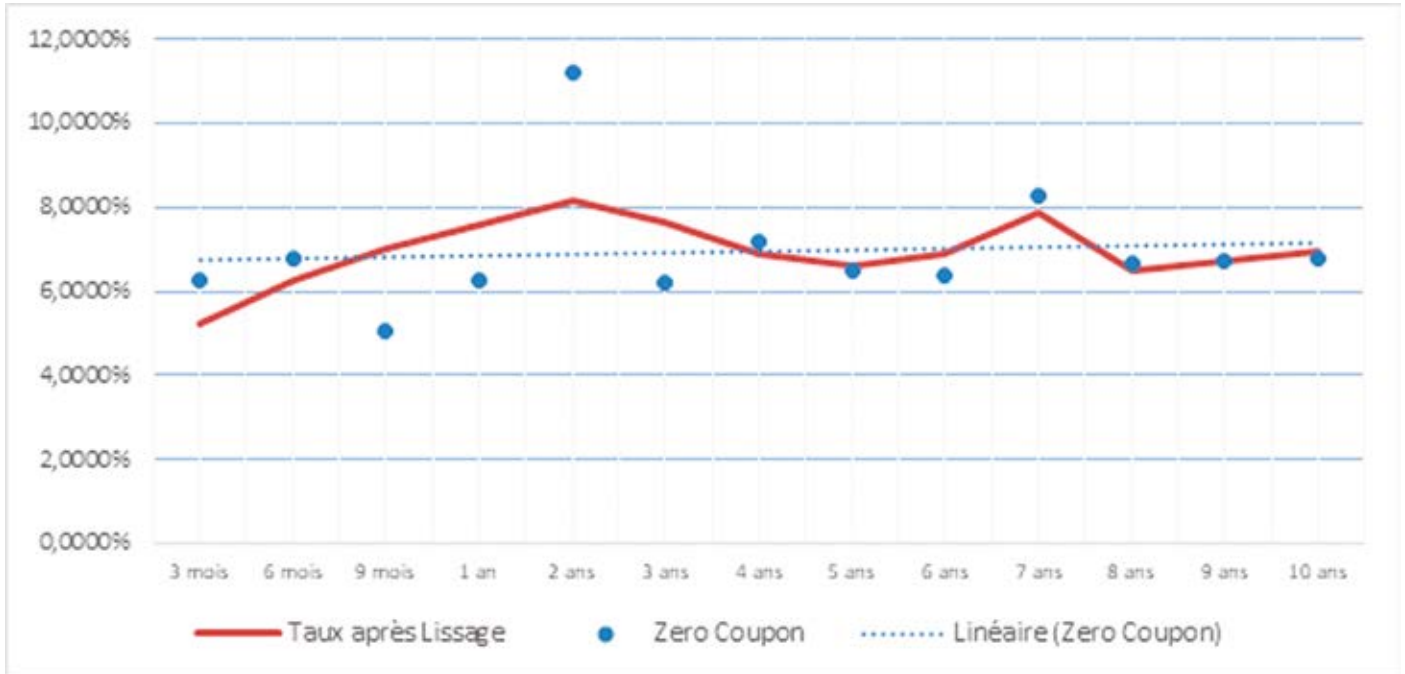
Source : Minister of the Economy and Finance

<sup>35</sup> Arrears to be released immediately

As of May 8, 2020, the one-year zero coupon rate stood at 5.38% compared to 6.25% as of December 27, 2019. After smoothing, it stood at 7.16% on May 8, 2020 compared with 7.57% on December 27, 2019. The 2-year zero coupon rate is the highest,

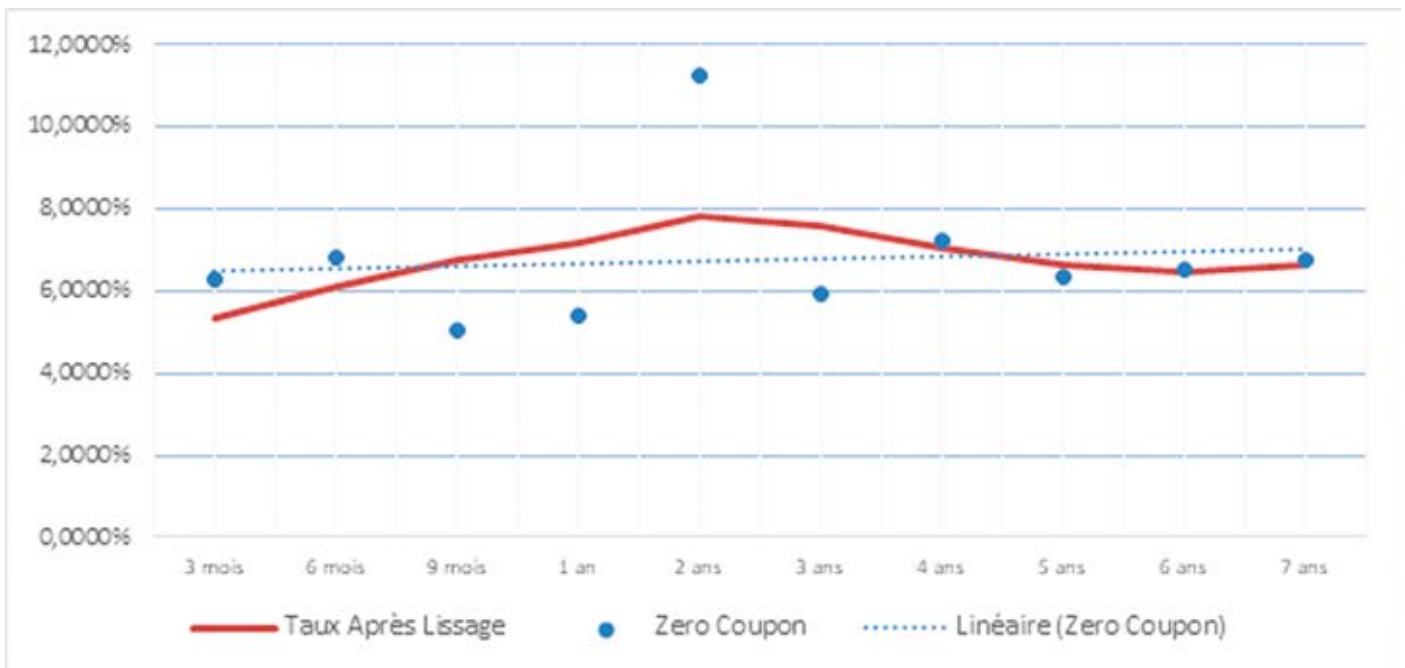
with a value of 11.22% on both May 8, 2020 and December 27, 2019. Overall, the zero-coupon curve has shown some stability over the two periods. The following figures show the yield curves<sup>36</sup> at the end of December 2019 and at 8 May 2020.

**Figure 16. Rate graph as of December 27, 2019**



Source : AUT

**Figure 17. Rate graph as at 08 May 2020**



Source : AUT

<sup>36</sup> A yield graph shows the yield offered for an issuer's debt securities at different maturities.

## 9.2 Indebtedness Strategy and Debt Sustainability

### 9.2.1. Description of the strategy

Togo's debt and public debt management are governed by international, Community and national legislation.

At the international level, the Bretton Woods institutions, in particular the World Bank (WB) and the International Monetary Fund (IMF), have defined guidelines and standards for debt and public debt management. These are mainly the "Guidelines for Public Debt Management" jointly developed by these two institutions, which constitute an international regulatory reference for public debt management.

At Community level, two regulations and two instructions have been issued by the West African Economic and Monetary Union (WAEMU) and the Central Bank of West African States (BCEAO) respectively. These are Regulation No. 09/2007/CM/WAEMU of 4 July 2007 on the reference framework for public debt policy and public debt management in its Member States and Regulation No. 06/2013/CM/WAEMU of 28 June 2013 on treasury bills and bonds issued by auction or syndication with the assistance of the WAMU Securities Agency. For the instructions, we note : instruction n°011-09-2015 relating to auction procedures for treasury bills and bonds and instruction n°01209-2015 of September 11, 2015 relating to the registration and circulation of treasury bills and bonds issued by auction with the assistance of the WAMU Securities Agency.

At the national level, debt management is governed by the organic law n°2014-013 of 27 June 2014 relating to finance laws. The same applies to the annual finance laws which authorise the Minister in charge of finance to contract internal and external loans. In addition, Decree No. 2008-067/PR of 21 July 2008 on the creation, powers and organisation of the National Public Debt Committee (NPDC) and Order No. 338/MEF/DGTCP/CAB of 2 December 2008 laying down the procedures for referring matters to the NPDC provide a framework for debt management. Decree 2011-056/PR of 4 May 2011 sets the condi-

tions for granting and managing State guarantees and endorsements.

