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INFORMATION NOTE



Republic of
Togo

Presentation of Sovereign issuers of
West African Monetary Union (WAMU)

October 2022

Quality review by **Deloitte.**



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Summary

ACRONYMS.....	5
ISSUER CERTIFICATE.....	7
EXECUTIVE SUMMARY.....	8
COUNTRY PROFILE.....	10
1 COUNTRY OVERVIEW.....	11
1.1 Political system	11
1.2 Administrative organization	15
1.3 Geographic location	16
1.4 Population	16
1.5 Education	20
1.6 Health	25
1.7 Unemployment	32
1.8 Employment policy	32
1.9 Reminder of the main aggregates	34
2 RECENT ECONOMIC SITUATION AND OUTLOOK.....	37
2.1 Assessment of the gross domestic product	37
3 NATIONAL DEVELOPMENT PLAN ANALYSIS.....	43
3.1 Recent Achievements and Completions	43
3.2 Upcoming projects	47
4 MONETARY SYSTEM AND FINANCIAL MARKETS.....	49
4.1 Structural elements	49
4.2 Money supply	51
4.3 Banking system and financial markets	52
4.4 Inflation rate	61
4.5 Exchange rates	61
4.6 Foreign reserves	62
5 FOREIGN TRADE AND BALANCE OF PAYMENTS.....	63
5.1 Balance of payments	63
5.2 Regional trade	65
5.3 International trade	70
5.4 Foreign direct investment	79
5.5 Regional integration	81
6 CREDIT QUALITY.....	84
6.1 Business climate	84
6.2 Financial governance	88
6.3 Financial ratings	90
7 GOVERNMENT FINANCE.....	92
7.1 Budget	92
7.2 Tax Policy	95

8	RISK FACTORS.....	100
8.1	Political and security risks	100
8.2	Social risks	100
8.3	Macroeconomic risks	101
8.4	Risks relating to the mobilization of public and private financial resources	102
8.5	Health risks	103
8.6	Environmental risks	104
9	DEBT SITUATION.....	106
9.1	General description of public debt	106
9.2	Debt Strategy and Sustainability	111
9.3	External debt	113
9.4	Domestic debt	117
9.5	Viability and sustainability	119
10	APPENDICES.....	121
11	LEXICON	127

ACRONYMS

AfDB	: African Development Bank
AIDE	: Support for integration and hiring development
APRODAT	: Agency for the promotion and development of agropoles in Togo
ARVS	: Anti-retro viral
ASEA	: African Stock Exchanges Association
AVC	: Agricultural value chain
BCEAO	: Central Bank of West African States
BEPC	: Junior high school diploma
BIC	: Industrial and commercial profit
BOAD	: West African Development Bank
BRVM	: Regional Stock Exchange
BTS	: Higher technician diploma
CAS-IMEC	: Support and monitoring unit for mutual institutions or savings and cred
CCA	: Business Climate Unit
CEMAC	: Economic and Monetary Community of Central Africa
CEPD	: Undergraduate degree
CFAF	: The West African Franc CFA (XOF)
CET	: Common External Tariff
CFE	: Center for Business Formalities
CNDP	: National Public Debt Committee
CNY	: Yuan renminbi
DAPP	: Excise duties on petroleum products
DAS	: Annual salary declaration
DB	: Doing business
DDPF	: Public Debt and Financing Department
DGEAE	: Directorate General of Economic Studies and Analysis
DGTCP	: General Directorate of the Treasury and Public Accounting
DSA	: Debt Sustainability Analysis
DSSI	: Debt Services Suspension Initiative
ECF	: Extended Credit Facility
ECOWAS	: Economic Community of West African States
EUR	: Euro
FAD	: African Development Fund
FAIEJ	: Support Fund for Youth Economic Initiatives
FDI	: Foreign Direct Investment
GDP	: Gross Domestic Product
HAPLUCIA	: High Authority for the Prevention and Fight against Corruption and Related Offences
HDI	: Human Development Index
HICP	: Harmonized Index of Consumer Prices
HIPC	: Highly indebted poor country
IFAD	: International Fund for Agricultural Development
IIGA	: Ibrahim Index of Governance in Africa
IMF	: International Monetary Fund
INSEED	: National Institute of Statistics and Economic and Demographic Studies

IRPP	: Personal income tax
IS	: Corporate income tax
LMD	: Bachelor-Master-Doctorate
MFT	: Minimum flat tax
MIFA	: Funding scheme for agricultural sector
MPDD	: Patriotic Movement for Development and Democracy
MRC	: Movement of centrist republicans
NA	: National Assembly
NEA	: Net external assets
NET	: New Togolese commitment
NIF	: Tax identification number
NISP	: National Agricultural Investment and Food Security Program
NSDP	: National Health Development Plan
OTR	: Togolese Revenue Office
PAPR	: Support program for rural roads
PDP	: Pan African Democratic Party
PIP	: Public investment program
PND	: National Development Plan
PNPER	: National Rural Entrepreneurship Promotion Project
POEJV	: Employment Opportunities for Vulnerable Youth Project
PPEJ	: Youth Entrepreneurship Promotion Program
PPP	: Public Private Partnership
PrADEB	: Program to Support Grassroots Development
PRISER	: Togo Energy Sector Reform and Investment Project
PROVONAT	: Promotion of national volunteering in Togo
PSE	: Education Sector Plan
PSNEJ	: National Strategic Plan for Youth Employment
PTF	: Technical and financial partners
REP	: Regional Economic Program
RGPH	: General Census of Population and Housing
SCAPE	: Accelerated Growth and Employment Strategy
SDG	: Sustainable Development Goals
SDR	: Special Drawing Right
SFD	: Decentralized financial system
SLE	: Trade liberalization scheme
SME/SMI	: Small and medium enterprises/industries
TCP	: Supplementary protection tax
TPU	: Single business tax
UCF	: Unit of account FAD
UFC	: Union of the forces of change
UHC	: Universal health coverage
UNIR	: Union for the Republic
USD	: United States Dollar
VAT	: Value Added Tax
WAEMU	: West African Economic and Monetary Union
WAMU	: West African Monetary Union
WTO	: World Trade Organization

MINISTERE DE L'ECONOMIE
ET DES FINANCES

SECRETARIAT GENERAL

DIRECTION GENERALE DU TRESOR
ET DE LA COMPTABILITE PUBLIQUE

N° 69 /MEF/SG/DGTCP

REPUBLIQUE TOGOLAISE
travail-Liberté-Patrie

Lomé, le **19 AOUT 2022**

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, 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 qui pourraient 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.



Ekpao ADJABO

After the Covid-19 pandemic shock, which led to a slowdown in growth in 2020, the Togolese economy recorded growth of 5.5% in 2021, reflecting a recovery in economic activity. Economic activity in 2021 benefited from the continued implementation of the response plan on the one hand, and the continuation of major works included in the government's roadmap on the other.

Economic activity in 2021 took place in an inflationary context, with a rate of 4.5% compared to 1.7% in 2020. The rise in inflation in 2021 is linked to the shortage of supply in the food sector and to the rise in the price of imported products, linked to the disruption of supply chains.

The money supply increased by 12.3% compared to 2020, reaching CFAF 2 260.5 billion in 2021. The increase in the money supply was driven by foreign assets (+12.4%) and domestic assets (+8.5%). The increase in foreign assets is driven by the 23.7% rise in commercial banks' assets. As for domestic assets, their increase is attributable to the growth of credit to the economy by 9.2%. The composition of the money supply in 2021 shows that deposits accounted for 85.6% of the money supply against 14.4% for currency in circulation.

In terms of foreign trade, Togo's trade balance is structurally in deficit due to the importance of imports of goods compared to exports. In 2021, the trade deficit is estimated at CFAF 508.9 billion due to the more than proportional increase in imports (+12.0%) compared to exports (+7.7%). The current account deficit is estimated at CFAF 107.1 billion, representing 2.3% of GDP, due to the deterioration of the trade deficit. The overall balance showed a surplus of CFAF 115.4 billion, due to the deterioration in the current account and the improvement in the financial and capital account.

In terms of public finances, state revenue was set at CFAF 784.3 billion in 2021, compared with CFAF 702.4 billion in 2020, an increase of 11.7% despite the continuing Covid-19 pandemic. This increase in revenue reflects, on the one hand, the economic recovery after the pandemic shock of 2020 and, on the other hand, the resilience of the Togolese economy to the Covid-19 pandemic. Public expenditure amounted to CFAF 1,022.8 billion, representing 21.7% of GDP. In terms of composition, current expenditure accounted for 62.9% of budgetary expenditure in 2021 against 37.1% for investment expenditure.

In terms of debt, the debt stock to GDP ratio rose to 62.4% in 2021, compared with 58.6% in 2020, due to an increase in both domestic and foreign debt. Despite this increase, the outstanding debt to GDP ratio has remained below the EU threshold of 70%, thanks to the implementation of a prudent debt policy.

In line with the efforts made by the government as part of the response to the pandemic and the implementation of the economic activity recovery plan in relation to the government's development policy, contained in the government's 2020-2025 roadmap, the real GDP growth rate would rise from 5.5% in 2021 to 5.9% in 2022. It will reach 6.5% one year later according to the forecasts of the General Director of Economic Studies and Analysis (DGEAE).

Republic of Togo



Area
56 785 km²



Population in 2021
8 478 242 Hbts



Capital
Lomé



Political system
Presidential and pluralistic



Currency
CFAF



Official Language
French



Nominal GDP in 2021
4.720,4 billions
of CFAF

(source : National services, BCEAO)

- ▶ Main export product **Phosphate**
- ▶ Economy based on **agriculture, fishing, tourism and services**
- ▶ Real GDP growth rate in 2021 : **5,5 %**
- ▶ Debt ratio in 2021 : **61,70 %**
- ▶ Inflation rate in 2021 : **4,5 %**

1.1. Political system

Togo is a democratic and secular Republic. It gained its independence on April 27, 1960 and is in the Fourth Republic. The May 19, 2019 constitution is extant. In Togo, the system 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 Executive 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 once¹. 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 results of the first round. Only the two (02) candidates who received the highest number of votes in the first round may stand for the second round. In case of withdrawal or death of one or the other of the two (02) candidates, between the two (02) rounds, the following candidates shall run in the order of their ranking. In the second round, the candidate who has received the most 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 filing of the candidacy; enjoy all their civil and political rights; be in a general state of physical and mental well-being duly certified by three sworn doctors appointed by the Constitutional Court and have been residing within the country for at least twelve months.

The Constitutional Court is the highest court of the State in constitutional matters. On this basis, it is responsible for ensuring compliance with the provisions of the Constitution. The Constitutional Court judges the regularity of referendums, presidential, legislative, and senatorial elections. It rules on disputes arising from these consultations and elections. It judges the constitutionality of laws and guarantees fundamental human rights and public

freedoms. It is the regulatory body for the functioning of institutions and the civil service. It is independent and has administrative and financial autonomy.

The President of the Republic is the Head of State, the guarantor of national independence and unity, of territorial integrity, of respect for the Constitution and international treaties and agreements, and of the continuity of the State and the institutions of the Republic. He appoints the Prime Minister and, on the latter's proposal, appoints the other members of the Government and terminates their functions.

Under the authority of the President of the Republic, the Government, composed of the Prime Minister and the ministers, determines, and conducts the national policy and directs the civil and military administration. It administers the civil service, the armed forces, and the security forces.

The right of legislative initiative belongs concurrently to the Parliament and the Government. The President of the Republic promulgates laws within fifteen days following the transmission to the Government of the law finally voted by the National Assembly. During this period, he may request a new deliberation of the law or of some of its articles. The new deliberation cannot be refused. The Prime Minister ensures the execution of the laws. He may delegate some of his powers to ministers.

If the office of President falls vacant due to death, resignation or permanent impediment, the office of President shall be exercised provisionally by the President of the National Assembly. The vacancy is established by the Constitutional Court, to which the Government refers the matter. The latter 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 act due to illness or absence from the national territory, the Prime Minister shall act as interim President.

¹ Term limits were introduced because of the May 19, 2019 constitutional amendment.

Togo has had four (4) presidential elections since 2005, namely in 2005, 2010, 2015, and 2020, which resulted in the election of President Faure Gnassingbé. The 2020 elections mark the beginning of a new democratic era because they are part of the implementation of the provisions of the new constitution that enshrine the limitation of the number of presidential terms. Thus, based on these provisions, the newly elected President will not be able to serve more than two terms.

1.1.2 Legislative power

Legislative power is exercised by a Parliament composed of two assemblies: The National Assembly (NA) and the Senate. Members of the National Assembly are called deputies and members of the Senate are called senators. As the Senate is not yet operational, its functions are temporarily exercised by the National Assembly. The National Assembly controls the action of the Government.

Deputies are elected by direct universal suffrage and secret ballot for a term of six (06) years, renewable twice (02). Each deputy is the representative of the whole Nation. Any imperative mandate is null and void.

The National Assembly meets by 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 in the case of the executive branch, the right of legislative initiative belongs concurrently to the deputies and the government. Bills are tabled on the desk of the National Assembly, which sends them for examination to specialized committees, whose composition and powers are determined by the rules of procedure of the National Assembly. The Government is notified of proposed laws at least eight days before they are debated and voted on. Bills are deliberated in the Council of Ministers. The National Assembly has the final say on the law.

The current National Assembly resulting from the 6th legislature installed since January 2019 comprises 91 deputies elected by direct universal suffrage. It is composed as follows: 59 deputies for the Union for the Republic (UNIR), 14 deputies for the opposition

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

1.1.3 Judicial power

The judiciary, guarantor of individual liberties and fundamental rights of citizens, is independent of the legislative and executive powers. In the exercise of their functions, judges are subject only to the authority of the law. The President of the Republic is the guarantor of the independence of justice. He shall ensure the impartiality, professionalism, probity, integrity, and dignity of the judiciary. He is assisted in this task by the Superior Council of the Judiciary.

Moreover, according to articles 20, 21 and 22 of Law No. 2019-015 of October 30, 2019 on the Code of Judicial Organization, justice is dispensed by the ordinary courts and the specialized courts. The ordinary courts are the Supreme Court, the High Court of Justice, the Courts of Appeal and the Criminal Courts of Appeal, the High Courts and the Criminal Courts, the Magistrates' Courts with criminal and civil jurisdiction and the Magistrates' Courts with civil jurisdiction. The specialized courts are the labour courts, the commercial courts, the 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 chamber president and advisors.

The Judicial Division of the Supreme Court has jurisdiction over:

- Appeals to the Supreme Court against final decisions of the civil, commercial, social, and criminal courts.
- The taking of sides against the magistrates of the Court of Appeal according to the provisions of the Code of Civil Procedure.

- Criminal proceedings against the magistrates of the Court of Appeal under the conditions determined by the Code of Criminal Procedure.
- Applications for judicial review and settlement of conflicts of jurisdiction.

As for the Administrative Chamber of the Supreme Court, it has jurisdiction to hear:

- Appeals to the Supreme Court against decisions in administrative disputes.
- Appeals for misuse of power against administrative acts of national authorities and administrations.
- Litigation in local elections.
- Powers of appeal against 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 over offenses committed by the President of the Republic and former Presidents of the Republic. The President of the Republic is held accountable only in cases of high treason.

The High Court of Justice hears crimes and misdemeanours 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 as well as by the determination of penalties as they result from the penal laws in force at the time the acts were committed.

The decision to prosecute as well as the indictment of the President of the Republic and the members of the Government shall be voted by a four-fifths majority of the members of each of the two assemblies making up the Parliament, in accordance with the procedure laid down by an organic law. In the event of conviction, they shall be stripped of their office.

1.1.3.3 The Courts of Appeal

The seat and jurisdiction of each Court of Appeal are determined by decree of the Council of Ministers.

The Court of Appeal is competent to hear appeals against decisions rendered in the first instance by the lower courts, appeals against the orders of the investigating judge and any other case provided for by law. It shall rule immediately, in accordance with the adversarial procedure, on the grounds of the foreclosure of the appeal.

1.1.3.4 Criminal Courts of Appeal

The Criminal Court of Appeal is a permanent body of the Court of Appeal, competent to hear appeals against judgments handed down by the criminal courts. It is composed of three (03) magistrates from the judiciary and a jury of six (06) jurors. The Criminal Court of Appeal is established and seized in accordance with the provisions of the Code of Criminal Procedure.

1.1.3.5 The High Courts

The seat and jurisdiction of each high court are determined by decree of the Council of Ministers. The high court is the judge of common law in criminal, civil and administrative matters.

In criminal matters, the high court hears all common law offences, 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 enforcement of sentences.

In civil matters, the high court hears in first and last instance actions up to the value of five hundred thousand (500,000) francs CFA in capital or fifty thousand (50,000) francs CFA in annual income, calculated either by annuity or by lease price. It shall rule in the first instance, subject to appeal, on actions amounting to more than these sums, as well as on actions whose rate cannot be evaluated in money. The High court, which has jurisdiction over the principal action, also has jurisdiction to rule on counterclaims, regardless of the amount.

1.1.3.6 Criminal courts

The criminal court is a permanent formation of the tribunal de high court competent to judge all offences qualified as crimes under the provisions of the penal code. It is composed of three (03) magistrates from the judiciary and a jury of four (04) jurors. The criminal court is established and seized in accordance with the provisions of the code of criminal procedure.

1.1.3.7 The magistrates' courts with correctional and civil jurisdiction

The district court with correctional and civil jurisdiction is the common law judge in criminal and civil matters.

In criminal matters, it hears all offences classified as misdemeanours or infractions, regardless of the penalties incurred, with the exceptions provided for by law, in particular, in the event of connected cases, requests for release made by any person detained and prosecuted before it and the application of penalties.

In civil matters, it hears at first and last instance actions up to the value of five hundred thousand (500,000) francs CFA in capital or fifty thousand (50,000) francs CFA in annual income calculated either by annuity or by lease price. It rules in first instance, subject to appeal, for actions amounting to more than these sums, as well as for those whose rate cannot be evaluated in money. The district court has jurisdiction over the main action, both correctional and civil. It also has jurisdiction over counterclaims, regardless of the amount.

1.1.3.8 Civil courts of first instance

The court of first instance with civil jurisdiction is the common law judge in civil matters. It hears in first and last instance actions up to the value of five hundred thousand (500,000) francs CFA in capital or fifty thousand (50,000) francs CFA in annual income calculated either by annuity or by lease price. It rules in first instance, subject to appeal, for actions amounting to more than these sums, as well as for those whose rate cannot be evaluated in money. The district court has civil jurisdiction, competent

for the main action. It also has jurisdiction over counterclaims, regardless of the amount.

1.1.3.9 Labour courts

The organization, functioning and procedure to be followed before the labour courts are provided for by the law establishing the Labour Code. The president of the labour court is competent to: (i) give rulings in summary proceedings; (ii) issue orders on motions; (iii) sit as a member of the arbitration board in matters of settlement of collective disputes; (iv) organize and allocate jurisdictional tasks among the members of the court in view of the conclusions of the meetings; (v) appoint the chairpersons of the sections; and (vii) administer the court.

1.1.3.10 Commercial courts

Commercial courts operate in accordance with the provisions of Law No. 2020-002 of January 07, 2020 amending Law No. 2018-028 of December 10, 2018 establishing commercial courts in the Togolese Republic. The commercial courts hear:

- Disputes relating to commitments and transactions between traders and non-traders within the meaning of the Uniform Act on General Commercial Law.
- Disputes between all persons relating to commercial deeds and instruments within the meaning of the Uniform Act on General Commercial Law, except for mixed deeds in which the non-trading party may bring the matter before the ordinary courts.
- Challenges 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 liens granted to secure the performance of commercial obligations.

- Litigation in matters of competition, distribution, industrial property, and accounting operations.
- Litigation in matters of consumption and consumer protection and, more generally, the application of commercial legislation regardless of the nature of the persons concerned.
- Challenges to business leases.
- Disputes relating to land, air, and sea transport.
- Disputes relating to commercial intermediaries for acts performed when or for the needs of their trade and disputes concerning their commercial relations.
- Litigation related to the registration in the Trade and Personal Property Credit Register (RCCM).

The Commercial Court shall rule:

- In the first and last instances on all claims whose rate of dispute does not exceed one million (1,000,000) francs CFA in capital or one hundred thousand (100,000) francs CFA in annual income calculated either by annuity or by lease price.
- In the first instance on all claims where the rate of dispute is greater than the amounts mentioned above.

1.1.3.11 Juvenile judges and juvenile courts

One or more juvenile judges and a juvenile court are set up in each court of first instance and district court. The organization and functioning of the juvenile courts are provided for by the law on the Children's Code.

1.1.3.12 The military tribunal and the military court of appeal

Military courts are specialized in the trial of military

cases. The organization, jurisdiction and procedure to be followed before the military courts are provided for in the new code of military justice. This code distinguishes two military courts: the military tribunal and the military court of appeal.

The military court has jurisdiction over the entire national territory. It is the court of first instance for cases falling within its jurisdiction. It comprises a prosecutor's office, one or more military investigating judges, 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 includes a military prosecutor's office, an investigative review chamber, one or more correctional appeal chambers, one or more criminal chambers and a registry.

1.2. Administrative organization

According to Law No. 2019-006 of June 26, 2019, amending Law No. 2007-011 of March 13, 2007, on decentralization and local liberties, as amended by Law No. 2018-003 of January 31, 2018, the national territory is divided into territorial authorities with legal personality and financial autonomy. These territorial authorities are the regions and the communes. The region is a legal person of public law with financial autonomy. It is composed of prefectures. The organs of the region are the regional council and its executive board. The commune is the basic territorial authority with legal personality and financial autonomy. It groups together the inhabitants of a continuous territorial space. It is composed of one or more cantons. It can also be made up of a division of cantons. The organs of the municipality are the municipal council and its executive board. The territorial communities are freely administered by councils elected under the conditions provided for by the law.

Togo is divided into five (5) administrative regions, divided in turn into thirty-nine (39) prefectures. The prefectures are subdivided into communes. Togo has one hundred and seventeen (117) communes, including the commune of Lomé which is subdivided into five arrondissements. The Autonomous District of Grand Lomé is a special territorial authority, designed to carry out actions specific to the capital, some of

whose development, maintenance and functionality go beyond the competence of the communes. From South to North, the five (5) administrative regions are: Maritime region (capital Lomé), Tray region (capital Atakpame), Central region (capital Sokode), Kara region (capital Kara) and Savanna region (capital Dapaong).

1.3. Geographic location

Located in West Africa, on the coast of the Gulf of Guinea, Togo covers an area of 56 785 km². 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) savannah-covered plains separated by the Togo mountain range (Atakora), oriented from North-East to South-West.

There are several lakes in Togo, the largest of which is Lake Togo. The country has 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 Sudanese-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 trends

According to the 4th General Census of Population and Housing, the Togolese population was 6,191,155 in 2010. In 2010, 48.6% of the population was male and 51.4% was female. In December 2020, Togo launched its 5th general population and housing census (RGPH-5), and data collection for the pilot enumeration started in December 2021, to update its demographic and human data, 10 years down the line.

Pending the availability of the RGPH-5 results, the population is estimated at 8,478,242 ²in 2021 according to United Nations statistics, with a density of 155.9 inhabitants/km². Women outnumber men. They represent 50.2% against 49.8% for men. Life expectancy at birth was 61.04 years in 2019 compared to 59.9 years in 2015. The total fertility rate is estimated at 4.23 children per woman in 2022 compared to 4.3 children in 2018. The average annual growth rate (AAGR) of the ³population was 2.0 percent between 2012 and 2021.

Table 1. Togolese population from 2012 to 2021 (in millions of inhabitants)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total population	6.77	6.95	7.14	7.32	7.51	7.70	7.89	8.08	8.28	8.48
Men	3.36	3.45	3.55	3.64	3.73	3.83	3.92	4.02	4.12	4.22
Women	3.41	3.50	3.59	3.68	3.78	3.87	3.97	4.06	4.16	4.26
Proportion male / Female (%)	98.6	98.6	98.7	98.8	98.8	98.9	98.9	99.0	99.0	99.1
Population growth rate (%)	2.7	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.2	2.4

Source : United Nations, estimates November 2021

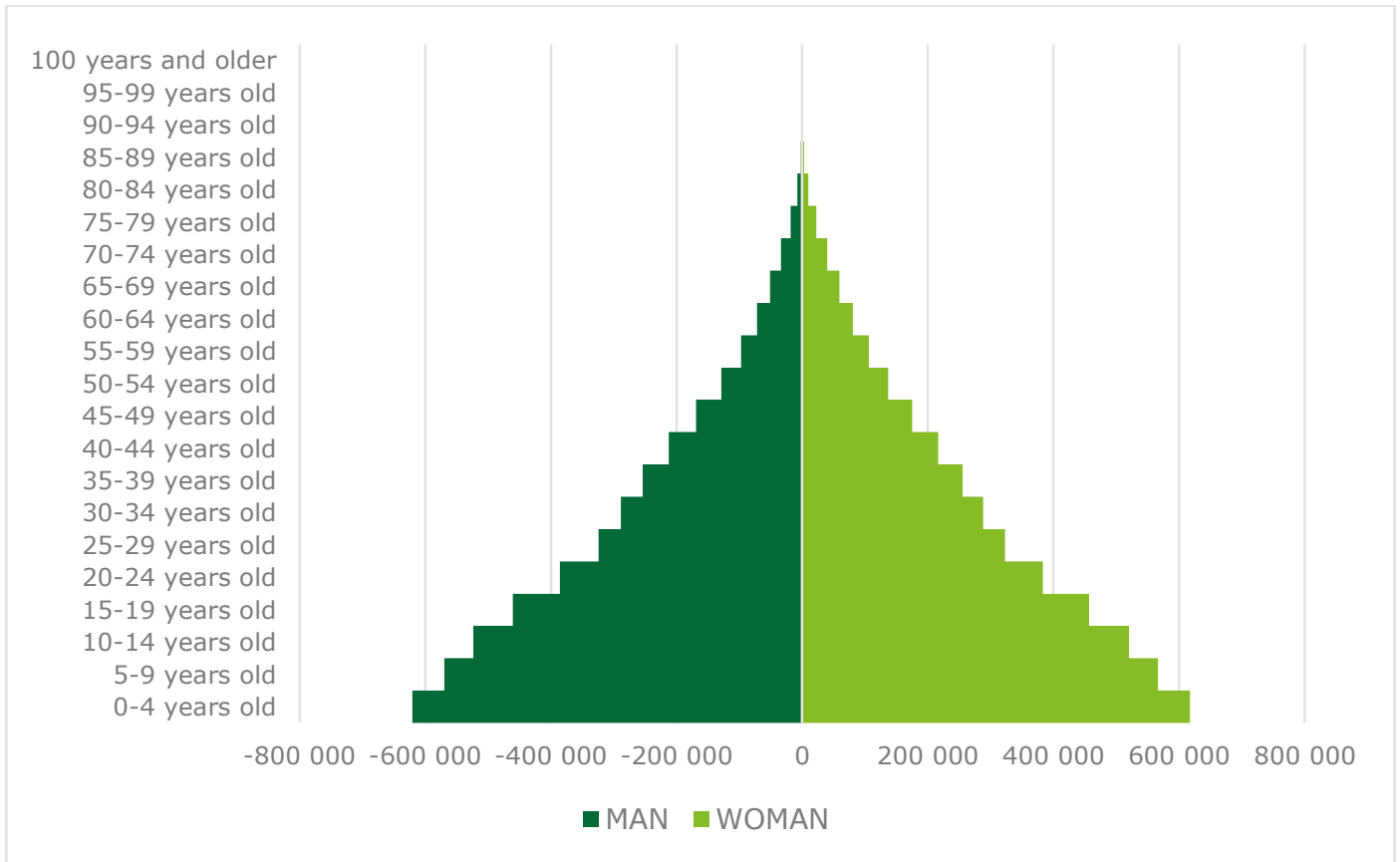
The age pyramid of the Togolese population in 2021 has a broad base reflecting a preponderance of youth regardless of gender. Indeed, the structure by major age groups shows that 60.2% of the population is

under 25 years of age, 29.6% has an age of between 25 and 50 years of age, 8.6% is over 50 and under 70 years of age, and only 1.6% is over 70 years of age.

² Data from Togo's National Statistical Office indicate a population of 7,706,000 as of January 1st, 2020, with a population growth rate of 2.3 percent.

³ Calculated based on the formula $\text{Power} (\text{Pop2019}/\text{Pop2010} ; 1/10) - 1$

Figure 1. Age pyramid in 2021



Source: based on UN data, estimates Nov 2021

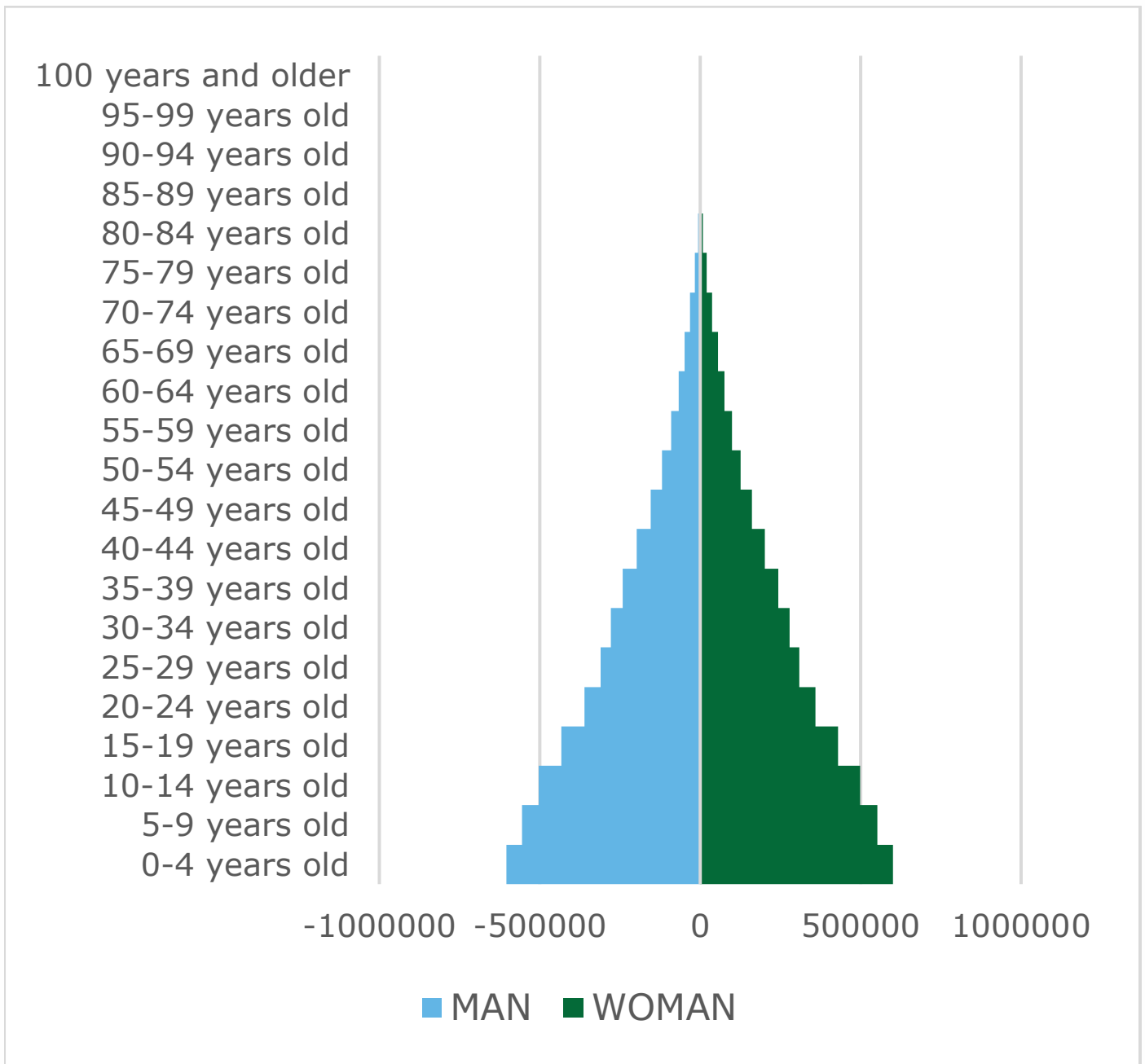
In terms of projections, the Togolese population is estimated at 8.68 million in 2022 and would reach 15.42 million in 2050. The structure will change slightly in 2050. Indeed, the proportion of people under 25 years of age would be 51.0%, compared with 57.5% in 2030 and 60.2% in 2021.

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

	2022	2025	2030	2035	2040	2045	2050
Men	4.32	4.64	5.19	5.79	6.41	7.04	7.68
Women	4.36	4.67	5.23	5.82	6.44	7.08	7.74
Total Population	8.68	9.31	10.42	11.61	12.85	14.12	15.42

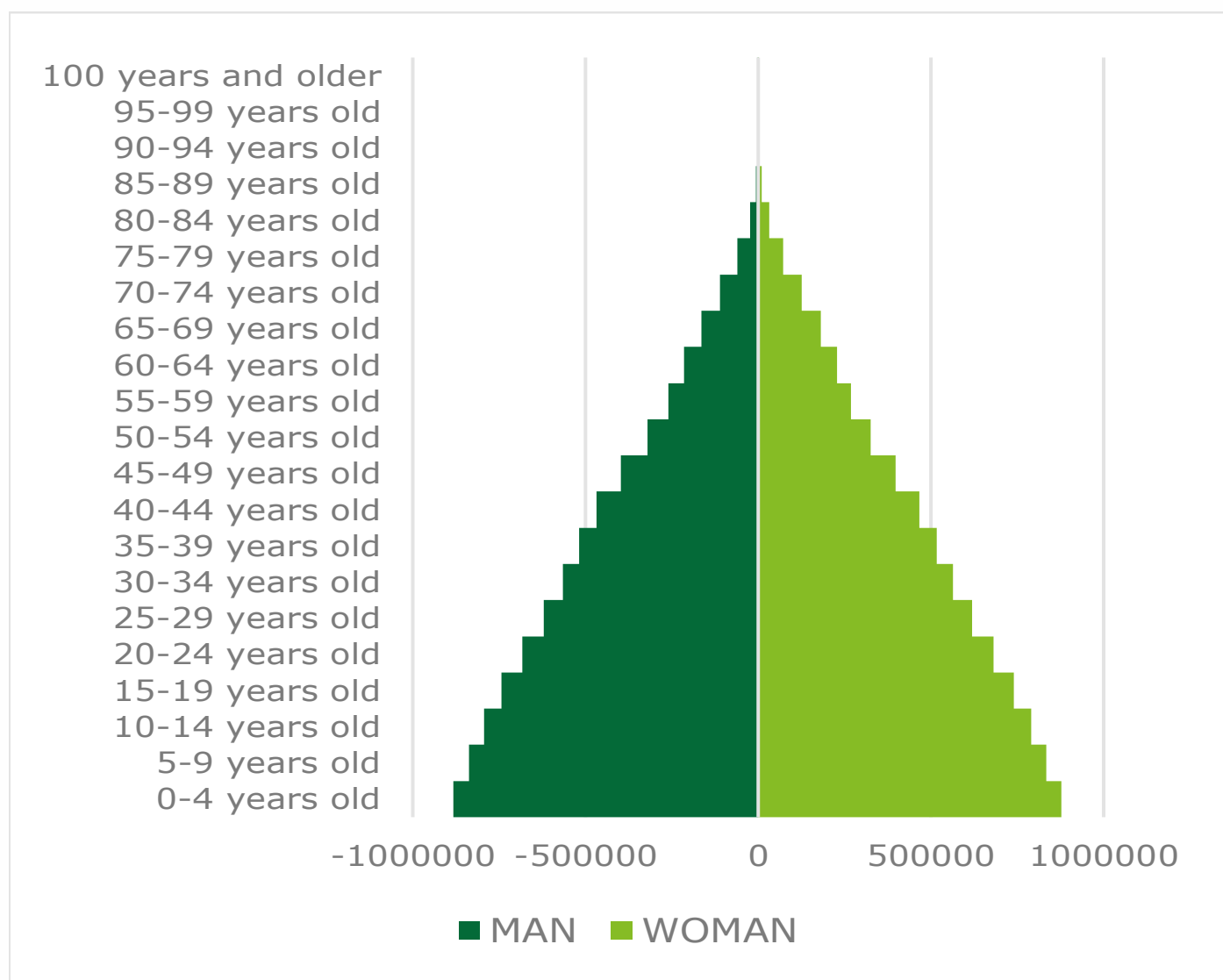
Source : World Population prospects 2019, United Nations

Figure 2. Age pyramid in 2030



Source: United Nations, November 2021 estimates

Figure 3. Age pyramid in 2050



Source: United Nations, November 2021 estimates

The Togolese population is predominantly rural. In 2021, the rural population was estimated at 4.80 million compared with 4.74 million in 2020, an increase of 1.27%. It represented 56.6% of the total population in 2021, compared with 57.2% a year earlier, reflecting a rapid urbanization trend, fuelled by a massive rural exodus. The population migrates according to economic opportunities, from the

countryside to the cities but also outside the country. The urban population has increased from 3.54 million in 2020 to 3.68 million in 2021, an increase of 3.95%. The ratio of rural to urban population is 130.6 compared with 133.6 in 2020, thus maintaining its downward trend. The urbanization rate was 43.4% in 2021 compared with 42.8% in 2020.

Table 3.

**Togolese rural and urban population from 2012 to 2021
(in millions of inhabitants)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	6.77	6.95	7.14	7.32	7.51	7.70	7.89	8.08	8.28	8.48
Rural Population	4.16	4.24	4.31	4.39	4.46	4.53	4.60	4.67	4.74	4.80
Urban Population	2.61	2.72	2.83	2.94	3.05	3.17	3.29	3.41	3.54	3.68
Rural/urban Population	159.4	156	152.7	149.4	146.1	142.9	139.8	136.7	133.6	130.6
Urbanization rate (%)	38.6	39.1	39.6	40.1	40.6	41.2	41.7	42.3	42.8	43.4

Source : UN estimates and projections, Nov. 2020

In terms of projections, the rural population should predominate until 2030. From 2035 onwards, the Togolese population should be predominantly urban.

Indeed, the urban population is expected to reach 6.02 million, compared with 5.64 million for the rural population.

Table 4.

Rural and urban Togolese population projections from 2022 to 2050 (in % of total population)

	2022	2023	2024	2025	2030	2035	2040	2045	2050
Rural	3.81	3.95	4.10	4.25	5.11	6.02	7.03	8.12	9.27
Urban	4.87	4.93	5.00	5.06	5.40	5.64	5.83	5.96	6.03
Rural/Urban (%)	127.7	124.8	121.9	119.1	105.8	93.7	82.9	73.5	65.1

Source : UN estimates and projections, Nov. 2020

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 done with respect for the freedoms of others, public order and the norms established by the law and regulations. The organization and practice of religious beliefs are freely exercised in accordance with the law. The same applies to philosophical orders.

The exercise of religion and the expression of beliefs are done in the respect of the secularity of the State. Religious denominations have the right to organize themselves and freely exercise their activities in accordance with the law. Religions practiced in Togo include Christianity, Islam, and traditional religions. In terms of breakdown, in 2021, the Togolese population was composed of Christians (48.1%), animists (32.7%), Muslims (18.5%), and other beliefs (0.7%)⁴.

1.5. Education

To meet the challenge of developing and modernizing its education system, the country has an Education Sector Plan (PSE 2010-2020), which was adopted in March 2010 and then revised in December 2013 for the period 2014-2025. Togo conducted between September 2018 and July 2019 its 4th education sector diagnosis through the RESEN (Report on the state of the national education system).

In 2020, it revised its education sector plan for the period 2020-2030 to consider new challenges impeding the performance of the education system in line with the National Development Plan (NDP) and the Sustainable Development Goals (SDGs). The revision of the PES responds also to the need to take into consideration commitments made by the Togolese government at the community, continental and international levels, particularly with:

- (i) WAEMU reforms.
- (ii) The African Union's Agenda 2063.
- (iii) The Continental Education Strategy for Africa 2016-2025.
- (iv) The 2024 Science, Technology, and Innovation Strategy for Africa.
- (v) The United Nations 2030 Agenda.

Based on the new PSE, the Togolese education system has the following major objectives

- i) Guarantee quality education for all with qualified teachers.
- ii) Regulate the flow and improve the relevance and quality of vocational and technical training to raise the level of employability of graduates and contribute effectively to the economic and social development of the country and.
- iii) Reduce inequalities in education between regions, genders, urban and rural areas, rich and poor, and people with disabilities.

⁴ Source: <https://www.liberte-religieuse.org/togo/>

It should be recalled that for a decade now, Togo has opted for free primary schooling throughout its national territory. Also, the country has decided to abolish registration fees for the various examinations, whether at school or university level. This last reform will be implemented from the start of the 2020-2021 school year.

Organization of school cycles

The formal school system begins with preschool, which lasts two years and is for children aged 4 to 5. Primary education begins at age 6 and lasts for 6 years, with the end of primary school leading to a certificate of completion of primary education (CEPD), which gives access to secondary school. General secondary education consists of a four-year first cycle culminating in the undergraduate certificate (BEPC) – Junior High School Diploma, and a three-year second cycle culminating in the bachelor – Senior High School Diploma.

Students who choose the vocational track after BEPC can continue their studies in a technical and vocational college. Higher education lasts from two to seven years and is open to Senior High School Diploma holders. It provides academic and professional training. In July 2008, the Bachelor-Master-Doctorate (LMD) system was introduced in higher education. BTS courses are provided by the private sector.

Pre-school education

Enrolment in pre-school has increased significantly over the last six years, from 132,725 children in 2016 to 206,034 children in 2021, with a strong increase in public and private enrolment. This represents an average annual growth rate of 9.4%. The gross enrolment rate rose from 35.3% in 2016 to 43.7% in 2020, driven by the enrolment rate of girls. Indeed, the pre-schooling rate for girls reached 44.5% in 2020, compared with 42.9% for boys. In 2021, the pre-school enrolment rate is 43.4%, slightly lower than in 2020.

Table 5. Gross enrollment rate in kindergarten (%)

	2016	2017	2018	2019	2020	2021 Previsions
Pre-school enrolment	132 725	143 897	155 739	172 225	171 555	206.034
Gross pre-school rate	35.3	37.2	38.1	37.3	43.7	43.4
Variation (%)		1.9	0.9	-0.8	6.4	-0.3
Gross enrolment rate Boys	32.4	34.2	35.3	36.7	42.9	-
Variation (%)		1.8	1.1	1.4	6.2	-
Gross enrolment rate Girls	38.6	40.6	41.4	37.8	44.5	-
Variation (%)		2	0.8	-3.6	6.7	-

Source : GER-2019-2020, Nov.2020; National Statistics Yearbook 2014-2019, June 2021

Based on the PES projection, the preschool enrolment rate would be 37.5 percent and 38.9 percent in 2021 and 2022, respectively.

Primary education

Primary school enrolment, while higher than pre-school enrolment, has grown at a much slower rate than pre-school. The number of pupils enrolled in Togolese primary schools rose from 1,498,312 in

2016 to 1,629,064 in 2021, i.e., an average annual increase of 1.7% over the period. Compared to 2020, enrolment in 2021 has declined by 0.3%.

The gross enrolment rate (GER) at primary level in 2021 was 119.5% compared with 123.3% in 2020. This represents a drop of 3.8 percentage points. Although this figure is higher than 100%, it does not mean that all Togolese children now have access to primary education. Indeed, it is useful to remember

that the GER is not an indicator of effective coverage, as it includes repeaters and all children enrolled in primary school regardless of age. It is an indicator of the physical capacity of the system to provide coverage. In other words, it describes the extent

to which the country's schools can accommodate school-age children. Analysis by gender shows that the crude rate is higher for boys than for girls. For boys, the gross enrolment ratio in 2020 was 125%, compared to 121.5% for girls.

Table 6. Gross enrolment rate in primary school

	2016	2017	2018	2019	2020	2021
School enrolment	1.498.312	1.524.195	1.548.876	1.584.376	1.634.441	1.629.064
Gross schooling rate	129.6	128.2	126.8	122.8	123.3	119.5
Variation (%)		-1.4	-1.4	-4	0.5	-3.8
TBS Boys	129	127.5	125.4	125	125	-
Variation (%)	-	-1.5	-2.1	-0.4	0	
TBS Girls	130.2	129	128.2	120.8	121.5	-
Variation (%)	-	-1.2	-0.8	-7.4	0.7	

Source : TBE-2019-2020, Nov. 2020 ; National Statistics Yearbook 2014-2019, June 2021

The authorities justify the high gross enrolment rate by the government's initiatives to increase the attendance of young students in school, and to improve overall schooling, including school canteens and school insurance.

This performance is not only related to gross enrolment at the primary level, but other indicators have also improved. Thus, improvements have been observed in the primary completion rate, which rose to 119.5% in 2021 from 87% in 2020. Similarly, the net enrolment rate, which was 92.9% in 2018, rose to 96.7% in 2019. In 2021, the net enrolment rate rose to 94% from 97.0% a year earlier.

Secondary education

At secondary level, the gross enrolment rate increased from 69.3% in 2016 to 77.7% in 2018 in lower secondary. The increase in lower secondary

enrolment is linked to the massive enrolment of pupils in primary education, induced by the abolition of school fees in public pre-school and primary education since 2008. The cohorts of students enrolled in primary school between 2009 and 2012 were therefore enrolled in lower secondary school between 2015 and 2018.

In 2019, the GER recorded a slight decline of 0.8 points, driven by the GER for girls (-1.5 points), before rising again to 77.6% in 2020. The gross enrolment rate is driven more by boys. Indeed, the latter has risen from 76.6% in 2016 to 83.5% in 2020. For girls, the GER is 71.6% in 2020 compared to 61.5% in 2016. In 2021, the GER is again down by 1 point to 76.6%. The lower secondary completion rate was 56.9% in 2021 compared to 51.7% in 2020, an improvement of 5.2 points.

Table 7.

Evolution of Gross enrolment rate in secondary school (%)

	2016	2017	2018	2019	2020	*2021
Secondary 1st cycle						
School enrolment rate	69.3	77.5	77.7	76.9	77.56	76.6
Variation		8.2	0.2	-0.8	0.66	-0.96
TBS Boys	76.6	83.8	83.2	83.4	83.5	
Variation		7.2	-0.6	0.2	0.1	
TBS Girls	61.5	70.9	71.8	70.3	71.6	
Variation		9.4	0.9	-1.5	1.3	
Secondary 2nd cycle						
School enrolment rate	28	30.5	31.6	32.8	35.4	35.2
Variation		2.5	1.1	1.2	2.6	-0.2
TBS Boys	37.4	39.9	40.3	41.4	83.5	
Variation		2.5	0.4	1.1	42.1	
TBS Girls	18.2	20.8	22.7	24.2	27.3	
Variation		2.6	1.9	1.5	3.1	

Source : National Statistics Yearbook 2014-2019, june 2021; TBE-2019-2020, Nov 2020 * PSE 2020-2030, july 2020

At the upper secondary level, the gross enrolment rate, which is much lower than that of the lower secondary level, rose from 28% in 2016 to 35.2% in 2021. Compared to 2020, the GER has fallen by 0.2 points. The upper secondary completion rate was 27.9% in 2019, compared with 16% in 2018, an increase of 11.9 points in the space of a year, because of the government's efforts to strengthen the education system. However, in 2020, the completion rate fell to 22.9%, largely due to the completion rate for girls (16%). In 2021, an improvement in the completion rate was noted with a value of 28.9%.

As for technical education and vocational training, after a decline in 2015, enrolment has been on an upward trend, reaching 47 682 learners in 2019 compared to 35 892 learners, an average annual increase of 7.5%. Enrolment is driven by technical education. It is also noted that only one third of learners are hosted in public structures. In 2017-18, private enrolments represented 65% of learners enrolled in technical and vocational secondary education. In 2020, the number of learners was 45,090, slightly lower than in 2020. However, enrolment is expected to grow again to 48 013 learners in 2022.

Table 8.

Technical education and vocational training statistics

	2014	2015	2016	2017	2018	2019
Technical education						
Boys	19 697	12 539	15 205	14 452	15 329	16 057
Girls	12 824	13 779	16 281	15 480	16 690	17 543
S/ Total	32 521	26 318	31 486	29 932	32 019	33 600
Vocational Education and Training						
Boys	7 384	8 316	9 134	10 691	12 727	12 339
Girls	5 314	1 258	1 273	1 589	1 734	1 743
Total	12 698	9 574	10 407	12 280	14 461	14 082
Total EFTP	45 219	35 892	41 893	42 212	46 480	47 682

Source : National Statistical Yearbook 2014-2019, june 2021

Higher education

According to the analysis made in the National Development Plan 2018-2025, higher education and scientific research remain poorly developed. The sub-sector is faced with several difficulties related to the massification of enrolments, the dilapidation and inadequacy of reception facilities, the lack of teaching equipment, the lack of teachers, the weakness of financial resources, etc. These difficulties affect the quality of teaching and the internal and external efficiency of the system.

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 to make it a lever for economic growth. A national research and innovation policy is being developed.

The distribution of students in higher education according to the main fields of study indicates that only 1% of students are enrolled in agriculture, forestry, fisheries, and veterinary sciences. Students are more inclined towards business, administration, and law, which account for more than one third of the total number of students in higher education (40%). Other attractive fields of study are literature and arts (20%) and social sciences, journalism, and information (17%).

Table 9. Evolution of the gross enrolment rate in tertiary education 2014 to 2020

	2014	2015	2016	2017	2018	2019	2020
Gross tuition rate	11.28	11.56	12.86	12.99	13.51	13.68	15.40
Variation	-	0.28	1.30	0.13	0.52	0.16	1.72
Male gender	15.91	16.21	17.80	17.79	18.08	17.94	19.71
Variation	14.80	0.30	1.59	0.00	0.28	-0.13	1.77
Female gender	6.65	6.90	7.91	8.17	8.92	9.38	11.06
Variation	6.10	0.25	1.00	0.26	0.76	0.46	1.68
Enrolment rate for girls/boys	41.84	42.60	44.44	45.90	49.37	52.28	56.09

Source : World Bank, April 2022

In terms of enrolment, higher education has recently experienced a sustained evolution. Indeed, the number of students in higher education rose from 72,737 in 2013 to 97,923 in 2018. In 2020, the number of students was 106,136 and is expected to reach 114,793 in 2022. It is important to note that the increase in student numbers is much more pronounced in the private sector.

The gross enrolment rate stood at 15.40% in 2020, up from its 2019 level. The GER of boys at the tertiary level is higher than that of girls.

Literacy

In terms of literacy and non-formal education, despite the actions carried out by the state and civil society organizations, particularly with the implementation

of the faire-faire strategy, adult illiteracy, and the failure of young people to attend school remain a daily reality, penalizing a good number of individuals in the population. The illiteracy rate of individuals aged 15 and over was 36.7% in 2015 (QUIBB 2015 survey). This proportion of individuals lacks the skills to access the quality vocational training and apprenticeships needed for entrepreneurship and employment.

After a few years of implementation of the faire-faire strategy, the sector diagnosis revealed unsatisfactory results in terms of the number of learners, due to insufficient financial resources and the decline in the number of literacy and non-formal education centres.

With a view to significantly reducing the proportion of non-literate young people and adults aged 15-45

and over and children aged 9-14 excluded from the education system by 2030, the government has set itself three major objectives

- To expand access to literacy and non-formal education programs to illiterate youth and adults aged 15-45 and over and to children aged 9-14 excluded from the education system while correcting gender disparities.

- Improve the quality of literacy and non-formal education provision/programs.

- Improve the management and steering of literacy and non-formal education programs

This new perspective would make it possible to improve the literacy rate, which, despite its upward trend, is still unsatisfactory. It fell from 63.75% in 2015 to 67.7% in 2017. In 2019, the literacy rate is estimated at 66.5%.

Table 10. Literacy rate from 2000 to 2019

	2000	2006	2009	2011	2015	2017*	2019
Values	53.18	56.89	57.09	60.41	63.75	67.7	66.5
Variations	-	3.71	0.2	3.32	3.34	3.95	1.2

Source : World Bank, *2018 Statistical Yearbook BCEAO

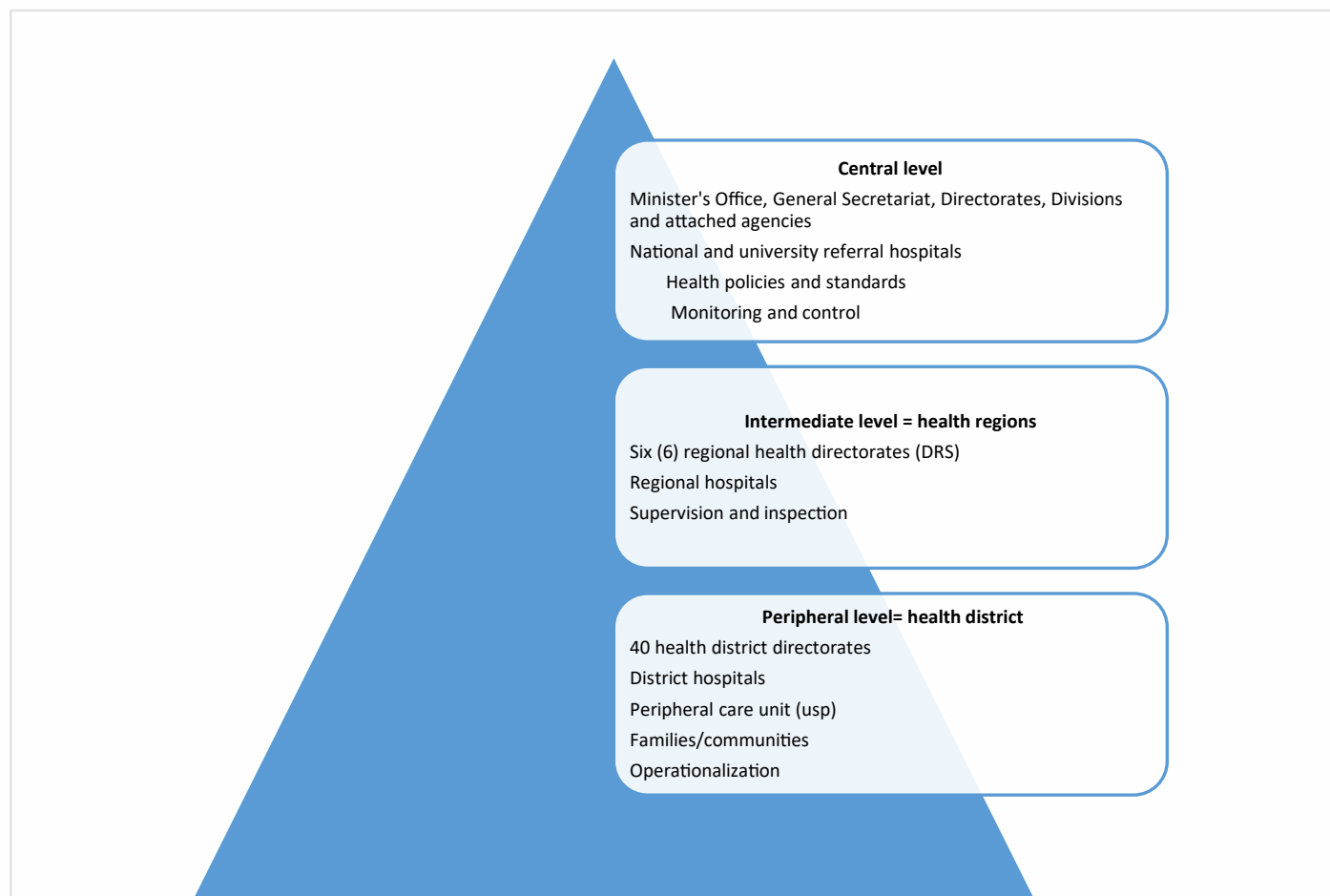
1.6. Health

The vision of the health policy is to ensure "the highest possible level of health for the entire population by doing everything possible to develop a system based on public and private, individual and collective initiatives, accessible and equitable, capable of satisfying the right to health of all, particularly the most vulnerable". The health policy remains based on primary health care and considers Togo's international commitments to sub-regional, regional, and global health organizations.

Health system architecture

The health system in Togo is organized into six (6) health regions: savanna region, Kara region, Central region, Tray region, Maritime region, and Lome Commune region. The administrative management of the health system is ensured by a pyramidal organization at three levels: central, intermediate, and peripheral.

Figure 4. Diagram of the pyramidal organization 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 (DRS), and the peripheral level is represented by the health district which constitutes the operational entity. The administration of the health districts is carried out 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 percent of the offer. 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 terms of geographical location, and is not always considered in the planning of service provision. In addition to this supply, there is a traditional sector that is quite influential, especially in rural areas.

In terms of social health protection in Togo, in addition to the financing of public health care through budgetary allocations, there are several health risk coverage mechanisms. These schemes are made up of free health care mechanisms, in particular

- Partial or total subsidy of healthcare cost for the indigent in health facilities.
- Free preventive care for certain vulnerable groups, free ARVs for PLWHIV decreed by the Government in November 2008, subsidized caesarean section effective since May 2, 2011.
- Free or subsidized treatment of certain diseases (dialysis, tuberculosis, simple malaria, leprosy, etc.)

There are also insurance mechanisms to protect against financial risk such as:

- The assumption of occupational risks by the National Social Security Fund, the compulsory health insurance for civil servants and their dependents effective since March 1, 2012.
- Public School Student Insurance (*School Assur*) since October 2017.
- Insurance for National Inclusive Finance Fund (NIFF) beneficiaries in 2017, community-based mutual health insurance and private for-profit health insurance companies.

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 61.34 years in 2020. Women live longer than men. Indeed, they had a life expectancy of 62.24 years compared to 60.43 years for men in 2020.

Table 11. Life expectancy at birth (years)

	2000	2010	2018	2019	2020
Men	52.7	56.78	59.89	60.15	60.43
Women	54.3	58.13	61.61	61.92	62.24
Total	53.5	57.47	60.76	61.04	61.34

Source : World Bank, February 2022

Infant and maternal mortality

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

Since 2010, the government has set up, with the support of France and in partnership with WHO, UNICEF, UNFPA and UN Women, a 13.5-million-euro Muskoka program aimed at reducing maternal, neonatal, and infant/child mortality. As of 2016, the government has also launched a project to improve

access to family planning care and services, as well as to build the capacity of the ministry's teams, in the Maritime and Tray regions. Ultimately, the project aims to reduce neonatal mortality by 20%, maternal mortality by 25% and increase contraceptive prevalence by 5% in the regions concerned. In addition, several programs have been successfully implemented, including the introduction of free care for pregnant women and cash transfers to the poorest households.

The various initiatives and free measures have produced significant results in terms of reducing infant and neonatal mortality. Indeed, the infant mortality rate for children under 5 years of age fell in 2020 to 64.4 ‰ from 86.2 ‰ in 2011, and the neonatal mortality rate fell from 28.9 ‰ in 2011 to 24.5 ‰ in 2020. Regarding the number of maternal deaths per 100,000 births, it has stabilized around 396 since 2017.

Table 12.

Evolution of Neonatal, infant and maternal mortality rates

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Neonatal mortality rate (per 1,000 lives births)	28.9	28.4	27.8	27.4	26.9	26.4	25.9	25.4	25	24.5
Infant mortality rate, under 5 years, boys (per 1,000)	92	89.2	86.4	83.8	81.2	78.7	76.3	73.8	71.4	69.3
Infant mortality rate, under 5 years, girls (per 1000 live births)	80.2	77.6	75.1	72.6	70.2	67.9	65.6	63.4	61.2	59.2
Infant mortality rate, under 5 years (per 1,000)	86.2	83.5	80.9	78.3	75.9	73.4	71.1	68.8	66.5	64.4
Maternal deaths (100,000 tbirths)	422	410	404	401	398	395	396	-	-	

Source : World Bank, UNICEF, WHO

According to the results of the EDST-III (2013-2014), 3 in 4 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%). The prevalence of maternal deaths in Togo is explained, in part, by the poor geographic and financial accessibility of the population to obstetric and neonatal care, particularly in rural areas. In addition to poor geographic and financial accessibility, the demand for family planning services is not being met, even though contraceptive use is among the lowest in the world.

Disease prevalence

Malaria in Togo, as in most tropical countries, continues to be a major concern and a heavy burden for the population despite the tangible results

recorded in the fight against this disease. It is the leading cause of outpatient visits and has the highest inpatient morbidity rate with a rate of 54.4% in 2019 compared to 36% in 2018.

According to the 2019 World Malaria Report, malaria incidence in Togo declined by more than 25% between 2015 and 2018 and mortality declined by 8% over the same period. Specific mortality due to malaria decreased from 0.3 ‰ in 2011 to 0.12 ‰ in 2018. Case fatality, meanwhile, fell from 3.1% in 2011 to 2.4% in 2018 among adults and from 6.5% to 3.5% among children under 5 years of age over the same period. Despite these results and the efforts made by the Togolese government and partners, there are still challenges to be met, including reducing the transmission of the disease by controlling the vectors.

Table 13.

Main causes of outpatient consultations

	2014	2015	2016	2017	2018	2019
Simple malaria	1 113 928	1 192 580	1 321 032	1 270 197	1 374 028	3 159 915
Trauma wounds	152 558	182 083	199 705	213 743	207 479	225 799
Acute respiratory infections	140 324	22 344	229 138	287 818	342 751	384 744
Intestinal parasitosis	102 537	130 046	177 902	218 126	90 060	86 813
Dermatoses	3 453	48 455	71 712	69 371	-	-
Gastroenteritis	44 123	45 295	56 062	-	91 192	115 494
Anemia	39 783	56 352	74 796	72 314	93 472	120 515
Hign blood pressure	29 421	47 566	61 334	-	58 293	65 192

Source : DSNISI/MSHPAUS, statistical yearbook june 2021

After malaria as the main reason for consultation, there are respiratory tract infections and wounds and trauma, with morbidity rates of 7% and 6% respectively.

In terms of HIV/AIDS, overall, there was an improvement in almost all indicators in 2020. The HIV AIDS prevalence rate among 15–49-year-olds, which was 2.2 percent in 2018, decreased to 2.0 percent in 2020. The incidence of the disease in this population also declined to 0.6 percent in 2020 from 0.7 percent a year earlier. The number of new cases also declined. It came in at 3,600 in 2020 compared to 3,900 in 2019. The prevalence of the disease among 15- to 24-year-olds has stabilized, particularly among males at 0.5 percent and among females at 1 percent. The percentage of HIV-positive pregnant women who received antiretroviral during pregnancy to reduce mother-to-child transmission of

HIV increased from 64 percent in 2017 to 73 percent in 2019 before falling to 64 percent in 2020. The weight of people living with HIV on antiretroviral (ARV) treatment has improved significantly. It increased from 58% in 2018 to 72% in 2020. The availability of ARVs has enabled this performance.

To effectively fight HIV and AIDS, Togo has developed a new National Strategic Plan (NSP) to fight HIV and AIDS: 2021-2025. The vision of the NSP is to make Togo an emerging country free of the burden of the AIDS epidemic. The goal is to end the HIV/AIDS epidemic as a threat to public health by 2030. To achieve this, the NSP 2021-2025 aims to reduce new infections among adults, adolescents, children at risk and key populations, as well as to reduce AIDS-related mortality and to reduce all barriers to access to HIV services for the most vulnerable populations.

Table 14. Trends in HIV indicators

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
HIV prevalence (% of population 15-49 years)	2.8	2.8	2.7	2.6	2.6	2.5	2.4	2.3	2.2	2.1	2.0
HIV incidence (% of population 15-49 years)	1.7	1.5	1.4	1.2	1.2	1.1	1.0	0.9	0.8	0.7	0.6
New HIV infections in adults (15 years and older) and children (0-14 years)	7 500	6 300	5 800	5 400	5 200	5 200	4 900	4 700	4 200	3 900	3 600
New cases of HIV infection in children (0-14 years)	2 000	1 600	1 500	1 400	1 400	1 100	1 000	1 100	990	940	810
New cases of HIV infection among adults (15 years and older)	4 900	4 500	4 100	3 900	3 700	3 700	3 500	3 200	2 800	2 600	2 200
Antiretroviral therapy coverage (% of people living with HIV)	21	24	27	30	33	39	46	53	58	68	72
HIV prevalence, men (% of men aged 15-24)	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
HIV prevalence, women (% of women aged 15-24)	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.0	1.0
Children (0-14) living with HIV	17 000	16 000	15 000	14 000	13 000	13 000	12 000	12 000	11 000	10 000	9 700
Antiretroviral treatment coverage among pregnant women (% of HIV positive pregnant women)	29	59	64	66	68	72	78	64	72	73	64

Source : UNAIDS, 2021

Another infection linked to HIV AIDS is tuberculosis. Its incidence is 2.8 per 1000 inhabitants. The prevalence of HIV is 6.2% among TB patients and the estimated number of TB/HIV co-infected patients is 4900.

Like most countries in the world, Togo has been affected by the Covid-19 pandemic. To face this pandemic, the country has set up a prevention and warning system against the coronavirus. The country has taken all possible measures to respond. Teams have been set up with the necessary equipment at the borders to detect suspected cases by examining all passengers entering the country. Logistically, medical ambulances have been mobilized in the country's major hospitals.

In May 2020, the government by ordinance created a Covid-19 response and solidarity fund of 400 billion francs CFA. This fund is fed by funds allocated by the State, funding from technical and financial partners, financial contributions from the national and international private sector, grants, and legacies of all kinds. This fund is intended to finance the response plan known as the "3Rs" (Response, Resilience and Recovery) which aims to combat the spread of the coronavirus disease (Response), to maintain economic activity at an acceptable level and strengthen the resilience of the private sector (Resilience), and to revitalize economic activity (recovery of the national economy). The Government's January 2021 update shows that expenditures related to the health response measures were estimated at 22,879,470,740 francs CFA.

COVID-19 has also been a trigger for the improvement of health services in the country. Indeed, with the occurrence of the first case on March 6, 2020 in Togo, the Government, with the support of technical and financial partners, undertook to renovate several health centres to upgrade them to accommodate people with COVID-19.

The Regional Hospital Center (RHC) in Lomé has become the reference centre for the care of infected patients in the capital and has been renovated and equipped with the latest generation of resuscitation equipment. Its capacity has been increased from 120 to 230 beds. In addition, several facilities beside

health facilities, such as youth recreation centres, have been requisitioned, rehabilitated, and equipped for COVID-19 patients.

It is important to recall that the Government at the beginning of the pandemic, took several restrictive measures to contain the spread of the virus, including the closure of land borders, improved airport and border controls, restrictions on mobility throughout the country, the temporary closure of schools and universities, and the temporary ban on religious, cultural, and other public events. The measures were relaxed as the health situation evolved.

Faced with the evolution of the pandemic, to better control the disease, the global strategy had recommended vaccination as a complement to other protection measures underway. Togo thus joined the COVAX initiative, whose mechanism should make it possible to vaccinate 20% (i.e., 1,595,392) of the population, and then requested additional financing from the WB to vaccinate a further 40% (i.e., 3,190,784). The vaccination campaign against COVID-19 in Togo was effectively launched by the government on March 10, 2021 through the administration of the first doses of AstraZeneca vaccine. This campaign had initially planned for the doses to be administered to all health personnel and people aged 50 and over. Since January 14, 2022, the government, following the advice of the Scientific Council and considering the evolution of the pandemic, has decided to extend the vaccination target to pupils and learners from the sixth grade onwards and to people aged 12 and over throughout the national territory. The vaccination campaign is still underway. As of March 30, 2022, 39% of the population aged 18 and over had received at least one dose of the Covid-19 vaccine and 29% both doses, while 7% of 12- to 17-year-olds had received at least one dose. The epidemiological situation as of 7 April 2022 shows a total of 36,955 confirmed cases, 36,644 cured cases, 39 active cases and 272 deaths.

Employment

According to the National Development Plan, employment is a concern for the Government because of the growing gap between the working

population growth and that of the 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 (PSNEJ) were adopted in 2014. Similarly, a National Youth Employment Coalition (CNEJ) has been established. Strengthening employability and reducing underemployment of youth, promoting entrepreneurship, improving coordination mechanism, are the main foci of PSNEJ.

Working population

According to the 2017 Integrated Regional Survey on Employment and the Informal Sector⁵, available jobs accounted for 60.7 percent of people of working age (15 years or older). This proportion was higher among men (62.5%), people with no more than primary education (68.2% for no education and 69.1% for primary education), in rural areas (62.8%) and in the Maritime (66.7%) and Tray (68.5%) regions. In terms of numbers, the working population is estimated at 2,817,960 in 2020 compared to 2,760,567 in 2019, an increase of 2.1%. This increase in the labour force was driven by both men (+2.13%) and women (+2.03%). The male/female ratio shows that the male population remains more active than the female population.

Table 15. Evolution of the active population from 2015 to 2020

	2014	2015	2016	2017	2018	2019	2020
Men	1 241 466	1 274 516	1 307 894	1 341 583	1 375 668	1 410 185	1 440 222
Women	1 156 251	1 192 155	1 228 984	1 267 512	1 307 933	1 350 382	1 377 738
Total	2 397 717	2 466 671	2 536 878	2 609 095	2 683 601	2 760 567	2 817 960
Men / Women (%)	107.4	106.9	106.4	105.8	105.2	104.4	104.5

Source : World Bank, April 2022

Employment remains dominated by the informal sector. Indeed, in 2017, more than nine out of ten jobs (91.6 percent) were provided by the informal sector, regardless of the sector of activity. This level even reached 98% in the private sector and 3.4% in the public sector. The predominance of informal employment is more pronounced in the institutional agricultural sector, with 99.7 percent of jobs,

including the private agricultural sector (100 percent) and the public agricultural sector (23.1 percent). This situation can be explained by the traditional and family nature of agriculture in Togo in particular, and in Africa in general. The non-agricultural institutional sector is also dominated by informal employment (87.9 percent), particularly the private sector (96.9 percent).

Table 16.

Employment Review 2017

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

Source : Integrated Regional Survey on employment and the informal Sector (ERSI_ESI) Togo 2017, June 2019

1.7. Unemployment

Unemployment as defined by the International Labour Office (ILO) was 3.9 percent ⁶of the labour force in 2017 compared to 3.4 percent ⁷in 2015. However, it is higher in urban areas, at 6.3 percent compared to 2.0 percent in rural areas. In addition, the unemployment rate is higher for men (5 percent) than for women (2.9 percent). According to place of residence, the Lomé metropolitan area has the highest unemployment rate at 7.8 percent, which is much higher than the rate in other urban areas (3.1 percent). Unemployment is more prevalent among young people and even more so among women, especially those aged 25-34, who account for 46.5 percent of the unemployed, including 51.7 percent of women and 43.2 percent of men. People aged 15-24 account for 32 percent of the unemployed, with 35.8 percent of women and 29.6 percent of men.

According to Ilostat estimates, the unemployment rate for those aged 15 years and over has risen to 4.0% in 2021 from 3.9% in 2020. The unemployment rate is higher for men (4.9%) than for women (3.1%). It would remain higher in urban areas than in rural

areas. Indeed, in urban areas, the unemployment rate in 2020 reached 6.4% compared to 6.1% in 2019. In rural areas, it was 2.1% in 2020 compared to 1.9%.

1.8. Employment policy

Since 2011, Togo has undertaken a policy to promote youth employment through the Promotion of National Volunteering in Togo (PROVONAT) program and the Support for Integration and Development of Employment (AIDE) program 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 are, among others, the project to support the employability and integration of young people in promising sectors (PAEIJ-SP), the Support Fund for Youth Economic Initiatives (FAIEJ), the Support Program for Grassroots Development (PRADEB), the Program for the Promotion of Youth Entrepreneurship (PPEJ) and the Employment Opportunities for Vulnerable Youth project (POEJV).

⁶ Integrated Regional Survey on Employment and the Informal Sector (ERSI_ESI) Togo 2017, June 2019.

⁷ QUIBB 2015 survey, National Institute of Statistics and Economic and Demographic Studies.

The PAEIJ-SP aims to create favourable conditions for more inclusive economic growth by enhancing youth employability 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 (CVA). The FAIEJ, the PRADEB and the PPEJ 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 access to microfinance for young entrepreneurs through various offering activities. The POEJV includes engagement in community services and training to provide vulnerable youth with skills, employment, or to accompany them on the path to entrepreneurship. From 2018 to 2021, nearly 14,500 disadvantaged young people from 200 villages in Togo have benefited from government support through the POEJV.

In 2021, the government has focused on continuing: (i) enhancing the employability of the workforce through the implementation of the National Volunteer Program (PROVONAT); the activities of the Support

Fund for Youth Economic Initiatives (FAIEJ); the Support Project for the Employability and Integration of Young People in Promising Sectors (PAEIJ-SP); and (ii) the implementation of the National Rural Entrepreneurship Promotion Project (PNPER).

Employment dynamics

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 volunteering amounted to 5,003 in 2020 against 5,063 young people in 2019 corresponding respectively to an insertion rate of 59.28% and 68.34%. In 2021, the integration rate of young volunteers was 59.40%. The number of young people trained in entrepreneurship who received funding amounted to 7,975 young people against 10,640 young people in 2020, corresponding respectively to a proportion of young people funded in entrepreneurship of 48.09% and 55.05%. In terms of business creation, 11,248 businesses were created in 2021 compared to 7,389 businesses in 2020.

Table 17. Main employment indicators

	2018	2019	2020	2021
Number of young people placed in voluntary service	5 570	7 409	8 440	-
Number of volunteers integrated	4 292	5 063	5 003	-
Rate of integration of young people placed in voluntary service	77.06%	68.34%	59.28%	59.40%
Number of youths trained in entrepreneurship	8 127	22 365	19 329	16 302
Number of youths trained in entrepreneurship funded	4 567	9 921	10 640	7 975
Proportion of youth financed entrepreneurship by the Grassroots Development Program (PAEU-SP, PRADEB, FAIEJ and POEJV)	56.2%	44.4%	55.05%	48.9%
Number of businesses created by youth	2 148	1 856	7 389	11 248

Source : Citizen Budget 2020-2022

The number of jobs created in 2021 was 13,759 compared to 13,863 in 2020. The Plateaux region

benefited from most of the jobs created, with a share of 53.70% in 2021 compared with 46.5% in 2020.

Table 18.

Jobs created by region between 2018 and 2021

	2018	2019	2020	2021
Lome Commune	108	186	152	344
Maritime	621	713	140	211
Trays	11 071	7 998	6 442	7 389
Central	1 528	1 127	2 982	3 261
Kara	2 348	1 783	1 987	2 207
Savannahs	187	1 795	2 160	347
Total	15 863	13 602	13 863	13 759

Source : Citizen Budget 2020-2022

1.9. Reminder of the main aggregates

1.9.1 Level of development

The Human Development Index

Togo's Human Development Index (HDI) is 0.515 in 2019 compared to 0.513 in 2018 indicating a slight 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 for countries with low human development levels (0.513) and lower than the average human development index for countries in sub-Saharan Africa (0.547). The improvement in the HDI is the result of reforms in the education and health sectors.

Table 19.

Human Development index

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
IDH	0.46	0.46	0.47	0.47	0.48	0.49	0.5	0.5	0.513	0.515
Variation (%)	-	0	2.2	0	2.1	2.1	2	0	2.6	0.4

Source : World Bank, February 2021

Gini index

The Gini index is an indicator that measures inequality in per capita spending. It varies between 0 and 1. Between 2015 and 2017, there was an increase in inequality in the distribution of household consumption expenditures. Indeed, at the national

level, the Gini index was 0.43 in 2017 compared to 0.38 in 2015⁸, an increase of 12.4 percent. The Harmonized Survey on Living Conditions of Households estimated the Gini index at 0.42 for the 2018-2019 period, down slightly from the 2017 level reflecting a slight improvement in reducing inequality.

Table 20.

Gini index

	2006	2007	2011	2015	2017	2018-2019
Index	0.361	0.335	0.393	0.38	0.43	0.42
Variation (%)		-7.2	17.3	-	12.4	-0.7

Source : INSEED : POVERTY PROFILE 2006-2011-2015-2017, EHCVM 2018-2019 Togo

⁸ The index calculated by the World Bank is 0.431 in 2015 and 0.46 in 2011. Its evolution reflects a reduction in inequality as in the national data.

Gross Domestic Product per capita

Togo's nominal GDP per capita increased by 5.7% in 2021 compared to its 2020 level, rising to CFAF 556,766 despite the Covid-19 pandemic. This increase reflects both the economic recovery

in 2021 and the government's efforts to support those affected by Covid-19. In constant terms, GDP per capita is estimated at CFAF 522,883 in 2021, compared with CFAF 507,510 in 2020, an increase of 3.0%.

Table 21. GDP per capita in francs CFA

	GDP per capita (constant local currency units)	GDP per capita (current local currency)
2015	462 388	337 529
2016	475 952	475 952
2017	484 483	482 378
2018	496 304	500 748
2019	510 886	523 425
2020	507 510	526 633
2021*	522 883	556 766

Source : World Bank data, April 2022 * Estimated based on GDP and population in 2021

1.9.2 Summary table

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

Table 22.

Main economic aggregates (billions of francs CFA and percentage)

	2017	2018	2019	2020	2021
National economy					
Nominal GDP	3713.6	3950.5	4230.6	4363.8	4720.4
Real GDP growth (%)	4.3	5.0	5.5	1.8	5.5
Investment rate(in % of GDP)	18.3	18.1	20.5	23.6	22.4
Inflation rate (in %)	-0.2	0.9	0.7	1.8	4.5
Balance of payments					
Exports of goods	591.5	600.5	618.2	695.0	748.6
Imports of goods	-965.3	-1035.1	-1061.7	1123.2	-1257.5
Balance	-373.8	-434.6	-443.5	-428.2	-508.9
Current balance	-56.1	-102.7	-32.5	-11.9	-107.1
Public Finance					
Revenues and grants	595.8	712.6	748.8	702.4	784.3
Expenses	603.7	733.8	783.9	1006.6	1022.8
Balance	-7.9	-21.2	-35.2	-304.2	-238.4
Public Debt	2020.3	2191.0	2197.7	2555.4	2912.5
Domestics debt	1470.1	1590.3	1446.4	1574.2	1848.5
External debt	550.2	600.8	751.3	981.3	1064.0
Domestic debt in % of nominal GDP	39.6	40.3	34.2	36.1	39.2
Budget balance					
En valeur	-7.9	-21.2	-35.2	-304.2	-238.4
As a percentage of Nominal GDP (%)	-0.2	-0.6	-0.8	-7.0	-5.1

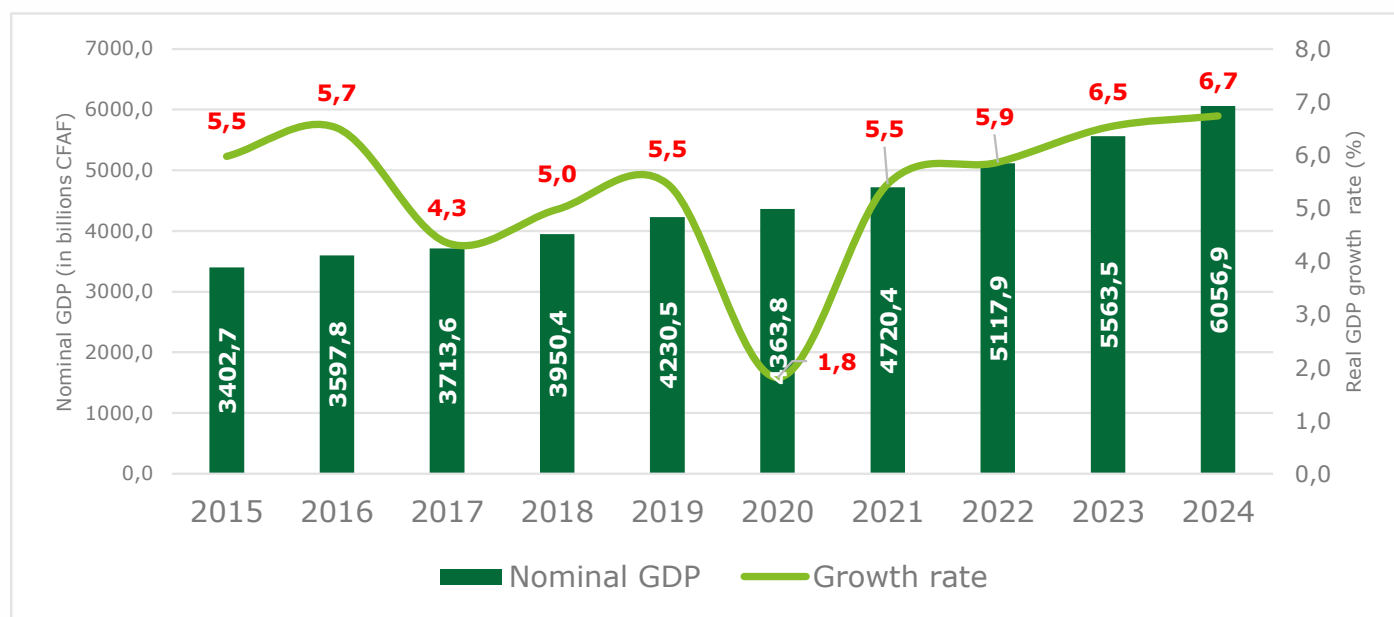
Source : DGBF/DGEAE, INSEED, BCEAO, April 2022

2.1. Assessment of the gross domestic product⁹

Economic activity in 2021 benefited from the continued implementation of the health response plan, whose expenditure as of 21 September amounted to CFAF 136.6 billion, and from the continuation of major works included in the government's roadmap.

The growth rate of the economy should reach 5.5% in 2021 against 1.8% in 2020, reflecting the recovery of economic activity after the pandemic shock of 2020.

Figure 5. Economic growth rate and nominal GDP from 2015 to 2024



Source: INSEED, DGAAE, April 2022

As a result of the efforts made by the government as part of the response to the pandemic and the implementation of the economic activity recovery plan, in line with the government's development policy contained in the government's roadmap, the real GDP growth rate is expected to rise from 5.5% in 2021 to 6.7% in 2024, according to the forecasts of the General Directorate of Economic Studies and Analysis (DGEAE).

2.1.1 Level of GDP

In nominal terms, the gross domestic product would be established at CFAF 4,720.4 billion in 2021 against CFAF 4,363.8 billion in 2020, an increase of 8.2%. This increase in nominal GDP would be driven to a large extent by the tertiary sector (+8.3%) and to a lesser extent by the secondary and primary sectors.

In perspective, nominal GDP is expected to reach CFAF 5,117.9 billion in 2022, an increase of 8.4%.

Table 23.

Gross Domestic Product (in billions of CFAF)

	2015	2016	2017	2018	2019	2020	2021 Est	2022 Projections
Primary sector	643.9	733.4	766.4	807.5	835.7	818.6	869.4	937.6
Secondary sector	778.1	753.7	791.9	829.6	895.5	989.4	1081.9	1199.4
Tertiary sector	1980.8	2110.7	2155.3	2313.4	2499.3	2555.8	2769.1	2980.9
TOTAL GDP	3402.7	3597.8	3713.6	3950.4	4230.5	4363.8	4720.4	5117.9

Source : DGEAE, april 2022

⁹ The statistics presented are those from the GDP rebasing. Indeed, Togo rebased the GDP and the base year has changed from 2007 to 2016.

2.1.2 Real GDP growth

The growth rate is expected to reach 5.5% in 2021, compared with 1.8% in 2020, indicating the recovery of economic activity and returning Togo to its pre-pandemic growth path in 2020. This good performance of the national economy is attributable to the good performance of activity in all three sectors of the economy.

The value added of the primary sector is expected to rise by 3.4% in 2021, compared with 1.3% in 2020, mainly due to the 3.3% increase in the agricultural sector, which benefits from government support through the Mechanism for Incentive Financing of Agriculture (MIFA). The livestock sector would also support the growth of the primary sector with an increase of 5.0%.

With a contribution of 1.1% in 2021, as in 2020, the secondary sector would record a 4.9% increase in its value added, driven by the 'Mining and quarrying' (+6.2%), 'Electricity-gas and water' (+10.3%), 'Construction and public works' (+11.4%) and 'Manufacturing and handicraft industries' (+1.9%)

branches. The value added of the extractive industries would be carried by the increase in the production of phosphate and cement. The construction and public works sector will benefit from the implementation of the government's roadmap of road and motorway investment projects. As for the energy sector, the increase in its value added is explained by the improvement in electricity production capacity induced by the commissioning of the Keely Efficient power plant based in the port area of Lomé with a capacity of 65 MW. Finally, manufacturing industries should benefit from the increase in agricultural production, particularly cotton, in the 2020-2021 season.

The value added of the tertiary sector is expected to rise by 5.3% in 2021, driven by the recovery recorded in the 'Commerce' (+3.4%) and 'Hotel and restaurant' (+7.2%) branches, the increase in the volume of port and airport traffic in the 'Transport and warehousing' branch (+11.3%), and the generalization of the digitalization of public services in the 'Telecommunications' branch (+5.3%). The contribution of the tertiary sector to GDP was 2.6% in 2021 against 0.5% in 2020.

Table 24. Rate GDP growth

	2015	2016	2017	2018	2019	2020	2021 (Est)	2022 (Projections)
Total GDP	5.5	5.7	4.3	5.0	5.5	1.8	5.5	5.9
Primary sector	-0.7	13.9	7.8	3.2	1.9	1.3	3.4	5.2
Secondary sector	-1.0	-3.1	4.4	3.9	6.5	5.3	4.9	6.8
Extractive industries	-7.1	-18.8	-6.3	22.6	-14.1	40.2	6.2	6.8
Manufacturing industries and crafts	-2.2	-4.7	3.8	4.4	6.3	1.7	1.9	5.8
Electricity, Gas, Water	9.8	-1.2	6.7	-5.7	10.6	8.0	10.3	8.0
Construction, public works	-4.2	15.0	9.9	6.4	13.1	5.7	11.4	9.4
Tertiary sector	7.4	9.9	3.9	6.6	4.5	1.0	5.3	5.6
Trade	0.7	-3.0	1.1	3.8	4.2	-3.4	3.4	8.2
Transportation, Warehouses, Communications	-3.3	29.1	8.9	7.3	4.5	3.8	9.2	5.0
Other market services	14.1	7.0	1.5	7.0	4.5	0.8	3.9	5.4
Non-market GDP	18.0	-2.8	6.1	5.2	4.4	2.1	4.8	5.8
Duties and taxes	16.3	-2.0	-4.5	2.2	18.7	-1.4	13.1	6.4

Source : DGEAE, april 2022

According to the DGEAE's forecasts, the various sectors should see their value-added grow in 2022. Indeed, the primary sector is expected to grow by 5.2%, the secondary sector by 6.8% and the tertiary sector by 5.6%.

2.1.3 Breakdown of GDP by structure

The structure of GDP shows a predominance of the tertiary sector over the primary and secondary

sectors. Indeed, the share of the tertiary sector in GDP is 58.7% in 2021 compared to 58.6% in 2020. On average over the period 2016 to 2021, the share of the tertiary sector was 58.5%. The share of the secondary sector averaged 21.9% over the 2016-2021 period. In 2021, it would rise to 22.9% from 22.7% in 2020. The primary sector would have an average share of 19.5% over the 2016-2021 period. It would represent 18.4% in 2021 compared to 18.8% in 2020.

Table 25.

Contribution of the various sectors to the GDP in value

	2015	2016	2017	2018	2019	2020	2021 (Est)	2022 (Projections)
Primary sector	18.9	20.4	20.6	20.4	19.8	18.8	18.4	18.3
Secondary sector	22.9	20.9	21.3	21.0	21.2	22.7	22.9	23.4
Tertiary sector	58.2	58.7	58.0	58.6	59.1	58.6	58.7	58.2
TOTAL GDP	100	100	100	100	100	100	100	100

Source : DGEAE, april 2022

2.1.4 GDP by sector

The structure of Togo's economy shows a predominance of the tertiary sector in the formation of GDP. The tertiary sector is followed by the secondary sector and then the primary sector.

The value added of the tertiary sector rose from CFAF 2,555.8 billion in 2020 to CFAF 2,769.1 billion in 2021, an increase of 8.3%. In terms of contribution to the formation of the value added of the tertiary sector, the "Trade, hotels and restaurants" and "Transport, warehousing and communications" branches contribute the most.

The value added of the secondary sector rose from CFAF 989.4 billion in 2020 to CFAF 1 081.9 billion in 2021, an increase of 9.3%. It is driven to a large extent by the "manufacturing and handicrafts" branch, with a share of 62.8% in 2021.

The value added of the primary sector in nominal terms recorded an increase of 6.2% in 2021, rising to CFAF 869.4 billion against CFAF 818.6 billion in 2020. In terms of the value added of the primary sector, the agriculture branch contributes the most with a share of 72.3% in 2021.

Table 26.

GDP in value and its components

Wording	2015	2016	2017	2018	2019	2020	2021 (Est)	2022 (Projections)
Primary sector (i)	643.9	733.4	766.4	807.5	835.7	818.6	869.4	937.6
Agriculture	476.2	556.8	571.9	602.6	622.3	591.8	628.4	679.7
Secondary sector (ii)	778.1	753.7	791.9	829.6	895.5	989.4	1081.9	1199.4
Manufacturing industries and crafts	506.4	482.3	518.2	545.8	583.8	626.8	679.8	751.1
Construction industry	81.6	93.9	102.0	112.4	122.3	142.5	158.8	179.7
Electricity, gas and water	131.8	130.2	134.7	130.5	147.5	161.9	182.7	202.3
Extractive industries	58.3	47.3	37.0	41.0	41.8	58.1	60.5	66.3
Tertiary sector (iii)	1980.8	2110.7	2155.3	2313.4	2499.3	2555.8	2769.1	2980.9
Commerce, restaurants and hotels	310.9	294.1	286.0	309.5	334.2	325.2	359.7	378.0
Transportation, storage and Communications	306.4	395.4	459.6	502.2	530.2	544.0	602.2	644.2
Other market services	615.0	636.7	610.3	657.4	692.0	724.7	773.1	845.5
VAT and import duties and taxes	307.6	301.5	326.1	334.0	400.4	401.5	458.6	500.8
VAB NON-MARKET BRANCHES (v)	440.9	483.0	473.3	510.3	542.5	560.5	575.5	612.4
VAB MERCHANDISE BRANCHES (v)	2961.8	3114.8	3240.3	3440.2	3688.0	3803.3	4144.9	4505.5
GDP-GROSS DOMESTIC PRODUCT	3402.7	3597.8	3713.6	3950.4	4230.5	4363.8	4720.4	5117.9

Source : DGEAE, april 2022

2.1.5 GDP composition

Since 2010, thanks to information and communication technologies, the tertiary sector (excluding non-market GDP) has occupied a predominant place in national wealth creation. Its weight in GDP in nominal terms should be 58.7% in 2021, compared with 58.6% in 2020. The sector is dominated by the "Transport, storage and communication" and "Trade, hotels and restaurants" branches. In 2022, the share of the tertiary sector is expected to be around 58.2%, slightly down in 2021.