The Togolese State will therefore reaffirm its commitment to the three-year programme concluded with the IMF in 2017. In line with the orientations of the said program and those of the Government aimed at mobilizing concessional resources, while contributing to the development of the WAEMU government securities market, the 2020-2024 debt strategy adopted aims to mobilize resources from concessional external creditors and issue government securities with a relatively long maturity on the regional financial market. The government will therefore pursue the implementation of reforms with a view to preserving the gains of the programme with the IMF, improve the quality of its policies and institutions to benefit from the new IDA19<sup>37</sup> (2021-2023) and ADF-15<sup>38</sup> (2020-2023) facilities and grants from other partners.

Domestic debt will be mobilized on the regional government securities market with instruments with maturities ranging from 3 years to 5 years or more, taking into account the constraints that exist on this market. The Government will continue to mobilize financial resources from semi-concessional external creditors such as Eximbank India, the Kuwait Fund and the Saudi Fund.

This strategy does not fully reduce the refinancing risk associated with domestic debt because the substitute borrowing is from external sources. The reprofiling operation and the chosen strategy would still make it possible to extend the average maturity of the total debt and thus reduce refinancing risk. Indeed, the average maturity of the total debt portfolio would increase from 5.4 years in 2019 to 7 years by 2024. The average maturity of the total portfolio would be mainly influenced by the average maturity of external debt, which would increase from 8.3 years in 2019 to 11 years in 2024. On the other hand, the average maturity of domestic debt would be reduced from 3.2 years in 2018 to 2.7 years in 2024 as the government continues to issue on the regional financial market government securities with short and medium-term maturities of 1 year and 3 years.

<sup>37</sup> IDA19: *Ten Years to 2030: Growth, People, Resilience*  
<sup>38</sup> *Fifteenth Reconstitution of the ADF (ADF-15)*

The reprofiling operation also made it possible to increase the proportion of external debt in relation to total debt. Indeed, the external debt in relation to the total debt would rise from 42.3% in 2019 to 51.7% by 2024. The debt maturing in one year would be between 16.3% in 2024 against 13.2% in 2019 taking into account the reprofiling operation whose repayment would start from 2024.

To extend the maturity of domestic debt, the Treasury will have to issue securities by auction and syndication with maturities ranging from 7 to 10 years. Controlling refinancing risk beyond 2020 requires the Treasury to actively manage the debt through buyback and exchange mechanisms. Buybacks will take place when the Treasury has cash surpluses. The exchange of securities will enable the Treasury to issue long-maturity securities to replace certain securities maturing in the short term and thus reduce the refinancing risk of the debt portfolio.

### **9.2.2 Debt Sustainability (according to the World Bank and IMF)**

The Sustainability Framework was developed jointly by the World Bank and the IMF for low-income countries. The framework was adopted in April 2005 and is subject to periodic review. It analyses both external and public sector debt. A rate of 5 per cent is used to calculate the present value of external debt. To measure debt sustainability, debt indicators are compared to indicative thresholds over a projection period.

The April 2020 update of the debt sustainability analysis (DSA) confirms Togo's moderate risk of external debt distress and the high risk of global debt distress - unchanged from the previous DSA published in November 2019. Although the mechanical results indicate a low risk of external debt distress, this judgement has been applied in view of the vulnerability of domestic debt. The external debt overhang

is therefore considered moderate. The overall risk of debt distress is assessed as high, given that the PV of the total public debt-to-GDP ratio exceeds the debt distress benchmark until 2021 in the reference scenario. This analysis highlights the need for sustained fiscal consolidation, better debt management and sound macroeconomic policies to reduce public debt to prudent levels over the medium term.

The debt sustainability analysis still points to a low risk of external debt distress, as none of the indicators cross their thresholds below the baseline or under the most extreme shock scenario. The VA of external debt is projected to reach 19.5% of GDP in 2020 and will decrease to about 12.8% of GDP in 2030, under the baseline scenario. The VA of external debt in relation to exports is projected to reach 68.6% of GDP in 2020 and decrease to 43.5% of GDP in 2030, well below its indicative threshold. Similarly, debt service indicators remain well below their threshold.

With regard to public debt, the overall risk of over-indebtedness remains high, as the PV of total public debt remains above the indicative benchmark until 2022. In the reference scenario, overall public debt is projected to reach 67.1% of GDP in 2020, falling below 70%. By 2040, continued fiscal consolidation (primary surplus assumed to be around 1% of GDP until 2029) coupled with favourable growth rates should significantly reduce domestic debt and guaranteed debt. In the most extreme shock scenario, the ratio of the VA of overall public debt to GDP would rise rapidly in 2021 and fall below the indicative reference index in 2025. In the historical scenario, this ratio would remain above the indicative threshold throughout the projection period. The analysis points to the need for sustainable fiscal consolidation and better debt management aimed at reducing the level of public debt to prudent levels over the medium term.



*Table 53. DSF debt threshold and benchmarks*

	Scenario of reprofiling of the debt				
	VA of Foreign debt (%)		Service VA of Foreign debt (%)		VA of Public debt (%)
	GDP	Exports	Exports	Revenues	GDP
<b>Average Policy</b>	40	180	15	18	55
<b>2019</b>	18.4	58.9	4.9	7.8	65.7
<b>2020</b>	19.5	68.6	4.8	6.9	61.4
<b>2021</b>	19.0	67.0	4.4	6.2	57.6
<b>2022</b>	18.5	65.1	5.1	7.2	54.1
<b>2023</b>	17.8	62.3	5.8	8.1	50.8
<b>2024</b>	17.0	59.0	6.3	8.9	47.6
<b>2025</b>	16.1	55.5	6.7	9.3	44.6
<b>2030</b>	12.8	43.5	4.6	5.7	30.6
<b>2040</b>	14.0	48.3	5.7	4.5	24.3

Source : Country report IMF, april 2020

IMF and World Bank staff are of the view that the risk of external debt distress should be kept at a moderate level, unchanged from the rating at the last DSA in November 2019. All external debt sustainability indicators are projected to remain below their indicative thresholds throughout the projection period (2020-2040) under the baseline scenario, with the most extreme stress test. However, although these mechanical results indicate a low risk of external debt distress, the judgement took into account vulnerabilities resulting from high domestic debt leading to the assessment of a moderate risk of external debt distress. Such vulnerabilities could arise because of the risks associated with local currency debt owed to non-residents (currently included as

domestic debt - defined on a monetary basis), possible debt revaluation operations or the need to incur fiscal costs to facilitate the privatisation of the two state-owned banks.

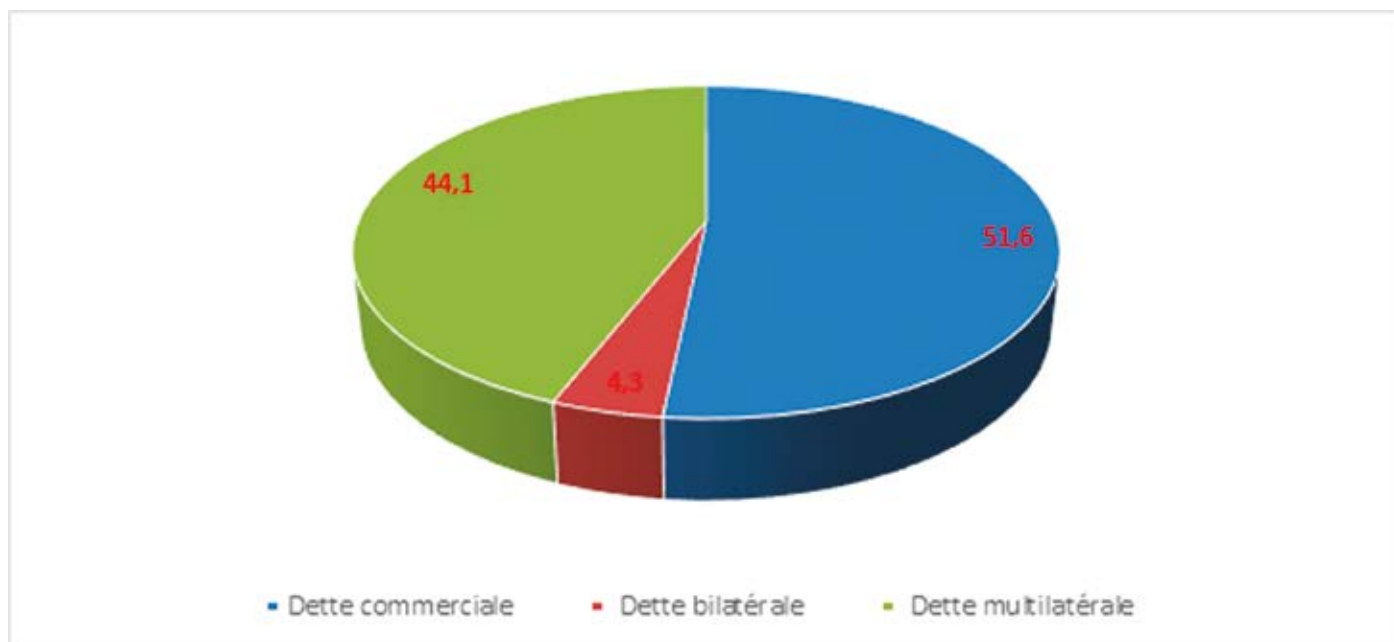
## 9.3 External Debt

### 9.3.1. Holders

At the end of December 2019, outstanding external public debt stood at CFA Francs 750.2 billion. It represented 23.5% of nominal GDP and was made up of 51.6% commercial debt, 44.1% multilateral debt and 4.3% bilateral debt.