The secondary sector is expected to improve slightly, reaching 22.9% of GDP in 2021 compared to 22.7% in 2020. It is generally driven by the manufacturing and craft industries.

The primary sector is expected to decline slightly to 18.4% in 2021 from 18.8% in 2020. It is dominated by the agriculture branch. In perspective, the share of the primary sector is expected to stabilize at 18.3% in 2022.

Table 27.

GDP composition (in %)

Wording	2015	2016	2017	2018	2019	2020	2021 (Est)	2022 (Previsions)
Primary sector (I)	18.9	20.4	20.6	20.4	19.8	18.8	18.4	18.3
Agriculture	14.0	15.5	15.4	15.3	14.7	13.6	13.3	13.3
Secondary sector (ii)	22.9	20.9	21.3	21.0	21.2	22.7	22.9	23.4
Manufacturing industries and crafts	14.9	13.4	14.0	13.8	13.8	14.4	14.4	14.7
Construction industry	2.4	2.6	2.7	2.8	2.9	3.3	3.4	3.5
Electricity, gas and water	3.9	3.6	3.6	3.3	3.5	3.7	3.9	4.0
Extractive industries	1.7	1.3	1.0	1.0	1.0	1.3	1.3	1.3
Tertiary sector (III)	58.2	58.7	58.0	58.6	59.1	58.6	58.7	58.2
Commerce, restaurants and hotels	9.1	8.2	7.7	7.8	7.9	7.5	7.6	7.4
Transportation, Storage and Communications	9.0	11.0	12.4	12.7	12.5	12.5	12.8	12.6
Other market services	18.1	17.7	16.4	16.6	16.4	16.6	16.4	16.5
VAT and import duties and taxes	9.0	8.4	8.8	8.5	9.5	9.2	9.7	9.8
VAB NON-MARKET BRANCHE (1v)	13.0	13.4	12.7	12.9	12.8	12.8	12.2	12.0
VAB MERCHANDISE BRANCHE (v)	87.0	86.6	87.3	87.1	87.2	87.2	87.8	88.0
GDP-GROSS DOMESTIC PRODUCT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source : DGEAE, april 2022

2.1.6 GDP component

Final consumption at current prices rose from CFAF 3,716.7 billion in 2020 to CFAF 4,132.9 billion in 2021, thus recording an increase of 11.2%, driven by both private consumption (+11.6%) and public consumption (+9.1%). The good performance of private consumption is attributable to the recovery in economic activity. Public consumption benefited from increased government spending in response to the Covid-19 pandemic. The share of final consumption in GDP is projected to rise to 87.6% in 2021 from 85.2% in 2020. In terms of prospects, final consumption is expected to reach CFAF 4,297.3 billion in 2022, up by 4.0% compared to its level in 2021.

Gross Fixed Capital Formation (GFCF) is estimated to have increased by 2.3% in 2021 to CFAF 1,055.0 billion, against CFAF 1,031.4 billion in 2020. This increase is linked to the rise in the public component (+6.0%). The evolution of final consumption and GFCF led to an increase in domestic demand of 9.3% in 2021 compared to its 2020 level.

External demand has emerged as a deficit due to the importance of imports in relation to exports. The external demand deficit was CFAF 467.6 billion in 2021 compared with CFAF 384.3 billion in 2020, an increase of 21.7%. The external demand deficit is expected to improve in 2022 due to a greater increase in exports (+5.1%) than in imports (+2.9%).

Table 28.

GDP at current prices: demand perspective (in billions of francs CFA)

	2015	2016	2018	2017	2019	2020	2021 (Est)	2022 (Previsions)
Total GDP	3 402.7	3 597.8	3 713.6	3 950.4	4 230.5	4 363.8	4 720.4	5 117.9
1. Internal demand	3 934.4	4 143.7	3 941.4	4 298.2	4 579.5	4 748.1	5 188.0	5 575.6
Total consumption	3 080.2	3 339.7	3 315.4	3 582.7	3 710.4	3 716.7	4 132.9	4 297.3
Private	2 636.9	2 782.7	2 838.2	2 992.6	3 130.6	3 114.8	3 476.3	3 629.8
Public	443.3	557.0	477.3	590.1	579.8	601.9	656.6	667.5
Total investments	854.2	804.0	626.0	715.4	869.1	1 031.4	1 055.0	1 278.3
Private	576.5	471.6	442.5	513.7	634.3	637.2	675.2	742.8
Public	277.7	332.4	183.5	201.7	234.7	394.2	379.9	535.5
2. Total external demand	-534.5	-467.1	-282.1	-347.7	-349.0	-384.3	-467.6	-457.7
Exports	908.9	961.7	938.4	945.9	975.6	990.9	1 087.8	1 143.2
Imports	1 443.3	1 428.8	1 220.5	1 293.6	1 324.6	1 375.2	1 555.4	1 600.8
3. Changes in inventory	2.8	-78.8	54.2	0.0	0.0	0.0	0.0	0.0

Source : DGEAE, april 2022

3.1. Recent Achievements and Completions

3.1.1 The national development plan overview

To find appropriate responses to the deterioration of macroeconomic and social indicators, a consequence of several years of socio-political crisis, 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 Accelerated Growth and Employment Promotion Strategy (SCAPE) 2013-2017. This process has made it possible to conduct, at both the local and central levels, a forward-looking 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 steady real GDP growth of 5% on average per year over the 2013-2017 period, reflecting improved macroeconomic stability. The incidence of poverty declined by 3.6 percentage points between 2011 and 2015, from 58.7 percent to 55.1 percent of the total population. Employment increased between 2011 and 2015 as evidenced by the reduction in unemployment by 3.1 points, from 6.5 percent in 2011 to 3.4 percent in 2015. But in 2017, the unemployment rate worsened by 0.5 points to 3.9 percent. The underemployment rate also remains high (26.7 percent in 2017).

Despite the significant progress made over the past ten years, major challenges remain in terms of social and spatial inequalities, the weakness of the national production system, human resources, and governance. With the implementation of the SCAPE coming to an end, Togo adopted a National Development Plan (NDP) for the 2018-2022 period. The NDP takes advantage of the lessons learned from the implementation of the various successive poverty reduction strategies and considers the residual challenges resulting from the SCAPE reviews and the results of the prioritization of the Sustainable Development Goals (SDG) targets at the central

and regional levels. It is also inspired by the African Union's Agenda 2063 and the Economic Community of West African States (ECOWAS) Vision 2020.

The NDP aims at reflecting 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 inequalities and the preservation of the environment. To achieve this ambition, actions are centered on three (03) strategic areas:

- Strategic Area 1: Establish a logistics hub of excellence and a first-class business centre in the subregion.
- Strategic Area 2: Develop agricultural, manufacturing, and extractive industries clusters.
- Strategic Area 3: Consolidate social development and strengthen mechanisms for inclusion.

The overall cost of the investments included in the NDP amounted to CFAF 4,622.2 billion over the period 2018-2022 with an expected contribution from the private sector of 65%, i.e., CFAF 2,999.1 billion. Public investment expenditure in this plan is estimated at CFAF 1,623.1 billion, representing 35% of the overall cost. Structural transformation should make it possible to achieve real GDP growth of 7.6% by 2022¹⁰, leading to an acceleration in human development and, above all, an improvement in Togo's world HDI ranking i.e., moving at least ten (10) places upward.

The implementation of the NDP has effectively enabled Togo to initiate a real structural change through the execution of several projects in various sectors of activity. Indeed, the country has begun to reap the benefits of the reforms implemented, both in terms of cleaning up the macroeconomic

10 This is the optimistic scenario. The results of the macroeconomic framework carried out according to a reference scenario are based on an average growth rate of 5.2% over the period 2018-2022. Also, with the advent of COVID-19, the expected growth for 2022 is 5.5%.

framework and improving the business climate. Economic growth has accelerated from 4.3% in 2017 to 5.5% in 2019. The health crisis, which occurred in the first quarter of 2020, and its impact on the national economy caused a slowdown in growth and undermined projections contained in the NDP.

To boost the national economy and consider the new national vision, the presidential aspirations and the context of the Covid-19 pandemic, the portfolio of projects and reforms defined in the NDP 2018-2022 has been revised. Thus, a government roadmap covering the period 2020-2025 has been drawn up. This new 2020-2025 roadmap aims to make the country "A peaceful Togo, a modern nation with inclusive and sustainable economic growth". It is based on three (03) strategic axes and ten (10) strategic ambitions broken down into 36 projects and 6 priority reforms that guarantee exhaustive coverage of all the country's economic and social sectors. The axes and ambitions are:

- Strategic axis 1: "Strengthen social inclusion and harmony and guarantee peace"
 - o Ambition 1: "Provide identity and guarantee health coverage and access to basic services for all.
 - o Ambition 2 "Provide education that is accessible to the greatest number and in line with the labour market.
 - o Ambition 3 "Ensure security, peace and justice for all.
- Strategic axis 2: Boost job creation by building on the strengths of the economy
 - o Ambition 4 "Make agriculture a real engine of growth and job creation.
 - o Ambition 5: Affirm the country's position as a logistics and services hub.
 - o Ambition 6: create real extractive and processing industries.
- Strategic axis 3: Modernize the country and strengthen its structures
 - o Ambition 7: Make Togo a regional reference in digital technology.

- o Ambition 8: Make the country more attractive to investors.
- o Ambition 9: Strengthen the structures of the State and stabilize its public accounts.
- o Ambition 10: Put sustainable development and anticipation of future crisis at the heart of the country's priorities.

The roadmap announces cumulative investments of CFAF 3.4 trillion between now and 2025, to support a growth forecast of 7.5% by 2024. The economy could even grow by 7.8% in 2025 in the best scenario. The roadmap will be financed up to 48 to 50% by the state budget, i.e., CFAF 1,350 to 1,700 billion, with the remainder, i.e., 50% to 52% of the overall cost, being financed by the private sector. Public financing will be provided primarily through grants and external loans at concessional rates. This financing on preferential terms will be obtained thanks to the mobilization of international donors following an agreement with the IMF through a program that could be supported by the extended credit facility. Funding from domestic resources will be devoted as a priority to the actions planned under axes 1 and 2. About private financing, mechanisms are being deployed to empower, equip, and train ministry teams to attract and manage private financing, particularly Public Private Partnerships.

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

The operationalization of the NDP is also based on the implementation of the priority action matrix (MAP), which contains the major actions and strategic investment measures necessary to achieve the

targets set. A framework for measuring performance and monitoring-evaluation indicators is also defined. The three-year public investment program (PIP), aligned with the strategic orientations of the NDP, remains a tool for operationalizing the plan, the annual tranche of which constitutes the investment part of the general budget. In addition, there are plans to strengthen the capacities of the national statistical system to meet the challenges linked to strengthening the coordination of the activities of the national statistical system between INSEED 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

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 has been financed to the tune of nearly CFAF 64 billion, of which CFAF 35 billion will be financed by the AfDB and BOAD. This new strategy for the promotion of agropoles, launched in 2017, aims, on the one hand, at transforming agricultural, fisheries and livestock products into manufactured products through the promotion of SMEs/SMLs, at strengthening linkages between production, processing, and marketing activities of these products. On the other hand, it aims at building synergy among stakeholders and social inclusion to improve the living conditions of rural communities.

Over the next few years, the implementation of this policy should focus on pilot agropoles: i) in the Kara basin, centered on sesame, poultry, and beverage (fruit juice) value chains; ii) in the Oti basin, centered on rice, poultry, and livestock/meat value chains; and iii) on support for private sector stakeholders in the cashew nut sector with a view to creating an agropole in the Haut-Mono.

Investment in research, innovation, training, and capacity building of the various actors in the agricultural industry to have more qualified human resources capable of making this new policy a

success with concrete and lasting positive impacts. The creation of agropoles will contribute to poverty reduction, mainly in rural areas, and to job creation. It will also contribute to the creation of wealth in rural areas and to the reduction of the agricultural trade deficit. The project is managed by the Agency for the Promotion and Development of Agropoles of Togo (APRODAT)

To address conclusively the problem of access to bank credits and financing for the agricultural sector, Togo launched the Shared-risk Agricultural Financing Incentive Mechanism (MIFA) in June 2018. It is a project based on risk sharing that aims to be a driving force for the granting of more generous agricultural loans from the banking sector and to lower the interest rates on credits granted to this sector. The aim of this mechanism 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 strengthen linkages in the various value chains.

This mechanism is financially supported by the International Fund for Agricultural Development (IFAD), the Khalifa Fund and the African Development Bank (AfDB). In two years, MIFA has helped bring the bank and the agricultural world closer together, even if the needs of the latter are still far from being met. In fact, MIFA has made it possible to allocate more than CFAF 14 billion to 144,000 Togolese agricultural actors, including 125,000 producers. Building on its success, the institution was transformed into a Public Limited Company (PLC), with a capitalization of CFAF 10 billion. It has been able to structure CFAF 124 billion of viable markets linked to production and processing in all sectors. In all, MIFA claims to have created nearly 163,000 direct and indirect jobs throughout the country.

As part of the Togolese government's commitments to the Sustainable Development Goals, including SDG 7 on access to reliable and affordable energy services for all, Togo adopted a new national electrification strategy in 2018. The electrification strategy relies on an optimal technology mix to provide access to electricity for all Togolese by 2030. In 2018, 45% of Togolese had access to electricity, with only 8% in rural areas. The country hopes to install 300 mini solar power plants in PPP mode

(public, private partnership) and strengthen off-grid coverage by connecting 555,000 remote households via individual kits. The strategy also includes the extension of the electricity network to nearly 1,000 localities.

In addition, to promote solar energy, the Government initiated the "CIZO" project (which means "lighting" in the local language "Guin"). This project covers the entire Togolese territory and aims to provide access to electricity by 2022 through the supply of individual solar kits at affordable costs to more than 2 million citizens (i.e., approximately 300,000 households). The social component of the project will equip 800 health centers and 3,000 small farms with individual solar or irrigation kits.

One of the key components of the project is the monitoring of the quality of products and services offered to the population. Therefore, all kits will be equipped with a mobile technology that will allow remote monitoring and payment management. Thus, in addition to increasing the rate of rural electrification, which is expected to reach 40%, the "CIZO" initiative will promote the massive adoption of mobile payments in rural areas and consequently the financial inclusion of rural populations.

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, March 6, 2020. The main objective of this project, with a total cost of 40 million US dollars, is to establish an identification and authentication system for individuals, to provide better public and social services, among other things. The "e-ID Togo" project is supported by the World Bank through the West Africa Unique Identification for Regional Integration and Inclusion (WURI) program.

WURI will help establish basic identification systems that include anyone physically present in the Economic Community of West African States (ECOWAS) regardless of nationality, citizenship, or legal status. The program is in its second phase and includes Togo, Benin, Burkina Faso, and Niger. The WURI program covers approximately 65 million people and will help improve access to basic services,

such as social and medical protection, pensions, financial and digital inclusion, empowerment of women and girls, and worker mobility.

One of the flagship projects in the NDP, a component of which one part was implemented in 2021 in the new government roadmap, is the Infrastructure and Urban Development Project (PIDU). In total, more than 2.3 million people will benefit from PIDU actions. In terms of infrastructure, more than 6.5 kilometres of urban roads will be rehabilitated with more than 13 kilometres of drainage works built in Lomé, Kara and Dapaong. Approximately 10,000 people will have access to drinking water sources. More than 10,000 other people will have access to improved sanitation services and exposure to flooding will be reduced for more than 15,000 people. Nearly 500,000 temporary jobs will be created, and the seven (7) beneficiary cities will have their key personnel trained in urban management, their community groups strengthened, and their populations sensitized to the preservation of collective urban works.

In November 2020, the Togolese government adopted a bill on universal health coverage. The country benefited from \$70 million (CFAF 38.5 billion) in financing approved by the World Bank. This financing should enable Togo to take an important step towards extending health coverage to its entire population, which until now has been reserved mainly for public servants and the like. Through this support, the World Bank wants to help Togo lay the foundations for Universal Health Coverage (UHC) to ensure that the population has access to quality health services. In a country where health expenses represent a very high cost for most households and even more so for low-income households, UHC will make it possible to improve the availability of basic health services through the construction and equipping of health centers as well as increasing the availability of qualified human resources in disadvantaged regions.

In addition to the CSU, the government's actions in the continued implementation of the National Health Development Plan (PNDS) will be directed towards

- The development and implementation of a response plan for health emergencies.

- The continuation of health actions carried out as part of the fight against Covid-19, in particular the rehabilitation, construction, and equipment of health structures.
- Strengthening governance in the health sector through the contractual approach, results-based financing and the quality of care and services.
- Strengthening health security and response to epidemics and other public health emergencies.
- Improving the availability of medicines including safe labile blood products and other quality health products.
- Strengthening the fight against diseases and all forms of malnutrition.

Resulting from a partnership between the Togolese Republic and Arise IIP, the Adetikope Industrial Platform (PIA), whose total investment amounts to 130 billion francs CFA, was made operational in 2021, as regards phase 1. This platform represents an opportunity for the Togolese population, especially young people. The infrastructure should eventually create 35,000 direct and indirect jobs. Administrative facilities such as a one-stop shop, a police station, a fire station, and public services such as a water reservoir, a petrol station, a sub-station, open green spaces etc. are planned. The special economic zone is planned to be built on 400 hectares, with a car park with a capacity of 700 trucks, a container storage yard with a capacity of 12,500 TEU, a warehouse for loading, unloading, and transferring containers, a storage platform for cotton and other raw materials. Another 200,000 m² area is planned to be dedicated to other logistics activities, roads, and road rights-of-way.

3.2. Upcoming projects

One of the priorities of the highest Togolese authorities is to ensure that all Togolese have access to quality energy sources at an affordable cost. To achieve this, the government is increasing the number of electrification projects throughout the country. One of the flagship projects is the Togo Energy Sector

Reform and Investment Project (PRISET), which was launched on March 30, 2021 and will continue into 2022. Financed by the World Bank, at a cost of about CFAF 20 billion, the initiative aims to rehabilitate, strengthen, and extend the distribution network in the city of Lomé. The PRISET will thus make it possible to considerably reduce the technical losses observed on the network and to improve the quality and reliability of the supply and access to electrical services. It also aims to extend the low-voltage network to allow households to be connected to the electricity networks.

The 45 billion Francs CFA project (PERECUT) aims to improve the electrical coverage and access of the population to a continuous, good quality and sustainable electrical service by rehabilitating and extending the electrical distribution networks in 53 urban centers in the five (5) economic regions of Togo. It is financed by the French Development Agency (AFD), the European Union (EU) and the German financial cooperation through the Kreditanstalt für Wiederaufbau (KfW).

In addition to PRISET and PERECUT, the Lomé Electricity Network Extension Project (PEREL) also aims to improve, strengthen, and extend the network in the greater Lomé area. It is financed to the tune of CFAF 31 billion by KfW, the EU and AFD.

These various projects reinforce the actions already carried out by the Government through the national electrification policy and the Cizo presidential initiative. The work will last until the end of 2022. Togo's ambition is to achieve an intermediate access rate of 75% by 2025. This energy policy will require an investment of CFAF 1,000 billion with the support of the private sector.

The government will also focus on the continuation of the project to support the social component of Togo's CIZO rural electrification program (PRAVOST). The project, which started in December 2019, is scheduled to be implemented over 4 years.

Togo continues its march towards the operationalization of the digitization of means of payment in the public administration. Soon, the State's financial transactions will be made through digital means of payment. Once operational, the

system will improve financial inclusion and effectively combat hoarding, corruption, money laundering and the financing of terrorism.

Personal data will be protected in accordance with the regulations in force. This policy will also make it possible to introduce into the payment circuits accepted by the public administration, the means of remote payment through communication networks, in particular online payment, mobile payment, and payment by bank card. Digitalization has a prominent place in the government's 2020-2025 roadmap. The idea is to take advantage of the changes brought about by the digital revolution to further promote innovative financial services that already offer opportunities and benefits to the population.

Togo will build 4,000 km of rural roads in all its five economic regions by 2025 through the Rural Roads Support Program (PAPR). With an estimated cost of nearly CFAF 49 billion financed by AFD, KfW and the State, the program has two implementation phases (2018-2022 and 2022-2025). It aims to develop the network of rural tracks to promote the integration of the rural environment, by improving the access of households and agricultural producers to inputs and sales markets. The PAPR will help consolidate the country's agricultural policy and will also promote the inclusion of the population. The rural tracks will make it possible to combat exclusion and poverty and the beneficiary populations, particularly agricultural producers, will have better access to socio-economic infrastructure.

In addition to the rural tracks, several road infrastructures are planned, including the rehabilitation of the Sokode-Bassar section, the development and asphaltting of the Malfakassa bypass, the development and asphaltting of the ramp linking the RN1 to the RN17 in the town of Sokode, and the development and asphaltting of the Binaparba ramp. The cost of the work is estimated at over CFAF 35 billion. The doubling of the National 1 Lomé-Cinkasse road, which is 600 km long, will be launched in 2022. The completion of this project will ensure the fluidity of traffic, reduce travel time and costs on the Lomé-Ouaga corridor, thus improving the competitiveness of the Autonomous Port of Lomé. It will also help to make Togo a leading logistics

hub in the sub-region, in line with the ambitions set out in the PND.

Several roadworks are underway, notably the asphaltting of the Pya-Sarakawa-Kante road (65km) and the construction of the Kpendjal bridge (180m) in Mandouri. On the ground, several stages have been validated, and only the final part of the asphaltting and finishing touches remain. The development of these roads will provide a second bypass of the Defale Mountains, especially for large trucks, and will facilitate access to the populations near the Burkina Faso border.

Following the inauguration of the Industrial Platform Adetikope (PIA), Togo benefited from a loan of CFAF 20 billion for the partial financing of a project to create and operate an industrial and logistics park by the company Industrial Platform Adetikope (PIA) SAS.

Another flagship project to come is the implementation of the Lomé-Ouagadougou-Niamey economic corridor. This project, financed by the World Bank, should contribute to the achievement of the executive's ambition to affirm Togo as a logistics and services hub, and includes several components: "the improvement of infrastructures and intelligent transport systems on the corridor, support for the improvement of the quality of transport and transit services, and the improvement of community infrastructures and rural tracks to support local economic development and resilience in fragile areas at risk of security around the corridor". Several activities will be implemented: among others, the rehabilitation of the Aouda-Kara section on the RN1, the improvement of access tracks to the agropoles of Kara and Oti, the implementation of corrective actions on the Lomé-Cinkasse axis, the improvement of border crossing processes and infrastructures and transit procedures. Emphasis will be placed on transport, with the construction of a vehicle scrapping centre, the construction of car parks along the corridor, the implementation of an intelligent information system, support for the professionalization of road transport actors and support for banking institutions for risk sharing for the rejuvenation of the large vehicle fleet. The duration of the project is 5 years.

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 November 23, 1972 monetary cooperation agreement between member States of the issuing zone of the Bank of Central African States and France, as well as in the December 4, 1973 cooperation agreement between member States of the West African Monetary Union and France.

The 4 main principles of the Franc zone are:

- **A guarantee from the French Treasury for unlimited convertibility of the Central Bank currency:** currencies issued by the issuing institutions of the franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-zones, an operating account is opened with the French Treasury by each Central Bank of the zone, and on which the Central Banks have an unlimited right to draw in the event of exhaustion of their foreign exchange 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 among themselves, at fixed parities, without limitation of amounts. The switch to euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at equivalent parity, i.e., CFAF 655.957 = 1 euro (the parity being identical for the West and Central Africa sub-zones).
- **Free and unlimited transfer of reserves:** Transfers are, in principle, free within the Zone.
- **Centralization of reserves:** governments 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 portion of their net external assets (foreign

exchange reserves) with the French Treasury in an operating account opened in the name of each of them. Since the September 2005 reform, BCEAO has had to deposit 50% of its external assets in its operating account.

A new monetary agreement was signed in December 2019 by WAEMU member States and France to reform the West African CFAF. It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. To enable WAEMU economies to prepare for ECO, the monetary cooperation agreements linking the member States of the zone to France were thoroughly revised. Three decisions were taken:

- Names change of the currency from CFA Franc to ECO, when WAEMU countries will integrate the new ECO zone of ECOWAS.
- End the centralization of foreign exchange reserves at the French Treasury, closing the operations account and transferring available resources into BCEAO's account.
- Withdrawal of all French representatives from the decision-making and management bodies of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key pillars 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 the French Council of Ministers. It validates the transformation of the CFAF, which will become the ECO, by maintaining a fixed parity with

the euro as well as the end of the centralization of foreign exchange reserves of West African States at the French Treasury.

4.1.2 Description of BCEAO

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

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, and the National Credit Councils, one in each WAMU member State.

Operation

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

The primary 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.

Role

The Central Bank has the following fundamental missions:

- Define and implement monetary policy within WAEMU.
- Ensure the stability of WAEMU banking and financial system.
- Promote proper functioning and ensure the supervision and security of payment systems in WAMU.
- Implement the WAEMU exchange rate policy under the conditions set by the Council of Ministers.
- Manage the official foreign exchange reserves of WAEMU member States.

The Central Bank may conduct, with due regard for monetary equilibrium, specific missions or projects that contribute to the improvement of the monetary policy environment, diversification and strengthening of 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. As such, it defines the monetary policy to keep the currency's external coverage rate at a satisfactory level, and to support the economic activity of member countries without inflationary pressure¹¹.

BCEAO oversees the monetary policy of each member country by setting money supply and credit targets on an annual basis. Statutory advances to member States national treasuries were suspended in 2001 and abolished as of 2010.

To conduct its common monetary policy, the BCEAO relies on market mechanisms and indirect liquidity regulation instruments, in particular interest rate management and the reserve

4.1.3 Monetary policy

BCEAO has the exclusive privilege of issuing money for all the member States of the West African Monetary Union. It issues monetary signs, banknotes, and coins, which are legal tender with discharging effect in all the member States of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

11 The BCEAO Monetary Policy Committee, at its first meeting held on September 14, 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%, over a twenty-four (24) month horizon.

The Central Bank's management of member States monetary policy consists in adjusting the global liquidity of the economy according to economic trends, to ensure price stability, on the one hand, and to promote economic growth, on the other hand.

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

The functioning of BCEAO is based on:

- Open market operations: seven-day and twenty-eight-day refinancing (weekly and monthly, respectively, for banks subject to reserve requirements) allotted at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently¹² 2.25%). Planned auctions are generally calibrated according to BCEAO's forecast of liquidity needs over the maturity of operations.
- Standing loan windows: refinancing from 1 to 7 days or 90 to 360 days against government securities and credit requests with maturities ranging from 5 to 20 years, at the request of banks (marginal lending window). Rates at these windows are 200 basis points above the policy rate. As of June 2017, the use of the lending window was capped at two times the counterparty's equity.

The minimum bidding rate for open market operations (tenders) and the interest rate applicable to the marginal lending window (repo rate), whose levels are set by the Monetary Policy Committee, are 2,25% and 4,25% respectively, and constitute BCEAO's two main key rates.

4.2. Money supply

The money supply grew steadily from CFAF 1,435.72 billion in 2016 to CFAF 2,260.51 billion in 2021. Compared to 2020, it recorded an increase of 12.3% driven by foreign and domestic assets. Indeed, foreign assets stood at CFAF 1,096.65 billion in 2021 against CFAF 975.52 billion, an increase of 12.4% driven by the 23.7% increase in commercial banks' assets. The central bank's foreign assets were down by 132.7% in 2021 compared to 2020.

In terms of domestic assets, they recorded an increase of 8.5% in 2021 compared to 2020 due to the increase in credit to the economy of 9.2%. Credit to the State was down by 50.8% in 2021 compared to 2020.

The composition of the money supply in 2021 shows that deposits increased by 14.8% to CFAF 1,935.13 billion against CFAF 1,686.26 billion in 2020. They represented 85.6% of the money supply against 83.8% a year earlier. Foreign exchange in circulation fell by 0.5% to CFAF 325.4 billion, representing 14.4% of the money supply against CFAF 327 billion in 2020, or 16.2%.

¹² BCEAO decided to raise its main policy rates by 25 basis points on June 1st, 2022, effective June 15, 2022. Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.25% and the interest rate for the marginal lending window was reduced from 4.50% to 4.25%. As a reminder, the Central Bank cut its main policy rates by 50 basis points on June 24, 2021.

Table 29.

Money supply aggregates (in billions of CFAF)

	2016	2017	2018	2019	2020	2021
Foreign assets	530.75	546.85	562.20	731.47	975.52	1 096.65
Central Bank	90.60	83.49	68.14	249.43	70.47	-23.05
In the Banks	440.15	463.35	494.06	482.04	905.05	1 119.70
Domestic assets	1 183.42	1 341.86	1 434.28	1 345.68	1 320.02	1 432.20
To the credit of the State	30.95	164.99	208.59	44.40	14.55	7.16
Central Bank	-13.37	-11.83	26.01	-115.24	-43.00	68.30
Bank	44.32	176.82	182.58	159.64	57.54	-61.14
To the credit of the economy	1 152.48	1 176.87	1 225.69	1 301.28	1 305.48	1 425.04
Other	-278.45	-310.03	-270.44	-272.89	-282.26	-268.34
Money supply (M2)	1 435.72	1 578.67	1 726.04	1 804.26	2 013.28	2 260.51
Outstanding currencies	245.23	298.25	335.40	338.83	327.03	325.39
Deposit	1 190.49	1 280.42	1 390.64	1 465.43	1 686.26	1 935.13
% increase observed as of 31. Dec from n-1 to n						
Net foreign assets	16.5	3.0	2.8	30.1	33.4	12.4
Net domestic assets	5.8	13.4	6.9	-6.2	-1.9	8.5
Credit to the state	-48.3	433.1	26.4	-78.7	-67.2	-50.8
Central Bank	-125.8	-11.5	-319.8	-543.0	-62.7	-258.8
Banks	451.4	299.0	3.3	-12.6	-64.0	-206.3
Credit to the economy	8.9	2.1	4.1	6.2	0.3	9.2
Money supply (M2)	12.4	10.0	9.3	4.5	11.6	12.3

Source : BCEAO, February 2022

4.3. Banking system and financial markets

4.3.1 The banking environment

The Togolese banking landscape, as of December 31, 2021, had fourteen (14) banks and three (03) financial institutions of a banking nature. Of the fourteen banks, eleven (11) are subsidiaries and three (03) are branches of banks. The financial institutions of a banking nature are all subsidiaries. Compared to 2020, there are no changes in the banking landscape. This is as follows:

- Subsidiaries:
 - Atlantic Bank TOGO
 - International Bank for Africa in Togo (BIA-TOGO)
 - Sunu Bank
 - Sahel-Saharan Bank for Investment and Trade TOGO (BSIC - TOGO)
- Branches:
 - Banque Togolaise pour Le Commerce et l'Industrie (BTCl)
 - Ecobank - Togo
 - Orabank Togo
 - Société Interafricaine de Banque (SIAB)
 - Union Togolaise de Banque (UTB)
 - Bank of Africa TOGO
 - Coris Bank International- TOGO (CBI-TOGO)
 - NSIA BANQUE BENIN
 - Société Générale Benin
 - Development Bank of Mali (BDM)
- Financial institutions of a banking nature
 - WAEMU Regional Mortgage Refinancing Fund (CRRH-UEMOA)

- African Guarantee Fund for Small and Medium Enterprises (AGF WEST AFRICA)
- African Lease Togo (ALT)

23.7% attributable to a 28.4% increase in claims on non-residents. Liabilities to non-residents also recorded an increase of 48.0% from CFAF 213.24 billion in 2020 to CFAF 315.64 billion in 2021.

However, it should be noted that BTCl was acquired by IB Holding, a Togolese company owned by Mahamadou Bonkougou of Burkina Faso, and became IB Bank Togo. The transfer contract was signed on December 20, 2021 between the Togolese State and the managers of IB Holding.

As regards claims on the Central Bank, they stood at CFAF 169.61 billion in 2021 against CFAF 219.69 billion in 2020. This represents a 22.8% decline due to the contraction of deposits. The latter represented 71.6% of claims on the BCEAO in 2021 against 79.3% in 2020.

The net external assets of commercial banks rose from CFAF 905.05 billion in 2020 to CFAF 1,119.70 billion in 2021. This represents an increase of

Table 30. Commercial banks (in billions of CFAF)

	2016	2017	2018	2019	2020	2021
ASSETS						
Net external assets	440.15	463.35	494.06	482.04	905.05	1 119.70
Claims on non-residents	773.48	773.84	748.17	800.68	1118.26	1 435.34
Liabilities to non-residents	-333.34	-310.49	-254.11	-318.64	-213.24	-315.64
Claims on the Central Bank	160.48	94.45	128.75	137.74	219.69	169.61
Cash	35.25	32.54	38.02	48.39	45.45	48.14
Deposits	125.23	61.86	90.72	89.35	174.24	121.47
Other claims on the central bank	0	0.1	0	0	0	0
Net receivables from central government	44.32	176.77	182.58	159.64	57.54	-61.14
Receivables from central government	287.71	393.64	474.07	515.26	490.16	474.05
Commitments to central government	-243.39	-216.87	-291.49	-355.62	-432.61	-535.18
Claims on the economy	1150.07	1174.15	1222.78	1298.37	1302.57	1 410.71
Receivables from other financial companies	7.5	19.86	16.1	10.87	14.90	24.81
Receivables from state and local governments	0	0	5.24	0	0	-
Claims on public non-financial corporations	50.62	57.7	118.69	159.89	131.78	146.85
Claims on the private sector	1091.94	1096.59	1082.74	1127.61	1155.89	1 239.04
LIABILITIES						
Commitments to the central bank	341.78	316.21	350.11	351.9	524.41	446.34
Transferable deposits included in broad money supply	511.71	534.68	554.34	595.6	720.8	881.84

Other deposits included in broad money supply	659.22	721.94	809.49	841.3	927.23	1 013.12
Securities other than shares included in broad money supply	0	0	0	0	0	-
Deposits excluded from the broad money supply	39.85	45.59	59.29	75,73	85.87	68.39
Securities other than shares excluded from the broad money supply	0	0	0	0	0	-
Borrowing	6.89	9,92	11.88	22.2	19.54	22.24
Financial derivatives	0	0	0	0	0	-
Insurance technical reserves	0	0	0	0	0	-
Shares and other equity securities	127.78	134.57	131.46	142.11	157.94	197.09
Other items (net)	107.79	145.8	111.58	48.94	49.01	9.86

Source : BCEAO, February 2022

Net claims on the central government amounted to CFAF 61.14 billion in 2021 against CFAF 57.54 billion in 2020, in connection with a 3.3% drop in claims and a strong 23.7% increase in commitments. In fact, commitments to the central government rose from CFAF 432.61 billion in 2020 to CFAF 535.18 billion in 2021, i.e., a difference in absolute value of CFAF 102.57 billion against a decline of CFAF 16.11 billion in receivables between 2021 and 2020.

Credit to the economy increased slightly by 8.3% to CFAF 1 410.71 billion in 2021 against CFAF 1 302.57 billion in 2020. This variation is attributable to an increase in claims on the private sector, other financial companies and claims on public non-financial companies. As in previous years, the financing of the private sector in the total credit to the economy was more important, i.e., 87.8% in 2021 against 88.7% in 2020.

Other deposits and transferable deposits included in the broad money supply, and liabilities to the

Central Bank, constitute the three (3) most important components of commercial banks' liabilities. In 2021, except for liabilities to the Central Bank, deposits excluded from broad money supply and other net items, all liability items increased. The decline in liabilities to the Central Bank was 14.09%, representing an absolute value of CFAF 78.07 billion.

The increase in transferable deposits included in the broad money supply was more pronounced in nominal terms, i.e., CFAF 160.99 billion against CFAF 85.89 billion for other deposits included in the broad money supply.

The rates charged by commercial banks vary according to the nature of the loan or deposit, whether it is short, medium, or long term. They also vary according to the period of the year. The average interest rate on loans granted fluctuated between 6.7% and 7.9%. The average rate of return on deposits was between 5.46% and 5.84%.

Table 31.

Interest rates charged by commercial banks according to the nature of the loan or deposit in 2021

Average interest rate of loans granted									
	Average	less than one month	between 1 and 3 months	Between 3 and 6 months	between 6 months and 1 year	between 1 and 2 years	between 2 and 5 years	between 5 and 10 years	More than 10 years old
January	7.4	7.63	7.23	7.31	7.75	7.58	7.44	7.36	4.37
February	7.34	8.03	9.28	8.51	7.99	8.07	7.03	7.08	6.26
March	7.2	8.24	6.58	8.26	6.97	6.83	6.83	7.55	2.95
April	6.7	6.6	7.8	6.8	8.2	6	7.2	7.9	4
May	7.87	7.88	9.46	7.25	8.17	8.8	7.63	8.33	3.72
June	7.27	8.44	8.21	6.83	8.9	6.47	7.15	7.43	4.9
July	7.27	8.44	8.21	6.83	8.9	6.47	7.15	7.43	4.9
August	7.85	7.18	8.59	9.07	8.1	9.2	8.25	7.66	5.32
September	7.65	7.37	9.05	8.95	8.49	7.05	8.15	8.09	5.26
October	7.55	7.24	8.33	8.9	9.38	9.17	7.69	6.91	5
November	7.9	7.66	8.96	8.08	7.56	8.47	8.21	7.96	4.31
December	7.7	7.76	7.59	8.49	8.58	7.85	7.89	7.21	5.88
Average rate of return on deposits									
	Average	less than one month	between 1 and 3 months	between 3 and 6 mon	between 6 months and 1 years	between 1 and 2 years	between 2 and 5 years	between 5 and 10 years	More than 10 years old
January	5.7	5.65	6.01	5.38	5.7	5.47	5.9	nd	4.41
February	5.75	5.78	4.54	6.25	4.66	3.75	5.06	nd	4.42
March	5.77	4.82	5.98	5.14	6.1	4	5.39	nd	5.35
April	5.8	5.7	5.7	5.9	6	5.8	5.8	nd	6.4
May	5.83	5.85	5.77	5.78	5.59	5.34	6.26	nd	5.23
June	5.84	5.81	5.73	5.78	5.65	5.61	6.27	nd	5.39
July	5.84	5.81	5.73	5.78	5.65	5.61	6.27	nd	5.39
August	5.82	5.4	5.64	6.3	5.62	5.94	6.02	nd	5.13
September	5.57	5.02	5.75	5.65	5.34	6.19	6.59	nd	5.61
October	5.64	5.13	5.74	5.99	5.46	6.57	5.69	nd	4.57
November	5.46	5.23	5.59	5.59	2	4.77	6.22	nd	4.74
December	5.75	5.25	5.76	5.69	5.69	3.98	6.9	nd	6.01

Source : BCEAO, April 2022

Microfinance

In Togo, the demographic penetration rate of microfinance services was 1.17% in 2020, compared to 1.19% in 2019. The geographical penetration rate rose from 9.79% in 2019 to 9.95% in 2020, a slight increase. The microfinance take-up rate of the adult population (15 years and older) increased from 47.69% in 2019 to 53.09% in 2020.

As of December 31, 2021, the total number of decentralized financial structures in Togo was 75, compared to 77 as of December 31, 2020. The number of clients increased from 3.11 million on December 31, 2020 to 3.74 million on March 31, 2021. The amount of outstanding loans was CFAF 12.54 billion in 2021 against CFAF 14.68 billion in 2020, representing a portfolio deterioration rate of 5.0% against 8.3% in the same period of 2020, i.e., an improvement.

Table 32.

Microfinance indicators in Togo

	2017	2018	2019	2020	2021
Number of members/clients	2 235 699	2 559 933	2 799 262	3 113 723	3 743 209
Number of service points	477	520	515	518	664
Total number of DFEs	76	76	76	77	75
Number of DFEs in the sample	47	51	53	53	57
Deposit amounts (in billions of francs CFA)	163.050	186.68	208.21	229.62	301.26
Outstanding loans (in billions CFAF)	144.44	164.94	177.22	177.73	249.432
Amounts of outstanding receivables (in billions of franc CFA)	10.08	11.7	10.78	14.68	12.54
Portfolio decay rate	6.95	7.2%	6.1%	8.3%	5.0%

Source : BCEAO, april 2022

4.3.2 Financial markets

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 market for public securities by auction is organized and regulated by BCEAO through the UMOA-Titres (WAMU Securities Agency), while public securities by syndication, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (CREPMF) and organized by the Regional Securities Exchange (BRVM) and the Central Depository/Settlement Bank (DC/BR).

Regional Stock Exchange

Regional Stocks Exchange (BRVM) is a specialized financial institution created on December 18, 1996, pursuant to 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. This stock exchange is common to the 8 countries of West Africa. BRVM/DC/BR started its activities on September 16, 1998 in Abidjan. Its main missions are the following:

- The organization of the stock market.
- Publication of stock market transactions.
- Dissemination of information on the stock market.
- Promotion and market development.

The dynamic recovery of activities within the region during the year 2021 brought a new lease of life to the sub-regional stock market, putting an end to several years of underperformance. To this end, during the 2021 trading year, the BRVM composite index rose from 145.4 points on 12/31/2020 to 202.3 points on 12/31/2021. The market capitalization of the equity market increased from CFAF 4,368 billion at the end of 2020 to CFAF 6,085 billion at the end of 2021, i.e., an increase of 39%.

As regards the market capitalization of bonds, it stood at CFAF 7 247 billion as of 31 December 2021 against CFAF 6 051 billion the previous year, an increase of 20%. This increase is the result of the continuity of the efforts of the States in the support of their respective economies in a context strongly marked previously by the consequences at the world level of the pandemic of COVID-19.

Over the period 2015-2020, the underperformance of the WAEMU stock market (BRVM) showed that

the regional market had not fully resisted the general downward movement that gripped the world's financial markets. The decline in 2018 of the BRVM was particularly marked. The preferred stocks in 2015, which were oriented towards the agri-food and beverage, agro-industry, consumer, automotive and equipment sectors, and banks, fell.

The fall in prices on the BRVM could be explained on the one hand by the profit-taking of several large investors who had made significant capital gains on their investment. It also comes from the readjustment (rectification) after four (4) years of intensive rise that the market has experienced (2012 to 2015) and on the other hand, the misunderstanding of the

various splits made on the market. New investors are speculating, and most listed companies have not reacted to the fall in their capitalization.

The year 2020 negatively impacted the BRVM, as it did all financial markets, following the outbreak of the coronavirus. The regional market recorded its largest quarterly decline (-15.79% in the first quarter of 2020) in the last 10 years. However, investors showed continued confidence in the potential of the BRVM, which posted one of the best balances since 2016, despite the pandemic and the presidential election in Côte d'Ivoire. More than 35% of listed companies ended the year in the green.

Table 33. BRVM financial market trends

	2015	2016	2017	2018	2019	2020	2021
BRVM 10 Indexes	290	262	220	154	149	131	154
BRVM composite indexes	304	292	243	172	159	145	202
Composite market capitalization (stocks and bonds) in billions of CFA francs	9 079	10 216	9 806	8 274	8 973	10 419	13 332
Equity Market	7 500	7 706	6 836	4 845	4 741	4 368	6 085
Bond market	1 579	2 509	2 970	3 430	4 233	6 051	7 247
Number of listed companies	39	43	45	45	46	46	46

Source : BRVM

Bond market

For the year 2021, Togo issued twenty (20) public securities, including nineteen (19) fungible Treasury bonds (OATs) with maturities ranging from 36 months to 180 months and only one (01) fungible Treasury bill (BAT) with a 6-month maturity. Of the nineteen OATs, there are 16 OATs. The stimulus bond with a maturity of 180 months, i.e., 15 years in fine (the longest maturity ever used before the year 2021) is part of the actions aiming to perpetuate not only the economic recovery of the States of the Union, but also and above all the lengthening of the maturity of public securities issued on the local debt market. The amount retained for the 2021 issues is CFAF 557.00 billion.

For the year 2022 as of 04 March, Togo carried out four (04) issues, including one (01) BAT and three (03) OATS. The three (03) OATs have a respective maturity of 84 months, 120 months and 180 months and the TAO a maturity of 6 months.

Assimilable Treasury Bills (BATs) are short-term debt securities issued by the State through auctions. Assimilable Treasury Bonds (OATs) are medium and long-term debt securities issued by the State through auctions.

Table 34.

Togo's issuance from 2021 to March 04, 2022

Instrument	Details	Date of operation	Value date	Maturity	Maturity (months)	Amount	Amount withheld (millions of CFAF)	Weighted average yield
						(Millions of CFAF)		
OAT		04/03/2022	07/03/2022	07/03/2037	180	30000	30000	6.05
OAT		04/02/2022	07/02/2022	07/02/2032	120	35000	35000	5.78
OAT		21/01/2022	24/01/2022	24/01/2029	84	35000	37000	4.96
BAT		07/01/2022	10/01/2022	10/07/2022	6	25000	27500	2.79
OAT	Recovery bond	19/11/2021	22/11/2021	22/11/2036	180	50000	55000	6.22
OAT	Recovery bond	17/09/2021	20/09/2021	20/09/2028	84	60000	16500	5.39
OAT	Recovery bond	17/09/2021	20/09/2021	20/09/2031	120	60000	49500	5.66
OAT	Recovery bond	20/08/2021	23/08/2021	23/08/2031	120	25000	27500	6.02
OAT	Recovery bond	23/07/2021	26/07/2021	26/07/2031	120	25000	27500	6.15
OAT	Recovery bond	11/06/2021	14/06/2021	14/06/2028	84	25000	27500	5.9
OAT	Recovery bond	28/05/2021	31/05/2021	03/05/2026	60	25000	27500	5.66
OAT	Recovery bond	21/05/2021	25/05/2021	25/05/2028	84	20 000	22 000	5.95
OAT	Recovery bond	30/04/2021	03/05/2021	03/05/2026	60	20 000	22 000	5.69
OAT	Recovery bond	16/04/2021	19/04/2021	19/04/2021	60	75 000	8 250	5.78
OAT	Recovery bond	16/04/2021	19/04/2021	19/04/2028	84	75 000	15 513	6.09
OAT	Recovery bond	16/04/2021	19/04/2021	19/04/2031	120	75 000	58 737	6.32
OAT	Recovery bond	19/03/2021	22/03/2021	22/03/2028	84	20 000	22 000	6.22
OAT	Recovery bond	05/03/2021	08/03/2021	08/03/2024	36	40 000	13 700	5.63
OAT	Recovery bond	05/03/2021	08/03/2021	22/02/2026	60	40 000	26 300	5.99
OAT	Recovery bond	19/02/2021	22/02/2021	22/02/2026	60	20 000	22 000	6.02
OAT		22/01/2021	25/01/2021	25/01/2024	36	80 000	24 366	6.1
OAT		22/01/2021	25/01/2021	25/01/2026	60	80 000	22 785	6.38
OAT		22/01/2021	25/01/2021	25/01/2028	84	80 000	40 849	6.53
BAT		08/01/2021	11/01/2021	11/07/2021	6	25 000	27 500	4.17

Source : UMOA-Titres, march 2022

Stock market

Two Togo-based companies are listed on the Regional Stock Exchange. These are Ecobank Transnational Incorporated (ETI) and ORAGROUP. Ecobank Transnational Incorporated, a bank founded in 1985, entered the BRVM on September 11, 2006. It operates in 36 African countries and is currently the second largest bank in Africa. Its closing price in

2021 is estimated at 18 CFAF compared to 13 CFAF in 2020, an increase of 38.5%.

As for the ORAGROUP banking group, it entered the BRVM on April 16, 2019. The group is present in twelve countries in West and Central Africa. Its share price at the close of business on December 31, 2021 was CFAF 4,190 compared to CFAF 4,150 a year earlier.

Table 35.

Stock market performance of Ecobank Trans Togo and Oragroup Togo

	2017	2018	2019	2020	2021
Ecobank Transnational Incorporated (ETI)					
Closing price as of 12/31 (in CFAF)	18	18	14	13	18
Annual performance		0	-22.2	-7.1	38.5
ORAGROUP Togo					
Closing price as of 12/31 (in CFAF)			4150	4150	4190
Performance annuelle		-		0	0.96

Source : BRVM, February 2022

4.3.3 Debt underwriting mechanisms

Any investor based inside or outside WAEMU can invest in public securities issued by way of auction or syndication. Orders are placed through authorized market participants: investment syndicate or any brokerage firms operating within the Union as part of issues by syndication, and credit institutions established in the Union or brokerage firms having an account in the books of the Central Bank as regards issues by auction. Transactions on the BRVM's stock market are made by stock exchange intermediaries, notably brokerage firms.

Organization of markets by auction

The auction market is a segment of the public securities market, in which WAEMU member State's issue Treasury bills and bonds through an auction procedure to finance their budgets.

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

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it issues the applicable provisions, intervenes in the organization of auctions of public securities, ensures the function of Central Depository / Settlement Bank, the clearing, settlement, and delivery of transactions among participants with an account in its books, through its electronic platform SAGETIL-UMOA¹³;
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance.
- UMOA-Titres, the regional agency in charge of issuing and managing public debt securities, physically organizes issues and aids member States in mobilizing resources on the capital markets and managing their debt.

¹³ Automated Securities and Liquidity Management System of the West African Monetary Union.

- Investors, which are credit institutions, MFIs (Micro Financing Institution), and regional financial organizations with a settlement account in the books of the Central Bank¹⁴;
- Primary dealers (SVTs), which are credit institutions and SGIs that have obtained the approval of the Ministers of Finance of WAEMU Member States to act in this capacity and thus benefit from the status of privileged partners of one or more Member States Treasuries in operations on public debt securities issued on the regional market¹⁵.

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

Organization of market by syndication

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public pole made up of the Regional Council for Public Savings and Financial Markets (CREPMF) and a private pole comprising, on the one hand, central agencies such as the Regional Stocks Exchange (BRVM) and the Central Depository/Settlement Bank (DC/BR), and, on the other hand, the market participants.

CREPMF is the regulator of the WAEMU regional financial market. Its missions are, among others, to:

- Ensure the authorization and control of public offering procedures.
- Empower market management agencies and accrediting market participants.
- Approve commercial stakeholder rates.
- Regulate market operation.
- Monitor the regularity of stock market transactions.

BRVM is organized in a central site based in Abidjan (Côte d'Ivoire) and represented in each member State by a National Stock Exchange (ANB). The main attributions of the BRVM are:

- Authorization of stock market participants to carry out their activities.
- Management of the market, in particular the centralization of buy or sell orders, listing management, dissemination of market information, as well as the promotion and popularization of the financial culture within WAEMU.
- Management of unsettled transactions.

The Central Depository/Settlement Bank (DC/BR) is a financial institution, whose role is:

- To proceed with the clearance of the applicants for the function of account holder.
- To ensure the settlement of negotiations and the management of the financial service of the securities.
- To ensure the maintenance of current accounts of securities opened by primary dealers (SGI) in its books.
- To ensure the safekeeping and the scriptural circulation of securities.
- To make cash payments, as settlement bank, of the balances of stock exchange transactions.

As part of organizing issues by syndication, States entrust the securities placement process to a placement syndicate, whose members are made up of primary dealers approved by the CREPMF. In addition, the issuer chooses a lead manager from among the members of the syndicate, who oversees specific missions in the issue process.

¹⁴ All other investors wishing to participate will have to go through the approved stakeholders.

¹⁵ The operationalization of primary dealers within WAEMU started on March 1, 2016.

Since its inception, the main products 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 funds) have been introduced. Securities issued through syndication are traded on the secondary market on the BRVM's electronic trading platform.

4.4. Inflation rate

Over the period 2016-2020, inflation was contained within the 3% limit prescribed by the WAEMU. The average inflation rate over this period was 0.82. In 2021, the inflation rate was 4.5% above the WAEMU average of 3.6% and the norm of 3%.

The rise in inflation in 2021 is linked to the pressure on the prices of the various functions and more specifically on the functions of "food" (9.9% against 3.4% in 2020), "alcoholic beverages, tobacco and narcotics" (1.6% against 4.5%), "communication" (6.2% against 4.55%), and "transport" (0.4% against -4.0%). The rise in the prices of food and other products is explained by the increase in the price of certain food products, due to the lack of supply on the markets and the rise in the price of imported products, in connection with the disruption in the supply chains.

Table 36. Inflation rates in Togo and WAEMU

	2016	2017	2018	2019	2020	2021
TOGO	0.9	-0,2	0.9	0.7	1.8	4.5
WAEMU	0.3	1.1	1.2	-0.7	2.1	3.6

Source : BCEAO

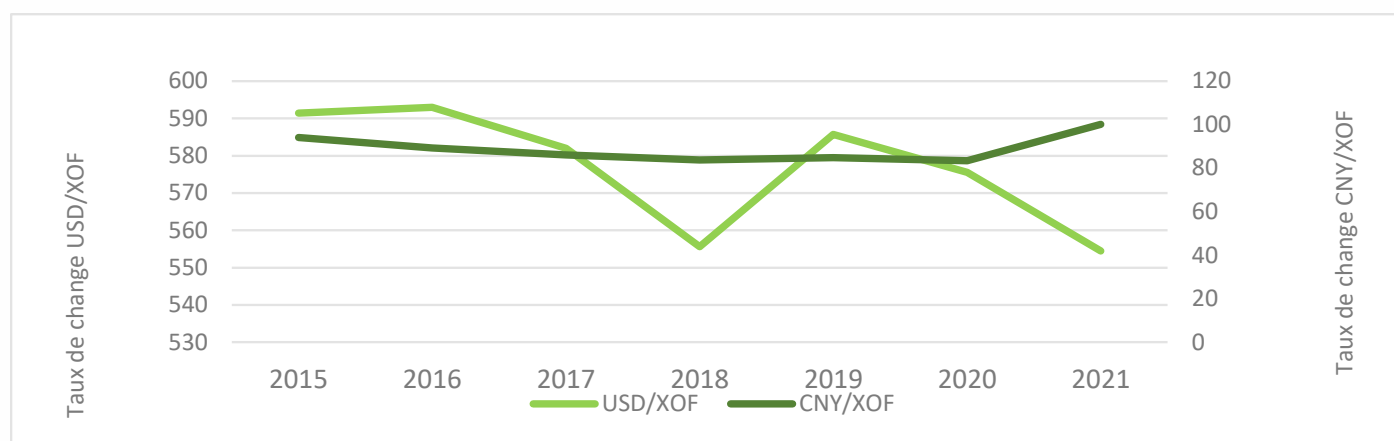
The inflation rate is expected to be around 2.1% in 2022 and 1.8% in 2023, below the community norm of 3%. The rate would be below the WAEMU average.

4.5. Exchange rates

The dollar/CFAF exchange rate moved up and down between 2015 and 2021. It rose between 2015 and

2016 without reaching the 600 francs CFA per dollar mark. In 2017 and 2018, there was a depreciation of the dollar against the franc CFA, followed by a rise in 2019 and then a decline since 2020. The dollar has risen to 554.43 francs CFA per dollar in 2021, compared with 575.59 francs CFA in 2020.

Figure 6. USD/XOF and CNY/XOF exchange rates



Source: BCEAO, March 2022

From 94.13 CFAF in 2015 for one CNY, the Chinese currency depreciated to 83.74 CFAF for one CNY in 2018. It appreciated slightly in 2019 to CFAF 84.87 before falling again in 2020 to CFAF 83.38 per CNY. In 2021, the Chinese currency appreciated to CFAF 100.09 per CNY.

4.6. Foreign reserves

Togo's official reserve assets came out in surplus at CFAF 305.67 billion in 2021 against CFAF 173.21 billion in 2020, i.e., an increase of 76.5% due to the increase in special drawing rights (SDR) assets and

the reserve position at the IMF. Special Drawing Rights (SDR) assets (93.05%) constitute the largest share of official reserve assets in 2021, as in previous years. They stood at CFAF 284.44 billion against CFAF 162.77 billion in 2020, an increase of 74.7%. The reserve position at the IMF rose by 119.2% to CFAF 19.90 billion in 2021 against CFAF 9.08 billion in 2020. It represented 6.5% of reserve assets in 2021 against 5.2% a year earlier. Foreign currencies recorded a decline of 2.9% in 2021 compared to 2020 to stand at CFAF 1.33 billion. They accounted for 0.4% of official reserve assets in 2021 against 0.8% in 2020.

Table 37. Togo's official reserve assets (in billions of CFAF)

	2016	2017	2018	2019	2020	2021
Claims on non-residents	451.2	522.8	428.3	781.1	885.50	1.373.56
Official reserve assets	32.4	45.1	77.7	106.8	173.21	305.67
Foreign Currencies	3.8	2.4	0.4	1.3	1.37	1.33
Reserve position at the IMF	18.6	9.2	17.2	13.7	9.08	19.90
SDR Holdings	10	33.5	60.2	91.7	162.77	284.44
Other external assets	418.8	477.7	350.6	674.3	712.29	1.067.89

Source : BCEAO, February 2022

5.1. Balance of payments

Togo's trade balance is structurally in deficit due to the importance of imports of goods in relation to exports. In 2020, the trade deficit stood at CFAF 428.17 billion against CFAF 571.67 billion in 2016. Also, during the period under review, there was a faster increase in exports than in imports. Indeed, over the period 2016-2020, exports grew by an average of 3.0% against a decline in imports of 1%. Estimates for 2021 point to a trade deficit of CFAF 508.9 billion due to a more than proportional increase in imports (+12.0%) compared with exports (+7.7%). The trade deficit is expected to remain on an upward trend in 2022 due to an increase in imports against a contraction in exports.

Net services remained in surplus over the period 2016-2020, standing at CFAF 43.90 billion in 2020 compared with CFAF 84.70 billion in 2016. The surplus in the balance of services is mainly due to the increase in the surpluses of other services and travel, as the balance of transport in general and particularly that of freight is structurally in deficit. For 2021, estimates of net services are set at CFAF 41.30 billion, down by 5.9% compared to 2020. The services surplus is expected to reach CFAF 94.1 billion in 2022.

Consisting mainly of the balance of remuneration of employees and investment income, the primary income account recorded a surplus over the entire period under review, coming out at CFAF 24.61 billion in 2020 against CFAF 25.84 billion in 2016. For 2021, the primary revenue balance is estimated at XAF 21.9 billion, down by 11% compared to 2020. In 2022, the primary revenue balance will continue its downward trend to reach CFAF 12.5 billion.

The balance of the secondary income account has been in surplus and growing throughout the period 2016-2020 because of the increase in secondary income from other sectors, notably transfers between individuals or between institutions not under the authority of a public administration, remittances

from migrant workers other than those destined for investments, notably current consumption, health, education, family, and religious events, etc. In 2020, the credit balance of the secondary income account is up by 14.6% compared to 2019 due to the increase recorded in the other sectors. Indeed, the operations of the other sectors increased by 30.6% to CFAF 293.47 billion, against CFAF 224.64 billion in 2019, due to the increase in net flows of remittances.

The secondary income of the government, on the other hand, decreased by 31.2%, from CFAF 78.88 billion in 2019 to CFAF 54.27 billion in 2020. They include grants mobilized under official development assistance, notably various donations in kind and in cash for current needs. In fact, the budgetary support received in 2020 by Togo amounted to 37.19 billion francs CFA (20.15 from the World Bank, 11.02 from the European Union and 3.96 billion francs CFA from the African Development Bank, 1.97 billion francs CFA from the French Development Agency and 100 million francs CFA from other partners) against 62.07 billion francs CFA in 2019.

Estimates for 2021 indicate a balance of secondary revenue of CFAF 338.6 billion, down from 2020.

In line with the evolution of the trade balance and the balance of primary and secondary income, the current account showed a deficit of CFAF 11.94 billion in 2020, compared with CFAF 32.48 billion in 2019, marking an improvement for the second consecutive year. As a percentage of GDP, the current account deficit was 0.3% in 2020 against 0.8% in 2019 and 7.5% in 2019.

0.8% in 2019 and 7.2% in 2016. Estimates for 2021 point to a current account deficit of CFAF 107.1 billion, representing 2.3% of GDP, due to the deterioration of the trade deficit. The current account deficit is expected to decline to CFAF 179.7 billion (3.6% of GDP) in 2022.

The capital account remained in surplus throughout the period under review, amounting to CFAF 214.55 billion in 2020 compared with CFAF 163.55 billion in 2016. Compared with 2019, capital transfers in 2020 recorded an increase of 26.2%, largely driven by capital transfers received from other sectors (+39.2), especially donations in kind to national NGOs and remittances from migrant workers for investments. In 2021, the balance of the capital account is estimated at CFAF 275.2 billion, up 28.3% compared to 2020, due, among other things, to the increase in capital transfers in the context of support for the management of the Covid-19 crisis. In 2022, the capital account surplus is expected to fall by 10.8% compared with its level in 2021.

The balance of the financial account evolved in a contrasting manner over the period, driven by direct investments and portfolio investments. It showed a deficit of CFAF 35.97 billion in 2020 compared with a

deficit of CFAF 159.80 billion in 2016. The balance of the capital account would be in surplus by XAF 52.8 billion in 2021. Net FDI outflows would represent an amount of CFAF 52.7 billion in 2021. The financial account is expected to show a surplus of CFAF 49.8 billion in 2022.

The overall balance of the balance of payments is expected to be in surplus, amounting to CFAF 240.71 billion in 2020, compared with CFAF 67.15 billion in 2016. Compared to 2019, the overall balance surplus in 2020 improved significantly, in line with the improvement in the capital and current account balances. In 2021, the overall balance surplus is expected to fall to XAF 115.4 billion, due to the deterioration of the current account and the improvement of the financial and capital account balances. Projections are for an overall surplus of CFAF 15.84 billion in 2022.

Table 38.

Balance of payments position (billions of CFAF)

ITEM (billions CFAF)	2016	2017	2018	2019	2020	2021 Est	2022 projection
Current account balance	-258.7	-56.1	-102.7	-32.5	-11.9	-107.1	-179.70
Current account balance excluding grants	-301.1	-67.4	-134.9	-67.7	-249.70	-214.50	
Trade balance in goods	-571.7	-373.8	-434.6	-443.5	-428.2	-508.9	-595.5
Property exports	614.2	591.5	600.5	618.2	695.0	748.6	724
Property imports	1 185.9	965.3	1 035.1	1 061.7	1 123.2	1 257.5	1 319.50
Nets services	84.7	82.3	86.9	94.5	43.90	41.30	94.1
Primary income balance	25.8	2.9	10.7	13.0	24.6	21.9	12.5
Secondary income balance (transfer)	202.4	232.5	234.3	303.5	347.7	338.6	309.2
Capital account	163.6	141.4	175.7	169.9	214.5	275.2	245.4
Acquisition/disposals of non-financial assets	0.0	0.0	0.0	0.0	0.00	0.00	
Capital Transfers	163.6	141.4	175.7	169.9	214.5	275.2	245.4
Public administrations	66.5	41.4	72.7	60.4	62.0	116.5	
Of which debt relief	0.0	0.0	0.0	0.0	0.0	0.0	
Other sectors	97.1	100.0	103.0	109.5	152.45	158.80	
Financial account	-159.8	77.5	59.0	-29.9	-36.0	52.8	49.8
Direct investments	179.7	-70.3	139.5	-177.5	-30.5	52.7	81.4
Portfolio investments	-160.5	176.6	91.9	239.0	48.1	34.4	55.3
Other investments	-179.0	-28.8	-172.4	-91.4	-53.52	-34.30	-86.9
Statistical errors and omissions	-2,5	2,2	3,0	2,9	2,2	0,0	0
Overall balance	62,0	10,1	17,0	170,0	240,7	115,3	15,84

Source : BCEAO, march 2022

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 - IEPA) and multilateral (World Trade Organization - WTO and regional EPA) levels.

Good coordination between the various negotiations at the regional and international levels (CET; EPA; WTO; AGOA; etc.) is essential to achieving 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 bilateral negotiation area, notably between the West African region and the EU, concerning the EPA.
- A multilateral negotiating area, 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 only have ad hoc observer status in the WTO Trade and Development Committee.

With regard specifically to WAEMU, it has a common trade policy based on :

- A common market set up on July 1st, 1996 for local and unprocessed products (Union products from the animal, mineral and plant kingdoms) and traditional crafts, and until January 1st, 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004.

- A Customs Union set up on January 1st, 2000, based on a CET applicable to all WAEMU member countries, which includes four categories of products, taxed from 0 to 20%, in force until January 1st, 2015, when 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, harmonisation of VAT and excise duties, harmonisation and mutual recognition of standards, common safeguard and protection measures (degressive protection tax (DPT), short-term export tax (TCI), reference values and anti-dumping duty).

WAEMU also has a regional trade promotion program, "a regional strategy and a logical framework for the implementation of the WAEMU aid-for-trade program".

The overall objective of the aid for trade strategy is to enable member States to increase their exports of goods. The logical framework serves as the basis for an agenda for international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of aid for trade:

- Ensure 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 essential adjustments and consider other business needs.

The needs and priorities were identified based on the Regional Economic Program (REP), which is the reference framework for the WAEMU integration process. as well as existing capacity building programs in the States.

- **The Common External Tariff**

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

The CET aims to harmonize tariffs and taxes to deepen economic integration through the establishment of a customs union; provide a platform for building the common trade policy and regional trade negotiations such as the EPA; stimulate regional production and investment capacity; and consolidate the regional market.

The CET is organized around an architecture including:

- (i) A Tariff and Statistical Nomenclature (TSN) i.e., a common customs nomenclature based on the Harmonized Commodity Description

and Coding System (HS) of the World Customs Organization (WCO) adopted by the Community.

- (ii) A table of duties and taxes applicable to imported products which includes: the customs duty (CD), the statistical fee (SF) and the ECOWAS community levy (CL ECOWAS).
- (iii) Trade defense measures or supplementary protective measures, if any, which may generate duties that may affect the final price of products imported into the Community from third countries.
- (iv) The statistical royalty rate is set at 1% and applies 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 tariff structure of the CET is presented in the following table:

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

The CET was established in accordance with the requirements of the World Customs Organization's Harmonized System and the World Trade Organization's Regional Trade Agreements (Article 24 of GATT).

- **Specific rules applicable to ECOWAS countries' foreign trade of goods**

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

PARTNERS	SPECIFIC SCHEMES
European Union (EU)	APEI, SPG, SPG+, TSA
ECOWAS	TEC, SLE
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 countries in the framework of trade between ECOWAS and the EU:

- **Côte d'Ivoire and Ghana** ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been provisionally applied since September 4, 2016. and Ghana's EPA has been applied since December 15, 2016. These interim EPAs guarantee both countries full access to the European market and provide for eventual liberalization of 80% of tariff lines by Côte d'Ivoire and Ghana, spread over a period of 15 years¹⁶.
- Under the GSP, **Nigeria** benefits from a reduction in European customs duties on approximately 1/3 of tariff lines and a total exemption from customs duties on 1/3 of additional tariff lines.
- **Cape Verde** benefits from the GSP+ which grants an exemption from European customs duties on about 2/3 of the tariff lines.
- **The other twelve countries** (including the seven WAEMU countries besides of Côte d'Ivoire), because of their LDC status, benefit from the GSP on everything except arms; which gives them access to the European market for all their exports to the EU without duty or quota.

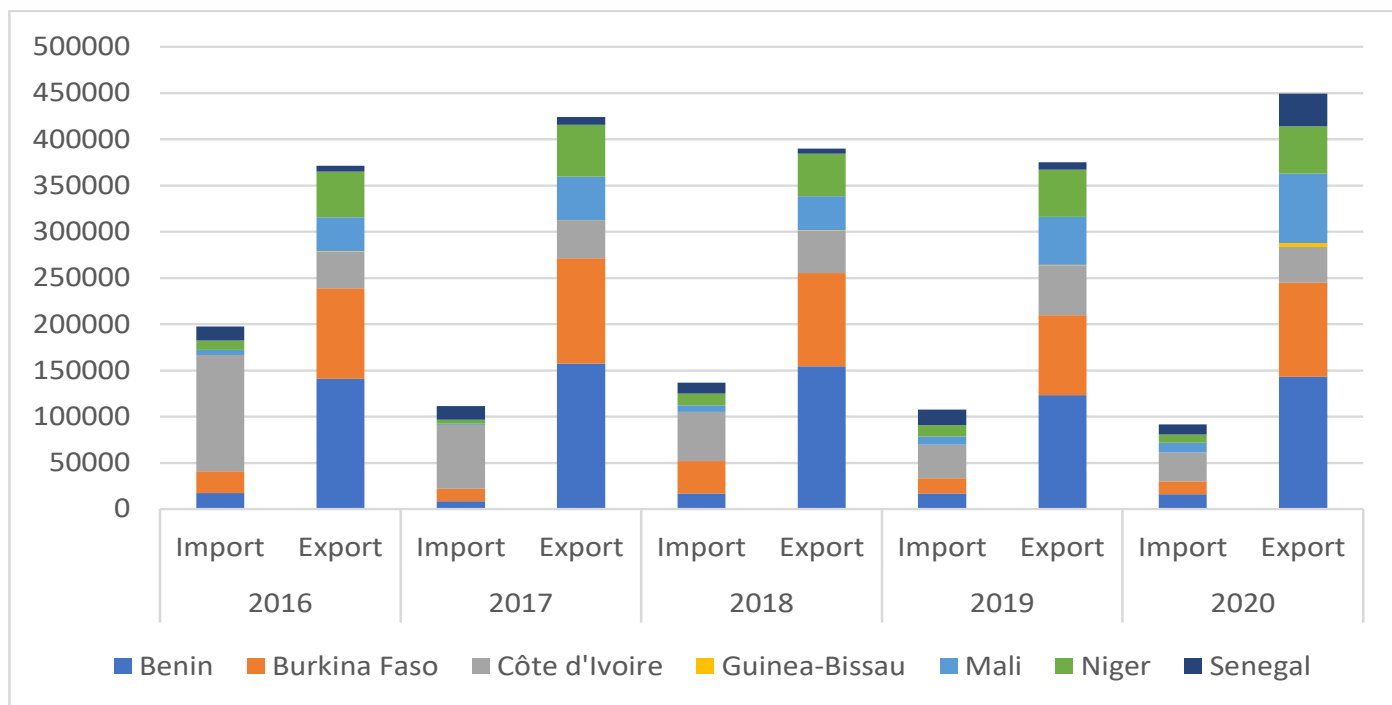
5.2.2 Regional trade in value¹⁷

Togo's exports to UEMOA countries amounted to CFAF 449.38 billion in 2020 against CFAF 375.20 billion in 2019, an increase of 19.8% linked to the increase in exports to all countries except Côte d'Ivoire and Niger. Imports fell by 14.9% to CFAF 91.69 billion compared with CFAF 107.7 billion in 2019. Over the period from 2016 to 2020, Togo's trade balance with WAEMU countries remained in surplus with an average of CFAF 272.90 billion.

¹⁶ Over 11 years (2019-2029) currently for Côte d'Ivoire.

¹⁷ The official data on intra-WAEMU trade has been adjusted by the sub-regional unit responsible for reconciling intra-WAEMU trade data. These adjustments were considered in determining the overall values of Togo's imports and exports. This data was obtained by comparing general trade data from partner countries within the Union and considering uncontrolled cross-border trade.

Figure 7. Value of exports and imports between Togo and the 7 other WAEMU countries (millions of CFAF)



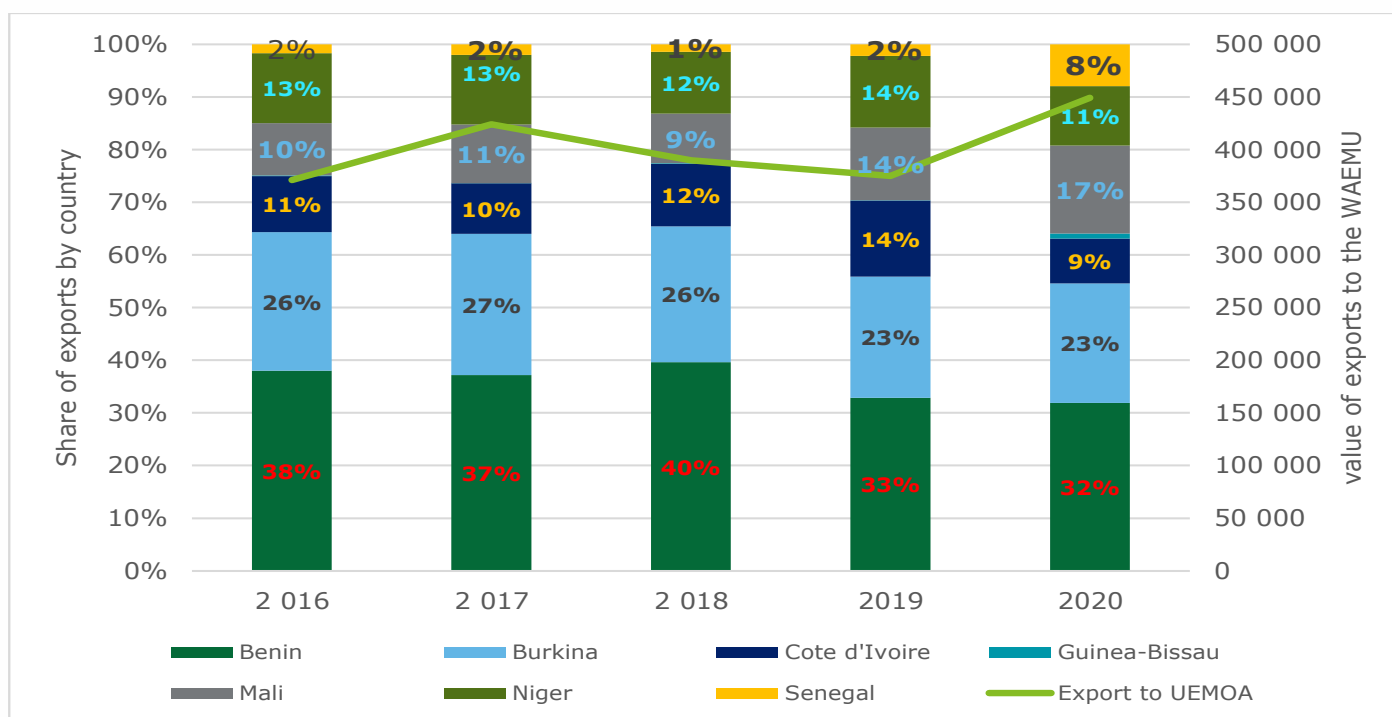
Source: BCEAO, March 2022

5.2.3 Regional exchanges by partner

Togo's exports are mainly to Benin, Burkina Faso, Niger, Côte d'Ivoire, and Mali. Benin is the leading recipient of Togo's products in the WAEMU, with a share of 32% in 2020 compared with 33% in 2019. Next comes Burkina Faso with a share of 23% in 2020 as in 2019. It should be noted that Benin and

Burkina Faso are two countries bordering Togo and that their proximity facilitates trade. Mali was the third country of destination for Togolese products within the WAEMU with 17% of exports in 2020 against 14% in 2019. It is followed by Niger with 11% of Togolese exports in 2020 against 14% in 2019. Côte d'Ivoire and Senegal received 9% and 8% respectively of Togolese exports in 2020.

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

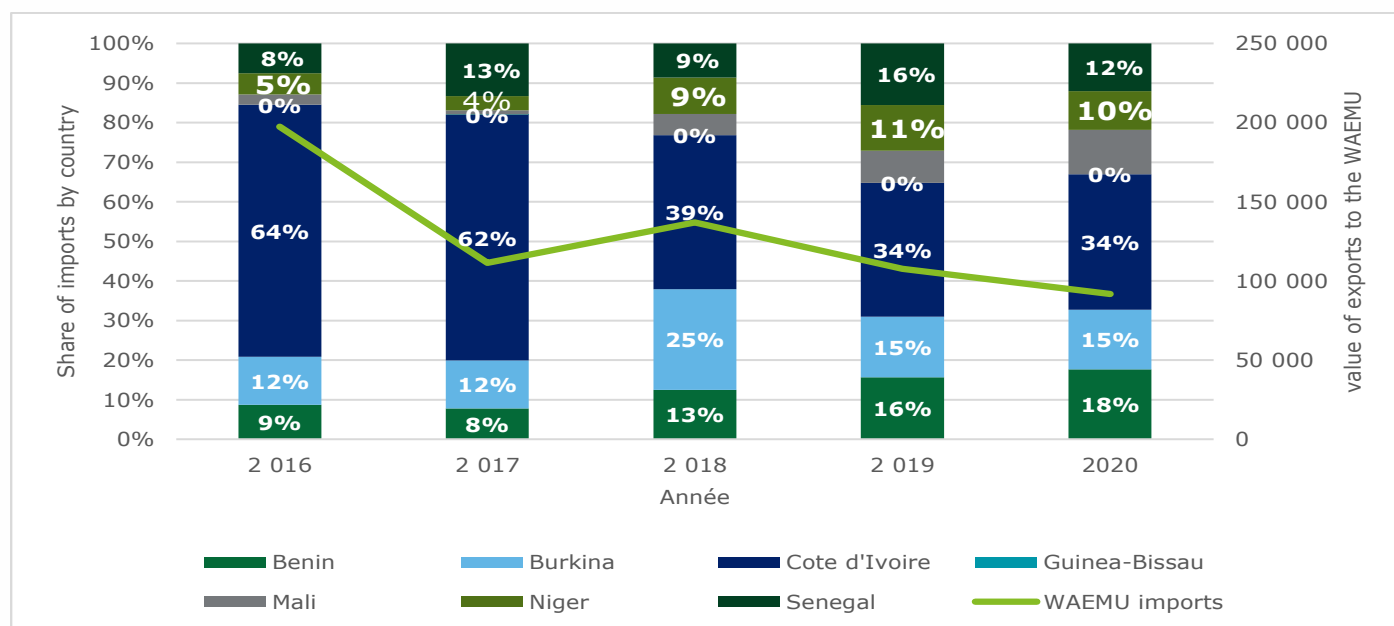


Source: BCEAO, March 2022

In terms of imports, Togo's main supplier within the WAEMU has always been Côte d'Ivoire (47% on average between 2016 and 2020) despite the downward trend recorded since 2017. Indeed, imports of Ivorian products stood at CFAF 31.38

billion in 2020 compared to CFAF 125.62 billion in 2016. Togo's other secondary suppliers in 2020 are Benin (18%), Burkina Faso (15%), Senegal (12%), Mali (11%) and Niger (10%).

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



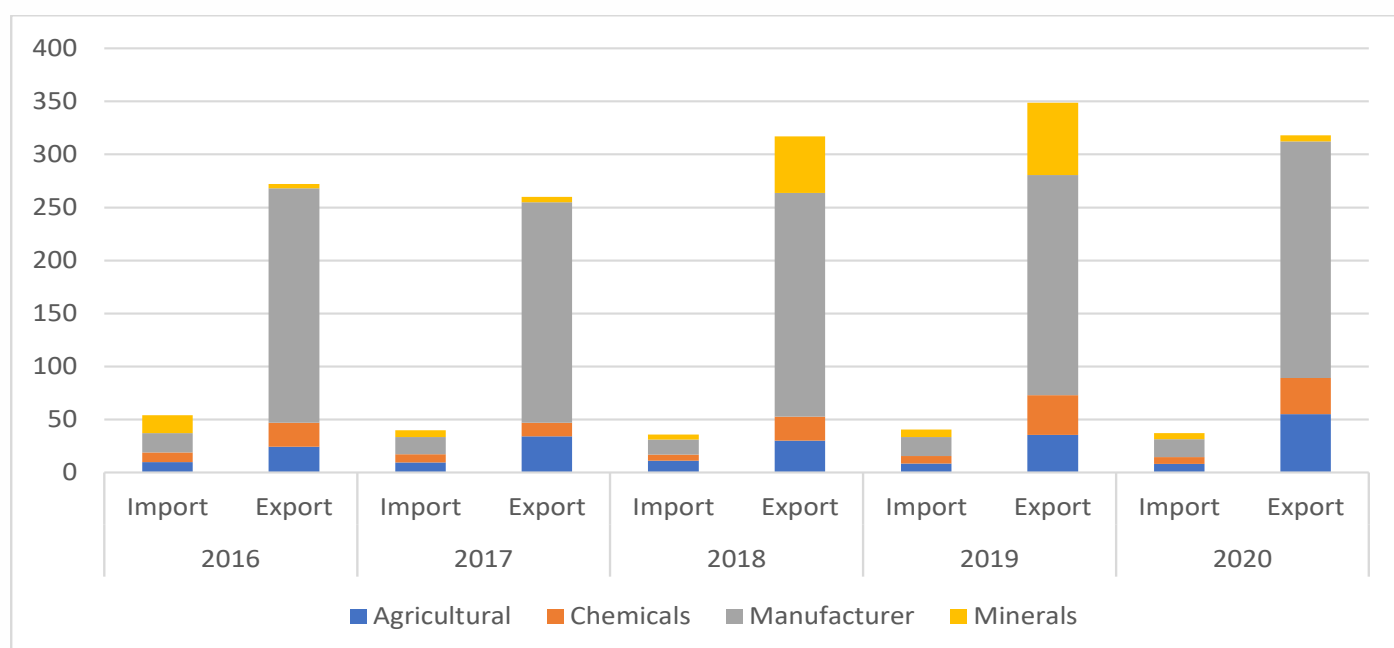
Source: BCEAO, March 2022

5.2.4 Regional exchanges by type

Togo's exports to UEMOA member countries are made up of manufactured goods, minerals, and agricultural products. More specifically, in 2020, exports included

- Plastic transport or packaging articles; stoppers, lids, caps, and other closing devices, made of plastic, to Benin, Burkina Faso, Côte d'Ivoire, Mali, and Niger.
- Hydraulic cements (including non-pulverized cements known as "clinkers") to Benin, Burkina Faso, and Niger.
- Beauty or make-up products, to Benin, Côte d'Ivoire, Mali, and Senegal.
- Motorbikes (including mopeds), to Benin, Burkina Faso, Côte d'Ivoire, Mali, and Niger.
- Palm oil and its fractions, whether refined, but not chemically modified, to Niger and Senegal.
- Milk and cream concentrated or containing added sugar or other sweetening matter, to Burkina Faso, Côte d'Ivoire, and Mali.
- Wigs, beards, eyebrows, eyelashes, locks and similar articles of human hair or textile materials; articles of human hair to Benin and Burkina Faso.
- Cotton fabrics, to Côte d'Ivoire and Senegal.
- Petroleum oils or oils obtained from bituminous minerals, other than crude oil, to Benin and Burkina Faso.
- Wine of fresh grapes, including fortified wines, to Burkina, Côte d'Ivoire, Guinea, and Mali.
- Articles of plastics, to Burkina Faso, Côte d'Ivoire, and Mali.
- Braids and similar articles of plaiting materials, whether assembled in strips; plaiting materials, plaits, and similar articles of plaiting materials, woven or paralleled, flat, whether finished (mats, matting and racks) to Benin and Mali.

Figure 10. Value of exports and imports between Togo and the 7 other WAEMU countries by product category (in billions of CFAF)



Source: UN Comtrade, March 2022

It should be noted that Togo also re-exports petroleum products to certain WAEMU countries, notably Benin, Burkina, Côte d'Ivoire, and Mali.

Togo's imports from WAEMU countries consist of ores, manufactured products, agricultural products and, to a lesser extent, chemical products. Manufactured products are in first place, followed by agricultural products. More specifically, Togo imports

- From Senegal: frozen fish, non-crude petroleum oils or bituminous minerals, insulated wires, cables, and other conductors for electricity.
- From Côte d'Ivoire: boxes, bags, pouches, cones and other wrappings of paper, paperboard, office or shop paper or the like, cigars (including those with cut ends), cigarillos and cigarettes, of tobacco or of tobacco substitutes, soaps, preparations for soups or broths; prepared soups or broths, tubes and pipes and their fittings (joints, elbows, couplings).
- From Burkina Faso: oil seeds and oil fruits.

5.3. International trade

5.3.1 Trade policy

Regarding customs measures, Togo applies the WAEMU rules of origin, most of which are harmonized with those of ECOWAS. Indeed, the ECOWAS / WAEMU Common External Tariff (CET) has been updated to consider the amendments made in the Harmonized System (HS) of description and coding of goods in its 2017 version. To date, all Member States of the Union apply the WAEMU CET in the 2017 version of the HS.

Based on available information, in 2017, 43 Togolese companies and 233 Togolese products are approved for the preferential regime for intra-community trade. In addition, Togo has applied the ECOWAS Common External Tariff (CET) since January 2015, as well as other Community duties and taxes (excise duties, value added tax). Togo also respects its commitments to the World Trade Organization (WTO), of which it has been a member since May 31, 1995.

In terms of imports, the tariffs applied by Togo vary according to the products. The average final bound duty is around 80%. In terms of applied Most Favoured Nation (MFN) duties, the averages vary from 5% for cotton to 24.5% for animal products, with a maximum duty of 35 percent.

Table 39.

Specific rules that apply to imports from Togo depending on the nature of the product

Section A.1			Tariffs and imports : Summary and Interval Tariffs							
Summary			Total	Ag	Non-Ag	Member of the WTO since				1995
Average final consolidated tariff			80.0	80.0	80.0	Scope of Consolidation			Total	14.6
Average MFN tariff applied	2020		12.1	15.8	11.5				Non-Ag	0.8
Trade weighted average	2019		12.2	19.0	10.8	Ag: Tariff quotas (in %)				
Imports in billions of US\$	2019		2.0	0.3	1.6	Ag: Special backups (in %)				
Frequency Distribution		Exempt	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV
		Tariff lines and value of imports (in %)								en %
Agricultural products										
Final bound duties		0	0	0	0	0	0	99.9	0	0
MFN tariffs applied	2020	0	27.1	19.1	0	41.9	12.0	0	0	0
Imports	2019	0	16.1	24.7	0	41.5	17.7	0	0	0
Non-agricultural products										
Final consolidated duties		0	0	0	0	0	0	0.8	0	0
MFN tariffs applied	2020	2.0	40.4	21.4	0	35.8	0.4	0	0	0
Imports	2019	9.4	40.7	19.6	0	25.7	4.6	0	0	0
Section A.2		Tariffs and imports by product group								
		Final consolidated duties				MFN tariffs applied			Imports	
		Average	Exempt in %	Max. Consolidation en %	Average	Exempt in %	Max.	Share in %	Exempt in %	
Animal products	80.0	0	80	100	24.5	0	35	1.0	0	
Dairy products	80.0	0	80	100	17.2	0	35	1.3	0	
Fruits, vegetables, plants	80.0	0	80	100	17.8	0	35	0.7	0	
Coffee, tea	80.0	0	80	100	18.5	0	35	0.2	0	
Cereals & other preparators	80.0	0	80	100	13.6	0	35	5.4	0	
Oilseeds, fats & oils	80.0	0	80	98.8	11.1	0	35	3.5	0	
Sugars and sweets	80.0	0	80	100	12.6	0	35	2.1	0	
Drinks and tobacco	80.0	0	80	100	17.4	0	35	2.0	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	
Fishing and fishing products	80.0	0	80	0.8	16.0	0	20	2.1	0	
Metals & minerals	80.0	0	80	2.8	11.6	2.0	20	14.3	3.9	
Oils	-	-	-	0	7.7	19.0	10	3.3	0.1	

Chemical products	80.0	0	80	0.3	7.2	4.8	35	19.2	35.2
Wood, paper, etc.	-	-	-	0	11.2	4.6	20	2.7	5.3
Textiles	-	-	-	0	16.1	0.3	35	7.9	1.7
Clothing	-	-	-	0	20.0	0	20	1.1	0
Leather, shoes , etc.	80.0	0	80	4.5	12.3	1.3	20	1.9	3.2
Non-electrical machines	-	-	-	0	6.8	0	20	7.6	0
Electrical machines	80.0	0	80	4.5	12.3	1.3	20	7.6	0
Transport equipement	-	-	-	0	8.3	2.3	20	8.9	0.1
Other manufactured articles, n.e.s	-	-	-	0	14.2	2.1	20	8.5	0.5

Source : WTO 2021

On the export side, the applicable duties differ according to the nature of the products (agricultural and non-agricultural) and the partner. For agricultural products, the main partners are China, India, Vietnam,

the European Union, and Benin. The average simple MFN duties applied in 2019 range from 7.0% for Vietnam to 40.4% for India. The weighted averages are around 1.8% for the EU and 27.5% for Benin.

Table 40.

Duties applicable to exports by Togo according to the nature of the product and the partner

Section B Main partners		Exportations vers les principaux partenaires et droits applicables								
		Bilateral imports		Diversification		MNF average		Margin	Import. Exempt	
			in million	95% comm. in nb SH		of trade in LT		Preferred	LT	Value
			US\$	2 digits	6 digits	Simple	Weighted	Weighted	in % of total	in % of total
Agriculture products										
1. China	2019	180	2	2	16.6	11.7	11.7	100.0	100.0	
2. India	2019	98	3	4	40.4	22.9	20.6	75.0	92.5	
3. European Union	2019	75	10	15	10.4	1.8	1.8	98.8	100.0	
4. Viet Nam	2019	60	2	2	7.0	4.0	0.0	40.0	24.1	
5. Benin	2019	57	12	21	18.9	27.5	27.5	100.0	100.0	
Non-agricultural products										
1. Angola	2018	952	1	1	9.8	2.0	0.0	18.2	0.0	
2. India	2019	263	5	6	6.6	2.7	2.6	95.8	98.7	
3. Benin	2019	260	17	43	14.7	8.4	8.4	100.0	100.0	
4. European Union	2019	164	5	6	4.1	0.1	0.1	100.0	100.0	
5. Lebanese Republic	2018	104	1	1	12.5	0.0	0.0	16.7	99.8	

Source : WTO, 2021

For non-agricultural products, the main partners in 2018 are Angola and the Republic of Lebanon, and in 2019 India, Benin, and the European Union. The average simple MFN duties applied range from 4.1% for the EU to 14.7% for Benin. The weighted averages range from 0.0% for the Republic of Lebanon to 8.4% for Benin.