Figure 18. External debt by type of creditor in 2019



Source : Ministry of Economy and Finance

In 2019, commercial debt accounted for more than half of the external debt portfolio, i.e. 51.6%. It accounted for 12.1% of nominal GDP. Eximbank China (77.6%) is the largest creditor, followed by BANK OF TOKYO-MUFG (17.6%) and Eximbank India (4.8%).

Eximbank's financing enabled major infrastructure works to be carried out, including the construction and rehabilitation of the airport and the development of bypass roads.

Table 54. Distribution of public external debt by type of creditor in 2019

	Total debt in billions of FCFA)	in % of total external debt	in % of nominal GDP
<b>Total external debt</b>	750.2	10.0	23.5
<b>Commercial debt</b>	387.28	51.6	12.1
EXIMBANK China	300.67	40.1	9.4
EXIMBANK India	18.64	2.5	0.6
Bank of Tokyo	67.97	9.1	2.1
<b>Bilateral</b>	32.31	4.3	1.0
FDA	0.07	0.01	0.002
Belgium	5.83	0.8	0.2
Saudi Fund	6.12	0.8	0.2

Kuwait Fund	20.29	2.7	0.6
<b>Multilateral</b>	330.61	44.1	10.3
ABEDA	9.81	1.3	0.3
EIB	1.47	0.2	0.0
IDB	53.36	7.1	1.7
EBID	21.39	2.9	0.7
FAD	21.87	2.9	0.7
IFAD	6.58	0.9	0.2
IMF	126.97	16.9	4.0
IDA	81.41	10.9	2.5
OPEC	7.75	1.0	0.2

Source : Ministry of Economy and Finance

Multilateral debt comes in second place with 44.1% of the external debt portfolio and 10.3% of GDP. In terms of proportion, IMF debt represents the largest share with 16.9%, followed by IDA (10.9%) and IDB (7.1%).

Bilateral debt has a small share of 4.3% of the external debt portfolio. It accounted for 1.0% of GDP. The main bilateral creditor with which the Togolese government has commitments is the Kuwait Fund, accounting for 2.7% of total external debt and 62.9% of bilateral debt.

### 9.3.2 External debt payment situation

External debt service comprises principal and interest plus commissions. It evolved erratically over the period under review. At the end of 2019, debt service stood at CFA Francs 47.2 billion against CFA Francs 42.3 billion one year earlier, an increase of 11.8% largely due to the principal of the debt. Indeed, the principal in 2019 recorded a 14.0% increase to CFA Francs 38.4 billion against CFA Francs 33.7 billion in 2018. Interests plus commissions recorded an increase of 3.1% to CFA Francs 8.8 billion against CFA Francs 8.5 billion a year earlier. It is important to note that the figures refer to debt service payments actually paid, including early repayments.

*Table 55. Actual payments of external debt service<sup>39</sup> by type of creditor (Billion of CFA Francs)*

	2015			2016			2017			2018			2019		
	P	IC	Total	P	IC	Total	P	IC	Total	P	IC	Total	P	IC	Total
<b>official bilaterals</b>	9.7	0.6	10.3	9.7	0.5	10.3	9.3	1.7	11.0	3.4	0.9	4.3	9.4	0.7	10.0
<b>Multilateral creditors</b>	11.5	2.1	13.6	18.0	2.1	20.2	20.6	1.8	22.5	19.2	1.7	20.8	14.6	1.9	16.6

<sup>39</sup> Exchange rate on the day of the transaction

<b>Commercial Bank</b>	0.5	5.0	5.5	3.8	6.2	10.0	10.4	6.4	16.8	11.1	6.0	17.1	14.4	6.2	20.6
<b>Securities Receivables</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	21.7	7.7	29.4	31.5	8.9	40.4	40.3	9.9	50.2	33.7	8.5	42.3	38.4	8.8	47.2

Source : Ministry of Economy and Finance

In terms of projections, external debt service is expected to reach CFA Francs 54.74 billion in 2021, of which CFA Francs 40.55 billion in principal and CFA Francs 14.18 billion in interest and commissions.

**Table 56. Annual projection<sup>40</sup> of external debt service of Central administration by type of creditor (in billions of CFA Francs)**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Official bilateral creditors</b>	3.77	4.58	5.60	7.22
Principal	2.85	3.61	4.43	5.94
Interest /Commission	0.92	0.97	1.17	1.28
<b>Multilateral credits</b>	14.57	5.10	30.23	39.82
Principal	11.01	1.23	26.12	35.77
Interest/Commission	3.56	3.87	4.11	4.05
<b>Credit security holder</b>	n.a	n.a	n.a	n.a
<b>Commercial Banks</b>	36.39	45.29	45.96	48.00
Principal	26.69	36.24	37.54	40.41
Interest /Commission	9.70	9.05	8.42	7.59
<b>TOTAL</b>	54.74	54.97	81.79	95.05
Total Principal	40.55	41.08	68.09	82.12
Total Interest /Commission	14.18	13.70	13.70	12.92

Source : Ministry of Economy and Finance

By 2024, the external debt service would amount to CFA Francs 95.05 billion. It will consist of the principal up to CFA Francs 82.12 billion, i.e. a share of 86.4% and CFA Francs 12.92 billion (13.6%) in interests and commissions.

### 9.3.3 Debt Currencies

The distribution of external debt by currency shows that the US dollar is the first currency in which this debt is denominated. Indeed, 24.9% of the exter-

nal debt is denominated in US dollars, followed by the debt denominated in yuan renminbi (22.3%) and special drawing rights (20.8%). The Euro is the fourth major currency in which external debt is denominated, with a share of 18.1%.

**Table 57. Outstanding foreign public debt by currency as at 31 December 2019**

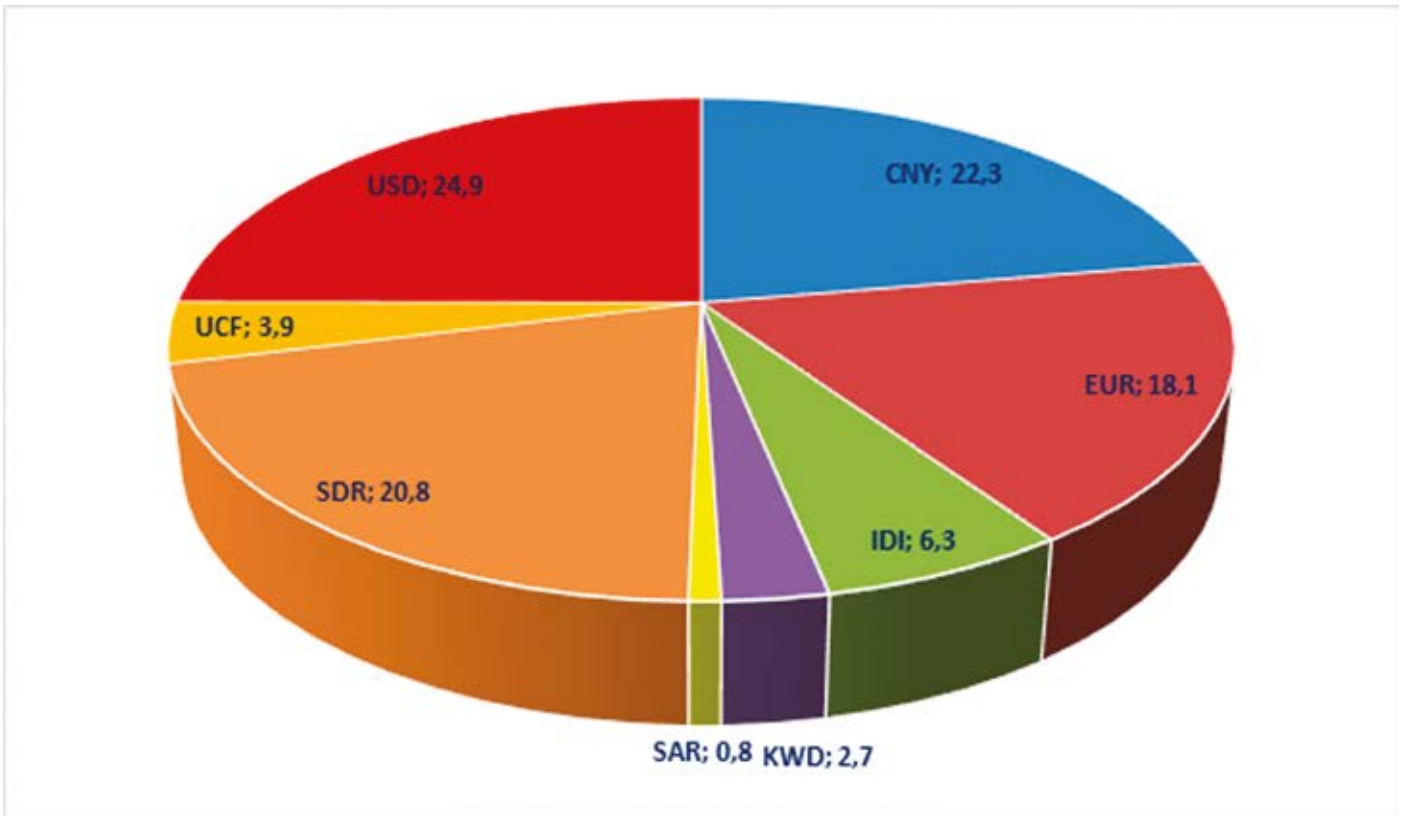
	<b>Total debt originally denominated in this currency</b>	<b>CFA Francs exchange rates as at 31 December 2019*</b>	<b>Total debt expressed in CFA Francs</b>	<b>Exchange rates in EURO as at 31 December 2019**</b>	<b>Total debt expressed in EURO</b>	<b>Debt distribution by currency</b>
<b>CNY</b>	2 001 897 937	83.7003	167 559 550 000	0.13	255 442 887.26	22.3
<b>EUR</b>	207 160 591	655.9570	135 888 440 000	1.00	207 160 591.32	18.1
<b>IDI</b>	58 874 334	808.6962	47 611 450 000		72 583 187.62	6.3
<b>KWD</b>	10 512 023	1 929.7618	20 285 700 000	2.94	30 925 350.29	2.7
<b>SAR</b>	39 229 375	155.9505	6 117 840 000	0.24	9 326 586.96	0.8
<b>SDR</b>	193 061 795	808.6962	156 128 340 000	1.24	238 016 119.96	20.8
<b>UCF</b>	36 539 407	808.6962	29 549 280 000	1.24	45 047 586.96	3.9
<b>USD</b>	319 861 269	584.8143	187 059 450 000	0.89	285 170 293.17	24.9
<b>TOTAL</b>	-		<b>750 200 050 000</b>		<b>1 143 672 603.54</b>	<b>100</b>