5.3.2 International trade in value and by destination

Togo's exports increased overall over the period under review, rising from CFAF 614.37 billion in 2016 to CFAF 694.99 billion in 2020, although there was a decline in 2017 compared with 2016. In 2020, exports recorded an increase of 12.4% compared

to 2019, driven by the increase in exports to Africa (the WAEMU and ECOWAS outside the WAEMU), Europe, America, and Oceania.

The main destinations for Togolese exports in 2020 are: Africa with 71.3% and Asia with 16.4% of exports, against 70.0% and 19.5% respectively in 2019. Europe is the third destination for Togolese products with 9.0% of exports in 2020, compared with 8.9% in 2019.

Exports to Africa increased by 8.5%, from CFAF 370.28 billion in 2019 to CFAF 401.88 billion. Togo's main African partner countries in 2020 are those of ECOWAS with 97.3% of exports. These are in particular: Burkina Faso (19.3%), Mali (18.2%), Benin (14%), Niger (11.9%), Ghana (11.4%), Côte d'Ivoire (8.9%), Senegal (7.0%) and Nigeria (5.6%). Apart from Senegal, which recorded an exceptional increase in its imports from Togo in 2020 compared to 2019 (+259.2%), the same countries have been the main destinations for Togolese exports since 2016.

In Asia, the second destination for Togo's products, exports fell by 10.1% to CFAF 92.65 billion in 2020, compared with CFAF 103.04 billion a year later. The main products exported by Togo to Asia in 2020 are: phosphates, to South Korea, India, and the Philippines; cotton, to Bangladesh, China, Malaysia,

Pakistan, and Vietnam; soya beans, to India; vegetable fats and oils, to Malaysia; oil seeds and fruits, to China; and coconuts and cashew nuts, to India.

Exports to Europe increased by 7.8%, from CFAF 47.29 billion in 2019 to CFAF 50.96 billion in 2020, mainly due to an increase of CFAF 2.25 billion in soya beans (to France) and CFAF 2.03 billion in cocoa to Belgium.

Togo's exports to Europe were mainly petroleum or bituminous mineral oils and soya beans to France; cocoa beans and broken beans, raw or roasted, to Belgium, Spain, Italy, and the Netherlands.

Exports to America amounted to CFAF 7.78 billion in 2020, compared to CFAF 5.85 billion in 2019, an increase of 33.0%. These external sales mainly concerned wigs, beards, eyebrows, eyelashes, locks, and similar articles made of hair or textile materials, as well as vegetable waxes to the United States.

Exports to Oceania amounted to CFAF 10.04 billion in 2020 after CFAF 2.27 billion in 2019, an increase of 342.4%. These mainly concerned phosphate shipments to Australia and New Zealand, which increased by 7,749 million from one year to the next.

Table 41. Breakdown of exports and imports in millions of francs CFA by geographical area

	2016	2017	2018	2019	2020
COUNTRY OF DESTINATION	GOODS EXPORTS (millions CFAF)				
EUROPE	40 668	42 853	50 132	47 287	50 958
EUROPEAN UNION	39 489	41 399	49 196	46 425	49 948
EURO ZONE	36 247	40 983	48 377	45 714	49 289
Germany	1 104	535	3 685	813	740
Belgium	5 914	3 951	3 002	5 570	6 574
Spain	2 673	2 664	2 289	1 803	2 518
France	17 415	25 441	31 993	31 596	32 080
Ireland	0	0	0	0	24
Italy	2 613	2 747	1 416	2 585	1 653
Netherlands	4 081	4 294	3 423	3 151	5 128
Other countries in the Euro zone	2 447	1 351	2 568	196	573

OTHER EU COUNTRIES	3 243	417	819	711	654
Denmark	109	15	0	15	22
Poland	2 002	0	0	178	
United Kingdom	1 094	316	761	518	615
Other	38	86	58		16
OTHER EUROPEAN COUNTRIES	1 178	1 454	936	862	1 015
Norway	5	7	0	21	
Russia	29	515	0	0	1
Switzerland	1 060	791	592	675	829
Ukraine	84	140	321	166	186
Other	0	0	24		0
AFRICA	362 043	348 084	350 547	370 281	401 886
WAEMU	272 331	259 945	269 183	285 002	318 967
Benin	74 600	62 545	59 768	64 605	56 263
Burkina	76 902	78 241	85 684	77 364	77 527
Côte d'Ivoire	37 394	38 778	43 204	43 347	35 706
Guinea-Bissau	413	151	173	131	390
Mali	32 940	27 513	30 622	43 813	73 152
Niger	44 821	44 666	44 508	47 958	47 969
Senegal	5 261	8 051	5 224	7 784	27 961
ECOWAS (except WAEMU)	69 925	72 295	69 252	69 678	71 765
Ghana	41 635	33 515	38 454	46 586	45 714
Guinea	3 578	3 447	2 557	1 860	2 900
Nigeria	23 511	34 131	26 747	20 551	22 564
Other ECOWAS (except WAEMU)	1 200	1 201	1 494	681	587
CEMAC	13 081	5 262	7 155	7 714	6 105
Cameroon	1 391	1 456	1 135	1 034	1 170
Congo (Brazzaville)	5 116	314	1 423	2 961	1 055
Gabon	5 329	1 804	2 474	2 199	2 277
Equatorial Guinea	442	507	422	412	324
Central African Republic	206	314	522	473	694
Tchad	597	867	1 180	635	584
OTHER AFRICAN COUNTRIES	6 706	10 582	4 957	7 887	5 049
South Africa	296	140	253	483	564
Angola	49	143	100	51	172
Morocco	3 285	1 266	929	4 213	2 134
Democratic Republic of Congo	1 716	2 133	780	2 961	659
Tunisia	95	291	126	104	9
Other	1 264	6 609	2 770	76	1 511

AMERICA	13 679	9 712	9 293	5 852	7 782
Netherlands Antilles		30	0	2	0
Brazil		4	4	3 013	3
Canada	10 806	5 883	6 048		482
Cuba		33	0		
USA	2 859	3 638	3 117	2 731	6 677
Other American countries	14	124	123	106	620
ASIA	68 948	70 941	92 720	103 038	92 652
China	5 538	8 630	4 856	5 469	13 933
India	32 540	26 708	39 873	60 992	42 178
Indonesia	4 000	5 765	2 790	1 023	80
Lebanon	321	402	589	123	207
Malaysia	9 981	3 994	25 167	15 642	12 541
Pakistan	2 588	8 952	1 192	4 536	3 965
Taiwan	309	322	675	991	1
Vietnam	3 020	2 300	6 658	6 782	4 664
Other Asian countries	10 650	13 867	10 922	7 479	15 084
OCEANIA	3 665	13 812	8 086	2 270	10 041
Australia	3 664	13 791	8 086	2 270	6 718
Other Oceania countries	1	21	0	0	
General trade	489 002	485 402	510 794	528 728	563 320
Ajustement	125 235	106 056	89 652	89 472	131 668
TOTAL EXPORT	614 237	591 458	600 446	618 200	694 988
COUNTRY OF ORIGIN	GOODS IMPORTS (millions CFAF)				
EUROPE	378 616	324 889	312 400	386 913	441 637
EUROPEAN UNION	322 015	289 446	265 327	307 832	348 913
EURO ZONE	279 168	250 687	228 199	240 555	292 586
Germany	39 948	29 418	27 403	31 681	43 829
Belgium	41 150	30 251	24 397	24 981	35 656
Spain	18 444	16 770	18 448	13 562	26 781
France	94 908	101 347	89 261	86 727	105 043
Italy	13 207	11 518	13 490	18 033	38 007
Netherlands	45 068	46 590	35 710	41 500	24 818
Other countries in the Euro zone	26 444	14 792	19 491	24 072	18 451
OTHER EUROPEAN COUNTRIES	42 847	38 759	37 127	67 277	56 327
Denmark	3 217	4 566	3 376	4 127	13 599
Latvia	7 757	17 377	8 616	21 316	3 779
United Kingdom	8 263	5 595	14 596	29 105	17 380
Sweden	3 688	1 486	2 946	1 942	9 265
Other	19 923	9 736	7 593	10 787	12 304

OTHER EUROPEAN COUNTRIES	56 601	35 443	47 073	79 082	92 724
Other countries in the Euro zone	42 847	38 759	37 127	67 277	56 327
Denmark	3 217	4 566	3 376	4 127	13 599
Latvia	7 757	17 377	8 616	21 316	3 779
United Kingdom	8 263	5 595	14 596	29 105	17 380
Sweden	3 688	1 486	2 946	1 942	9 265
Other	19 923	9 736	7 593	10 787	12 304
OTHER EUROPEAN COUNTRIES	56 601	35 443	47 073	79 082	92 724
Iceland	1	41	46	46	414
Norway	239	6 876	2 205	1 446	4 540
Russia	28 907	17 488	33 912	58 998	77 400
Switzerland	13 320	4 802	3 663	1 919	4 509
Ukraine	14 024	5 517	6 511	16 672	5 478
Other	111	719	736	0	382
AFRICA	146 496	161 460	163 228	159 836	133 192
WAEMU	57 994	43 830	40 364	36 986	31 156
Benin	8 356	5 597	3 840		3 203
Burkina	2 569	4 291	3 566	3 831	4 988
Côte d'Ivoire	31 739	21 044	17 437	16 549	15 669
Guinea-Bissau	6 334	4 471	7 079	3 392	0
Mali	119	322	222	76	167
Niger	29	55	8	90	63
Senegal	8 848	8 050	8 212	8 510	7 066
ECOWAS (except WAEMU)	54 115	67 008	66 927	59 774	51 338
Ghana	36 036	38 782	29 230	32 543	37 969
Nigeria	17 844	28 166	37 645	27 195	12 590
Other ECOWAS (except WAEMU)	235	59	51	37	780
CEMAC	1 419	323	174	548	424
Cameroon	462	59	71	362	82
Congo (Brazzaville)	55	1	0	2	7
Other CEMAC	902	263	103	184	335
OTHER AFRICAN COUNTRIES	32 968	50 299	55 763	62 528	50 274
South Africa	10 714	24 282	16 346	12 656	13 639
Egypt	3 014	5 383	9 803	11 909	7 410
Morocco	10 385	5 846	13 559	13 243	11 476
Mauritania	4 688	7 025	10 437	15 549	10 866
Mozambique	1 652	5 569	38	4	1
Seychelles	0	0	0	12	0
Tunisia	1 720	1 382	1 658	1 641	5 617
Other	796	811	3 923	7 515	1 265

AMERICA	51 496	43 448	71 398	99 909	68 802
Netherlands Antilles	0	0	0	0	0
Brazil	9 062	14 120	10 455	10 033	15 843
Canada	9 004	5 422	5 954	6 138	5 939
Cuba		1	198	0	0
Mexico	1 767	1 401	2 306	2 171	1 353
USA	20 335	18 854	44 948	75 606	42 529
Other American countries	11 328	3 650	7 537	5 962	3 138
ASIA	510 012	407 906	425 902	480 154	583 628
Saudi Arabia	30 514	29 662	20 914	32 527	30 802
China	299 902	184 195	202 173	225 479	246 292
South Korea	13 524	10 702	9 814	9 139	14 755
United Arab Emirates	16 786	13 166	21 637	18 078	26 795
India	34 696	33 426	40 481	52 576	78 497
Japan	46 213	47 561	42 198	45 137	53 883
Lebanon	2 239	1 401	2 152	2 278	2 445
Malaysia	11 105	14 723	14 998	20 985	27 112
Thailand	10 127	12 459	11 253	7 429	8 248
Turkey	15 744	15 447	19 649	24 072	38 169
Other Asian countries	29 163	45 163	40 634	42 453	56 630
OCEANIA	380	474	429	288	280
Australia	379	474	429	288	280
Other Oceania countries	1	0	0	0	0
Total special trade imports	1 086 999	938 177	973 358	1 127 089	1 227 539
Adjustment	98 910	27 091	61 710	-65 423	-104 377
TOTAL IMPORTS	1 185 909	965 268	1 035 068	1 061 666	1 123 163

Source : BCEAO, march 2022

Imports fell in 2016 and 2017 before rising again in 2018. The fall in imports in 2016 was due to purchases from African countries outside the WAEMU and CEMAC. The drop in 2017 was due to imports from Asia, in particular China, and Europe, in particular Belgium and Germany. From 2018 onwards, imports have again been on an upward trend, reaching CFAF 1 123.16 billion in 2020. The increase in imports in 2020 was driven by products from Asia (+21.6%) and Europe (+14.1%).

In terms of imports in special trade, Asia remains the leading continent of origin of Togo's imports in 2020 with a share of 52.2%, followed by Europe with 39.5%. Imports from Africa and America represent 11.9% and 6.2% respectively in 2020.

By country, China is Togo's leading partner (22.0%). It is followed by France (9.4%) and Russia (6.9%). In Africa, Ghana and Côte d'Ivoire are Togo's main suppliers.

5.3.3 International trade in value and by product

The structure of Togo's exports¹⁸ shows a predominance of industrial products with a share of 47.5% in 2020 against 47.2% in 2019. They are essentially made up of machinery and transport equipment, food products, chemical products, cement, and other manufactured products. Industrial products are followed by agricultural products with a share of 21.7% in 2020 against 20.9% in 2019. Agricultural products are dominated by cotton fibre

¹⁸ These are exports in general trade, i.e., controlled

and plant-based food products, including oilseeds. Mining products constitute the third group of export products (16.9%). They consist mainly of phosphate

and clinker. Petroleum products close the sleeve with a share of 6.0% in 2020 against 7.10% in 2019.

Table 42. Value of exports and imports in millions CFAF per product

	2 016	2 017	2 018	2 019	2 020
TOTAL EXPORTS OF GOODS	614 237	591 458	600 446	618 200	694 988
Ajustment	125 235	106 056	89 652	89 472	131 668
Exports General trade	489 002	485 402	510 794	528 728	563 320
Agricultural products	68 173	88 579	101 197	110 705	122 460
Cocoa	8 128	3 125	5 084	5 947	8 426
Coffee	4 638	1 482	6 679	5 131	3 367
Cotton Fiber	30 224	42 281	49 075	57 311	36 479
Other agricultural raw materials	1 641	4 711	1 208	1 425	2 255
Food products of plant origin	23 541	36 980	39 151	40 892	71 934
Oilseeds	21 275	30 694	27 197	31 324	61 416
Cereals and flours	146	1 579	2 756	2 461	6 005
Peppers and Spices	9	1	3	1	0
Vegetables and fruits	1 808	4 578	9 062	6 986	4 385
Flowers and cuttings	47	14	15	26	35
Other products of plant origin	256	114	117	93	92
Mining products	100 119	90 707	99 522	91 320	95 102
Phosphates	46 869	39 603	46 211	37 442	49 447
Clinker	53 250	51 104	53 311	53 878	45 655
Iron ore	-	-	-	0	0
Petroleum products	25 210	41 897	46 205	37 527	34 008
Industrial products	270 335	229 191	233 563	249 462	267 746
Cement	6 373	4 000	4 497	1 710	1 211
Steel products	13 607	12 413	17 078	12 002	12 049
Food products	57 969	42 659	36 090	47 665	54 835
Textiles and clothing	21 393	22 901	22 637	24 594	21 047
Chemical products	46 917	38 435	43 149	52 994	56 293
Machinery and transport equipment	61 108	50 873	52 061	48 089	57 478
Other manufactured products	62 968	57 909	58 051	62 407	64 833
Other products	25 165	35 028	30 307	39 713	44 004
TOTAL IMPORTS	1 185 909	965 268	1 035 068	1 061 666	1 123 163
Ajustment	98 910	27 091	61 710	-65 423	-104 377

IMPORTS	1 086 999	938 177	973 358	1 127 089	1 227 540
Consumer goods	349 043	342 444	335 975	384 160	397 369
Food products	117 793	123 684	132 643	146 577	149 544
Drinks	7 644	10 544	11 048	10 399	12 523
Tobacco	5 053	4 952	5 727	9 232	4 037
Pharmaceutical products	60 276	65 005	52 990	78 985	79 091
Chemical products	37 332	36 029	37 005	38 299	39 073
Other manufactured products	120 944	102 230	96 562	100 669	113 102
Energy and lubricants	142 260	145 716	166 873	165 316	164 789
Kerosene	2 623	2 727	2 860	2 630	2 154
Gasoline	42 836	40 375	56 321	58 603	70 450
Gasoline and fuel oil	63 366	62 735	62 011	63 507	53 699
Lubricating oils	11 928	10 737	13 168	13 017	12 313
Butane and other gases	6 346	6 452	9 655	8 180	9 627
Bitumen and bituminous products	13 223	20 433	22 686	16 603	14 159
Other	1 938	2 257	173	2776	2 385
Raw materials and finished semis	272 361	247 555	260 891	290 637	329 219
Raw materials	36 034	47 757	51 032	50 833	58 658
Of which Wheat	21 790	21 028	22 135	20 270	19 168
Semi-finished products	236 327	199 798	209 859	239 805	270 561
Of which steel products	163 486	158 648	160 370	185 228	169 609
Other building materials	13 974	9 151	8 011	8 071	24 503
Capital Goods	323 336	202 462	209 619	286 976	336 163
Finished products for agriculture	3 474	2 138	2 005	1 828	3 767
Finished products for industry	319 862	200 324	207 614	285 148	332 396

Source : BCEAO, march 2022

Imports are composed of manufactured goods to a large extent (73.8% on average over the period 2016-2020) and primary materials and semi-finished goods to a lesser extent (26.2%). Manufactured goods are composed of capital goods, consumer goods and energy and lubricants.

Consumer goods constitute the first item with 32.4% of imports in special trade in 2020 against 34.1% in 2019. They are followed by capital goods (27.4% in 2020 against 25.5% in 2019), raw materials and semi-finished products (26.8% in 2020 against 25.8% in 2019), and energy and lubricants (13.4% in 2020 against 14.7% in 2019). The importance of capital goods is driven by finished industrial products, which represent 27.1% of total imports in 2020.

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 to Togo have been particularly volatile in recent years. The improvement of the business environment and the launch of power plant construction projects should facilitate an increase in FDI in the coming years.

FDI inflows to Togo in 2020 almost doubled to CFAF 368.08 billion (USD 639 million) from CFAF 202.46 billion (USD 346 million) in 2019, despite the economic crisis triggered by the Covid-19 pandemic. The FDI stock stood at CFAF 1,548.08 billion (USD 2.7 billion) in 2020. The increase in FDI was mainly the result

of investments from other West African countries. One of the key projects was the \$100m building materials plant announced by CimMetal Group (Burkina Faso), which went into production in 2021.

Another important investment in 2020 was the new \$60 million cement plant built by Dangote (Nigeria). In total, six greenfield projects were completed in 2020 compared to twelve projects in 2019.

Table 43. Foreign direct investment 2015-2020 (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
Incoming flow	152.48	-27.46	51.39	-101.89	202.46	368.08
Outgoing Flow	206.12	152.28	-18.92	39.00	25.09	536.07
Incoming Stock	927.39	874.09	1 031.35	840.90	1072.88	1548.08
Outgoing Stock	1 128.49	1 240.57	1 365.43	1281.99	1351.10	2027.63

Source : UNCTADSTAT, 2021

In 2021, investment mobilizations have seen a positive progression with a total of 38 projects approved, for a total of 277 billion francs CFA of investment.

The increase in foreign investment projects is driven by the Adetikope Industrial Platform (PIA), which opened in June 2021.

Table 44. Foreign direct investment by country of origin (in millions of CFAF)

	2016		2017		2018		2019		2020	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Stock of financial assets	2 107.59	100%	1 892.56	100%	1 997.96	100%	2 050.46	100%	1 818.65	100%
Other WAEMU countries	244.03	12%	198.31	10%	231.95	12%	326.026	16%	458.468	25%
Euro zone	185.65	9%	41.84	2%	42.9	2%	96.756	5%	40.261	2%
Other countries	1 677.91	80%	1 652.41	87%	1 723.11	86%	1 627.68	79%	1 319.93	73%
Inventory of financial liabilities	1 477.23	100%	1 167.32	100%	1 180.39	100%	1 403.18	100%	1 236.21	100%
Other WAEMU countries	96.15	7%	206.37	18%	287.08	24%	114.337	8%	79.705	6%
Euro zone	30.8	2%	81.85	7%	365.93	31%	251.241	18%	310.694	25%
Other countries	1 350.28	91%	879.1	75%	527.38	45%	1037.604	74%	845.806	68%

Source : BCEAO, march 2022

The projects focus on: (i) the valorisation and transformation of Togolese phosphate (the main mineral wealth) into phosphate fertilizers with the aim of supplying 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. In 2020, the government granted two new research permits for carbonate phosphates to the DIL company.

France, the United States, Canada, Brazil, and China are the main providers of FDI to Togo. FDI also comes from certain African countries, notably the WAEMU countries, but also from Nigeria.

5.4.1 FDI by sector

The main sectors of the economy benefiting from foreign direct investment in Togo are the agricultural

sector (cotton, coffee, and cocoa), the secondary sector (infrastructure, manufacturing, and extractive industries (phosphates) and the tertiary sector (trade, telecommunications, and the financial sub-sector).

In 2020, financial operations under direct investment resulted in a net inflow of CFAF 30.54 billion, against a net inflow of CFAF 177.45 billion in 2019. In fact, according to the results of the Coordinated Direct Investment Survey (CDIS) for 2020, net capital inflows were mainly directed towards the "financial intermediation, insurance and retirement" branch.

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): this should be greater than or equal to -3%.
- Average annual inflation rate: this should be maintained at a maximum of 3% per annum.
- Ratio of outstanding domestic and external

debt to nominal GDP: this should not exceed 70%.

Compliance with the first-tier criteria allows the country to enter the stability phase.

Second-tier criteria

- Wage bill to tax revenue ratio: this should not exceed 35%.
- Tax pressure rate: this should be greater than or equal to 20%.

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

In terms of the first-tier criteria, those relating to the inflation rate and the stock of public debt were met from 2015 to 2020. The key criterion relating to the budget balance was met over the period 2017-2019. In 2020 the budget deficit reached 7.0% of GDP before improving slightly to 6% in 2021. As a result of soaring prices, the inflation rate rose to 4.5% in 2021, above the EU norm of 3%.

As regards the second-tier criteria, the wage bill criterion is only met in 2021. As for the tax burden, due to the rebasing of GDP, it is not respected over the period under review but has improved by 1.4 points in 2021 compared to 2020.

Table 45. TOGO's convergence criteria

		2016	2017	2018	2019	2020	2021
First-tier							
Overall fiscal balance, including grants, to GDP (%)	≥3%	-6.1%	-0.2	-0.6	-0.9	-7.0	-6
Annual inflation rate (% change in average indices)	≤3%	0.9	-0.2	0.9	0.7	1.8	4.5
Total public debt outstanding in relation to nominal GDP (%)	≤ 70%	57.3	54.4	55.5	51.9	58.6	62.4
Second-tier							
Wages and salaries as % of tax revenue (F.R.)	≤35%	41.1	42.9	40.5	38.8	44.2	33.8
Tax revenues on GDP (in %)	≥20	12.4	12.1	12.5	13.1	12.2	13.6

Source: WAEMU Commission, Multilateral Surveillance Report December 2021

5.5.2 Overview of the regional integration

In December 1999, an additional act to the treaty creating the 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-order criteria and four second-order criteria. Non-compliance with the first-tier criteria leads to the formulation of explicit directives by the Council of Ministers requiring the member country concerned to draw up and implement a program of corrective measures. The second-tier criteria, on the other hand, are treated as indicative structural benchmarks that are closely monitored because of their key role in achieving the objective of internal and external sustainability of economies. However, there are no explicit recommendations for non-compliance.

The deadline for achieving the various criteria defined in the CSFP was initially set at December 31, 2002. In the end, the convergence objective was not achieved. This led to a postponement of the deadline first in 2005, then in 2008, and finally in 2013. In 2013, almost fifteen years after the adoption of the convergence pact, the assessment reveals unsatisfactory results leading to the revision of the PCSC and the definition of a new pact in 2015 by the Additional Act N°01/2015/ CCEG/UEMOA with an expiry date of December 31, 2019.

To promote the acceleration of the implementation of community reforms, policies, programs and projects within the Union, the Conference of Heads of State and Government instituted an annual review by Additional Act No. 05/2013/CM/UEMOA of October 24, 2013. Pursuant to the provisions of the Additional Act, Decision No. 13/2013/CM/UEMOA of December 19, 2013, on the modalities for the implementation of this review, provides for an evaluation of reforms and the status of implementation of community projects and programs, the summary report of which is submitted to the Conference of the Union.

To sustain the achievements and maintain the level of commitment of the Member States, the Commission organized the 7th edition of the annual review in 2021. The evaluation was carried out based on 116 texts and sixty-eight (68) community programs and projects being implemented in the eight Member

States for a total amount of CFAF 281 billion. The 116 community texts include 60 Directives, 38 Regulations, 16 Decisions, 1 additional Protocol and 1 Recommendation. The reforms are appreciated in three areas: economic governance and convergence, the common market, and sectoral policies.

In 2021, Togo recorded a rate of 78.2% in terms of transposition and application of reforms, compared with 78.0% in 2020, i.e., a near-stabilization. Togo's score is higher than the WAEMU average, which was 77.48% in 2021, compared with 76.33% in 2020.

In terms of economic governance and convergence, WAEMU evaluated twenty-five (25) texts. Togo obtained an average rate of 90.55% compared to 87% in 2020, i.e., an increase of 3.55 points.

About the common market, the evaluation covered forty-two (42) texts and the average implementation rate for Togo is 66.53% compared to 64% in 2020.

For sectoral reforms, forty-nine (49) texts were evaluated, and the implementation rate rose from 77% in 2019 to 83% in 2020, i.e., a progression of 7 points. This result is the culmination of measures such as the adoption of texts relating to public procurement and public-private partnerships (PPP), the preparation and publication of evaluation reports on tax expenditure for 2019 and 2020, and the establishment of the Togo Digital Agency (ATD) to support institutions and ministries in the dematerialization of their services.

Regarding WAEMU programs and projects being implemented in the eight Member States, 10 are being implemented in Togo for an amount of CFAF 23.15 billion. The disbursement rate of the 10 programs and projects for the year 2021 is 75%. The physical implementation rate is 89% compared to an average of 79% for the WAEMU. The performance index is 46% compared to 44% for the WAEMU average in 2021.

The analysis of convergence achievements in 2021 shows that Togo did not meet all the criteria. Only one top-ranking criterion has been met. This is the criterion relating to the stock of public debt to GDP. The failure to meet the criterion relating to the inflation rate is linked to the increase in prices

of both imported and local goods. Compliance with the criterion relating to the debt was favoured by the prudent debt policy implemented by Togo and defined in the 2021-2025 debt strategy. The criterion relating to the budgetary balance is not met in 2021 because of a strong mobilization of external resources to fight

effectively against the Covid-19 pandemic on the one hand, and on the other hand, for the financing of projects contained in the government roadmap. Under the second-tier criteria, only the criterion relating to the wage bill was met in 2021.

6.1. Business climate

The business environment has been reformed considerably in Togo. The Doing Business 2020 ranking placed Togo among the ten economies that have most reformed their regulations for business facilitation. It was selected as the first reforming country in sub-Saharan Africa and the 3rd in the world according to the Doing Business 2020 report.

It ranked 97th out of 190 countries in 2020, 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 a rise of 40 places compared to the previous report.

Table 46. Doing Business ranking Togo

	2015	2016	2017	2018	2019	2020
(Number of countries ranked)	(189)	(189)	(190)	(190)	(190)	(190)
Overall rank	149	150	154	156	137	97
Company set-up	134	133	123	121	74	15
Obtaining a building permit	170	179	180	173	133	127
Connection to electricity grid	134	109	147	142	105	99
Transfer of ownership	182	182	183	182	127	56
Obtaining credit	131	133	139	142	144	48
Protection of minority investors	122	155	145	146	149	120
Tax payments	163	163	169	173	172	174
Cross-border trade	112	126	117	121	129	131
Contract enforcement	134	125	145	143	137	140
Settlement of insolvency	93	93	87	81	86	88

Source : Doing Business Reports, World Bank, 2021

Togo is among the most business-friendly economies in West Africa. Indeed, it has continued its initiatives aimed at improving the business climate. Since September 2017, the Business Climate Unit has been created with the objective of establishing optimal conditions for the effective implementation of reforms. Thanks to it, Togo has accelerated the implementation of important reforms in several areas:

- **Starting a business has been made easier by removing the requirement to have documents authenticated and by shortening the registration period.**

Togo recorded a 6.4-point jump in the DB 2020 compared to the Doing Business 2019 index. Indeed, the time limit for obtaining a business creation card at the Business Formalities Center (CFE) has been reduced to 7 hours since February 28, 2019 with the possibility to submit the business creation application online with mobile payment since March 6, 2019. In addition, the possibility offered to create Limited Liability Companies (SARL) by private deed

without using a notary has led to a drastic increase in SARL creations, which now represent more than 85% of the companies created since 2018.

In 2021, the country maintained its course in terms of business creation. The Business Formalities Center (CFE) recorded 13,770 new businesses created compared to 12,592 in 2020, an increase of 9%. These figures show the resilience of the sector to the health and economic crisis linked to the Covid-19 pandemic. The two major factors that explain this performance are the maintenance of the time limit of less than 5 hours for the creation of companies and the "e-enterprise" which facilitates the administrative formalities for the creation.

- **Costs and timescales for obtaining planning permission have been reduced through lower fees and the introduction of an online portal for applications.**

Togo had recorded a 3.6-point improvement in the 2020 DB compared to 2019. The most decisive reform concerned the digitalization of the construction permit application. In addition, the World Bank experts noted an improvement in the transparency of the process of issuing construction permits, with the publication of the circular requiring that the documents required for the issuance of the permit, prior approval and fees be put online.

Since the publication of the last DB report, a series of reforms had been implemented to improve the indicators related to building permits. These reforms include a drastic reduction in the cost of drawing up a plot plan in three days at a cost of CFAF 90,000, compared to five days at a cost of CFAF 200,000; for an area of 1,000 m², i.e., 10 areas, the cost is now set at CFAF 96,000, compared to CFAF 300,000 in the past. Togo has also set up the One-stop land office (regrouping the two administrations, Urbanism and Cadastre) with the suppression of the second and third stamps and the delivery of the registration certificate by the One-stop land office within 7 days at 0 CFAF against a global cost for the 2nd and 3rd stamps of 65,000 CFAF in 35 days. It is also worth noting the reduction in the time required to issue the property deed for a building permit application to 10 days, compared to 37 days in the past.

- **The cost of the electricity connection has fallen due to the reduction in the cost of connection works and the deposit for new connections.**

The improvement margin in the 2020 DB was 2.6 percentage points. This improvement is driven by the Togolese authorities' effort to further reduce connection fees to the medium-voltage electricity grid by 50%. Indeed, the connection fees are now 3,954,000 CFAF compared to 7,946,000 CFAF a year ago. In addition to the connection fees, the connection time for medium voltage has been reduced to 30 days as opposed to 66 days in the past, and the procedures have been reduced to two (2) as opposed to three (3) (from the request submission phase to the transmission of the quotation and MV subscription contract project phase in one procedure + the connection phase). To improve its performance in this area, Togo has also dematerialized the MV connection process.

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

Togo has made significant progress on this indicator. The increase is 17.2 points compared to the 2019 DB and reflects the improvement of property transfer in the country. This progress is due, among other things, to the reduction in registration fees, the digitization of land titles, the significant reduction in the time required for total transfers, the creation of a property transfer office, the creation and online availability of the One-stop land office (one-stop shop for land titles) and free access to land information for all. In line with the reforms, the processing time for total transfers has been set at a maximum of 6 hours since the end of April 2020. The figures for property transfers have exploded since May, crossing the threshold of 90 files processed per month with an average time of 3 hours in practice, compared to around 60 per month in the first quarter of 2020, with an average time of 08 days. The number of property transfer files rose from 252 for the whole of 2018 to 1,125 in 2021, i.e., an increase of over 300%. This increase is due to the drastic reduction of the total transfer time (3 hours), the digitization of almost all land titles in the country (99.32%) facilitating searches in terms of charges on titles, the establishment of

a property transfer office dedicated to this purpose and the drastic reduction of total transfer fees set at 35 000 francs CFA against 4% of the market value at the end of November 2018.

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

Access to credit information is the only indicator where the step up is notable, with a gain of 40 points compared to the DB 2019 index. The notable improvement is due to the expansion of the Credit Bureau's coverage and the start of reporting by utility companies.

In addition, to facilitate access to bank credits for the private sector and to strengthen confidence between clients and banks, measures aimed at accelerating the procedures for mortgage operations were taken, thus reducing the processing time of files to

four (04) days on average compared to 15 days for 670 mortgages signed in 2020. This will lead to an increase in the number of mortgages registered to 933 in 2021, an increase of 39%.

- **Togo has dematerialized the process and reduced delays in cross-border trade.**

Better than in the past, in the interest of celerity and rapidity in the processing of files, Togo has significantly reformed the "cross-border trade" indicator through the adoption of a battery of measures, with the digitalization of acts and procedures as a backdrop. These reforms mainly concern the dematerialization of procedures and the reduction of import and export timeframes from 48 hours to less than 5 hours. In addition, a platform has been set up by the Togo Chamber of Commerce and Industry to allow economic operators to apply for and receive their certificate of origin online only. The platform is hosted by the Chamber of Commerce and Industry website.

Table 47.

Doing Business Indicators

Indicator	Regulation	Metric (indicate those available)
Creating a company	2018 Finance Law: abolition of registration and stamp duties, exemption from the Single Business Tax for companies registered with the Centre de Formalité des Entreprises (Business Formalities Centre) Creation of companies under private signature. Decree n°2014-119/PR of 19 May 2014: for SARLs, the share capital and the share of the company are freely determined by the articles of association	The delivery time for the single business creation card is 24 hours
Building Permits	Service note 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) - Article 4 of the interministerial order n° 002/MEF/MVUHSP/MAPAH/MATDCL/2019 of 08/10/19 fixing the time limit for the accomplishment of formalities relating to acts and operations in the land sector.	The cost is reduced from 900 000 CFAF to 350 000 CFAF For households the cost is 250 000 CFAF
Access to electricity	Decision n°001/DG/CEET/2017 of 07 December 2017 of the Compagnie d'Energie Electrique du Togo: reduction of the costs of medium-voltage connection work to the public distribution service network	Connection fee reduced by 50% with the option to pay on a schedule of up to 6 months.

Property registration	<p>Reduction of registration fees (Art. 598 LF 2018) Project for the digitization of land titles Service note No. 400/MEF/SG/DADA of 14 December 2017 on the creation of a property transfer office</p> <p>Communiqué No. 012/2020/OTR/CG/CI, on the launch of online applications and payments on the land information platform.</p> <p>http://www.dadc.gouv.tg/index.php/direction/communiqués/166-communique-n-012-2020-otr-cg-ci.html</p>	<p>The total cost of transferring ownership is reduced from 9.3% of the land value in 2017 to 6.3% in 2018.</p> <p>Drastic reduction in the time taken for the final transfer of title to a maximum of 6 hours</p>
Access to credit	<p>Uniform Act No. 2016-005 of 14 March 2016 on the regulation of credit information bureaus (BIC), as amended Decree n°2018-109/PR of 25/05/2018 authorizing the implementation of automated processing of personal data to bring large billers to integrate the platform</p>	
Average time to get paid		
Protection of minority investors	<p>Adoption of Law No. 2021-007 amending the Code of Civil Procedure (http://www.jo.gouv.tg/sites/default/files/JO/JOS_21_04_2021-66E%20ANNEE%20N%C2%B0%2021%20BIS.pdf)</p>	
Level of taxes	<p>Reduction of corporate tax; introduction of tele-procedures</p>	<p>Provide sufficiently effective protection for this category of investors in court cases</p>
Easy to pay taxes	<p>Launch of remote tax filing for large companies in 2016 and for SMEs in January 2017. Instruction 174 of the Office of the Commissioner of Taxes of 28 December 2017: requests services to issue tax-free certificates within 08 hours at the latest, upon receipt of the request.</p>	
Easy to export	<p>Dematerialisation of the certificate of origin</p>	
Enforcing contract law	<p>Court of First Instance of Lomé by order n°2699/2017 of 22 December 2017 setting up special commercial chambers in charge of small claims and whose litigious interest is between 0 and 1 000 000 CFAF.</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 specialised commercial chambers with magistrates assigned for this purpose in order to speed up the processing of commercial disputes.</p> <p>Law n°2018-028 allowed the creation of the commercial courts of Lomé and Kara by decree n°2019-020/PR of 06 February 2019.</p> <p>Law n°2018-028 allowed the creation of the commercial courts of Lomé and Kara by decree n°2019-020/PR of February 06, 2019.</p>	<p>The average processing time is 100 days.</p> <p>The establishment of a pre-trial conference for new cases before the commercial courts Good control of the trial schedule speedy delivery of judgements</p>

Source : Cellule Climat des Affaires-TOGO / National Services, 2022

The 2021 edition of the World Bank's Doing Business report will not be published. The World Bank has announced the withdrawal of the DB report in September 2021 due to data irregularities in some countries in previous editions. The new document that will replace the previous Doing Business report is called "Business Environment for Africa" (BEA). The deadline for its first publication is 2023.

About the Country Policy and Institutional Assessment (CPIA), the 2021 ranking has once again confirmed TOGO's good performance in terms of public policies. According to the World Bank, Togo is one of the four non-fragile countries that have experienced a positive evolution (alongside Rwanda, Côte d'Ivoire, and Guinea). The country even recorded a slight increase, bringing its overall score to 3.5 in 2020 (better than the regional average) against 3.3 in 2019. This score ranks the country 12th out of 39 at the regional level, and 7th out of 20, in West and Central Africa. Togo has been described by the Bank as "a strong reformer among IDA countries in the region in recent years". It has made progress on economic management, public sector, and institutional issues as well as structural policies, social inclusion, and equity. Among other measures implemented, the Program Budget approach and the digitalization of tax administration.

In terms of governance, the Ibrahim Index of Governance in Africa (IIAG) shows that Togo has made progress. According to the IIAG 2020, Togo ranked 30th out of 54 countries with a score of 50.1 out of 100 in overall governance. Among ECOWAS countries, Togo ranks 9th, just after Sierra Leone. Compared to the last evaluation, Togo's score has improved. Indeed, Togo is one of the eight (8) countries that have made progress in the four areas covered by the evaluation. The trend for Togo over the last ten years (2010-2019) is +4.2, an improvement driven by the implementation of reforms in strategic sectors, including the modernization of the justice system, the consolidation of public finances, the improvement of business climates and investment in economic infrastructure, etc.

On the United Nations e-governance index, the country has also progressed by ranking 147th worldwide out of 193 countries with a score of 0.43. The country moved up 9 places globally compared to

the last index published in 2018. Indeed, the United Nations report on the development of e-governance in the world published in 2021 indicates a significant advance in the digitalization of public administration and services over the last two years. The report incorporates several indices and indicators that assess the progress of the digitalization of governance, administrations, and public service, as well as the use of information and communication technologies to involve and participate citizens in policy and decision making.

Togo, aware that corruption is a real obstacle to good governance and economic development, has ratified international instruments on the fight against corruption. These include 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, efforts still need to be made by the authorities to improve anti-corruption indicators. According to the report on the levels of perception of corruption in the public sector, Togo obtained a score of 30 points out of 100 in 2021 against 29 points in 2020, i.e., an increase of 1 point. In terms of ranking, the country is now 128th out of 180 countries in the world, thus moving up 6 places compared to the 2020 ranking. In 2021, awareness campaigns were continued by the High Authority for the Prevention and Fight against Corruption and Related Offences (HAPLUCIA) and efforts are being strengthened to combat the scourge of corruption. Togo is expected to have a National Strategy for the fight against corruption and related offences by March 2022. This should make the fight against corruption and related offences more effective.

6.2. Financial governance

Togo's performance under the economic program supported by the Extended Fund Facility (EFF) has been broadly satisfactory. Indeed, the latest IMF review conducted in April 2020 revealed that the economic recovery was strengthening. Economic growth accelerated from 4.3% in 2017 to 5.5% in 2019. Togo has made significant progress in several areas over the 2017-2020 period under the IMF-supported program, although reforms remain incomplete in some sectors.

Over the period under review, all quantitative achievement criteria at the end of September 2019 had been met and all structural budgetary benchmarks at the end of October 2019 were met. The results at the end of December 2019 were broadly satisfactory: all but one of the indicative targets were met. However, the structural benchmark on the privatization of the two state-owned banks had not been met. The ECF agreement was approved in May 2017 for a three-year period with initially planned disbursements of SDR 176.16 million in total.

Macroeconomic performance in 2020 was significantly impacted by the COVID-19 pandemic. Economic growth for 2020 was 1.8% compared to a pre-pandemic forecast of 5.5%. The growth rate achieved in 2020 remains the lowest recorded by Togo for several years. The decline in growth is due to the drop in airport traffic hampered by various bans and the drop in production in sectors such as food manufacturing, textile manufacturing, electricity-gas-water, construction, trade, transport, and storage as well as hotels-bars-restaurants, due to the decline in demand and, by extension, investment. Private consumption and investment would also have fallen. The budget deficit and external financing gap for 2020 were larger than projected before the pandemic.

It should be noted, however, that branches such as "mining and quarrying", "transport and storage" and "electricity, gas and water" have enabled the national economy to ensure a certain resilience. Indeed, the extractive industries experienced a 40.2% increase in 2020, in relation to the good performance recorded in phosphate production (+87.0%). Although air transport was severely disrupted by the crisis, with a 49.8% drop in passenger traffic, the transport and storage branch performed well thanks to a strengthening of activity at the autonomous port of Lomé, where total traffic rose by 14.9%. Land transport also performed well

The 2020 budget framework built on the hard-won budgetary results of recent years, but at the same time the spread of COVID-19 in Togo required additional priority health spending to mitigate its effects. The overall budget deficit, including grants, was estimated at 7.05% of GDP in 2020, compared with a surplus of 1.6% in 2019, due to increased spending and low tax revenue mobilization.

On the social side, and in support of private consumption, a new mobile cash transfer program, NOVISSI, to support informal workers was launched in April 2020. Eligible applicants receive a state subsidy of at least 30 per cent of the minimum wage, with payments ranging from 10 500 CFAF (\$18) to 20 000 CFAF (\$34). Based on program data, 65 % of beneficiaries are women. The Novissi program was revised at the end of June 2020. A third phase was launched in February 2021. Eligibility for the program was limited to workers in specific districts with high contagion rates. A total of 1 632 942 people registered and 819 972 people, 63% of whom were women, received a NOVISSI payment. The total amount paid out to successful applicants was CFAF 13.31 billion. The government also subsidized the use of water and electricity for groups paying social tariffs for three months.

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

Significant steps are being taken to promote voluntary compliance with tax payments. 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 program. Togo has switched to program mode as of 1 January 2021. Further implementation of these reforms will improve the efficiency of public spending.

In June 2021, IMF staff discussions with the authorities focused on measures to support the response to the COVID-19 crisis, efforts to strengthen the nascent economic recovery, the need for reforms that can be leveraged to foster inclusive and sustainable private sector-led growth and improving medium-term development outcomes. The IMF notes that good progress has been made on the key assumptions

underlying the macroeconomic framework, with the aim of securing resources for the planned immunization campaign and other needs related to the COVID-19 crisis, as well as strengthening medium-term macroeconomic stability and fiscal space for social and development spending.

In terms of growth, the IMF's outlook for 2021 was for a growth rate of 4.8% indicating a recovery in economic activity, a budget deficit including grants of 6.0% down from its 2020 level and a debt-to-GDP ratio of 62.9%. In 2022, the Togolese economy will continue to grow, reaching a rate of 5.9%. The budget deficit will improve slightly to 5%. The same will be true for the debt to GDP ratio, which is expected to be 62.6%, down 0.4% from the 2021 estimate.

6.3. Financial ratings

Togo, since 2019, is the subject of financial rating. Indeed, the American financial rating agency, Standard & Poor's (S&P) had awarded Togo on June 03, 2019 its first long and short-term sovereign credit ratings in foreign and local currency. Togo had been credited with "B/B" ratings with a stable outlook. Following Standard & Poor's, Moody's Investors Service ("Moody's") had also assigned on June 28, 2019, a first long-term issuer rating (B3) in foreign and local currency to the government of the Republic of Togo with a stable outlook.

In its update of April 24, 2020, the agency had maintained the "B/B" rating and stable outlook and predicted "a strong recovery in 2021 with a gradual resumption of fiscal consolidation". Similarly, the American agency Moody's had, in its update of April 27, 2020, maintained Togo's B3 rating with a stable outlook, one notch below S&P. Togo's stable B3 credit profile, according to the agency, is constrained by "its undiversified and uncompetitive economy, with very low-income levels, as well as weak policy effectiveness and fiscal management. The high public debt, which amounted to 68.7% of GDP, limits the capacity to absorb shocks.