Source : Ministry of Economy and Finance \*SYGADE 6.0 \*\* <https://fxtop.com/>

In total, 81.9% of the external debt is influenced by the fluctuation of currencies outside the Euro. A 30% depreciation of the dollar against the euro would lead

to a 3.8 point increase in the ratio of outstanding public debt to GDP in 2021 and 3.3 points in 2024<sup>41</sup>.

Figure 19. Distribution of Debt by Currency in 2019 (%)



Source : Ministry of Economy and Finance

#### 9.4 Domestic Debt

The outstanding domestic public debt has followed an upward trend, rising from CFA Francs 1.218.7 billion in 2015 to CFA Francs 1.446.44 billion in 2019, i.e. an increase of 18.7%. As a percentage of nominal GDP, the outstanding domestic debt in 2019 represented 45.2%.

##### 9.4.1. Presentation of the situation as at December 31, 2019

Domestic debt outstanding in 2019 was down 9.0% from its level in 2018 as a result of the debt repro-

filing operation. Indeed, in 2019, an initial rescheduling operation made it possible to settle in advance four (04) government debts, including three (03) contracted with BOAD and one (01) bond issue through Bank of Japan financing in the amount of 103.625.000 euros and 56.100.000 euros of IDA financing. 159.725.000, corresponding to FCFA 104.772.731.825.

**Table 58. Details of Domestic Public Debt Stock as at December 31, 2019**

	<b>Domestic debt expressed in value (Billion of CFA Francs)</b>	<b>Domestic debt as a % of total domestic debt</b>	<b>Domestic debt expressed as a % of nominal GDP for the year 2018</b>
<b>Total domestic debt</b>	1 446.44	100	45.2
<b>Government securities</b>	1 120.88	77.5	35.0
Treasury Bills	51.53	3.6	1.6
Treasury Bonds	1 069.52	73.9	33.4
<b>Bank Loans</b>	240.13	16.6	7.5
SDR allocations	0.82	0.1	0.0
BOAD Ecobank et IBBANK	239.31	16.5	7.5
<b>Arrears</b>	85.44	5.9	2.7

Source : DDPF

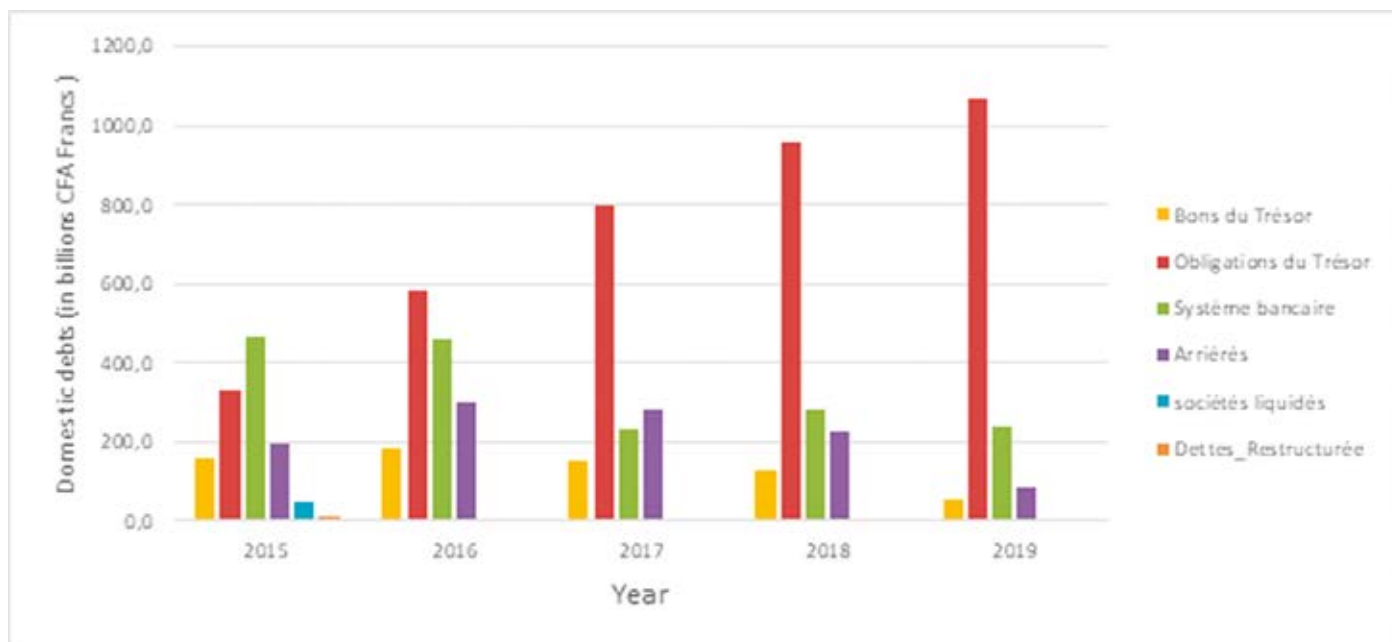
Outstanding domestic debt is composed of 77.5% of debt securities, notably treasury bonds (73.9%) and treasury bills (3.6%). As a percentage of GDP, debt securities accounted for 35.0%. Loans from the banking sector amounted to CFA Francs 240.13 billion in 2019, i.e. 16.6% of outstanding domestic debt and 7.5% of GDP. Payment arrears fell by 62.1% from their 2018 level to CFA Francs 85.44 billion. They accounted for only 5.9% of domestic debt in 2019 against 14.1% in 2018.

#### **9.4.2 Evolution of the composition of domestic debt**

Domestic debt can be divided into two broad categories of debt. Arrears and so-called "conventional" debt. Domestic debt is dominated by conventional debt throughout the period under review. The latter includes debt securities, bank loans and corporate debt and restructured debt. Over the period under review, debt securities dominate conventional debt, i.e. 82.4% in 2019 against 51.4% in 2015. In nominal value, debt securities, dominated by treasury bonds, increased from CFA Francs 492.48 billion in 2015 to CFA Francs 1 120.88 billion in 2019.



Figure 20. Evolution of domestic public debt stock from 2015 to 2019



Source : Ministry of Economy and Finance

Bank loans are the second largest contributor to conventional debt. But unlike debt securities, bank loans have been falling steadily since 2015. They accounted for 17.6% of conventional debt in 2019 compared to 48.6% in 2015.

Arrears are estimated at CFA Francs 85.44 billion as at December 2019 against CFA Francs 198.13 billion in 2015. These are arrears of commercial debt, social

debt and commitments and risks.

#### 9.4.3 Domestic debt payments situation

The payment of the domestic debt for 2019 amounted to CFA Francs 470.4 billion, up 18.5% compared to 2018. The principal of the debt was CFA Francs 393.4 billion representing 83.6% of debt service against 16.4% for interest.