In June 2020, Moody's assessed the impact of Togo's participation in the G20 debt relief initiative. According to the agency, Togo's participation in the initiative will not prevent its debt from increasing during the coronavirus crisis. In the agency's view, the Togolese government's participation carries risks

for private creditors given the G20's call for them to join on a comparable basis, which could negatively affect the country's rating. But the agency believes that given the composition of the country's external debt, the risks of default and the potential losses associated with it are factored into Togo's B3 rating, "at least for now".

In October 2021, Standard & Poor's reconfirmed Togo's long-term "B/B" sovereign credit ratings with a stable outlook. This affirmation is based on the authorities' efforts to continue implementing structural economic reforms, leading to a gradual improvement in economic and fiscal performance. Standard & Poor's even specifies that upgraded ratings could occur if Togo's economic growth is significantly stronger than expected and if external and fiscal deficits, and net public debt as a percentage of GDP, decrease significantly. The agency, however, recalls that "ratings could come under pressure if fiscal performance deteriorates beyond expectations, and if future real GDP growth rates are significantly lower than expected.

The agency also noted that Togo's GDP per capita will remain low, but economic reforms and investments in key infrastructure underpin the growth outlook, which is expected to rise to 4.9% in 2021 and return to its pre-pandemic average rate of 5.5% in 2022-2024, after slowing to 1.8% growth in 2020.

Following Standard & Poor's, Moody's Investors Service ("Moody's") also affirmed Togo's B3 long-term issuer rating with a stable outlook on November 21, 2021. According to Moody's, the B3 rating is justified by the resilience of the Togolese economy to the Covid-19 pandemic shock. Indeed, Togo entered the pandemic with a budget surplus and implemented countercyclical policies, introducing fiscal measures worth 3% of GDP in 2020 to support the economy at the height of the crisis. As a result, the economy was relatively resilient to the shock and grew in real terms by 1.8% in 2020. The extractive industries, public services, construction and the transport and storage sectors have been particularly resilient. Activity at the port of Lomé was not disrupted and continued to grow at a rapid pace as maritime borders remained open. At the same time, the improvement in the business environment supported the attractiveness of the economy for private investment.

As a member of the WAEMU, Togo also benefited from measures put in place by the WAEMU Central Bank to mitigate the impact of the shock on economic activity. The interventions included reductions in its policy rate, easier access to the central bank's liquidity facilities and payment deferrals.

Moody's expects the authorities to gradually slow the 2019-2020 spending boom, leading to a gradual reduction in budget deficits to 6.5% in 2021 and 5% in 2022, from 7% of GDP in 2020. But even under Moody's relatively loose fiscal regime, public debt is expected to decline, supported by a recovery in

growth from 2021. Public debt is likely to stabilize at around 60% of GDP in 2022-23 and to trend downwards thereafter.

The stable outlook, meanwhile, reflects Moody's expectation that an IMF program will be signed in the first part of 2022, despite the likelihood of a lengthy negotiation process. The program would help anchor fiscal policies and avoid a repeat of past fiscal slippage, with a focus on boosting tax collection and external debt sustainability. The program would also help Togo mobilize public sector financing.

7.1. Budget

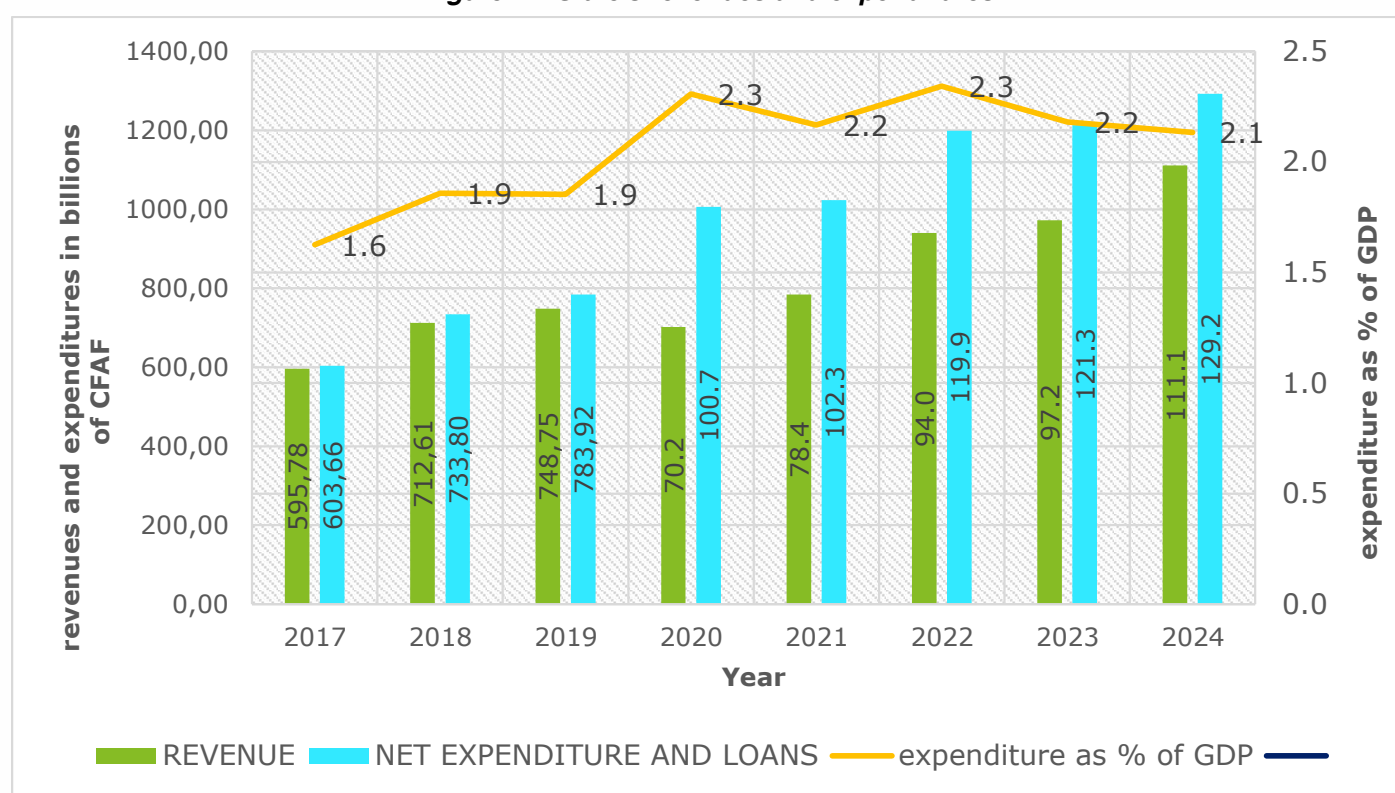
7.1.1 Expenditures and revenues

State revenue is set at CFAF 784.3 billion in 2021 compared to CFAF 702.4 billion in 2020, an increase of -11.7% despite the continuation of the Covid-19 pandemic. These revenues are made up of tax revenues, non-tax revenues and donations. The level of revenue mobilization in 2021 is essentially driven by tax revenue. Non-tax revenues have

maintained their downward trend since 2019. The increase in total revenue reflects, on the one hand, the economic recovery after the pandemic shock of 2020 and, on the other hand, the resilience of the Togolese economy to the covid-19 pandemic.

In the future, revenue will continue to rise to CFAF 940.0 billion in 2022 and CFAF 972.2 billion in 2023, driven by tax revenue and grants.

Figure 11. State's revenues and expenditures



Source: DGEAE, April 2022

Budgetary expenditure amounted to CFAF 1,022.8 billion in 2021 against CFAF 1,006.6 billion in 2020, i.e., a slight increase of 1.6% attributable to the rise in current expenditure (+5.0%). Capital expenditure, on the other hand, fell by 3.6% due to the contraction in external financing. As a percentage of GDP, budgetary expenditure represented 21.7% against 23.1% in 2020. In absolute terms, public spending is expected to increase in 2022 compared to 2021. As a percentage of GDP, public spending would represent 23.4% in 2022 and would fall by 2023 to 21.8%.

7.1.2 Detailed presentation of expenditures and revenues

Tax revenues constitute the largest share of government income. They accounted for 81.7% of total revenue, including grants, in 2021, compared with 7.6% for non-tax revenue and 10.7% for grants.

Tax revenue rose from CFAF 531.5 billion in 2020 to CFAF 640.8 billion in 2021, marking an increase of 20.6%. This increase in tax revenue is driven by

income taxes, taxes on goods and services and taxes on foreign trade. Taxes on goods and services accounted for 49.4% of tax revenue in 2021, compared with 24.7% for income taxes and 22.2% for taxes on foreign trade. The increase in foreign trade taxes reflects the recovery of international trade after the contraction in port traffic observed in

2020, because of the response measures against the Covid-19 pandemic taken at national, sub-regional and international levels.

In the future, it is expected that tax revenue mobilization will be boosted. The mobilization outlook is based on a tax revenue level of CFAF 881.5 billion by 2024.

Table 48. State's financial operations (in billions of francs CFA)

	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL REVENUES	595.8	712.6	748.8	702.4	784.3	940.0	972.2	1111.0
I. Tax revenues from	449.0	494.2	553.3	531.5	640.8	680.7	760.1	881.5
Income	93.3	109.5	118.8	115.99	158.0	154.8	177.2	251.1
Wages and salaries	3.3	3.3	1.1	0.48	0.4	0.0	0.0	0.0
Goods and Services	234.9	237.8	287.4	293.8	316.4	344.9	375.9	393.1
Foreign trade	88.5	109.5	120.0	107.7	142.3	155.9	174.2	192.8
Other tax revenues	29.1	34.1	25.9	13.57	23.8	25.0	32.8	44.4
II. Non-tax revenues	58.2	112.5	73.1	68.4	59.6	61.5	64.1	77.2
III. Donations	88.5	105.9	122.4	102.5	84.0	197.9	148.1	152.3
Programs (current)	48.3	33.2	62.1	37.2	1.0	19.6	30.0	31.9
Projects (capital)	40.2	72.7	60.4	62.0	83.0	178.3	118.1	120.3
TOTAL EXPENDITURES	603.7	733.8	783.9	1006.6	1022.8	1199.0	1212.7	1292.1
I. Current Expenditures	429.1	532.1	549.0	612.5	643.0	663.6	718.5	770.5
Salaries	192.8	200.4	214.6	234.8	251.5	253.1	271.1	290.8
Goods and services	59.5	54.2	61.6	132.1	147.4	142.5	161.2	180.1
Interest	48.6	70.4	85.9	100.1	99.8	124.3	134.5	146.0
on external debt	9.9	8.8	8.9	14.4	15.0	17.5	17.0	16.3
on domestic debt	38.7	61.6	77.0	85.7	84.8	106.8	117.5	129.8
Subsidies	91.5	103.8	110.8	145.6	144.2	143.7	151.6	153.6
Other expenses	36.7	103.4	76.1	0.0	0.0	0.0	0.0	0.0
II. Capital expenditures	174.5	201.7	234.7	394.2	379.9	535.5	494.2	521.6
from domestic resources	104.4	70.8	112.3	209.3	220.8	211.4	244.3	339.5
from external resources	70.0	130.9	122.5	184.9	159.1	324.1	249.9	182.1
III. Loans less recovery	0.1	0.0	0.1	-0.1	-0.1	0.0	0.0	0.0
BALANCES								
Overall balance on order basis	-7.9	-21.2	-35.2	-304.2	-238.4	-259.1	-240.5	-181.1
Primary balance	40.7	49.2	50.7	-204.1	-138.6	-134.8	-106.0	-35.0

Source : DGEAE, General Directorate of Budget and Finance, April 2022

Non-tax revenues are essentially made up of dividends from the State's holdings in companies, administrative fees and charges, and income from the domain and the company. They stood at CFAF 59.6 billion against CFAF 68.37 billion in 2020, thus recording a 12.9% drop.

Composed of program grants (budgetary support) and project grants (capital), grants amounted to CFAF 84 billion against CFAF 102.5 billion in 2020, i.e., a drop of 18.1% mainly due to program grants (-97.3%). Project grants, on the other hand, rose by 33.8% compared to their 2020 level.

In 2022, grants should increase to CFAF 197.90 billion. This increase would be induced by project grants, which would amount to CFAF 178.3 billion in 2022 against CFAF 83.0 billion in 2021. As for program grants, they should also increase to CFAF 19.6 billion.

In terms of expenditure and net loans, current expenditure accounted for 62.9% of budgetary expenditure in 2021, as against 37.1% for investment expenditure.

Current expenditure is made up of staff costs, the acquisition of goods and services, current transfers, and financial debt charges. Overall, they rose from CFAF 612.5 billion in 2020 to CFAF 643.0 billion in 2021, i.e., an increase of 5.0%, driven by personnel expenditure (+7.1%) and expenditure on the purchase of goods and services (+11.6%). The increase in current expenditure was limited by the fall in transfer expenditure (-0.9%) after an increase of 31.4% in 2020, linked, among other things, to social support measures in the context of the response to the Covid-19 pandemic. It is important to remember that support measures continued in 2021, but in a smaller proportion than in 2020.

Capital expenditure amounted to CFAF 379.9 billion, compared with CFAF 394.2 billion in 2020, i.e., a decline of 3.6%. The fall in capital expenditure

is driven by external financing (-13.9%). As for investments from domestic resources, they rose by 5.5% due to the continuation of socio-economic infrastructure as part of the government's roadmap.

The primary balance showed a deficit of CFAF 138.6 billion against CFAF 204.1 billion in 2020, an improvement of 32.1%. This deficit in the primary balance reflects the slow progress in revenue mobilization in 2021, in the face of a faster increase in sovereignty expenditure in the same year.

7.1.3 Budget overview

Expenditure in the 2022 budget is up by 3.4% compared with the estimates in the amended finance law, management 2021. The main sectors that have recorded increases in their budgets are health, education, the environment, agriculture, and housing, and to a lesser extent the social, justice and internal security sectors. This increase in the budgets of these sectors of activity is part of the continued implementation of the new government roadmap 2020-2025, axis 2 of which aims to boost job creation by building on the strengths of the economy, and axis 3 of which focuses on modernizing the country and strengthening its structures.

Table 49.

State Budget by major item in value and structure from 2015 to 2021 (in billions of francs CFA)

	2017		2018		2019		2020		2021(LFR)		2022	
	Amount (CFAF)	Structure (%)	Amount (CFAF)	Structure (%)	Amount (CFAF)	Structure (%)	Amount (CFAF)	Structure (%)	Amount (CFAF)	Structure (%)	Amount (CFAF)	Structure (%)
Education	102.9	7.2	113.3	8.7	123.55	9	139,897	9.2	137.56	8.1	151.57	8.6
High school					35.42	8.2	38.541	2.5	42.98	2.5	40.94	2.3
Health	55.6	3,9	56.7	4.3	58.117	2.4	100.279	6.6	77.86	4.6	105.43	6.0
Housing	1.7	0.1	2,1	0.2	5.34	3.9	6.737	0.4	6.80	0.4	13.10	0.7
Social	3.3	0.2	3	0.2	3.22	0.4	3.081	0.2	2.91	0.2	3.15	0.2
Agriculture	45.7	3.2	45.5	3.5	38.82	0.2	34.37	2.3	37.84	2.2	44.29	2.5
Energy	13.9	1	14.7	1.1	18.11	2.6	42.807	2.8	115.60	6.8	58.55	3.3
Internal	13.4	0.9	12.5	1	14.47	1.2	19.88	1.3	17.08	1.0	18.99	1.1
Justice	5.2	0.4	5,7	0.4	7.23	1	6.834	0.5	5.64	0.3	6.10	0.3
Army	51.8	3.6	58	4.4	99.94	0.5	94.33	6.2	110.24	6.5	105.54	6.0
Environment	11.9	0.8	5	0.4	10.38	6.7	9.626	0.6	6.86	0.4	22,67	1.3
Public works and constructions							80.55	5.3	172.17	10.1	117.28	6.7
Total	1433.4		1307.6		1378.7		1513.1		1701.2		1760.0	

Source: General Directorate of Budget and Finance, April 2022

In terms of structure, education (8.6%), public works (6.7%), defence and health (6.0%) received the largest allocations.

7.1.4 Detailed presentation of the budget by item of expenditure

The public finance management policy aims to mobilize revenue and control expenditure. It highlights priorities relating to the control of operating costs

and the consolidation of the sustainability of public debt, to free up budgetary margins for structural investments, social expenditure and expenditure relating to the promotion of gender and efforts to consolidate the rule of law and governance.

The 2022 budget bill balances out in terms of resources and expenditure at CFAF 1,759.97 billion, as against CFAF 1,702.87 billion in the 2021 rectifying finance law, an increase of 3.4%.

Tableau 50. Status of the 2022 budget compared to the 2021 budget

	COLLECTIVE 2020	COLLECTIVE 2021	BUDGET 2022	VARIATION 2022/2021
BUDGETARY EXPENSES	1 116 955 775	1 219 276 822	1 317 189 101	8.0
Ordinary expenses	802 023 026	763 812 783	794 513 807	4.0
Personal	231 291 049	246 777 060	253 124 563	2.6
Goods and Services	262 207 895	140 631 024	142 476 010	1.3
Current transfers	130 604 387	145 241 056	140 536 599	-3.2
Financial charges of the debt	101 856 010	101 635 486	134 067 258	31.9
Expenditures in mitigation of revenues	76 063 685	129 528 157	124 309 377	-4.0
Capital Expenditures	314 932 749	455 464 039	522 675 294	14.8
Amortization of Public Debt	394 161 351	481 932 159	439 643 816	-8.8
Special accounts expenditure	1 938 127	1 659 766	3 139 182	89.1
Total Budget	1 513 055 253	1 702 868 747	1 759 972 099	3.4

Source : General Directorate of Budget and Finance, April 2022

This increase in the 2022 budget law is mainly due to budgetary expenditure, which rose by 8.0%. The increase in budgetary expenditure is driven by ordinary and capital expenditure.

Ordinary expenditure recorded an increase of 4.0%, driven by all expenditure except for expenditure in mitigation of revenue, which fell by 4% compared to 2021.

As for capital expenditure, it shows an increase of 14.8% from CFAF 455.46 billion in 2021 to CFAF 522.67 billion in 2021 due to the increase in investment expenditure financed from external resources.

Expenditure related to the amortization of the debt was down by 8.8% compared to 2021.

7.2. Tax Policy

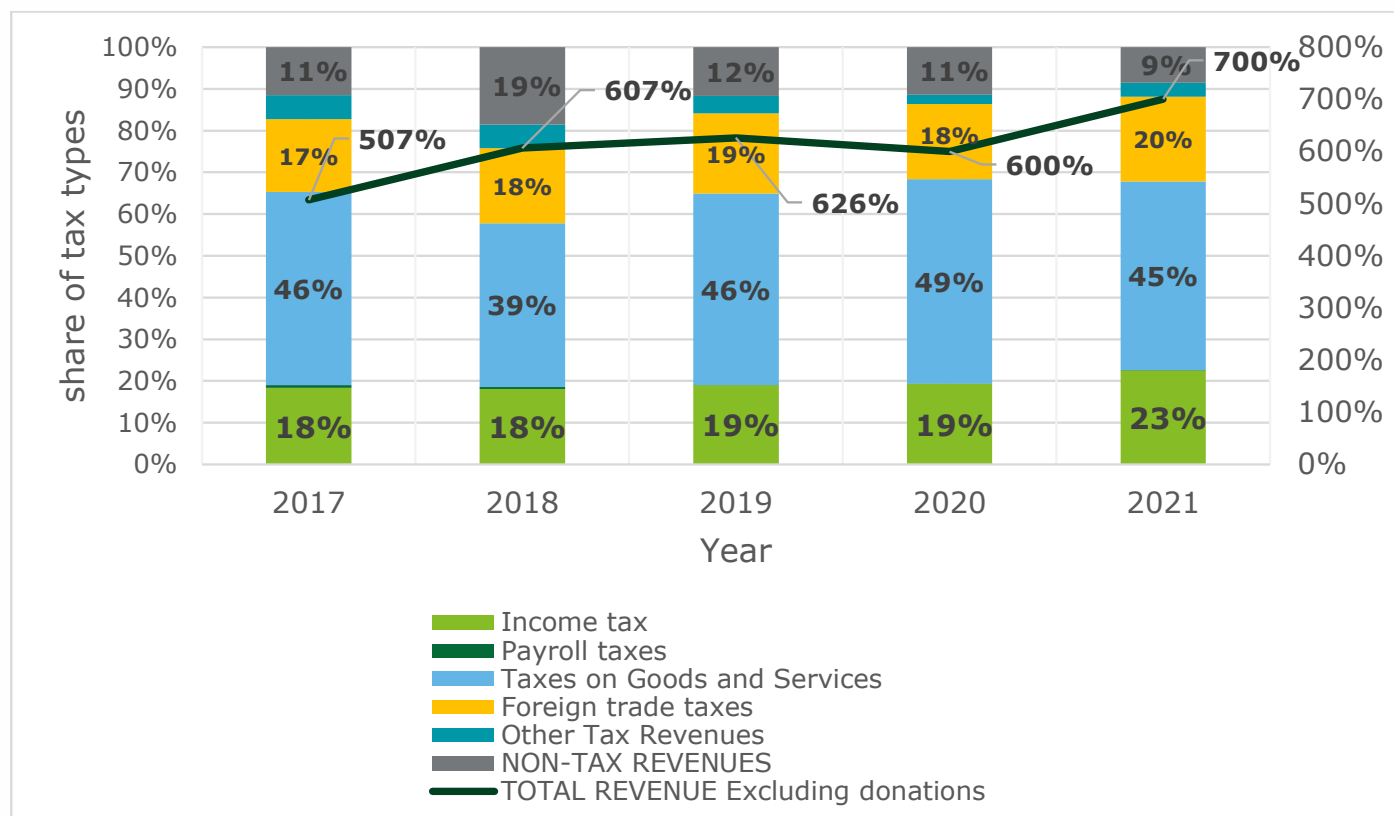
7.2.1 General budget revenues broken down by source

Since 2012, Togo has undertaken a series of reforms aimed at restructuring its fiscal policy and financial authorities. These reforms led in 2014 to the operationalization of the Togolese Revenue Office (OTR). The OTR 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. In 2021, the government set up the Tax Policy Unit (UPF) with the mission of designing and implementing tax policy. The OTR will henceforth focus more on its revenue collection mission for greater efficiency in resource mobilization. The UPF is required to help achieve financial resource mobilization objectives with a view to ensuring budgetary comfort for the State.

Reforms are continuing at the operational level for digitalization and online payments at the Treasury and the OTR. Also, the exploitation of the databases of the various the use of the databases of the various financial authorities will ensure better control of declarations and will contribute to the fight against tax fraud.

Over the period 2017-2021, gross revenue, excluding grants, of the general budget grew by an average of 8.8%, driven by an average annual increase in tax revenue of 9.7%. In 2021, revenue, excluding grants, stood at CFAF 700.4 billion, as against CFAF 599.9 billion in 2020, thus recording an increase of 16.8%. This increase is driven by tax revenue (domestic revenue and taxes on foreign trade).

Figure 12. Budgetary revenues by type of tax



Source: DGEAE, April 2022

In terms of tax revenue, it is mainly the Goods and Services Tax that generates more tax revenue. The Goods and Services Tax is driven by the Value Added Tax (VAT), which remains the main revenue-generating tax. VAT is followed by income tax and foreign trade tax (import duties). In 2021, the share of the Goods and Services Tax in revenue, excluding grants, is 45.2% compared to 49% in 2020. The share of income tax is 22.6% in 2021 against 19.3% in 2020. The main income taxes are the profit, industrial and commercial/corporate tax, and the flat-rate minimum tax (BIC/IS+IMF) and the personal income tax (IRPP). Another tax whose contribution is not negligible is that relating to excise duties (DAPP).

Non-tax revenues accounted for 8.5% in 2021 compared to 11.4% of revenues a year earlier. Non-tax revenues accounted for 8.5% in 2021, compared with 11.4% of revenues a year earlier, driven by dividend revenues.

In terms of growth, the tax on goods and services recorded an increase of 7.7% in 2021 against 2.2% in connection with the recovery of economic activity.

In terms of the tax on foreign trade, an increase of 32.1% was recorded in relation to the recovery of international trade, as against a contraction of 10.3% in 2020.

Table 51.

Level and progression of revenue items from 2015 to 2021 in billions of francs CFA

		2017	2018	2019	2020	2021
Gross REVENUE excluding donations	Level	507.3	606.7	626.3	599.9	700.4
	Growth	-	19.6	3.2	-4.2	16.8
Gross TAX REVENUE	Level	449.0	494.2	553.3	531.5	640.8
	Growth	-	10.1	11.9	-3.9	20.6
Income tax (IS and IRPP)	Level	93.3	109.5	118.8	116.0	158.0
	Growth	-	17.5	8.4	-2.3	36.2
Payroll taxes	Level	3.3	3.3	1.1	0.5	0.4
	Growth	-	1.1	-66.1	-57.0	-21.7
Taxes on Goods and Services (VAT, TAF and Other)	Level	234.9	237.8	287.4	293.8	316.4
	Growth	-	1.2	20.9	2.2	7.7
Taxes on foreign trade	Level	88.5	109.5	120.0	107.7	142.3
	Growth	-	23.8	9.6	-10.3	32.1
Other tax revenues	Level	29.1	34.1	25.9	13.6	23.8
	Growth	-	17.0	-23.9	-47.7	75.3
NON-TAX REVENUES	Level	58.2	112.5	73.1	68.4	59.6
	Growth	-	93.1	-35.0	-6.4	-12.9

Source : DGEAE, April 2022

The VAT rate is a single rate of 18% applicable to all activities and products except those exempted. In addition to VAT, there is a tax on financial activities (TAF). The TAF is based on and liquidated on the gross number of profits realized from operations related to banking, financial activities and, in general, to trade in securities and money. The rate of this tax is set at 10%.

Excise duties (DAPP) are levied on petroleum products when they enter the national territory. Their amount is included in the selling price of petroleum products at the pump. The DAPP rates are as follows: CFAF 57.76 per litre of unleaded premium fuel, CFAF 48.06 per litre of diesel, CFAF 59.99 per litre of petrol, aviation gasoline and jet fuel, CFAF 15 per litre of fuel oil, CFAF 50 per litre of lubricating oil and CFAF 60 per kilogram of grease.

The IRPP is a single annual tax on the income of individuals, known as income tax. It is levied on the taxpayer's overall net income, including salaries, wages, allowances, emoluments, pensions, and life annuities, industrial, commercial and craft profits and farm profits. The tax rates are progressive. They range from 7% (for an overall net income of between CFAF 900,001 and CFAF 4,000,000) to 35% for an overall net income of over CFAF 15,000,000.

Individuals liable to income tax based on their industrial, commercial, or non-commercial activities are subject to the payment of a flat-rate minimum tax, regardless of their operating results. The annual amount of the said tax has been set at CFAF 50,000 for companies with a turnover of less than CFAF 5,000,000. It is capped at CFAF 500,000,000 for any company with an annual turnover of more than CFAF 50,000,000,000.

The corporate income tax is assessed on all profits or income earned by companies and other legal entities. The corporate tax rate is set at 27.0% of taxable profits.

7.2.2 Presentation of 2021 tax changes

The 2022 Finance Act has renewed six (06) old specific measures and introduced new measures through the modification of forty-five (25) articles in the General Tax Code, fourteen (14) in the Book of Tax Procedures and one (01) article of the National Customs Code. The measures renewed in 2022 are related to:

- The renewal of the collection of the solidarity levy.

- The renewal of the collection of the African Union levy.
- The regularization of the laissez-passer tax (TLP).
- Exemption from duties and taxes, except for community levies, on the import of agricultural equipment, medical equipment and products used exclusively in the fight against covid-19.
- Exemption from customs duties and taxes on the import of new, hybrid and less than 5-year-old vehicles.
- The reduction of the derogatory tax regime applicable to restructuring operations of companies in difficulty.

The new measures adopted under the Finance Act 2022 aim to provide the state and local authorities with the necessary means to achieve their objectives of financing development actions and response to the current pandemic, to promote the development of strategic economic sectors while ensuring compliance with community and international standards, and to allow better enforcement of tax regulations in the fight against tax fraud. These new measures concern:

- o Broadening the tax base and strengthening control measures and the fight against tax fraud and evasion.
- o Reducing the tax burden.
- o Simplification of tax procedures.
- o Technical adjustments.

Measures to broaden the tax-base

Broadening the tax base necessarily involves identifying new taxable material or potential taxpayers. Many promoters of commercial activities are increasingly using dematerialized channels. The proliferation of social networks and the development of digital platforms is the main vector. The draft finance law provides for measures making it compulsory to register digital platforms used for professional purposes and generating revenue. Their liability to income tax is also specified to avoid any ambiguity.

Similarly, it is planned to strengthen the formalization of businesses through the program for the fiscal census of businesses and activities in collaboration with all the communes. This census will make it possible to update the taxpayer directory.

The bill also provides for the reinforcement of revenue security measures in the customs area by providing a better framework for declarations made using the cash payment procedure.

Finally, the innovations to the CGI include provisions to allow the collection of the housing tax by the Togo Electricity Company (CEET).

Measures to strengthen the fight against fraud and tax evasion

The proposed measures aim to:

- Strengthening the control of transfer pricing in Togo, by lowering the threshold of transactions to be declared in the detailed documentation that companies subject to this obligation must provide.
- Considering certain recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes with the aim of bringing the Togolese legal framework on beneficial owners into line, particularly about holders of not only registered shares but also bearer shares.
- The extension of the requirement to hold information on beneficial owners to import operations through the technique of acquisitive or grouped imports.
- The fight against illicit imports through the reinforcement of operational measures by the customs administration, including, among others, the reorganization of the national control and surveillance brigade to fight against smuggling and dumping of goods, the operationalization of the Joint Customs and Tax Control Unit and the operationalization of the mirror data analysis unit (CADOM).

Measures to reduce the tax burden

These relate to:

- The possibility of deducting certain operating expenses, in particular all expenses related to advertising objects, not forgetting donations made to school canteens.
- The re-establishment of the taxation of exceptional or deferred income for more tax justice in case of option to consider the fact that it is income accumulated over several years independently of the taxpayer's will and whose progressive nature of the IRPP would make the taxation rather heavy. This option will only concern employment income in the context of schedular income.

Procedures' simplification

The proposed measures relate to:

- The possibility for property taxpayers to declare and pay their property tax spontaneously, without waiting for the issuance of a title by the tax authorities.
- The simplification of formalities and other modalities for the rapid operationalization of the administrative commission of appeal as well as for the assumption of duties by the members of the said commission.

Technical adjustments

These are new measures aimed at enshrining in law certain administrative procedures, particularly regarding the recent reforms concerning the various types of tax documents now issued by the tax administration.

It is also necessary to clarify the appropriate terminology in certain areas; not forgetting the internationalization of community provisions applicable to all WAEMU Member States. This is the case of the instructions issued by the BCEAO to regulate the maximum thresholds authorized for cash payments between private companies. The purpose of these provisions is to ensure the traceability of financial operations. Non-compliance with these thresholds has implications, in particular the loss of the right to deduct VAT for taxable persons and in terms of income tax, as such payments will constitute non-deductible expenses:

Technical adjustments have been made to correct semantic errors, as well as clarifications and additions of terms that may allow for a better reading of certain articles of the CGI and the Book of Tax Procedures.

Finally, technical adjustments concern the deadlines for declaring and paying taxes. Indeed, the book of tax procedures that came into force in 2019 omitted in its provisions the guarantee granted to taxpayers to declare and pay their taxes on the first working day that follows a non-working day or a public holiday in case of a deadline coinciding with the latter. This readjustment strengthens the relationship of trust between the tax administration and the taxpayer.

8.1. Political and security risks

The risks associated with electoral events are real in Togo. The lack of consensus in the management of socio-political issues and the street demonstrations generated by socio-political crisis have a negative impact on economic activity, as does the challenge to the re-election of President Faure Gnassingbé in February 2020 by the second-place candidate. Constitutional reforms allow President Gnassingbé to remain in power until 2030, if he is re-elected in 2025. Protests are likely in the run-up to the next legislative elections in 2023, municipal elections in 2024 and the presidential election in 2025. But the current divisions among the opposition parties indicate that the protests are unlikely to be on the scale seen in recent years.

The political risk is primarily that of disruption or unrest that could disrupt the economy and the government if social unrest were to rise suddenly. In Togo, this risk is considered medium on the risk typology scale because opposition demonstrations are unlikely outside of election periods. Strengthening social dialogue and promoting political dialogue should help limit this risk.

The security situation in the WAEMU zone is threatened mainly in the Sahelian countries, notably Niger, Mali, and Burkina Faso. The fact that Togo shares a border with Burkina means that it is not exempt from possible terrorist attacks. Togo's heavy involvement in peacekeeping missions in Africa would expose it to terrorist threats. The increased security risks in neighbouring Burkina Faso could affect Togo's investments, trade, and public finances. The security threat is primarily in the northern part of Togo but could spread to the rest of the country if appropriate measures are not taken. For now, Togo has not been directly targeted and the armed forces have upgraded their equipment.

In addition to terrorist threats, there is the threat of maritime piracy in the Gulf of Guinea, the impact of political crisis in neighbouring countries, and the development of organized crime, particularly in

market areas and on the waterfront, by gangs armed with knives. Security risks are classified as medium risk in Togo. Thanks to the strengthening of internal and border security, cross-border cooperation between security services, awareness-raising on terrorist threats, the strengthening of the population's confidence in the defence and security forces and the regulatory framework for the fight against maritime piracy, the adoption of the law on military programming for 2021-2025 adopted in December 2020, the aim of which is to provide Togo with the means necessary to defend its national integrity, the security of its population and the free exercise of its sovereignty by 2030, the security risks identified should be controlled.

8.2. Social risks

The labour market is characterized by a high rate of underemployment. According to the Integrated Regional Survey on Employment and the Informal Sector, 2017. The combined rate of time-related underemployment and unemployment is 16.1 percent. The ILO unemployment rate is 3.9 percent. The underemployment is explained by an education system oriented towards training that is not very vocational. 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. To be a factor of productivity growth and job creation, human capital policy must be adapted to the dynamics of the labour market. This requires a forward-looking analysis that allows for the anticipation of skill needs in the labour market to adapt curricula accordingly.

In addition, very few Togolese have access to a formal social protection system, especially those living in rural areas and in the informal urban sector. The State must implement programs to strengthen social protection to ensure that as many people as possible benefit from it.

In addition, the government's implementation of several programs in support of vulnerable households, consisting of cash transfers and distribution of solar kits, coupled with free access to certain services offered by the government, should help to mitigate social risks. For example, in 2021, 61,317 households benefited from cash transfers compared to 60,419 households in 2020. Also, the number of households with solar kits in 2021 was 24,350.

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 have been exported mainly to its main clients, which are Burkina Faso, Benin, Ghana, Niger, India, Mali, Côte d'Ivoire, Nigeria, the United Arab Emirates, and Australia.

Jihadist threats in the Sahel and Islamist attacks in Nigeria, as well as the volatility of export commodity prices (cotton, coffee, cocoa, etc.), pose risks for the sale of Togolese products. Despite the projected recovery in the prices of Togo's main export products (phosphate, cotton, cocoa, coffee), weak demand in Togo's trading partners could slow the increase in exports. Indeed, the national economy remains fragile in the face of exogenous shocks related to fluctuations in the prices of exported and imported raw materials.

Moreover, a fall in the price of raw materials exported by Togo on the international market would lead to a fall in export earnings. In the specific case of phosphate, its exploitation requires heavy investments. Thus, any drop in phosphate prices would result in losses for the company and a negative impact on exports. Cotton is an important export product in the Togolese economy. The downward fluctuation of its price on the international market does not guarantee remunerative prices for producers. This situation could lead to the abandonment of cotton cultivation, resulting in a decline in production and therefore in exports.

Similarly, the rise in the price of imported raw materials, particularly petroleum products, has a

negative impact on economic activity. Indeed, as Togo is a net importer of petroleum products, any increase in their prices would lead to an increase in transport costs not only for businesses but also for households. This would result in a decline in domestic demand.

In addition to petroleum products, Togo's main imports are petroleum and bituminous mineral oils, medicines, ethylene polymers, motorcycles, passenger cars, cotton cloth, coal, frozen fish, and iron and steel machinery wire. The country's main suppliers are China, France, Japan, the Netherlands, Ghana, India, Belgium, Saudi Arabia, Germany, and Nigeria. Any shock to the economies of these countries could lead to higher prices for imported products and a widening of the trade deficit, thereby jeopardizing macroeconomic performance and, in turn, economic policy objectives.

The resulting low level of public and private investment is also a macroeconomic risk. Indeed, Togo has been on an economic growth path in recent years thanks to a substantial increase in both public and private investment. The overall investment rate rose from 18.1% in 2018 to 23.6% in 2021. Under these conditions, the occurrence of an exogenous shock affecting the rate of investment may therefore have a negative impact on the achievement of this growth objective. Similarly, a low rate of implementation of public investment expenditure and a delay in the implementation of private investment will have consequences for economic growth and therefore for revenue.

The continuation of the Covid-19 pandemic is also a risk to the macroeconomic framework. In 2020, the impact of the pandemic resulted in a contraction in economic activity. The 2020 growth target, initially set at 5.5 percent, had to be revised downwards due to the global health crisis and ended up at 1.8 percent. The most affected industries are food production, trade, tourism, education, and recreation. To ensure the resilience of the private sector and the population in the face of the crisis, the government introduced tax breaks. Thus, tax exemptions accounted for 2.8% of GDP in 2020 compared with 1.8% in 2019. Budgetary expenditures have increased, in line with expenditures related to the government's health response plan, leading to an increase in the budget

deficit, which is estimated at 7.0% of GDP in 2020. In 2021, growth is expected to be 5.3%, reflecting the resilience of the Togolese economy in limiting the impact of the health crisis. This growth has benefited from the vaccination campaign conducted by the health authorities. However, new waves of infections linked to variants of the virus are raising concerns about the prospects for economic recovery.

On the other hand, Togo's risk of external vulnerability is judged to be "very low (+)," thanks to its membership in the WAEMU, which includes an agreement under which the French Treasury guarantees the convertibility of the franc CFA into euros, thus limiting the risks of a balance of payments crisis.

Measures to mitigate macroeconomic risks include diversifying the base of exported raw materials; strengthening and expanding local production and promoting the consumption of local products; promoting value chains based on water management, as well as the development, construction and rehabilitation of hydro-agricultural facilities and fisheries production infrastructure; intensification of phytosanitary research in order to anticipate crop attacks; sustainable management of transboundary water basins in order to ensure the availability of water resources for agricultural development; strengthening investments to support the economy, particularly in the areas of energy and transport, especially air and sea transport; and promotion of raw material processing units. The mitigation of the risk related to Covid-19 should be reflected in the continued implementation of the recovery plan. About the risk associated with the low rate of investment completion, capacity building of government structures involved in the public investment program and public procurement will continue to improve absorption rates. The continued improvement of the business climate will also help attract foreign direct investment.

8.4. Risks relating to the mobilization of public and private financial resources

The mobilization of internal resources 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 the mobilization of internal resources is the fiscal uncivil behaviour of some taxpayers who ignore that the fact of paying their taxes constitutes their participation in the financing of the national economy.

In addition to the risk of fiscal incivility, there is also the risk of the informal sector contributing to the gross domestic product, the development of digital activities that are exempt from taxation, the importance of tax expenditures resulting from the implementation of tax exemptions, and the low level of door-to-door revenue mobilization due to fluctuations in the price of raw materials, particularly oil products. In addition, the covid-19 pandemic is also a major risk in that it has a strong impact on economic activity.

The promotion of tax compliance, the strengthening of tax controls, the formalization of the digital sector, the continuation of efforts to formalize the informal sector, and the continued implementation of reforms aimed at broadening the tax base and securing revenues should help combat tax evasion and avoidance and somewhat mitigate the risks associated with the mobilization of tax revenues. The rationalization of tax expenditures should also help increase government revenues.

The risks associated with mobilizing external resources include:

- The poor command of the procedures for disbursement of Technical and Financial Partners (TFP) by national actors. All of which leads to the late implementation of external financing and a low rate of execution of externally financed projects.
- The reluctance of TFPs to implement the principles of the Paris Declaration on Aid Effectiveness is a major handicap to the proper execution of planned projects.
- The increase in borrowing costs which could restrict capital inflows and slow down growth in many emerging markets and developing economies.

- The failure to implement certain reform measures agreed upon in the framework of certain budget support programs could hinder the disbursement of planned resources.

The measures to mitigate these various risks are the operationalization of the aid management platform (AMP), the improvement of the capacity to absorb budgetary resources through the training of national actors on the disbursement procedures of the Technical and Financial Partners (TFPs), the strengthening of the government-TFP dialogue framework, mobilization of innovative financing, access to new windows of traditional partners, diversification of partners, establishment of a mechanism for mobilizing resources from the diaspora, strengthening of the monitoring mechanism at all levels (including awareness-raising and advocacy). Finally, the signing of a new Extended Credit Facility program with the International Monetary Fund would help to further mobilize external resources from other partners.

The cost of the debt portfolio has a strong influence on the mobilization of domestic and external resources for financing economic development. However, the risks to the debt portfolio are moderate and under control. This situation is the result of the various reforms implemented in terms of debt management, the orientations of which are summarized in Togo's debt strategy. In addition to the cost of the portfolio, the risks associated with the debt portfolio are those related to refinancing, interest rates and exchange rates.

Refinancing risk refers to the high probability of renewing maturing debt at a cost higher than the original terms. It also refers to market liquidity risk. Refinancing risk is measured by three indicators:

- Average portfolio maturity.
- Proportion of debt maturing in one year as a percentage of GDP.
- Proportion of debt maturing in one year as a percentage of total debt.

The average maturity of the entire portfolio was 6.0 years at the end of 2021, compared with 5.1 years at the end of 2020. Maturity has increased slightly due to the issuance of long-dated government securities (7 to 10 years). The average maturity of external debt is estimated at 8.9 years, compared with 8.4 years a year earlier, while that of domestic debt is 4.0 years, compared with 2.9 years in 2020. The outstanding debt maturing in one year (2022) represents 7.8% of GDP at the end of 2021. The share of domestic debt maturing in 2022 is 6.5% of GDP compared to 1.3% of GDP for external debt. The maturity profile also indicates a concentration of maturities over the next two (2) years, which could generate refinancing pressures

Debt maturing in 2022, however, is expected to be renewed (refinanced) at new financial market conditions, which exposes the portfolio to interest rate risk. This is the case for 18.0% of domestic debt and 5.4% of external debt that will mature in 2022. This interest rate risk is the risk of incurring an additional cost on a debt issue. When most of the portfolio is at variable rates, each upward revision of the rate could result in an additional budgetary cost.

To reduce the refinancing risk associated with the portfolio, Togo has carried out buyback operations in 2019 and 2020 on loans with residual maturities of 3.5 years for a total amount of CFAF 164.9 billion. The resources were mobilized from the Bank of Tokyo and Société Générale for a maturity of 10 years, including a 2-year grace period. This domestic debt reprofiling operation has made it possible to mitigate the refinancing risk by extending the average maturity of the portfolio. It was made possible thanks to the guarantee provided by the African Trade Insurance Agency (ATI). In 2021, public securities issues were oriented towards the mobilization of Treasury bonds with maturities ranging from 7 to 15 years. This has the advantage of gradually reducing the refinancing risk associated with the public debt portfolio.

8.5. Health risks

The world news in terms of health risk remains the pandemic of COVID-19 which continues to rage, and which has already caused several hundred

deaths in the world. Togo, like several countries, has recorded several cases of Covid-19 and has set up a response plan to fight effectively against this pandemic. The implementation of the health response plan has enabled the government, with the support of technical and financial partners, to renovate several health centers to bring them up to standard to accommodate people with COVID-19. The Regional Hospital Center of Lomé has become the reference centre for the care of COVID-19 patients in the capital. It has been renovated, equipped with the latest generation of equipment for resuscitation and its capacity has been increased from 120 to 230 beds. In addition, several structures other than those of health such as youth recreation centers have been requisitioned, rehabilitated, and equipped for the care of patients of COVID-19.

To curb the spread of the disease, Togo, like all countries in the world, launched the vaccination campaign against COVID-19 on March 10, 2021 through the administration of the first doses of AstraZeneca vaccine. The vaccination campaign has reached cruising speed in the country. The Togolese authorities have imposed the presentation of a health pass to access public buildings and places of worship. Togo has even obtained European Union certification of its digital health pass. Of a target population of 18 years and older estimated at more than 4 million people, nearly 35% have received one dose, i.e., almost 1.4 million people, and about 25% have received two doses, i.e., more than 1 million Togolese. As for the health personnel, in November 2021, an overall vaccination coverage of 93% was observed. This performance was achieved through a combination of several initiatives, including the permanent availability of vaccines in the six health regions, fixed and mobile vaccination strategies, the establishment of a team of communicators for tracking and managing rumours

For local authorities, vaccination is currently the most effective way to limit the spread of the disease, in combination with barrier measures. With a stockpile of 5.3 million vaccines purchased or donated and available, with expiration dates up to April 23, 2023, the country was able to launch a third dose campaign on December 27, 2021.