Table 59. Payments for servicing the domestic public debt of the central government by type of instrument (in billions of CFA Francs)

Wordings	2016			2017			2018			2019		
	P	IC	Total	P	IC	Total	P	IC	Total	P	IC	Total
<b>Loans</b>	263.36	39.98	303.33	461.09	41.48	502.56	16.38	9.72	26.1	74.3	9.6	83.9
<b>Debt securities</b>	191.67	21.18	212.85	248.87	24.46	273.33	252.93	52.1	305.02	284.6	67.4	352.1
<b>Other accounts to be paid</b>	53.39	0	53.39	24.37	0	24.37	65.74	0	65.74	34.5	0	34.5
<b>TOTAL</b>	508.42	61.16	569.57	734.33	65.94	800.26	335.05	61.82	396.86	393.4	77.1	470.4

Source : Ministry of Economy and Finance

Debt instruments, notably Treasury bonds and treasury bills, account for the bulk of debt servicing. In fact, these securities accounted for 74.8% of total debt service in 2019 compared with 17.4% and 7.3% respectively for loans and other accounts payable.

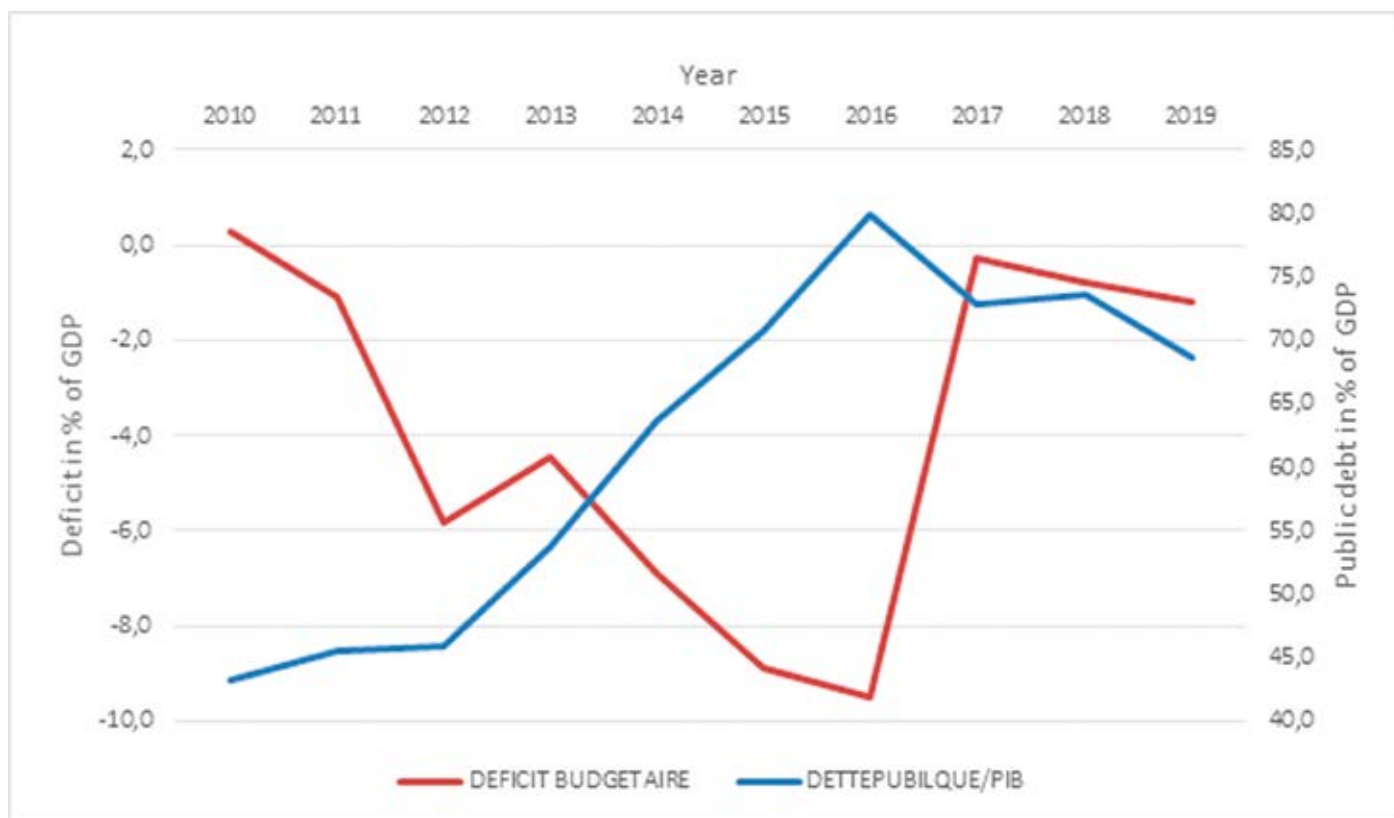
### 9.5 Viability and Sustainability

Togo's fiscal balance deteriorated after 2010 when it emerged in surplus at 1.0% of GDP. From 2012 to 2016, the deficit remained above the EU norm

of 3.0% set by the Convergence Pact. In 2016, the deficit reached 9.5% of GDP. In 2017, it improved to 0.3% of GDP below the EU norm. It deteriorated slightly from 0.8% of GDP in 2018 to 1.2% of GDP in 2019, still below the EU norm of 3%.

At the same time, the years of deficit deterioration were also marked by a rapid increase in the debt ratio, which stood at 80.0% in 2016. From 2017 onwards, the debt ratio declined to 68.7% in 2019, below the WAEMU community norm of 70%.

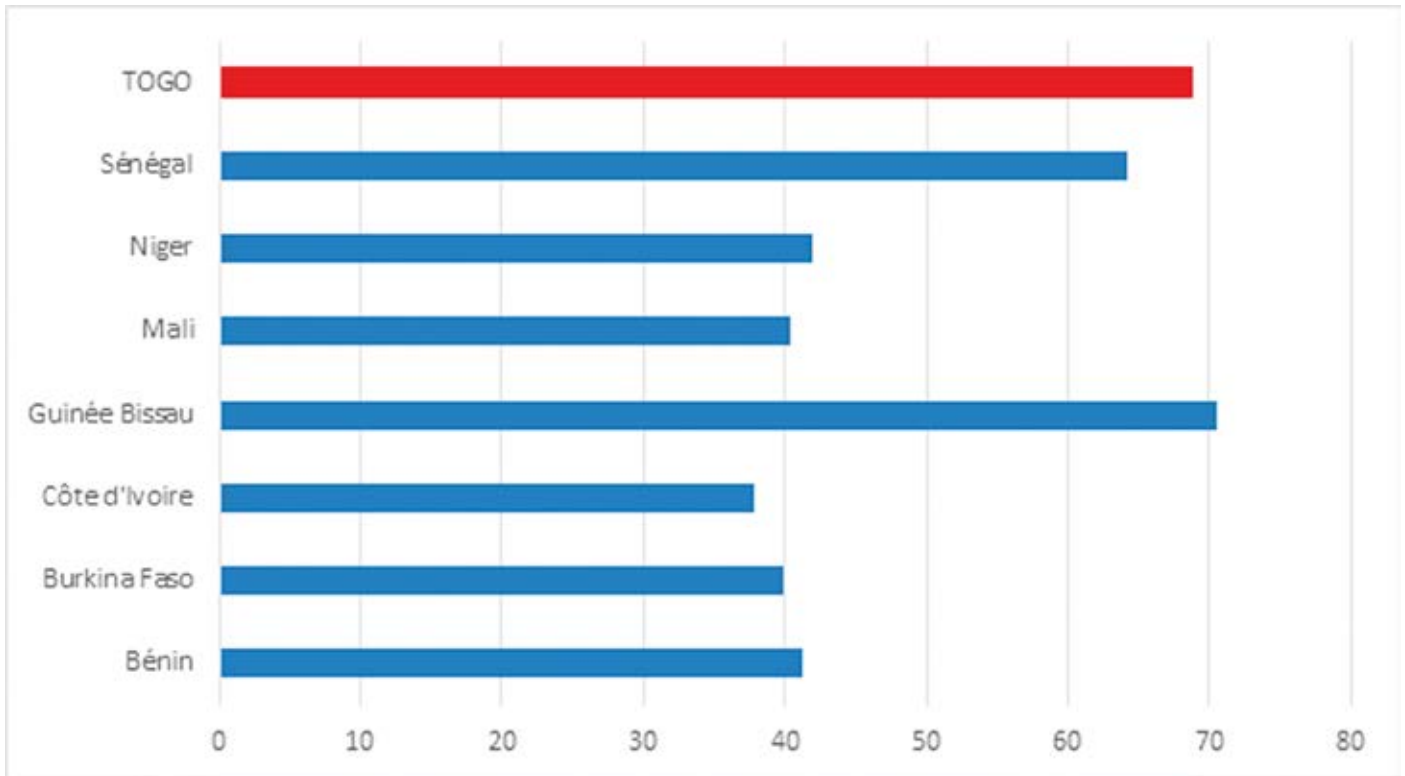
**Figure 21. Evolution of the budget deficit and debt stock as a percentage of GDP**



Source : CP-SPRPF, Ministry of Economy and Finance

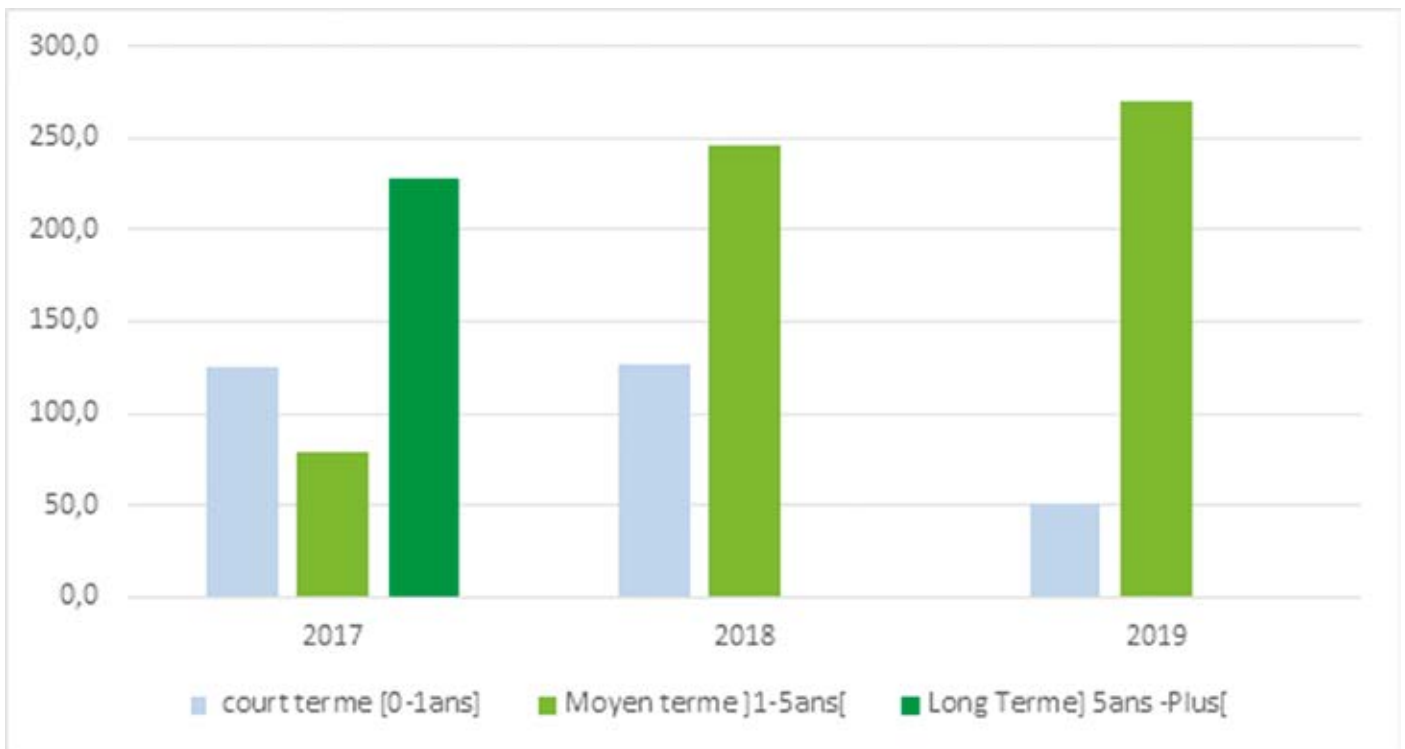
The comparative analysis of Togo's public debt with that of its WAEMU peers highlights Togo as the most indebted country after Guinea Bissau.