As of March 2, 2022, Togo has recorded 36,808 confirmed cases, 36,414 cured cases, 122 active cases and 272 deaths.

In addition, Togo remains exposed to other health threats, including epidemics (Ebola, Lassa fever, meningitis, etc.). Togo also continues to face certain contagious diseases such as HIV/AIDS and tuberculosis, and non-contagious diseases such as malaria, diabetes, and high blood pressure. The main measures for mitigating these epidemics include the continuation of the fight against epidemiological diseases and border surveillance. Continued awareness raising on the respect of barrier measures against covid-19.

In the fight against various diseases, the country receives support from various partners. As the sustainability of this support is not guaranteed, the country would be exposed to budgetary risk if these partners were to withdraw. To compensate for the possible decrease in financial support from partners in the fight against these diseases, innovative solutions are being considered to improve the budgetary envelope for the management of health risks.

8.6. Environmental risks

Togo, like many countries in the world, remains exposed to the impact of climate change with the corollary of repeated flooding. Coastal erosion is also a reality in Togo. The agricultural sector, which employs most of the active population, is the most exposed to climatic hazards (droughts, floods). Togo's agriculture is highly dependent on rainfall. The country has little capacity to adapt to climate change and the adaptation programs envisaged receive very little funding. Water control therefore remains a concern. All these risks could lead to a decline in its production. The environmental risks facing the country are ranked high on the scale of measurement.

Mitigation measures include intensifying reforestation of the flora, combating uncontrolled felling of trees, modernizing the agricultural sector to limit the impact of climatic hazards on production through, for

example, the construction of water reservoirs, setting up modern irrigation systems and strengthening the fight against coastal erosion through the implementation of the West African Coastal Management Program (WACA Project). Other mitigation measures to contain environmental risks

include strengthening the population's adherence to sustainable production and consumption patterns, strengthening the early warning system and effective coordination of disaster response, and identifying and developing risk areas for better management of potential natural disasters.

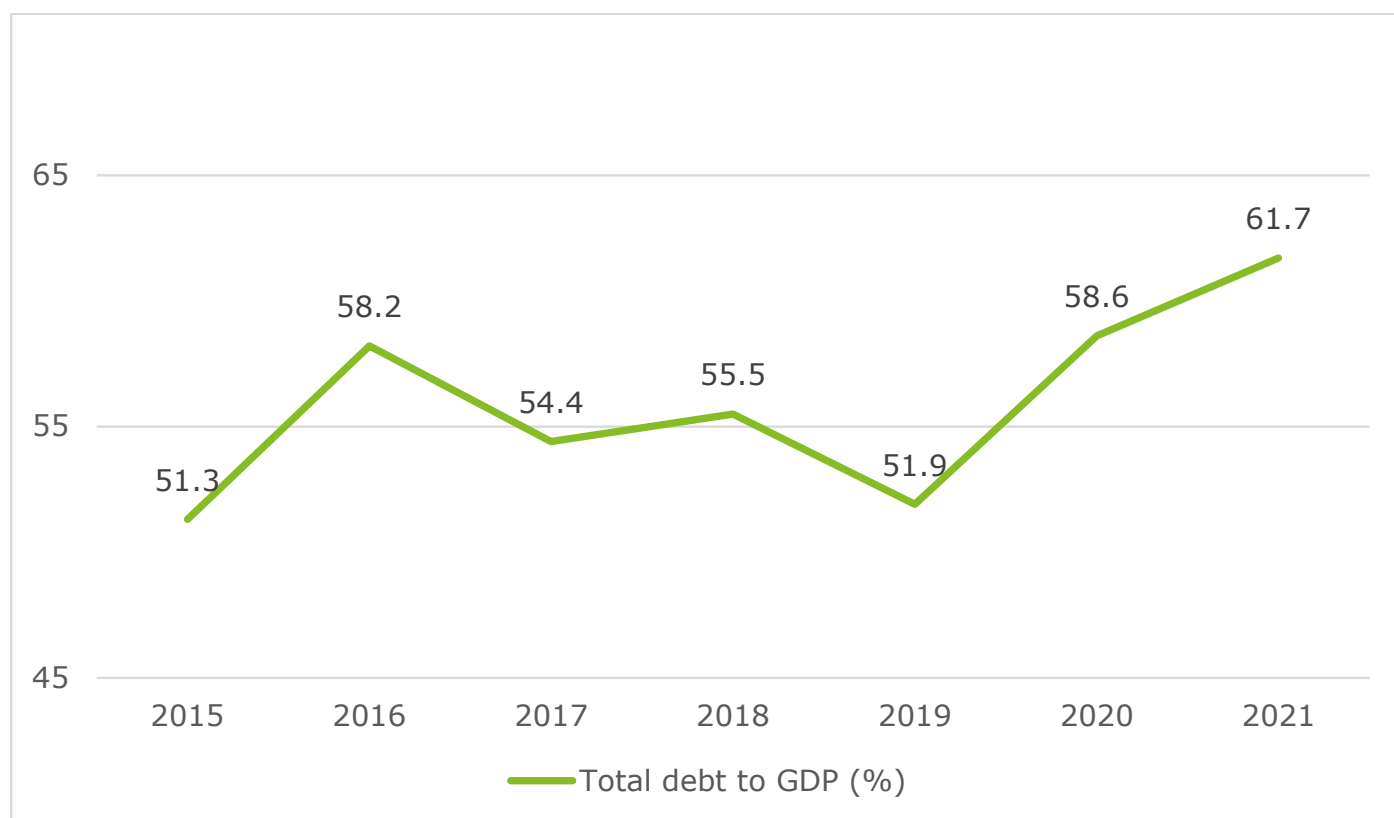
9.1. General description of public debt

Togo's outstanding public debt stood at CFAF 2,912.48 billion in 2021, compared with CFAF 2,555.45 billion a year earlier, an increase of 14.0% due to the rise in the level of external (+8.4%) and domestic (+17.4%) debt. Despite its increase, the outstanding debt remained below the community standard of 70% recommended by the WAEMU. In fact, the debt-to-GDP ratio stood at 61.7 percent compared to 58.6 percent in 2020.

An analysis of the evolution of the outstanding debt shows that it fell from 58.2% of GDP in 2016 to 51.9% in 2019 due to the implementation of the three-year program (2017-2019) under the Extended

Credit Facility with the IMF. This program aimed, among other things, to reduce the overall fiscal deficit significantly at the beginning of the period to ensure debt sustainability. From 2020 onwards, in connection with expenditure linked to the response to Covid-19 and expenditure on the implementation of projects included in the government's roadmap for 2021-2025, resources mobilized increased from CFAF 2,197.74 billion in 2019 to CFAF 2,912.48 billion in 2021. This level of resource mobilization has led to a reversal of the downward trend in the debt ratio which, according to the debt strategy, should be observed again from 2022.

Figure 13. Outstanding public debt to GDP from 2015 to 2021



Source: Ministry of Finance

Table 52. Public debt and its components (in billions of CFAF)

	2015	2016	2017	2018	2019	2020	2021
Total Debt (In % of GDP)	51.3	58.2	54.4	55.5	51.9	58.6	61.7
Total Public Debt	1 745.89	2 092.67	2 020.26	2 191.04	2 197.74	2 555.45	2 912.48
External Debt	527.19	564.12	550.16	600.76	751.3	981.28	1063.98
Domestic Debt	1 218.70	1 528.55	1 470.10	1 590.28	1 446.44	1 574.17	1 848.50
Nominal GDP	3 402.69	3 597.81	3 713.57	3 950.45	4 230.51	4 363.79	4 720.39

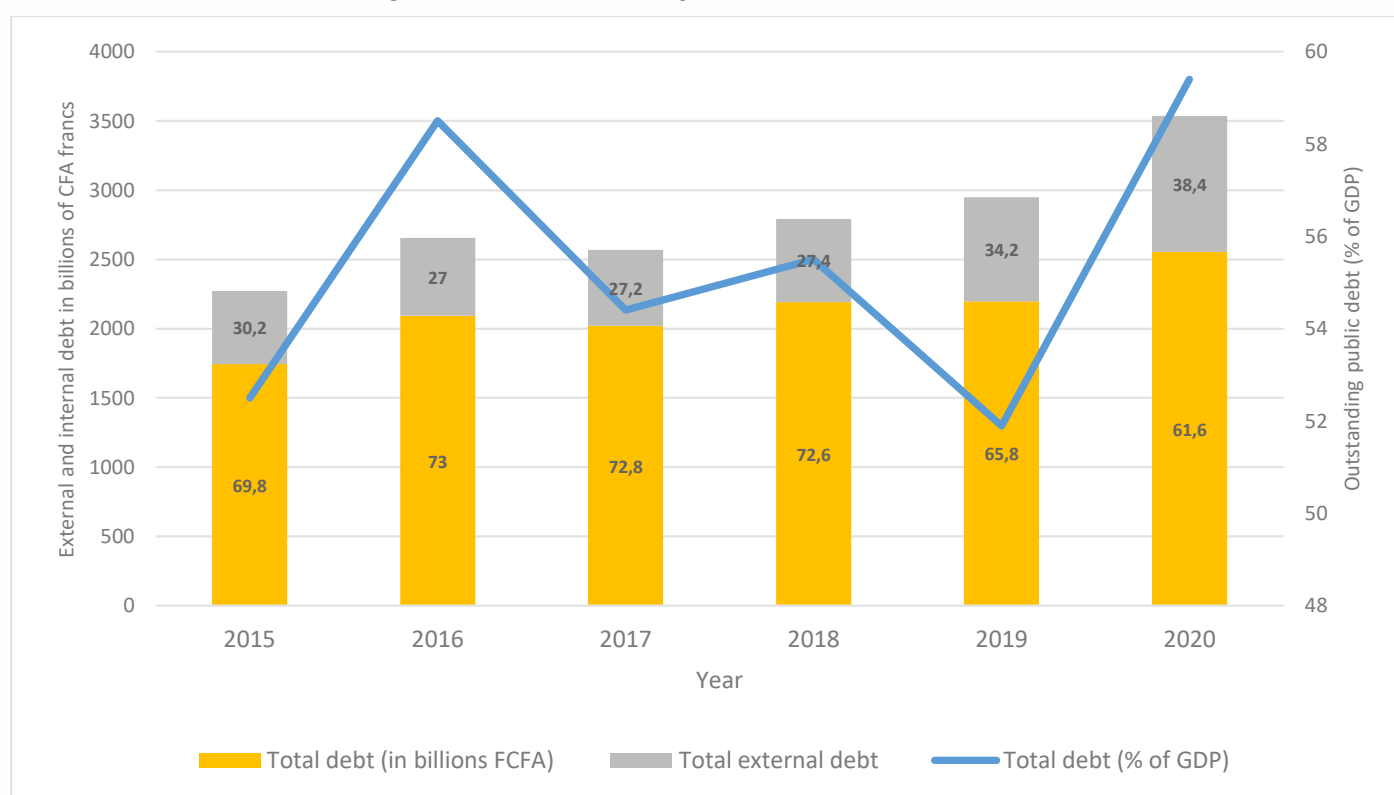
Source: Minister of Economy and Finance, February 2022

Public debt is driven more by domestic debt, which accounted for 63.5 percent of total debt in 2021 compared with 61.6 percent in 2020. It will represent 39.6 percent of GDP in 2021 compared with 36.1 percent a year earlier, an increase of 3.5 GDP points in one year.

External debt rose by 8.4% in 2021 compared to its level in 2020, reaching CFAF 1,063.98 billion. It

represented 36.5% of the total debt compared with 38.4% a year earlier. This upward variation is justified by drawings for CFAF 55.58 billion, repayments for CFAF 24.08 billion, rescheduling of maturities (Exim bank China and AFD) for CFAF 10.84 billion and cancellation of IMF exchanges for CFAF 0.64 billion as well as exchange rate fluctuations and other adjustments for about a value of CFAF 41.00 billion.

Figure 14. Breakdown of public debt from 2015 to 2021

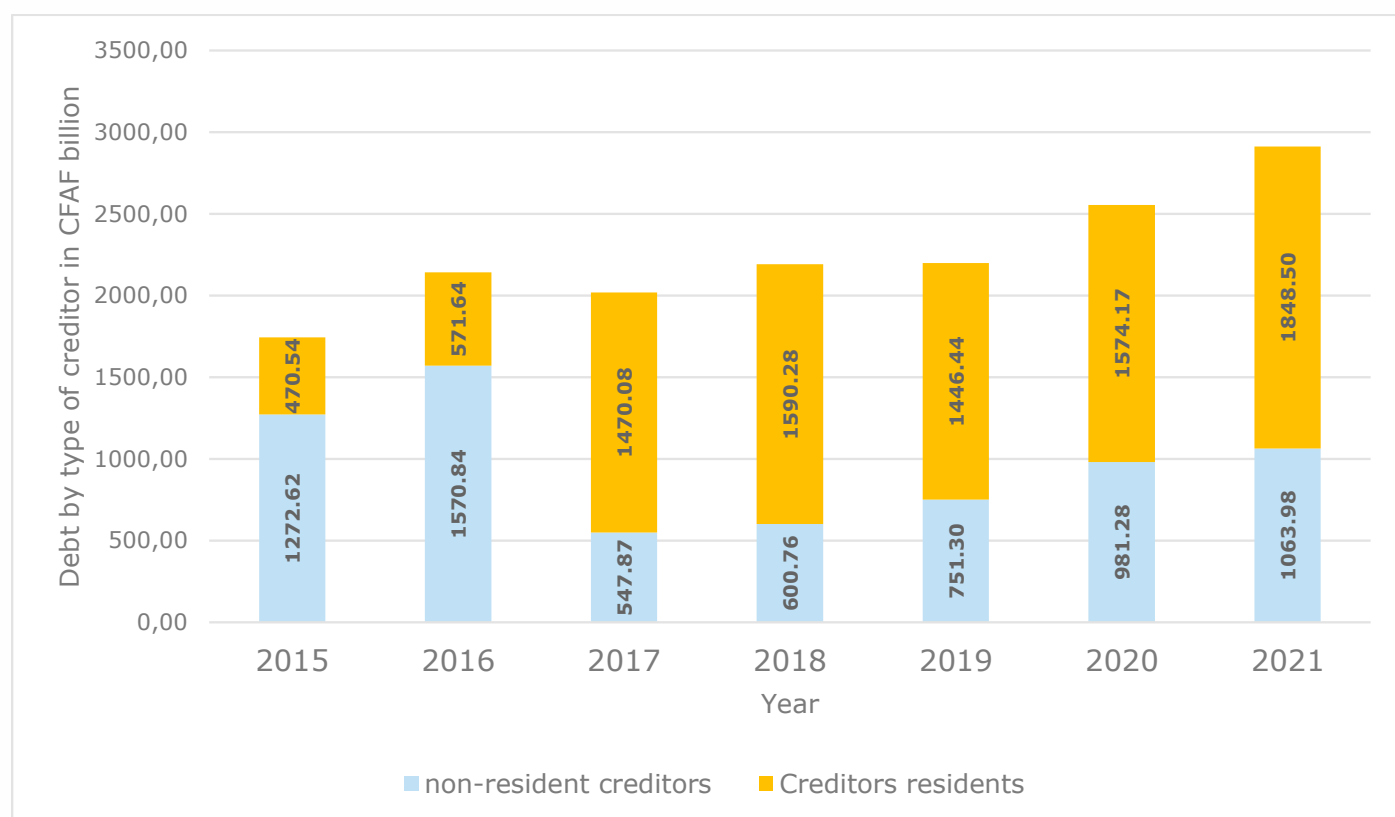


Source: Minister of Economy and Finance, February 2022

In terms of residence, the public debt contracted with residents amounted to CFAF 1,848.50 billion in 2021, compared with CFAF 1,574.17 billion in 2020, an increase of 17.4%. The debt contracted with non-residents amounted to CFAF 1,063.98 billion

compared with CFAF 981.28 billion a year earlier. The evolution of debt by residence has been on an upward trend for both residents and non-residents over the past two years.

Figure 15. Breakdown of public debt by type of creditor from 2017 to 2020 (in billions of CFAF)



Source: Minister of Economy and Finance, February 2022

9.1.2 Time profile of debt to be repaid

In terms of time profile, the public debt stock is dominated by long-term debt. The latter represented 71.6 percent of total debt in 2021 compared to 68.1 percent in 2020. Medium-term debt accounted for 27.0 percent of total debt in 2021, compared with

25.7 percent a year earlier. Over the period under review, medium-term debt declined in 2017 before rising to its 2021 level. Short-term debt has been on a downward trend since 2015. In 2021, it represented 1.4 percent of total debt, compared with 6.1 percent in 2020.

Table 53. Time profile of public debt (%)

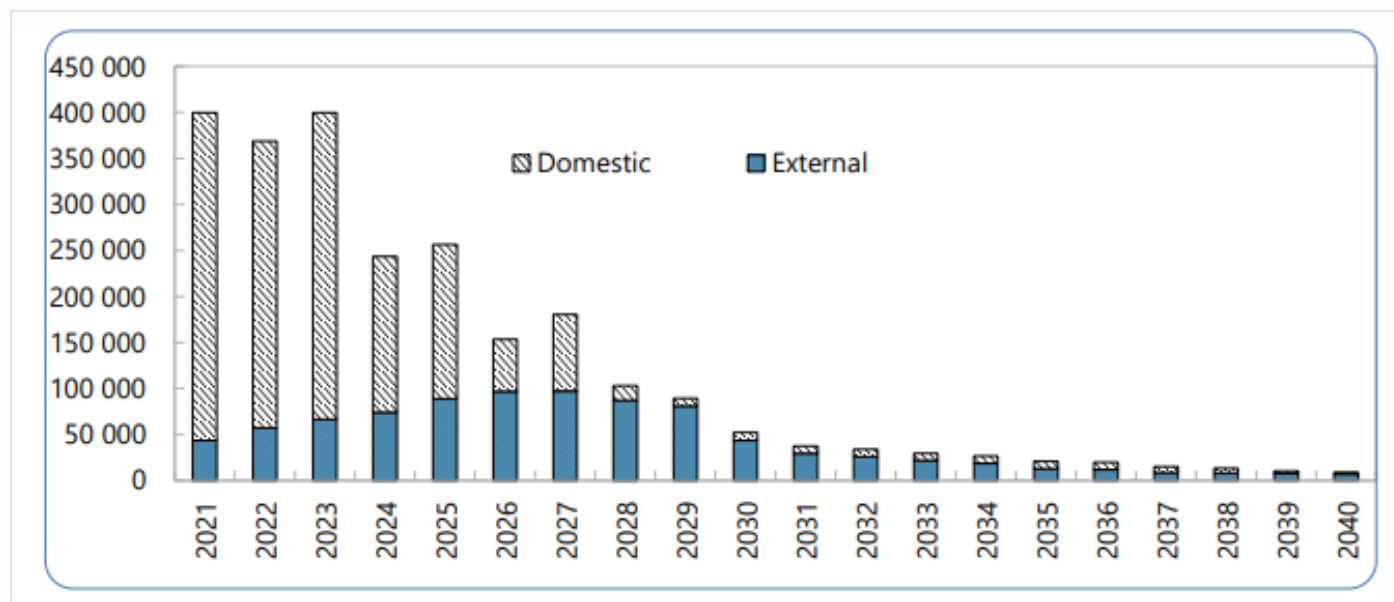
	2015	2016	2017	2018	2019	2020	2021
Short term (< 1 year)	19.7	16.5	17	16.1	7.4	6.1	1.4
Medium term (1 à 5 years)	23.7	22.4	11	13.7	20.9	25.7	27.0
Long term (> 5 years)	56.7	61.1	72	70.2	71.8	68.1	71.6
Total	100	100	100	100	100	100	100.0

Source: Minister of Economy and Finance, February 2022

In perspective, the debt repayment profile clearly shows that the portfolio is exposed to refinancing risk given the relatively short maturity of domestic debt. Indeed, there is a concentration of domestic debt maturities over the next two (2) years which may generate refinancing pressures. Indeed, the

outstanding debt maturing on 31 December 2022 would represent 12.47% of the total debt portfolio, or 7.82% of GDP. The share of domestic debt maturing by December 31, 2022 would be 16.48%, compared with 5.58% for external debt.

Figure 16. Debt amortization profile at the end of December 2020



Source: DGTCP

9.1.3 Amount of debt to be repaid in the short term

Short-term debt to be repaid is essentially made up of domestic debt. It amounted to CFAF 41.67 billion compared with CFAF 156.76 billion in 2020, i.e., a

73.4% reduction, linked, among other things, to the clearance of debt securities and part of the other accounts payable. The breakdown of the debt to be repaid in 2021 shows that it is essentially made up of CFAF 41.67 billion¹⁹ in arrears to be paid immediately.

Table 54.

Debt to be repaid in the short term (in billions of CFAF)

	2015	2016	2017	2018	2019	2020	2021
External Debt	0	0	0	0	0	0	0
Domestic Debt	343.39	345.6	343.55	352.1	161.8	156.76	41.67
Debt Securities	96	30	52.31	126.61	51.35	71.32	
Loans	-	-	-	-	25		
Other accounts payable	247.39	315.6	291.24	225.49	85.44	85.44	41.67

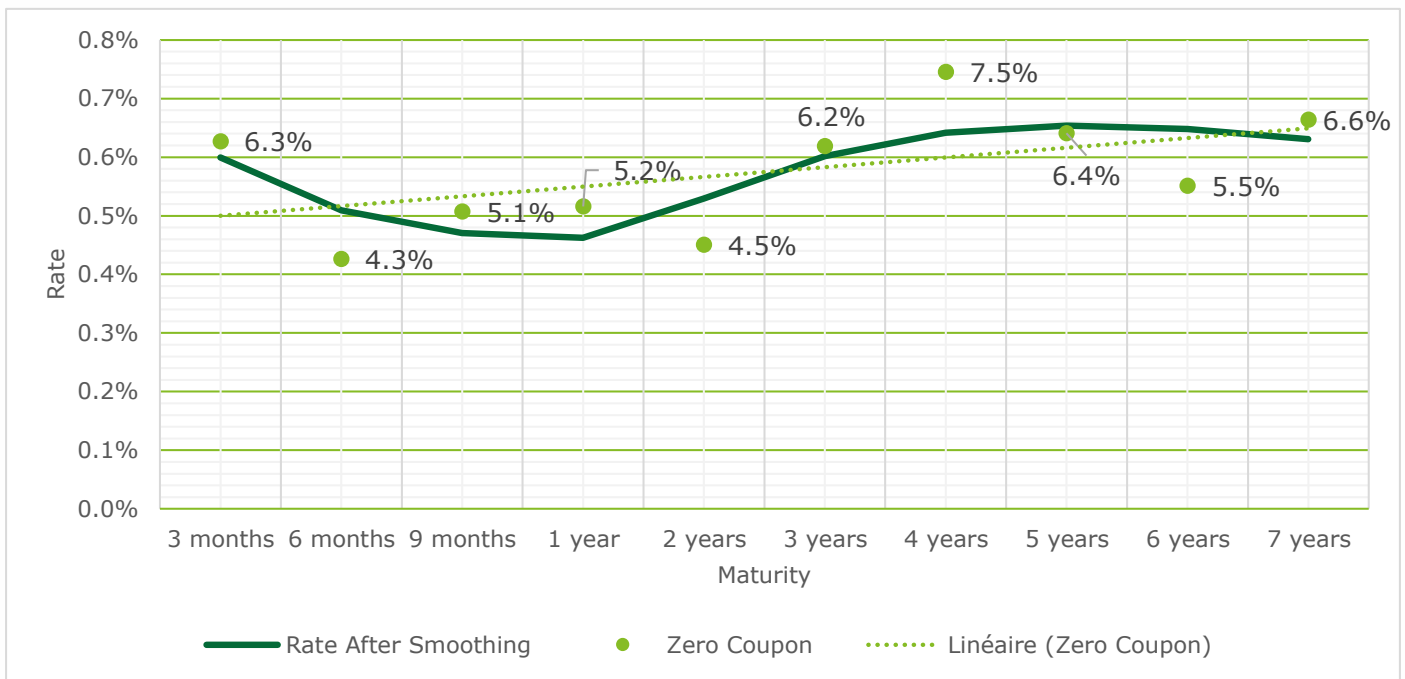
Source: Ministry of Economy and Finance

On April 8, 2022, the one-year zero coupon rate was 5.2%, down slightly from 5.3% on December 31, 2021. After smoothing, it was 4.2% on April 8, 2022, compared with 4.6% on December 31, 2021. The 4-year zero coupon rate is the highest with a

value of 7.2% on April 8, 2022 compared to 7.5% on December 31, 2021. The following figures show the yield curves at the end of December 2021 and on April 8, 2022.

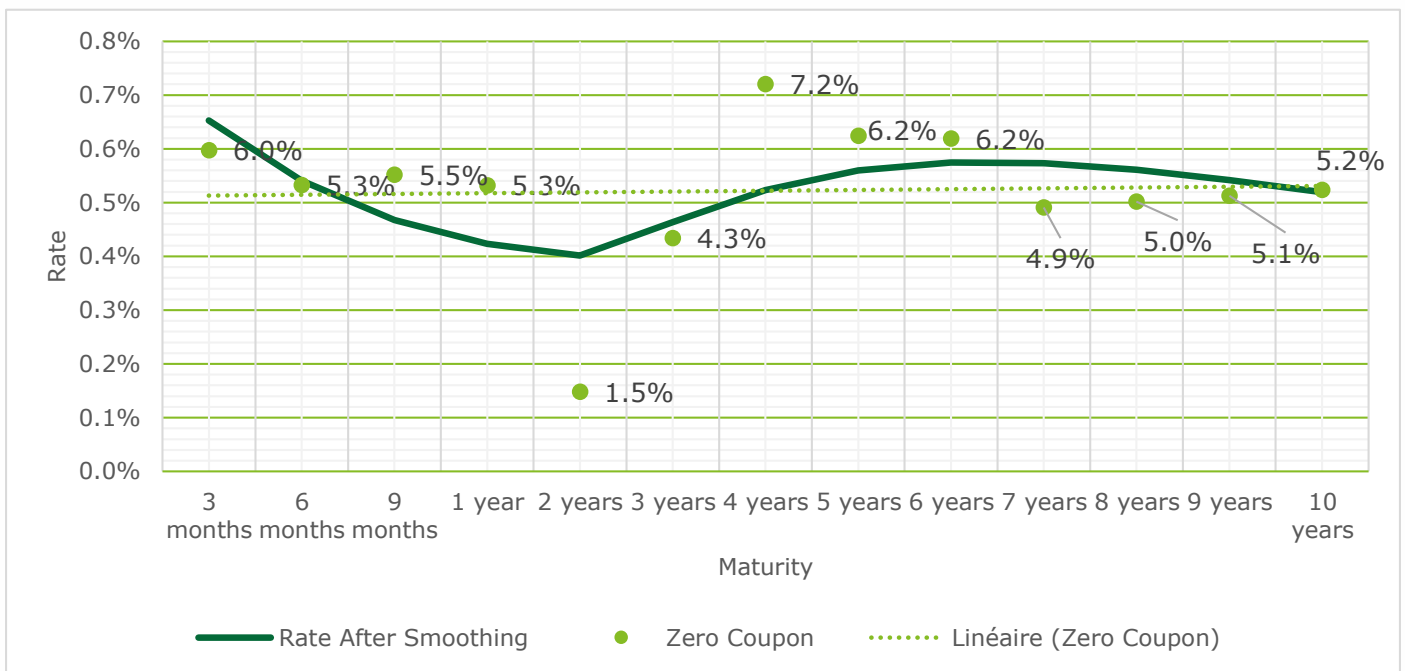
¹⁹ Backlogs to be released immediately

Figure 17. Rate curve as of December 31, 2021



Source: UT, January 2022

Figure 18. Rate curve as of April 08, 2022



Source: UT, April 2022

9.2. Debt Strategy and Sustainability

9.2.1 Description of the strategy

Debt and public debt management in Togo are governed by international, community and national texts.

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

At the community level, two regulations and three instructions have been issued by the West African Economic and Monetary Union (WAEMU), the Central Bank of West African States (BCEAO) and the Regional Council for Public Savings and Financial Markets (CREPMF) respectively. These are Regulations No. 09/2007/CM/WAEMU of July 4, 2007 on the reference framework for public debt policy and management in member states and No. 06/2013/CM/WAEMU of June 28, 2013 on treasury bills and bonds issued through auctions or syndication with the assistance of UMOA-Titres (WAMU Securities Agency). For the instructions, we note instruction n°011-09-2015 relating to the procedures of auction of treasury bills and bonds and instruction n°012-09-2015 of September 11, 2015 relating to the registration and circulation of treasury bills and bonds issued by auction with the assistance of UMOA-Titres (WAMU-Securities Agency) and instruction n°063/CREPMF/2020 of March 25, 2020 relating to the issuance of public securities on the WAMU regional financial market.

At the national level, debt management is governed by organic law n°2014-013 of June 27, 2014 on finance laws. The same is true of the annual finance laws that authorize the minister in charge of finance to contract domestic and external loans. In addition, Decree No. 2008-067/PR of July 21, 2008 on the creation, powers, and organization of the National

Public Debt Committee (CNDP) and Order No. 338/MEF/DGTCP/CAB of December 2, 2008 setting out the terms and conditions for referral to the CNDP provide a framework for debt management. Decree No. 2011-056/PR of May 4, 2011 sets the conditions for granting and managing State guarantees and endorsements.

The profile of the existing debt at the end of 2021 reveals the refinancing risk due to the maturities of the commitments contracted on the domestic market. This profile, coupled with the financing needs of the State's 2022 budget, requires the formulation of a strategy designed to meet the State's financing needs at a lower cost and with an acceptable level of risk without generating dysfunction in the State's cash management.

The debt strategy adopted for the period 2022-2024 emphasizes the need to extend the maturities of the public debt portfolio while contributing to the development of the WAEMU public securities market and the possibility of more active management of securities (buyback, exchange). This strategy aims to:

- Mobilization of resources from concessional external creditors and the issuance of relatively long-dated government securities on the regional financial market.
- Continued implementation by the Government of reforms with the aim of preserving the achievements of the program with the IMF and improving the quality of its policies and institutions to benefit from the new IDA19 (2021-2023) and ADF15 (2020-2023) facilities, as well as from grants from other partners to revive economic activity weakened by the health crisis caused by the COVID-19 pandemic.
- Mobilizing resources from external semi-concessional creditors such as Exim bank India, the Kuwait Development Fund, the Saudi Development Fund and the Khalifa Fund, whose projects are currently being implemented.

- The recourse to commercial debt with specialized organizations without degrading the moderate character of the external debt risk.
- The issuance by the Treasury of securities by way of auction with a maturity of 7 years, 10 years and more to extend the maturity of the domestic debt.

The present strategy would not fully reduce the refinancing risk associated with domestic debt because the lengthening of maturities remains gradual. Indeed, the average maturity of the total debt portfolio would fall from 6.35 years in 2021 to 5.63 years by 2025. The average maturity of the portfolio would be influenced mainly by the average maturity of the external debt, which would rise from 8.23 years in 2021 to 10.62 years in 2025.

Similarly, the average maturity of domestic debt would also increase to reduce refinancing risk, rising from 3.10 years in 2020 to 3.37 years in 2025, since an effort will be made to issue medium-term (5 years and over) government securities on the regional financial market. This average maturity is 5.23 years in 2021.

The reprofiling operation carried out in 2019 and 2020 also made it possible to increase the proportion of external debt in relation to total debt. This trend has been maintained in 2021. Indeed, the external debt to total debt is at 36.5% in 2021. This proportion will be 31.42% by 2025. Controlling the refinancing risk beyond 2021 requires the Treasury to actively manage the debt through mechanisms for buying back and exchanging securities. The buyback will take place when the Treasury has cash surpluses. The exchange of securities will allow the Treasury to issue long maturity securities to replace other securities that will mature 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)²⁰

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 revisions. It analyses both external and public sector debt. A rate of 5 percent 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 Debt Sustainability Analysis (DSA) update confirms Togo's moderate risk of external debt distress and high risk of overall debt distress-unchanged from the previous DSA released in November 2019. Although the mechanical results indicate a low risk of external over-indebtedness. This assessment was applied given the vulnerability of domestic debt. External debt distress 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 baseline scenario. This analysis highlights the need for sustained fiscal consolidation, improved 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 under either the baseline or the most extreme shock scenario. The PV of external debt is projected to reach 19.5 percent of GDP in 2020 and decline to about 12.8 percent of GDP in 2030 under the baseline scenario. The PV of external debt to exports is projected to reach 68.6 percent of GDP in 2020 and decline to 43.5 percent of GDP in 2030, well below its indicative threshold. Similarly, debt service indicators remain well below their threshold.

With respect to public debt, the overall risk of debt distress remains high, as the PV of total public debt remains above the indicative benchmark until 2022. In the baseline scenario, total public debt is projected to reach 67.1 percent of GDP in 2020, falling below 70 percent. By 2040, continued fiscal consolidation (primary surplus assumed at about 1 percent of GDP through 2029) coupled with favourable growth rates should significantly reduce domestic and guaranteed debt.

²⁰ The last DSA was in April 2020

In the most extreme shock scenario, the PV ratio of overall public debt to GDP would increase rapidly in 2021 and decline below the indicative benchmark in 2025. In the historical scenario, this ratio would remain above the indicative threshold throughout the

projection period. The IMF analysis underscores the need for sustained fiscal consolidation, better debt management to reduce the level of public debt to prudent levels over the medium term.

Table 55.

DSF Debt Threshold and Benchmarks

	Debt profiling scenario				
	External debt VA (%)		External debt service		Total Public Debt VA (%)
	GDP	Exportations	Exportations	Revenues	GDP
Average policy	40	180	15	18	55
2019	18.4	58.9	4.9	7.8	65.7
2020	19.5	68.6	4.8	6.9	61.4
2021	19.0	67.0	4.4	6.2	57.6
2022	18.5	65.1	5.1	7.2	54.1
2023	17.8	62.3	5.8	8.1	50.8
2024	17.0	59.0	6.3	8.9	47.6
2025	16.1	55.5	6.7	9.3	44.6
2030	12.8	43.5	4.6	5.7	30.6
2040	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 maintained at a moderate level, unchanged from the rating at the last DSA in November 2019. All external debt sustainability indicators are expected to remain below their indicative thresholds throughout the projection period (2020-2040) under the baseline scenario, and the most extreme stress test.

However, while these mechanical results indicate a low risk of external debt distress, the assessment considered vulnerabilities arising from high domestic debt leading to the assessment of a moderate risk of external debt distress. Such vulnerabilities could arise from risks related to local currency debt owed to non-residents (currently included as domestic

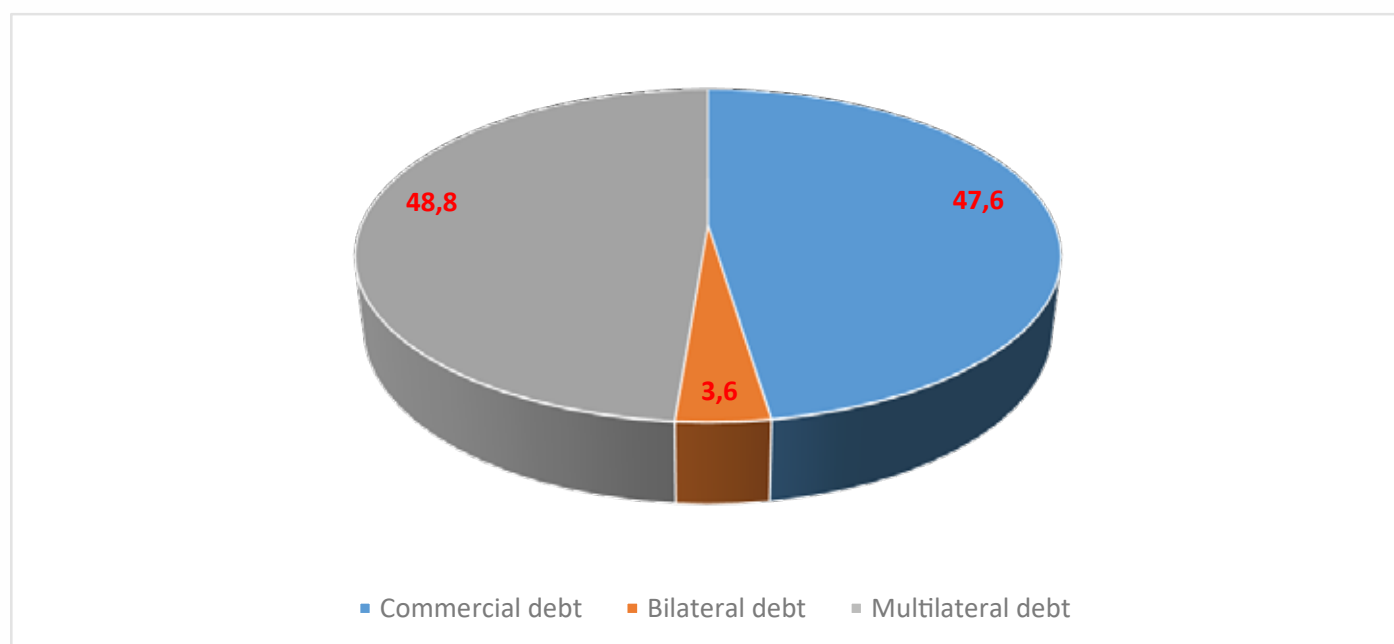
debt-defined on a monetary basis), possible debt revaluation operations, or the need to incur fiscal costs to facilitate the privatization of the two state-owned banks.

9.3. External debt

9.3.1 The holders

At the end of December 2021, outstanding public external debt amounted to CFAF 1,063.98 billion. It represented 36.53% of the total debt portfolio and 22.5% of nominal GDP and is made up of 46.6% commercial debt, 48.9% multilateral debt and 4.4% bilateral debt.

Figure 19. External debt by type of creditor in 2021



Source: Ministry of Economy and Finance, February 2022

Multilateral debt is estimated at CFAF 520.6 billion in 2021, compared with CFAF 478.4 billion in 2020. It represents the largest component of the total external debt portfolio based on the three (3) types of external creditors and is estimated at 11.0% of GDP. In terms of proportion, the Togolese government's commitments represent 18.84% of the external debt portfolio for the IMF, compared with 14.34% for IDA and 6.43% for the IDB.

Commercial debt comes second after multilateral debt with a value of CFAF 496.3 billion in 2021 against CFAF 467.2 billion. It represented 10.5% of nominal

GDP in 2021. Exim bank China (60.09%) is the main creditor, followed respectively by Société Générale (19.54%) and Bank of Tokyo-MUFG (12.89%) in the context of the reprofiling of domestic debt, then Exim bank India (6.54%) for this category of debt. It should be noted that Exim bank China's financing has made it possible to carry out major infrastructure works, the project to rehabilitate and extend the GNASSINGBE Eyadema International Airport and the development of bypass roads in Togo.

Table 56.

Distribution of public external debt by type of creditor in 2021

	Total Debt (Billions CFAF)	In % of total external debt	In % of nominal GDP
Total external debt	1064.0	100.0	22.5
Commercial Debt	496.3	46.6	10.5
Bilateral	47.1	4.4	1.0
Multilateral	520.6	48.9	11.0

Source: Ministry of Economy and Finance, February 2022

Bilateral debt represents the last component of the external debt portfolio with a value of CFAF 47.1 billion, representing a share of 4.4% of the said debt and 1.0% of GDP in 2021.

9.3.2 Status of external debt payments

External debt service includes principal and interest, plus fees. It has fluctuated up and down since 2016. At the end of December 2021, debt service

amounted to CFAF 39.05 billion, compared with CFAF 33.25 billion a year earlier, representing an increase of 17.5%, largely due to the principal of the debt. Indeed, the principal in 2021 recorded an increase of 24.4% to CFAF 24.08 billion compared to CFAF 19.35 billion in 2020. The interest, more commissions, recorded an increase of 7.8% to 14.98 billion CFAF against 13.90 billion CFAF a year earlier. It is important to note that the figures refer to debt service payments made, including early repayments.

Table 57.

Actual external debt service payments²¹
by type of creditor (in billions of CFAF)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
							Projection		
Official bilateral creditors	10.3	11	4.3	10	1.43	2.77	4.38	3.99	4.73
Principal	9.7	9.3	3.4	9.4	1.06	2.08	3.39	2.69	3.28
Interest/Commission	0.5	1.7	0.9	0.7	0.36	0.69	0.99	1.30	1.44
Multilateral receivables	20.2	22.5	20.8	16.6	10.57	8.45	14.15	24.28	32.66
Principal	18	20.6	19.2	14.6	8.30	5.61	10.35	20.74	28.54
Interest/Commission	2.1	1.8	1.7	1.9	2.27	2.84	3.79	3.54	4.12
Commercial banks	10	16.8	17.1	20.6	21.25	27.83	58.74	58.45	57.89
Principal	3.8	10.4	11.1	14.4	9.99	16.39	46.13	46.29	47.19
Interest/Commission	6.2	6.4	6	6.2	11.27	11.44	12.61	12.16	10.70
TOTAL	40.5	50.3	42.2	47.2	33.25	39.05	77.27	86.73	95.28
Total Principal	31.5	40.3	33.7	38.4	19.35	24.08	59.87	69.72	79.01
Total Interest /Commission	8.8	9.9	8.6	8.8	13.90	14.98	17.40	17.01	16.27

Source: Ministry of Economy and Finance, February 2022

Analysis by creditor shows that commercial debt service has largely driven the increase in external debt service. On the other hand, multilateral debt service fell to CFAF 8.45 billion in 2021, compared with CFAF 10.57 billion a year earlier.

Furthermore, as part of the debt service suspension initiative (ISSD) in response to the Covid-19 pandemic, a second phase of the ISSD, after the one for 2020, has been validated for the year 2021. To this end, Togo has benefited from this initiative with AFD and the Saudi Fund for the entire year 2021 and with Exim bank China for the first half of 2021. The amount of debt service that was subject to the moratorium is estimated at CFAF 12.36 billion, of

which CFAF 11.72 billion was rescheduled and CFAF 0.64 billion was cancelled (IMF). Paris Club creditors will continue to coordinate closely with other stakeholders in the implementation of this initiative, particularly when considering further extension of the suspension period.

In terms of projections, external debt service is expected to amount to CFAF 77.27 billion in 2022, including CFAF 59.87 billion in principal and CFAF 17.40 billion in interest and fees. By 2024, external debt service will amount to CFAF 95.28 billion. It will be made up of CFAF 79.01 billion in principal and CFAF 16.27 billion in interest and commissions.

²¹ Spot exchange rate

9.3.3 Debt currencies

The breakdown of external debt by currency in 2021 shows that the euro is the leading currency in which this debt is denominated. Indeed, 29.5% of

the external debt is denominated in Euros, followed by the debt denominated in CFAF (18.8%). Debt denominated in U.S. dollars (18.6 percent) and yuan renminbi (16.5 percent) are the most important after the euro and the franc CFA.