Figure 22. Situation of Public debt-to-GDP ratio in the WAEMU in 2019



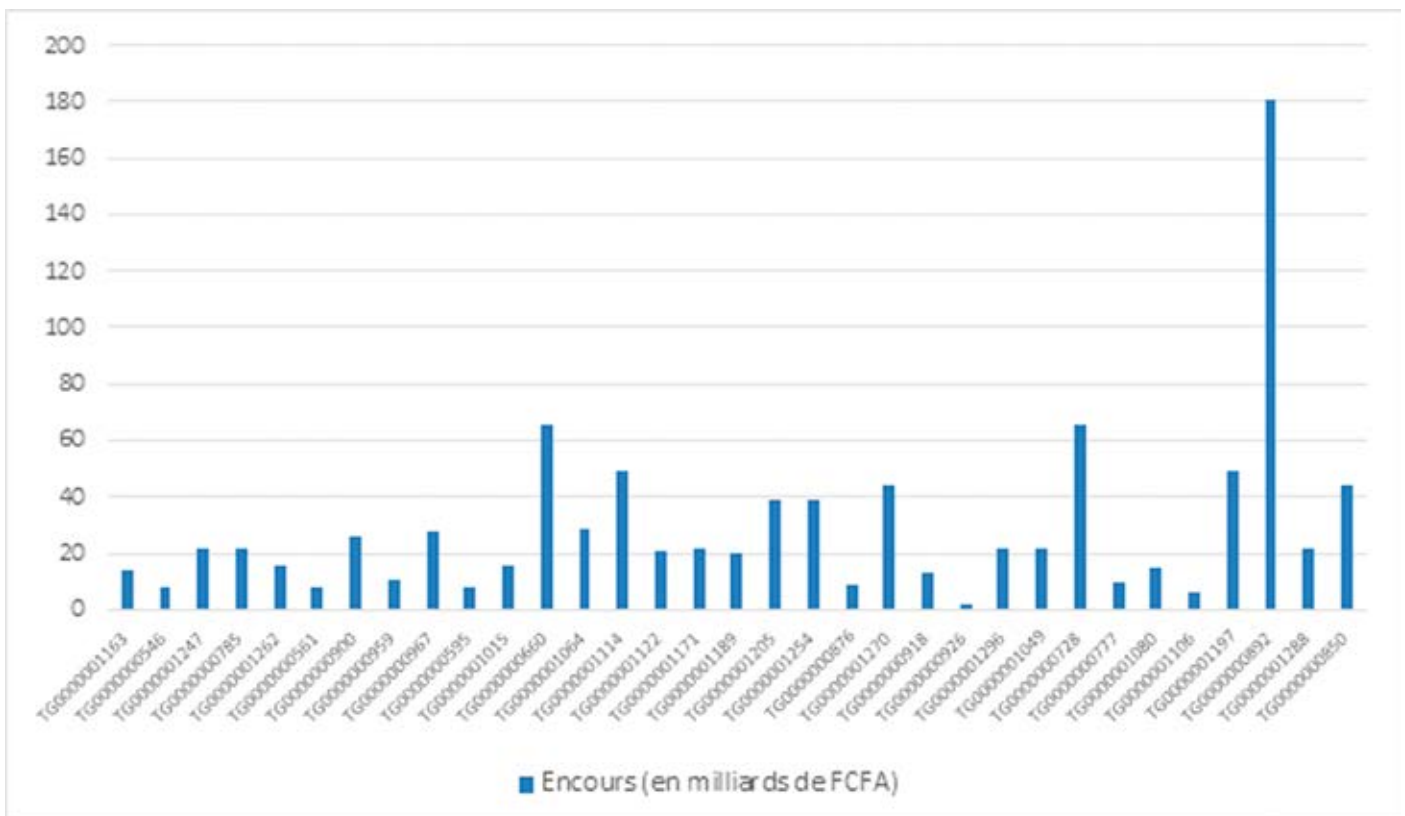
Source : IMF April 2020

Figure 23. Detailed country emissions from 2017 to 2019



Source : AUT

Figure 24. Value of Securities outstanding at December 31, 2019



Source : AUT

**Table 61. Details of securities outstanding at the end of December 2019**

ISSUER	INSTRUMENT	TRANSACTION DATE	VALUE DATE	DEADLINE	MATURITY	DEFERRED (YEAR)	AMOUNT (MILLIONS OF CFA francs)	AMOUNT SUBMITTED (MILLIONS OF CFA francs)	AMOUNT WITHHELD (MILLIONS OF CFA francs)	ISIN
Togo	OAT	08/05/2020	11/05/2020	13/03/2023	36	--	35 000,00	22 383,40	22 383,40	TG0000001346
Togo	OAT	08/05/2020	11/05/2020	02/03/2025	60	--	35 000,00	22 349,00	16 116,60	TG0000001338
Togo	BAT	17/04/2020	20/04/2020	18/04/2021	12	--	20 000,00	29 003,00	22 000,00	TG0000001361
Togo	OAT	13/03/2020	16/03/2020	16/03/2023	36	--	50 000,00	48 080,30	31 610,30	TG0000001346
Togo	OAT	13/03/2020	16/03/2020	02/03/2025	60	--	50 000,00	11 819,72	10 819,72	TG0000001338
Togo	OAT	13/03/2020	16/03/2020	16/03/2027	84	--	50 000,00	15 866,91	12 528,45	TG0000001353
Togo	OAT	28/02/2020	02/03/2020	02/03/2025	60	--	25 000,00	56 185,61	27 500,00	TG0000001338
Togo	OAT	14/02/2020	17/02/2020	03/02/2023	36	--	25 000,00	52 838,00	27 500,00	TG0000001320
Togo	OAT	31/01/2020	03/02/2020	03/02/2023	36	--	25 000,00	74 052,50	27 500,00	TG0000001320
Togo	BAT	17/01/2020	20/01/2020	17/01/2021	364	--	25 000,00	69 134,00	27 500,00	TG0000001312
Togo	OAT	04/10/2019	07/10/2019	07/09/2022	36	--	20 000,00	47 340,88	22 000,00	TG0000001296
Togo	OAT	06/09/2019	09/09/2019	09/09/2024	60	--	20 000,00	48 465,59	22 000,00	TG0000001288
Togo	OAT	09/08/2019	13/08/2019	15/07/2022	36	--	20 000,00	29 557,29	22 000,00	TG0000001270
Togo	OAT	26/07/2019	29/07/2019	11/03/2024	60	--	20 000,00	37 525,45	22 000,00	TG0000001197
Togo	OAT	12/07/2019	15/07/2019	15/07/2022	36	--	20 000,00	43 060,35	22 000,00	TG0000001270
Togo	OAT	28/06/2019	01/07/2019	03/06/2022	36	--	20 000,00	40 205,30	22 000,00	TG0000001254
Togo	BAT	14/06/2019	17/06/2019	14/06/2020	12	--	20 000,00	21 354,00	15 729,00	TG0000001262
Togo	OAT	31/05/2019	03/06/2019	03/06/2022	36	--	15 000,00	41 788,81	16 500,00	TG0000001254
Togo	OAT	17/05/2019	20/05/2019	11/03/2024	60	--	20 000,00	62 070,29	22 000,00	TG0000001197
Togo	BAT	19/04/2019	23/04/2019	20/04/2020	12	--	20 000,00	77 135,00	22 000,00	TG0000001247
Togo	OAT	05/04/2019	08/04/2019	11/03/2022	36	--	20 000,00	77 238,84	22 000,00	TG0000001205
Togo	OAT	08/03/2019	11/03/2019	11/03/2022	36	--	20 000,00	19 780,21	16 587,71	TG0000001205
Togo	OAT	08/03/2019	11/03/2019	11/03/2024	60	--	20 000,00	5 814,65	5 412,29	TG0000001197
Togo	OAT	22/02/2019	25/02/2019	23/04/2021	24	--	15 000,00	35 678,71	13 000,00	TG0000001064
Togo	OAT	08/02/2019	11/02/2019	11/02/2022	36	--	20 000,00	27 846,75	20 000,00	TG0000001189
Togo	OAT	25/01/2019	28/01/2019	28/01/2022	36	--	20 000,00	36 093,77	22 000,00	TG0000001171
Togo	BAT	10/01/2019	11/01/2019	09/01/2020	12	--	20 000,00	18 625,00	13 625,00	TG0000001163
Togo	OAT	26/10/2018	29/10/2018	20/09/2020	36	--	50 000,00	23 259,30	21 030,00	TG0000000900
Togo	OAT	26/10/2018	29/10/2018	20/09/2022	60	--	50 000,00	4 047,59	4 047,59	TG0000000918
Togo	BAT	12/10/2018	15/10/2018	13/10/2019	12	--	25 000,00	25 534,00	24 134,00	TG0000001155
Togo	BAT	28/09/2018	01/10/2018	29/09/2019	12	--	20 000,00	16 925,00	16 925,00	TG0000001148
Togo	OAT	31/08/2018	03/09/2018	03/09/2021	36	--	20 000,00	29 318,00	21 218,00	TG0000001122
Togo	OAT	17/08/2018	20/08/2018	21/04/2020	51	--	20 000,00	17 096,70	14 452,00	TG0000000785
Togo	OAT	20/07/2018	23/07/2018	23/07/2021	36	--	50 000,00	51 040,72	48 550,00	TG0000001114
Togo	OAT	20/07/2018	23/07/2018	23/07/2023	60	--	50 000,00	6 450,00	6 450,00	TG0000001106
Togo	BAT	22/06/2018	25/06/2018	23/06/2019	12	--	20 000,00	22 536,00	21 536,00	TG0000001098
Togo	OAT	08/06/2018	06/11/2018	06/11/2021	36	--	20 000,00	14 565,60	14 565,60	TG0000001080
Togo	BAT	04/05/2018	07/05/2018	05/05/2019	12	--	20 000,00	24 737,00	22 000,00	TG0000001072
Togo	OAT	20/04/2018	23/04/2018	23/04/2021	36	--	15 000,00	17 215,25	15 715,25	TG0000001064
Togo	OAT	30/03/2018	03/04/2018	03/04/2023	60	--	20 000,00	21 718,18	21 604,50	TG0000001049
Togo	BAT	16/03/2018	19/03/2018	17/03/2019	12	--	20 000,00	17 820,00	17 820,00	TG0000001031
Togo	BAT	16/02/2018	19/02/2018	17/02/2019	12	--	20 000,00	19 063,00	19 063,00	TG0000001023
Togo	OAT	26/01/2018	29/01/2018	29/01/2021	36	--	15 000,00	16 092,94	16 040,01	TG0000001015
Togo	BAT	12/01/2018	15/01/2018	13/01/2019	12	--	15 000,00	5,13	5,13	TG0000001007
Togo	OAT	29/11/2017	30/11/2017	15/11/2020	36	--	15 000,00	12 221,00	12 221,00	TG0000000967
Togo	BAT	29/11/2017	30/11/2017	28/11/2018	12	--	15 000,00	3 150,00	2 925,00	--
Togo	BAT	20/11/2017	21/11/2017	29/05/2018	6	--	15 000,00	7 000,00	7 000,00	TG0000000835
Togo	OAT	20/11/2017	21/11/2017	15/11/2020	36	--	15 000,00	6 845,00	6 845,00	--
Togo	BAT	14/11/2017	15/11/2017	13/02/2018	3	--	25 000,00	21 532,00	18 418,00	--
Togo	OAT	09/11/2017	15/11/2017	15/11/2020	36	--	25 000,00	10 757,59	9 081,59	--
Togo	BAT	03/11/2017	06/11/2017	10/10/2018	12	--	25 000,00	1 000,00	1 000,00	TG0000000942
Togo	OAT	03/11/2017	06/11/2017	06/11/2020	36	--	25 000,00	10 571,43	10 571,43	--
Togo	BAT	11/10/2017	12/10/2017	10/10/2018	12	--	25 000,00	14 262,00	13 402,00	TG0000000942
Togo	OAT	19/09/2017	20/09/2017	20/09/2024	84	--	30 000,00	2 421,50	2 421,50	--

Togo	OAT	19/09/2017	20/09/2017	20/09/2022	60	--	30 000,00	9 000,00	9 000,00	--
Togo	OAT	14/09/2017	20/09/2017	20/09/2020	36	--	30 000,00	4 925,00	4 924,00	--
Togo	OAT	08/08/2017	09/08/2017	09/08/2024	84	--	166 000,00	182 051,15	181 051,15	TG0000000892
Togo	BAT	17/07/2017	18/07/2017	16/10/2017	3	--	25 000,00	37 820,00	27 500,00	TG0000000884
Togo	OAT	04/07/2017	05/07/2017	05/07/2022	60	--	30 000,00	9 656,01	8 656,01	--
Togo	BAT	30/05/2017	31/05/2017	29/05/2018	12	--	60 000,00	9 565,00	9 565,00	TG0000000835
Togo	BAT	22/05/2017	23/05/2017	20/11/2017	6	--	25 000,00	18 000,00	18 000,00	TG0000000827
Togo	OAT	20/04/2017	21/04/2017	21/04/2020	36	--	20 000,00	7 466,00	7 466,00	TG0000000785
Togo	OAT	08/02/2017	09/02/2017	09/02/2020	36	--	25 000,00	12 255,50	10 055,50	TG0000000777
Togo	BAT	05/01/2017	06/01/2017	06/07/2017	6	--	20 000,00	24 914,00	22 000,00	TG0000000769
Togo	OAT	15/12/2016	05/02/2016	05/02/2021	60	--	30 000,00	34 547,00	33 000,00	TG0000000660
Togo	OAT	20/10/2016	21/10/2016	15/07/2023	84	--	30 000,00	37 012,20	33 000,00	TG0000000728
Togo	BAT	29/09/2016	30/09/2016	27/09/2018	24	--	35 000,00	35 375,00	35 000,00	TG0000000736
Togo	OAT	14/07/2016	15/07/2016	15/07/2023	84	--	30 000,00	65 612,00	33 000,00	TG0000000728
Togo	BAT	25/05/2016	26/05/2016	23/05/2018	24	--	20 000,00	30 020,00	22 000,00	TG0000000710
Togo	OAT	25/04/2016	26/04/2016	26/04/2019	36	--	30 000,00	27 695,00	27 695,00	TG0000000702
Togo	BAT	30/03/2016	31/03/2016	28/03/2018	24	--	35 000,00	39 076,00	38 500,00	TG0000000694
Togo	BAT	16/03/2016	17/03/2016	14/09/2016	6	--	25 000,00	23 131,00	20 131,00	TG0000000686
Togo	OAT	04/02/2016	05/02/2016	05/02/2021	60	--	30 000,00	91 534,60	33 000,00	TG0000000660
Togo	BAT	13/01/2016	14/01/2016	11/01/2017	12	--	30 000,00	30 086,00	30 000,00	TG0000000611
Togo	BAT	03/12/2015	04/12/2015	30/11/2017	24	--	30 000,00	30 500,00	30 000,00	--
Togo	OAT	19/11/2015	20/11/2015	20/11/2020	60	--	30 000,00	80 864,62	30 000,00	TG0000000595
Togo	BAT	08/10/2015	09/10/2015	06/10/2016	12	--	30 000,00	42 745,00	33 000,00	TG0000000587
Togo	BAT	23/07/2015	24/07/2015	20/07/2017	24	--	30 000,00	43 650,00	33 000,00	TG0000000579
Togo	OAT	09/07/2015	10/07/2015	10/07/2020	60	--	30 000,00	115 703,24	33 000,00	TG0000000561
Togo	BAT	08/04/2015	09/04/2015	06/04/2016	12	--	30 000,00	57 711,00	33 000,00	TG0000000553
Togo	OAT	03/03/2015	04/03/2015	04/03/2020	60	--	30 000,00	47 712,00	30 000,00	--
Togo	BAT	11/02/2015	12/02/2015	10/02/2016	12	--	30 000,00	34 600,00	30 000,00	--
Togo	OAT	29/01/2015	30/01/2015	30/01/2018	36	--	30 000,00	31 983,00	30 000,00	--
Togo	BAT	14/01/2015	15/01/2015	15/07/2015	6	--	30 000,00	40 785,00	33 000,00	--

Source : Agence UMOA-Titres

**Table 61. Details of securities outstanding at the end of December 2019**

<b>WORDING</b>	<b>Identify</b>	<b>Outstanding (in billions of CFA Francs)</b>
BJ – 6.5% - 7 years - 10.october.21	BJ0000000535	23
BJ – 6.5% - 7 years - 19.March.22	BJ0000000576	46
BJ – 6.25% - 5 years - 31.july.20	BJ0000000618	28
BJ – 6.5% - 7 years - 03.december.22	BJ0000000626	99
BJ – 6.25% - 5 years - 18.december.20	BJ0000000634	28
BJ – 6.1% - 7 years - 29.june.23	BJ0000000683	150
BJ – 5.5% - 5 years - 05.september.21	BJ0000000709	30
BJ - 6% - 5 years - 14.october.21	BJ0000000717	69
BJ - 6% - 3 years - 11.may.20	BJ0000000790	31
BJ – 6.15% - 5 years - 26.july.22	BJ0000000824	65



BJ - 6% - 3 years - 10.august.20	BJ0000000832	16
BJ - 6% - 3 years - 31. august.20	BJ0000000840	2
BJ - 6.3% - 7 years - 31. august.24	BJ0000000857	13
BJ - 6.15% - 5 years - 31. august.22	BJ0000000865	13
BJ - 6% - 3 years - 22.september.20	BJ0000000881	16
BJ - 6.15% - 5 years - 22.september.22	BJ0000000899	5
BJ - 6.3% - 7 years - 22.september.24	BJ0000000907	8
BJ - 6.5% - 10 years - 22.september.27	BJ0000000915	4
BJ - 6% - 3 years - 08.december.20	BJ0000000972	19
BJ - 6% - 3 years - 02.february.21	BJ0000000998	12
BJ - 6% - 3 years - 16.march.21	BJ0000001004	18
BJ - 6.15% - 5 years - 16.march.23	BJ0000001012	10
BJ - 6% - 3 years - 27.april.21	BJ0000001046	22
BJ - 6.15% - 5 years - 27.april.23	BJ0000001053	4
BJ - 6% - 3 years - 09.july.21	BJ0000001095	36
BJ - 6.3% - 5 years - 07.september.23	BJ0000001145	18
BJ - 6.1% - 3 years - 07.september.21	BJ0000001152	35
BJ - 6.1% - 3 years - 19.september.21	BJ0000001160	30
BJ - 6.1% - 3 years - 30.november.21	BJ0000001178	17
BJ -BT - 12 month - 09.january.20	BJ0000001186	22
BJ - 6.1% - 3 years - 25.january.22	BJ0000001194	44
BJ - 6.3% - 5 years - 08.march.24	BJ0000001210	13
BJ - 6.3% - 5 years - 19.april.24	BJ0000001228	18
BJ - 6.4% - 7 years - 19.april.26	BJ0000001236	15

Source : Agence UMOA-Titres

**Adjudication** (for government securities): auction of securities issued by the central government. In the WAEMU zone, it is organised by BCEAO and only banks and other regional financial institutions that have accounts with BCEAO may participate. Other entities can only subscribe to auctions through WAEMU banks.

**Amortization or maturity** : period between the disbursement of a loan and its final repayment, consisting of the grace period and the repayment period.

**Public offering**: competitive bidding on the financial market for government securities through an IMS. It is open to all investors.

**Net Foreign Assets (NFA)** : Net foreign assets: net credits or liabilities of monetary institutions (Central Bank and banks) on the outside world. This item corresponds to all the headings of the positions of the Central Bank and banks relating to their external operations. It is obtained by deducting from gross foreign assets the total foreign liabilities, including medium- and long-term liabilities.

**Need for government funding** : the overall amount required to cover the primary budget deficit and the interest and amortization charges associated with the debt.

**Treasury Bills** : short-term government securities with a maturity of between 7 days and 2 years, issued by a WAEMU Member State.

**Paris Club** : an informal group of creditor countries (usually OECD countries) that meets in Paris to negotiate debt restructuring agreements with debtor countries experiencing debt service problems.

**Bilateral creditors** : governments, central banks, agencies and export credit agencies, which lend to a debtor government on an intergovernmental basis.

**Multilateral creditors** : International institutions that lend funds on concessional and/or non-concessional terms, such as the IMF, World Bank and regional development banks.

**Credits to the economy (CE)** : all assistance granted to the economy by banks (refinanced or not), financial institutions (part refinanced by the Central Bank) and the Treasury (through the acceptance of customs drafts).

**Domestic credit** = Credit to the economy + Net position of the Government (see PNG).

**Disbursement** : payment of all or part of the amount contracted under a loan.

**Budgetary deficit** : difference between total revenue and total expenditure and net lending.

**Current account deficit** : current account deficit balance of the balance of payments.

**Primary deficit** : negative difference between revenue and expenditure, excluding interest payments.

**Public foreign debt** : central government borrowing from non-residents.

**Domestic public debt** : central government borrowing from residents.

**Non-concessional debt** : debt contracted at market conditions.

**Public Debt** : sum of all central government debts (external and internal).

**Grant element** : difference between the nominal value (NV) and the present value (PV) of the debt service expressed as a percentage of the nominal value of the loan  $((NV-VA)/VN)$ .

**Concessional loan** : loans and credits that have a long amortization period and/or below-market interest rates, such that they have a grant element of at least 35 %.

**Eurobond (or Eurobond)** : obligation en dollar au niveau du marché financier de Londres.

**Inflation** : widespread rise in consumer prices. This

results in a loss of purchasing power of money.

**Multilateral Debt Relief Initiative (MDRI)** The Millennium Development Goals (MDGs): an initiative launched in June 2005 to accelerate progress towards the Millennium Development Goals (MDGs).

**HIPC Initiative** : framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of Heavily Indebted Poor Countries, which aims to provide comprehensive debt relief sufficient to achieve debt sustainability.

**Money supply (MS)** : all credits held by the rest of the economy on monetary institutions. It comprises cash in hand (banknotes in circulation + overnight deposits) and quasi-monetary assets (savings accounts and time deposits).

**Treasury Bonds** : medium- or long-term government securities issued through auctions or public offerings.

**Contingent liabilities** Debt contracted by other public entities with the exception of central government (local authorities and the para-public sector).

**Net Government Position (NGP)** : net credits or liabilities of the Treasury vis-à-vis the rest of the economy. The Government's net position is made up of the difference between the Treasury's debts and its credits on the Central Bank, banks and individuals and companies. By convention, a crediting PNG is

preceded by the sign (-) while a debit PNG is preceded by the sign (+).

**Fiscal pressure** : the ratio of tax revenues to GDP.

**Refinancing risk** : risk related to the renewal of maturing debt. It may relate to the cost of refinancing or the impossibility of obtaining the desired amounts.

**Interest rate risk** : Interest rate risk refers to the vulnerability of the government's debt portfolio and the cost of the government's debt to high market interest rates, to the point where maturing fixed-rate and floating-rate debt are revalued.

**Exchange rate risks** : risks related to exchange rate fluctuations.

**Debt service** : any payment to be made on the principal, interest and fees of a loan.

**Primary balance** : (see primary deficit).

**Base primary balance** Total revenue excluding grants - current expenditure + interest on public debt - capital expenditure on own resources.

**Gross enrolment ratio** : The gross enrolment ratio is the ratio of children in school to all children.

**Net enrolment ratio** : The gross enrolment ratio is the ratio of children in school to school-age children (of school age).

# BUILDING A BENCHMARKED REGIONAL GOVERNMENT SECURITIES MARKET FOR THE DEVELOPMENT OF WAEMU STATES

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