Table 58. Outstanding public external debt by currency as of

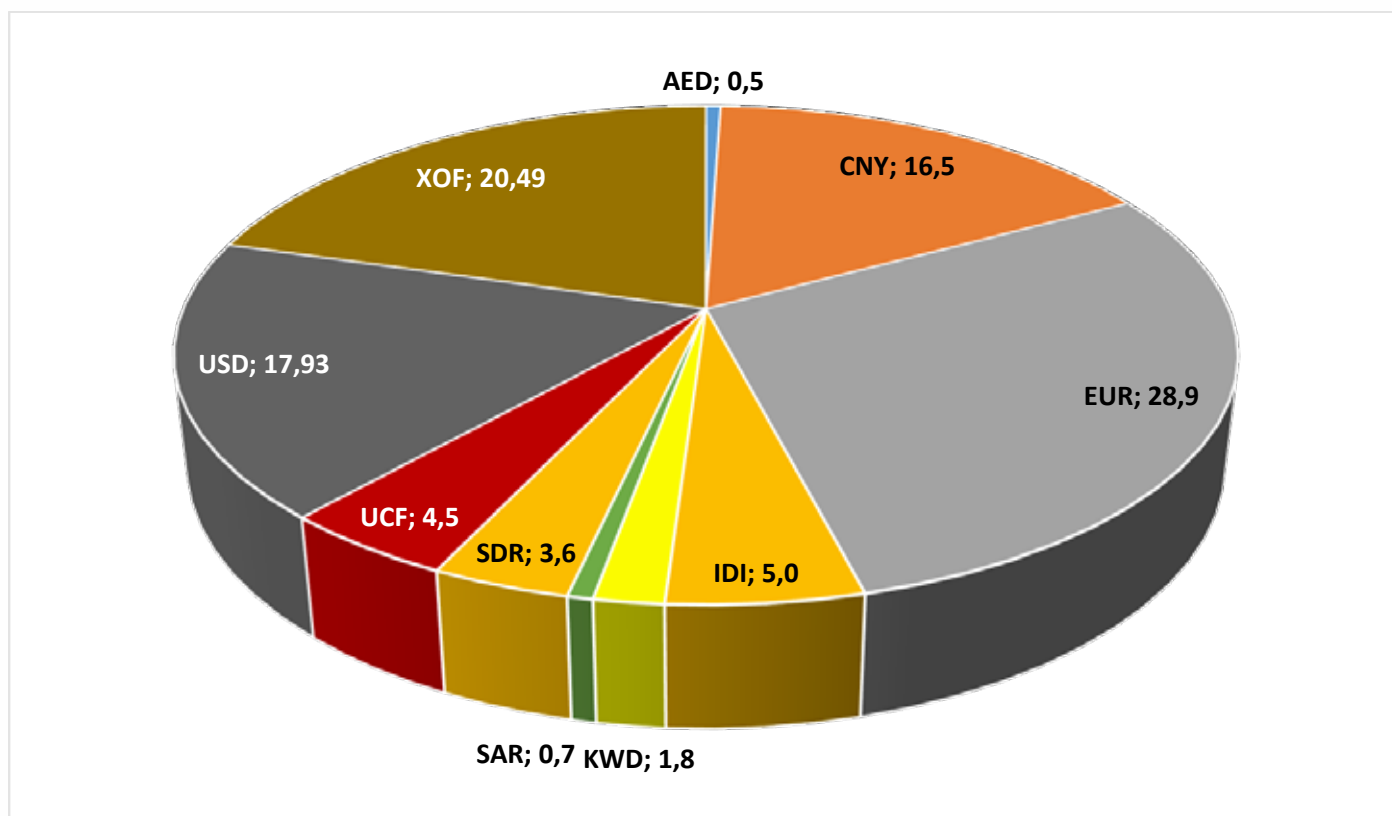
	Total debt originally denominated in this currency	CFAF exchange rate at December 31, 2021	Total debt expressed in francs CFA	Exchange rates in EUR at December 31, 2021**	Total debt expressed in EURO	Debt distribution by currency (%)
AED	55 095 001.16	157.449	8 674 660 000	0.240	13 244 838	0.8
CNY	1 933 108 522.71	90.769	175 465 446 000	0.139	268 702 085	16.5
EUR	478 629 364.08	655.951	313 957 410 000	1.000	478 629 364	29.5
IDI	63 497 102.12	809.290	51 387 560 000	1.234	78 339 830	4.8
KWD	10 237 082.08	1 911.511	19 568 290 000	2.915	29 836 999	1.8
SAR	44 638 022.77	154.195	6 882 968 000	0.235	10 507 791	0.6
SDR	49 719 183.06	809.290	40 237 230 000	1.234	61 341 262	3.8
UCF	61 659 908.68	809.290	49 900 738 000	1.234	76 073 185	4.7
USD	341 525 946.17	578.232	197 481 207 000	0.883	301 533 258	18.6
XOF	200 419 876 000	1.000	200 419 876 000	0.002	305 540 926	18.8
TOTAL	-		1 063 975 385 000		1 623 749 538	100.0

Source: Ministry of Economy and Finance/ *SYGADE 6.0 ** <https://fxtop.com/> , February 2022

Despite the fact that debt denominated in euros, which is a currency that does not fluctuate against the CFAF, and debt denominated in CFAF account for 48.3% of the external debt portfolio, and that IMF assistance in SDRs, which accounts for 18.84% of the external debt, has no effect on the exchange rate because of the agreement signed between the BCEAO and the State, the external debt is

still influenced by fluctuations in certain major currencies, such as the U.S. dollar and the renminbi yuan (CNY). However, the refinancing risk is low for external debt, given the long maturity of this type of financing, which are bilateral loans. This category of debt occupies a small share, 4.42% of the external debt portfolio. Togo's main bilateral creditor is the Kuwait Fund (41.57%).

Figure 20. Distribution of debt by currency in 2021 (%)



Source: Ministry of Economy and Finance, February 2022

9.4. Domestic debt

The outstanding domestic public debt in 2021 amounted to CFAF 1,848.50 billion, compared with CFAF 1,574.17 billion a year earlier, an increase of 17.43% due to the mobilization of public securities and the disbursement of SDRs. As a percentage of nominal GDP, the outstanding domestic debt in 2021 represented 39.2%.

9.4.1 Presentation of the situation as of December 31, 2021

Domestic debt outstanding is composed of 82.4 percent of debt securities, mainly treasury bonds issued on the WAEMU regional financial market. As a percentage of GDP, debt securities represented 32.7%. The total amount of gross issues on the regional market came to CFAF 557.00 billion for 2021, including an intra-year bond of CFAF 27.50 billion, up 18.93% on 2020.

Table 59.

Details of the domestic public debt stock as of December 31, 2021

	Domestic debt by value (Billions of CFAF)	Domestic debt as % of total domestic debt	Domestic debt as % of nominal GDP in year 2021
Total domestic debt	1 848.50	100.0	39.2
Securities	1 524.00	82.4	32.3
Treasury bills	0.00	0.0	0.0
Treasury bonds	1524.00	82.4	32.3
Bank loans	282.83	15.3	6.0
DTS Allowances	111.7	6.0	2.4
BOAD, Ecobank and IBBANK	171.1	9.3	3.6
Backlog	41.67	2.3	0.9

Source: Ministry of Economy and Finance, February 2022

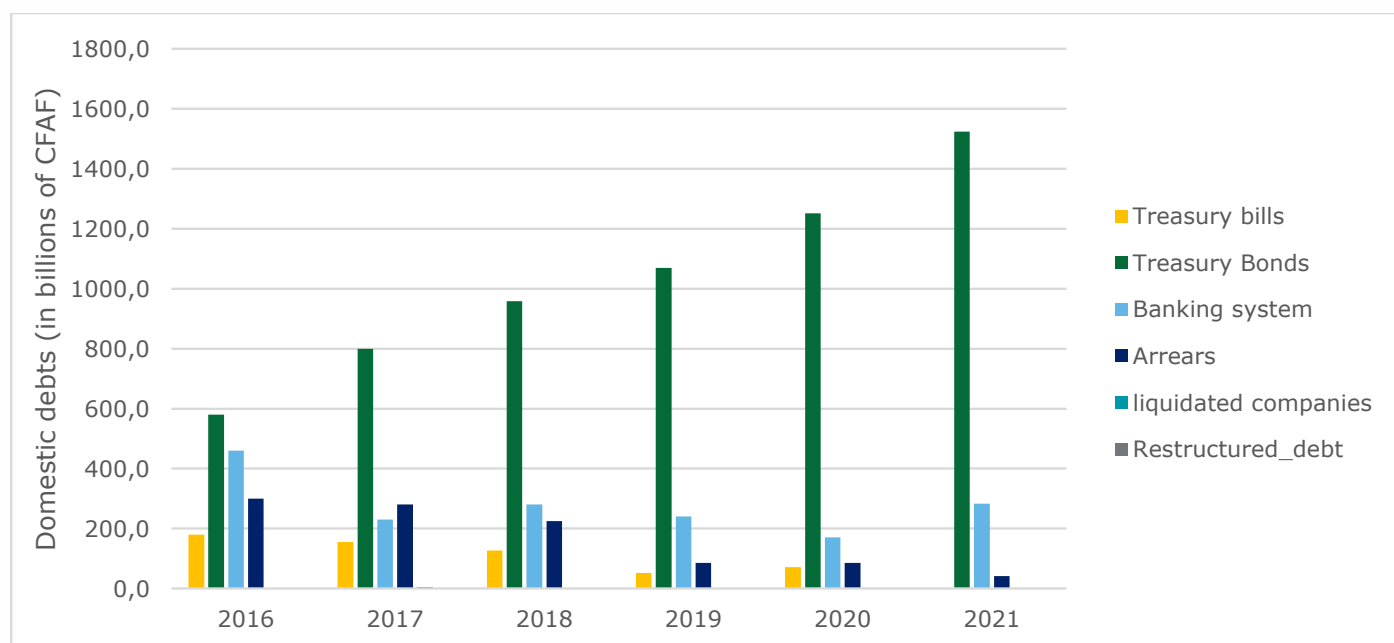
Loans from the banking sector amounted to CFAF 282.83 billion, or 15.3 percent of outstanding domestic debt and 6.0 percent of GDP. Consolidated arrears audited by KPMG and the debt of liquidated state-owned companies amounted to CFAF 41.67 billion. They represented 2.3% of domestic debt and 0.9% of GDP.

9.4.2 Domestic debt composition

Domestic debt can be divided into two main categories. Arrears and the so-called "conventional"

debt. Domestic debt is dominated by conventional debt throughout the period under review. The latter includes debt securities, bank loans and debts of companies and restructured debts. Over the period under review, debt securities dominate conventional debt, accounting for 84.3 percent in 2021 compared with 89.0 percent in 2020 and 62.3 percent in 2016. In nominal terms, debt securities, dominated by treasury bonds, rose from CFAF 1,323.3 billion in 2020 to CFAF 1,524.0 billion in 2021.

Figure 21. Domestic public debt stock from 2016 to 2021



Source: Ministry of Economy and Finance, February 2022

Bank loans constitute the second item, which feeds the conventional debt. They fell in 2019 and 2020 before rising in 2021 to CFAF 282.8 billion compared with CFAF 165.5 billion in 2020. They represented 15.7% of the conventional debt in 2021 compared with 11.1% in 2020 and 37.7% in 2016.

Arrears are estimated at CFAF 41.67 billion in 2021 compared with CFAF 85.44 billion in 2020.

9.4.3 Status of domestic debt payments

Domestic debt payments for 2021 amounted to CFAF 467.3 billion compared to CFAF 448.4 billion, an increase of 4.2% driven by the principal (+5.6%). The principal of the debt stood at CFAF 382.4 billion in 2021 compared with CFAF 362.3 billion a year earlier. In 2021, the principal represents 81.8% of debt service, compared with 18.2% for interest and commissions.

Table 60.

Central government domestic debt service payments by type of instrument (CFAF billion)

Libellés	2016	2017	2018	2019	2020	2021
Items	303.33	247.62	26.1	83.9	132.3	13.5
Principal	263.36	237.67	16.4	74.3	119.4	9.8
Interests + Commissions	39.98	9.95	9.7	9.6	12.9	3.7
Debt securities	212.85	277.41	305.0	352.0	316.1	409.9
Principal	191.67	248.87	252.9	284.6	242.8	328.8
Interests + Commissions	21.18	28.53	52.1	67.4	73.3	81.1
Other accounts payable	53.39	24.37	171.3	34.5	0.0	43.8
Principal	53.39	24.37	171.3	34.5	0.0	43.8
Interests + Commissions	0	0.00	0.0	0.0	0.0	0.0
TOTAL	569.57	549.39	502.4	470.4	448.4	467.2
Principal	508.42	510.90	440.6	393.4	362.3	382.4
Interests + Commissions	61.16	38.48	61.8	77.0	86.2	84.8

Source: Ministry of Economy and Finance, February 2022

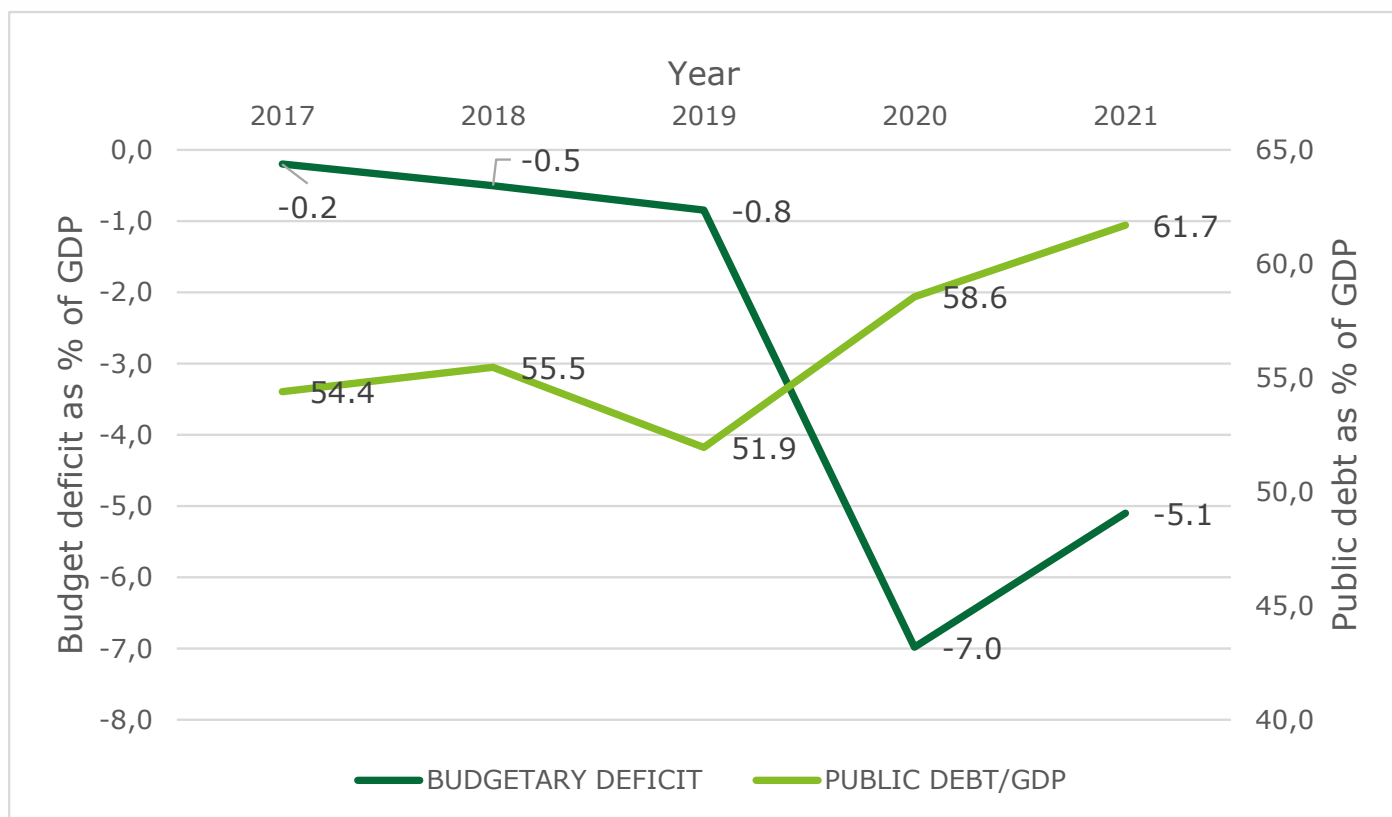
Debt instruments, including Treasury bonds and bills, make up the bulk of debt service. In fact, these securities accounted for 87.7% of total debt service in 2021 compared to 2.9% for loans and 9.4% for other accounts payable.

9.5. Viability and sustainability

Togo's budget balance improved slightly in 2021 from its 2020 level, which had deteriorated because of increased public spending due to the response to the Covid-19 pandemic. The budget deficit fell to 5.1 percent of GDP from 7.0 percent of GDP in 2020.

As in 2020, the outstanding debt in 2021 increased because of the mobilization of resources on the sub-regional and international markets to cover funding needs for the same year, on the one hand, in response to the continued fight against the Covid-19 pandemic and, on the other hand, in connection with the financing of the major works included in the government's roadmap. The public debt ratio has thus increased from 58.6% in 2020 to 61.7% in 2021. Despite its increase, the outstanding public debt/GDP ratio is below the EU standard of 70%.

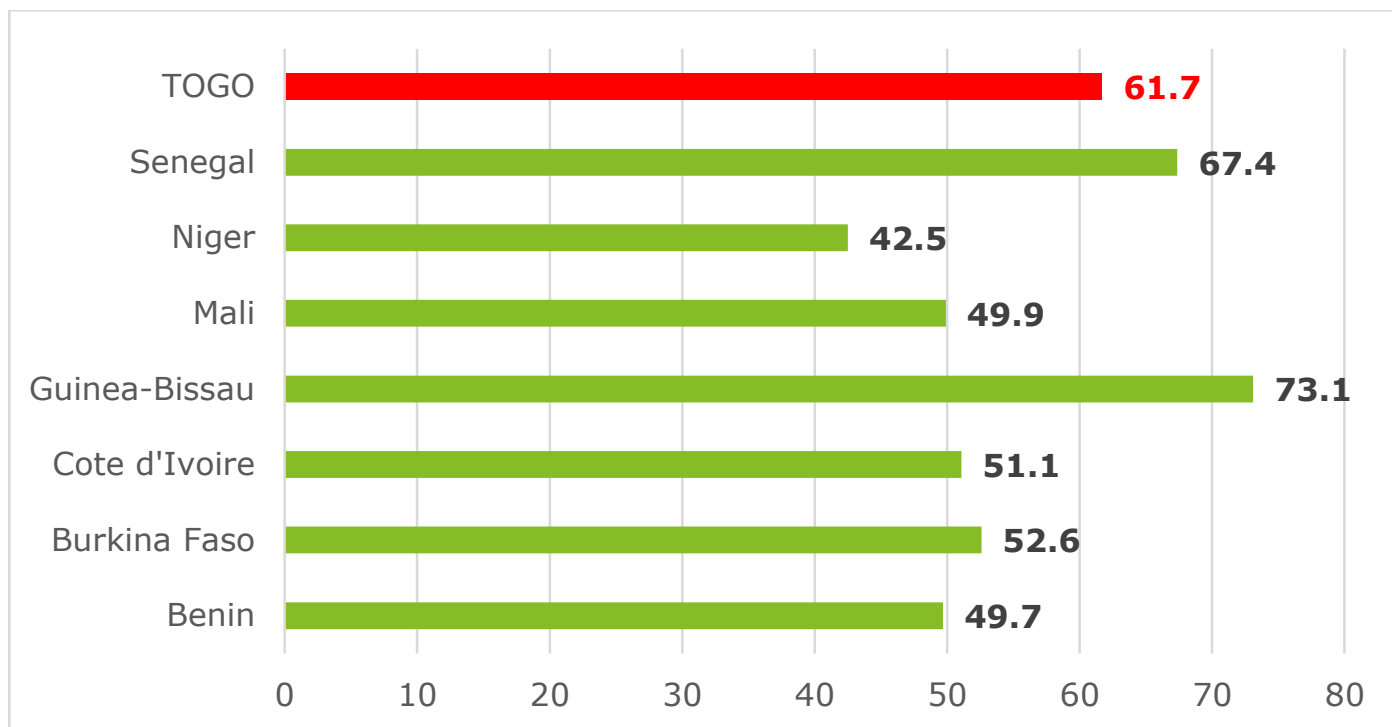
Figure 22. Budget deficit and outstanding public debt (as a percentage of GDP)



Source: CP-SPRPF, Ministry of Economy and Finance, February 2022

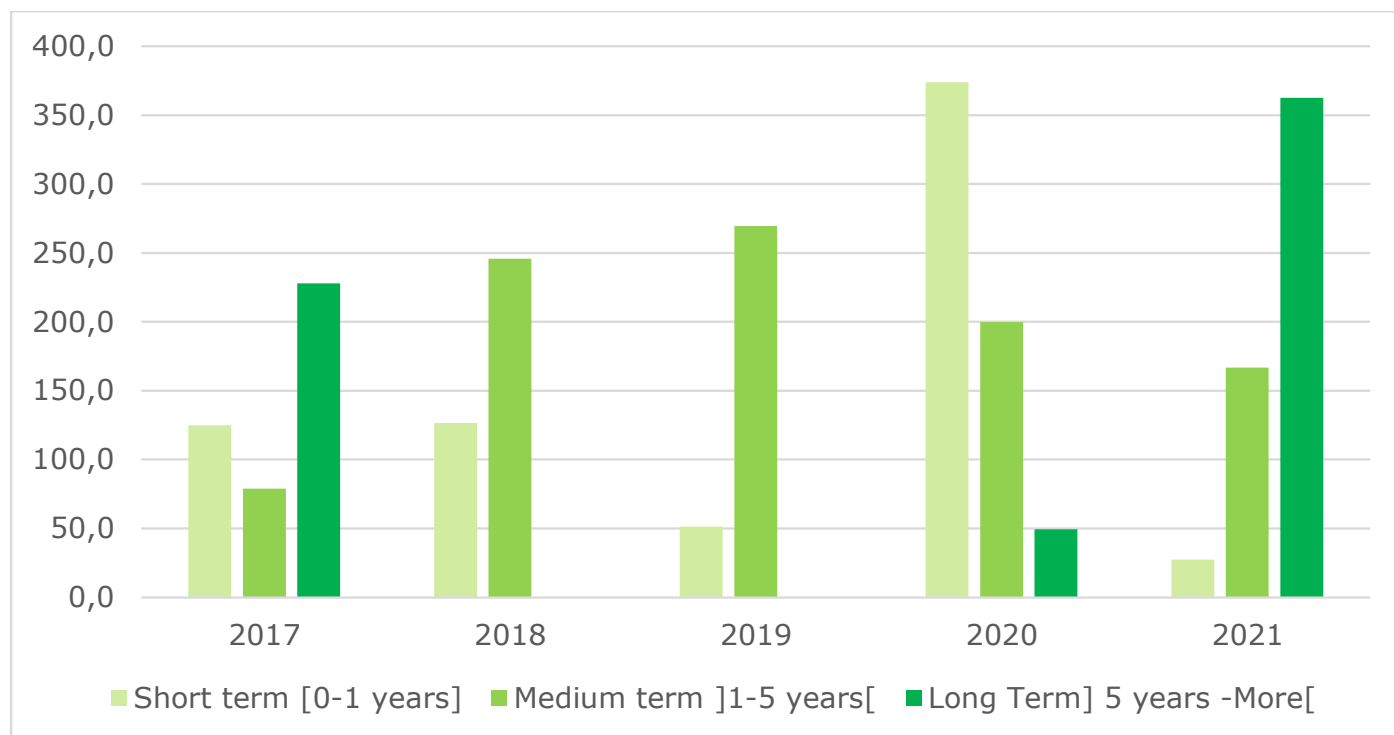
A comparative analysis of public debt as a percentage of GDP in WAEMU countries shows Togo as the third most indebted country after Senegal and Guinea-Bissau.

Figure 23. Public debt to GDP ratio within WAEMU in 2021



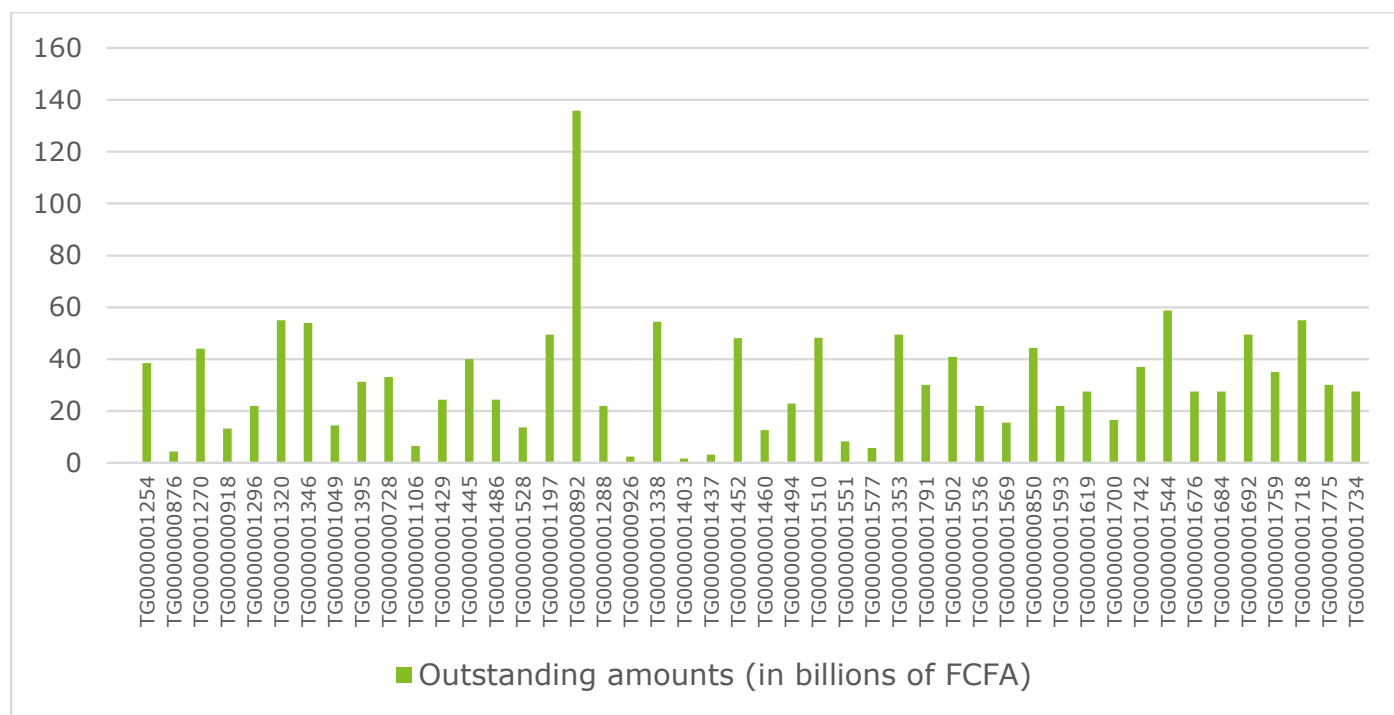
Source: UEMOA - Report on Multilateral Surveillance, DGEAE (August 2022)

Figure 24. Details of the country's issues from 2017 to 2021



Source: UT, February 2022

Figure 25. Outstanding securities as of April 16, 2022



Source: UT, April 2022

Table 61.

Details of issues from 2014 to March 18, 2022

Issuer	Instrument	Details	Operation date	Value date	Maturity	Maturity	Deferred (year)	Amount (CFAP millions)	Amount submitted (CFAP millions)	Amount retained (CFAP millions)	ISIN	Weighted Average Return
Togo	OAT		18/03/2022	21/03/2022	21/03/2027	60	--	30000	104076	30000	TG00000001791	4.9
Togo	OAT		04/03/2022	07/03/2022	07/03/2037	--	--	30000	57211.9	30000	TG00000001775	6.1
Togo	OAT		04/02/2022	07/02/2022	07/02/2032	120	--	35000	69834.55	35000	TG00000001759	5.8
Togo	OAT		21/01/2022	24/01/2022	24/01/2029	84	--	35000	84008	37000	TG00000001742	5.0
Togo	BAT		07/01/2022	10/01/2022	10/07/2022	6	--	25000	77188	27500	TG00000001734	2.8
Togo	OAT	ODR	19/11/2021	22/11/2021	22/11/2036	180	--	50000	132639.08	55000	TG00000001718	6.2
Togo ES (Security 1)	OAT	ODR	17/09/2021	20/09/2021	20/09/2028	84	--	60000	33012	16500	TG00000001700	5.4
Togo ES (Security 2)	OAT	ODR	17/09/2021	20/09/2021	20/09/2031	120	--	60000	120141	49500	TG00000001692	5.7
Togo	OAT	ODR	20/08/2021	23/08/2021	23/08/2031	120	--	25000	120982.75	27500	TG00000001684	6.0
Togo	OAT	ODR	23/07/2021	26/07/2021	26/07/2031	120	--	25000	86705.43	27500	TG00000001676	6.2
Togo	OAT	ODR	11/06/2021	14/06/2021	14/06/2028	84	--	25000	61362	27500	TG00000001619	5.9
Togo	OAT	ODR	28/05/2021	31/05/2021	03/05/2026	60	--	25000	92508.51	27500	TG00000001577	5.7
Togo	OAT	ODR	21/05/2021	25/05/2021	25/05/2028	84	--	20000	56759	22000	TG00000001593	6.0
Togo	OAT	ODR	30/04/2021	03/05/2021	03/05/2026	60	--	20000	52515	22000	TG00000001577	5.7
Togo ES (Security 1)	OAT	ODR	16/04/2021	19/04/2021	19/04/2021	60	--	75000	67811.08	8250	TG00000001551	5.8
Togo ES (Security 2)	OAT	ODR	16/04/2021	19/04/2021	19/04/2028	84	--	75000	44334.59	15512.94	TG00000001569	6.1
Togo ES (Security 3)	OAT	ODR	16/04/2021	19/04/2021	19/04/2031	120	--	75000	86737.06	58737.06	TG00000001544	6.3
Togo	OAT	ODR	19/03/2021	22/03/2021	22/03/2028	84	--	20000	53708.83	22000	TG00000001536	6.2
Togo ES (Security 1)	OAT	ODR	05/03/2021	08/03/2021	08/03/2024	36	--	40000	39055	13700	TG00000001528	5.6
Togo ES (Security 2)	OAT	ODR	05/03/2021	08/03/2021	22/02/2026	60	--	40000	109330.66	26300	TG00000001510	6.0
Togo	OAT	ODR	19/02/2021	22/02/2021	22/02/2026	60	--	20000	112696.58	22000	TG00000001510	6.0
Togo ES (Security 1)	OAT		22/01/2021	25/01/2021	25/01/2024	36	--	80000	76297.49	24365.97	TG00000001486	6.1
Togo ES (Security 2)	OAT		22/01/2021	25/01/2021	25/01/2026	60	--	80000	52050.04	22785.04	TG00000001494	6.4
Togo ES (Security 3)	OAT		22/01/2021	25/01/2021	25/01/2028	84	--	80000	73618.99	40848.99	TG00000001502	6.5
Togo	BAT		08/01/2021	11/01/2021	11/07/2021	6	--	25000	39300	27500	TG00000001478	4.2
Togo ES (Security 1)	OAT		27/11/2020	30/11/2020	26/10/2025	60	--	20000	36501	9285	TG00000001460	6.3
Togo ES (Security 2)	OAT		27/11/2020	30/11/2020	16/03/2027	84	--	20000	23338.95	12715	TG00000001353	6.5
Togo ES (Security 1)	OAT		23/10/2020	26/10/2020	26/10/2025	60	--	25000	56464.59	3285.71	TG00000001460	6.2
Togo ES (Security 2)	OAT		23/10/2020	26/10/2020	16/03/2027	84	--	25000	38470.67	24214.29	TG00000001353	6.5
Togo	OAT		25/09/2020	28/09/2020	24/08/2025	60	--	25000	71199.06	27500	TG00000001452	6.4
Togo	OAT		11/09/2020	14/09/2020	24/08/2023	36	--	25000	69503.07	27500	TG00000001445	6.2
Togo ES (Security 1)	OAT		21/08/2020	24/08/2020	24/08/2023	36	--	30000	50614.89	12457.54	TG00000001445	6.3
Togo ES (Security 2)	OAT		21/08/2020	24/08/2020	24/08/2025	60	--	30000	26037.46	20542.46	TG00000001452	6.5
Togo	BAT	Bons Covid-19	13/08/2020	14/08/2020	12/11/2020	3	--	70000	160900	70000	TG00000001411	2.3
Togo ES (Security 1)	OAT		10/08/2020	11/08/2020	11/08/2023	36	--	25000	28042.93	24300	TG00000001429	6.6
Togo ES (Security 2)	OAT		10/08/2020	11/08/2020	11/08/2025	60	--	25000	8547	3200	TG00000001437	6.6
Togo ES (Security 1)	OAT		10/07/2020	13/07/2020	13/07/2023	36	--	30000	40456.9	31306.9	TG00000001395	6.5
Togo ES (Security 2)	OAT		10/07/2020	13/07/2020	13/07/2025	60	--	30000	26953.1	1622.5	TG00000001403	6.6
Togo	BAT		05/06/2020	08/06/2020	06/06/2021	12	--	20000	26318	21818	TG00000001387	5.1
Togo	BAT	Bons COVID-19	14/05/2020	15/05/2020	13/08/2020	3	--	108000	224000	108000	TG00000001379	2.8
Togo ES (Security 1)	OAT		08/05/2020	11/05/2020	16/03/2023	36	--	35000	22383.4	22383.4	TG00000001346	6.1
Togo ES (Security 2)	OAT		08/05/2020	11/05/2020	02/03/2025	60	--	35000	22349	16116.6	TG00000001338	6.5
Togo	BAT		17/04/2020	20/04/2020	18/04/2021	12	--	20000	29003	22000	TG00000001361	5.3
Togo ES (Security 1)	OAT		13/03/2020	16/03/2020	16/03/2023	36	--	50000	48080.3	31610.3	TG00000001346	6.2
Togo ES (Security 2)	OAT		13/03/2020	16/03/2020	02/03/2025	60	--	50000	11819.72	10819.72	TG00000001338	6.5

Togo ES (Security 3)	OAT		13/03/2020	16/03/2020	16/03/2027	84	--	50000	15866.91	12528.45	TG00000001353	6.8
Togo	OAT		28/02/2020	02/03/2020	02/03/2025	60	--	25000	56185.61	27500	TG00000001338	6.4
Togo	OAT		14/02/2020	17/02/2020	03/02/2023	36	--	25000	52838	27500	TG00000001320	6.1
Togo	OAT		31/01/2020	03/02/2020	03/02/2023	36	--	25000	74052.5	27500	TG00000001320	6.1
Togo	BAT		17/01/2020	20/01/2020	17/01/2021	12	--	25000	69134	27500	TG00000001312	5.2
Togo	OAT		04/10/2019	07/10/2019	07/10/2022	36	--	20000	47340.88	22000	TG00000001296	6.4
Togo	OAT		06/09/2019	09/09/2019	09/09/2024	60	--	20000	48465.59	22000	TG00000001288	6.6
Togo	OAT		09/08/2019	13/08/2019	15/07/2022	36	--	20000	29557.29	22000	TG00000001270	6.6
Togo	OAT		26/07/2019	29/07/2019	11/03/2024	60	--	20000	37525.45	22000	TG00000001197	6.7
Togo	OAT		12/07/2019	15/07/2019	15/07/2022	36	--	20000	43060.35	22000	TG00000001270	6.5
Togo	OAT		28/06/2019	01/07/2019	03/06/2022	36	--	20000	40205.3	22000	TG00000001254	6.6
Togo	BAT		14/06/2019	17/06/2019	14/06/2020	12	--	20000	21354	15729	TG00000001262	6.2
Togo	OAT		31/05/2019	03/06/2019	03/06/2022	36	--	15000	41788.81	16500	TG00000001254	6.3
Togo	OAT		17/05/2019	20/05/2019	11/03/2024	60	--	20000	62070.29	22000	TG00000001197	6.6
Togo	BAT		19/04/2019	23/04/2019	20/04/2020	12	--	20000	77135	22000	TG00000001247	6.0
Togo	OAT		05/04/2019	08/04/2019	11/03/2022	36	--	20000	77238.84	22000	TG00000001205	7.2
Togo ES (Security 1)	OAT		08/03/2019	11/03/2019	11/03/2022	36	--	20000	19780.21	16587.71	TG00000001205	7.3
Togo ES (Security 2)	OAT		08/03/2019	11/03/2019	11/03/2024	60	--	20000	5814.65	5412.29	TG00000001197	7.3
Togo	OAT		22/02/2019	25/02/2019	23/04/2021	36	--	15000	35678.71	13000	TG00000001064	7.9
Togo	OAT		08/02/2019	11/02/2019	11/02/2022	36	--	20000	27846.75	20000	TG00000001189	7.6
Togo	OAT		25/01/2019	28/01/2019	28/01/2022	36	--	20000	36093.77	22000	TG00000001171	7.4
Togo	BAT		10/01/2019	11/01/2019	09/01/2020	12	--	20000	18625	13625	TG00000001163	6.9
Togo ES (Security 1)	OAT		26/10/2018	29/10/2018	20/09/2020	36	--	50000	23259.3	21030	TG00000000900	7.8
Togo ES (Security 2)	OAT		26/10/2018	29/10/2018	20/09/2022	60	--	50000	4047.59	4047.59	TG00000000918	7.5
Togo	BAT		12/10/2018	15/10/2018	13/10/2019	12	--	25000	25534	24134	TG00000001155	6.6
Togo	BAT		28/09/2018	01/10/2018	29/09/2019	12	--	20000	16925	16925	TG00000001148	6.5
Togo	OAT		31/08/2018	03/09/2018	03/09/2021	36	--	20000	29318	21218	TG00000001122	7.6
Togo	OAT		17/08/2018	20/08/2018	21/04/2020	36	--	20000	17096.7	14451.7	TG00000000785	7.9
Togo ES (Security 1)	OAT		20/07/2018	23/07/2018	23/07/2021	36	--	50000	51040.72	48550	TG00000001114	7.6
Togo ES (Security 2)	OAT		20/07/2018	23/07/2018	23/07/2023	60	--	50000	6450	6450	TG00000001106	7.4
Togo	BAT		22/06/2018	25/06/2018	23/06/2019	12	--	20000	22536	21536	TG00000001098	6.8
Togo	OAT		08/06/2018	11/06/2018	11/06/2021	36	--	20000	14565.6	14565.6	TG00000001080	7.8
Togo	BAT		04/05/2018	07/05/2018	05/05/2019	12	--	20000	24737	22000	TG00000001072	6.9
Togo	OAT		20/04/2018	23/04/2018	23/04/2021	36	--	15000	17215.25	15715.25	TG00000001064	7.5
Togo	OAT		30/03/2018	03/04/2018	03/04/2023	60	2	20000	21718.18	21604.5	TG00000001049	7.6
Togo	BAT		16/03/2018	19/03/2018	17/03/2019	12	--	20000	17820	17820	TG00000001031	7.1
Togo	OAT		02/03/2018	05/03/2018	29/01/2021	36	--	20000	3306.2	0	TG00000001015	0.0
Togo	BAT		16/02/2018	19/02/2018	17/02/2019	12	--	20000	19063	19063	TG00000001023	7.0
Togo	OAT		26/01/2018	29/01/2018	29/01/2021	36	--	15000	16092.94	16040.01	TG00000001015	7.7
Togo	BAT		12/01/2018	15/01/2018	13/01/2019	12	--	15000	5132	5132	TG00000001007	7.2
Togo ES (Security 1)	BAT		29/11/2017	30/11/2017	28/11/2018	12	--	15000	3150	2925	TG00000000983	6.7
Togo ES (Security 2)	OAT		29/11/2017	30/11/2017	15/11/2020	36	--	15000	12221	12221	TG00000000967	7.8
Togo ES (Security 1)	BAT		20/11/2017	21/11/2017	29/05/2018	6	--	15000	7000	7000	TG00000000835	6.4
Togo ES (Security 2)	OAT		20/11/2017	21/11/2017	15/11/2020	36	--	15000	6845	6845	TG00000000967	7.7
Togo ES (Security 1)	BAT		14/11/2017	15/11/2017	14/02/2018	3	--	25000	21532	18418	TG00000000975	6.0
Togo ES (Security 2)	OAT		14/11/2017	15/11/2017	15/11/2020	36	--	25000	10757.59	9081.59	TG00000000967	7.6
Togo ES (Security 1)	BAT		03/11/2017	06/11/2017	10/10/2018	11	--	25000	1000	1000	TG00000000942	6.4
Togo ES (Security 2)	OAT		03/11/2017	06/11/2017	06/11/2020	36	--	25000	10571.43	10571.43	TG00000000959	7.7
Togo	BAT		11/10/2017	12/10/2017	10/10/2018	12	--	25000	14262	13402	TG00000000942	6.2
Togo ES (Security 1)	OAT		19/09/2017	20/09/2017	20/09/2020	36	--	30000	4925	4924	TG00000000900	7.4
Togo ES (Security 2)	OAT		19/09/2017	20/09/2017	20/09/2022	60	--	30000	9000	9000	TG00000000918	7.4
Togo ES (Security 3)	OAT		19/09/2017	20/09/2017	20/09/2024	84	5	30000	2421.5	2421.5	TG00000000926	7.3

Togo	OAT		08/08/2017	09/08/2017	09/08/2024	84	3	166000	182051.15	181051.15	TG0000000892	7.0
Togo	BAT		17/07/2017	18/07/2017	16/10/2017	3	--	25000	37820	27500	TG0000000884	6.0
Togo ES (Security 1)	OAT		04/07/2017	05/07/2017	05/07/2020	36	--	30000	615	0	TG0000000868	0.0
Togo ES (Security 2)	OAT		04/07/2017	05/07/2017	05/07/2022	60	3	30000	9656.01	8656.01	TG0000000876	7.1
Togo ES (Security 1)	BAT		30/05/2017	31/05/2017	29/05/2018	12	--	60000	9565	9565	TG0000000835	6.9
Togo ES (Security 2)	OAT		30/05/2017	31/05/2017	31/05/2020	36		60000	1659	0	TG0000000843	0.0
Togo ES (Security 3)	OAT		30/05/2017	31/05/2017	31/05/2028	132	5	60000	45739.73	44339.73	TG0000000850	7.3
Togo ES (Security 1)	BAT		22/05/2017	23/05/2017	21/08/2017	3	--	25000	875	0	TG0000000819	0.0
Togo ES (Security 2)	BAT		22/05/2017	23/05/2017	20/11/2017	6	--	25000	18000	18000	TG0000000827	6.6
Togo ES (Security 3)	OAT		22/05/2017	23/05/2017	21/04/2020	36	--	25000	1925	0	TG0000000785	0.0
Togo ES (Security 1)	BAT		20/04/2017	21/04/2017	19/10/2017	6	--	20000	5150	5150	TG0000000793	6.1
Togo ES (Security 2)	OAT		20/04/2017	21/04/2017	21/04/2020	36	--	20000	7466	7466	TG0000000785	7.6
Togo	OAT		08/02/2017	09/02/2017	09/02/2020	36	--	25000	12255.5	10055.5	TG0000000777	7.0
Togo ES (Security 1)	BAT		05/01/2017	06/01/2017	06/07/2017	6	--	20000	24914	22000	TG0000000769	6.1
Togo ES (Security 2)	OAT		05/01/2017	06/01/2017	06/01/2020	36	--	20000	0	0	TG0000000751	0.0
Togo	OAT		15/12/2016	16/12/2016	05/02/2021	60	3	30000	34547	33000	TG0000000660	7.2
Togo	OAT		20/10/2016	21/10/2016	15/07/2023	84	3	30000	37012.2	33000	TG0000000728	7.3
Togo	BAT		29/09/2016	30/09/2016	27/09/2018	24	--	35000	35375	35000	TG0000000736	6.4
Togo	OAT		14/07/2016	15/07/2016	15/07/2023	84	3	30000	65612	33000	TG0000000728	6.4
Togo	BAT		25/05/2016	26/05/2016	23/05/2018	24	--	20000	30020	22000	TG0000000710	6.5
Togo	OAT		25/04/2016	26/04/2016	26/04/2019	36	--	30000	27695	27695	TG0000000702	6.0
Togo	BAT		30/03/2016	31/03/2016	28/03/2018	24	--	35000	39076	38500	TG0000000694	6.4
Togo	BAT		16/03/2016	17/03/2016	14/09/2016	6	--	25000	23131	20131	TG0000000686	5.5
Togo	OAT		04/02/2016	05/02/2016	05/02/2021	60	3	30000	91534.6	33000	TG0000000660	6.1
Togo	BAT		13/01/2016	14/01/2016	11/01/2017	12	--	30000	30086	30000	TG0000000611	5.4
Togo	BAT		03/12/2015	04/12/2015	30/11/2017	24	--	30000	30500	30000	TG0000000603	5.7
Togo	OAT		19/11/2015	20/11/2015	20/11/2020	60	1	30000	80864.62	30000	TG0000000595	5.9
Togo	BAT		08/10/2015	09/10/2015	06/10/2016	12	--	30000	42745	33000	TG0000000587	4.9
Togo	BAT		23/07/2015	24/07/2015	20/07/2017	24	--	30000	43650	33000	TG0000000579	5.3
Togo	OAT		09/07/2015	10/07/2015	10/07/2020	60	1	30000	115703.24	33000	TG0000000561	6.2
Togo	BAT		08/04/2015	09/04/2015	06/04/2016	12	--	30000	57711	33000	TG0000000553	5.7
Togo	OAT		03/03/2015	04/03/2015	04/03/2020	60	1	30000	47712	30000	TG0000000546	6.8
Togo	BAT		11/02/2015	12/02/2015	10/02/2016	12	--	30000	34600	30000	TG0000000538	6.0
Togo	OAT		29/01/2015	30/01/2015	30/01/2018	36	--	30000	31983	30000	TG0000000520	6.1
Togo	BAT		14/01/2015	15/01/2015	15/07/2015	6	--	30000	40785	33000	TG0000000512	5.5
Togo	BAT		10/12/2014	11/12/2014	09/12/2015	12	--	25000	25420	25000	TG0000000504	6.0
Togo	OAT		13/11/2014	14/11/2014	14/11/2019	60	1	41000	39209	39209	TG0000000496	6.8
Togo	BAT		13/10/2014	14/10/2014	12/10/2015	12	--	25000	25330	25000	TG0000000488	5.7
Togo	OAT		04/09/2014	05/09/2014	05/09/2019	60	1	30000	50039.28	40000	TG0000000470	6.8
Togo	OAT		17/07/2014	18/07/2014	18/07/2019	60	1	35000	40304.1	38000	TG0000000462	7.0
Togo	BAT		20/05/2014	21/05/2014	17/02/2015	9	--	25000	36505	35000	TG0000000454	5.0
Togo	BAT		17/04/2014	18/04/2014	16/04/2015	12	--	30000	20600	20600	TG0000000447	5.2
Togo	BAT		16/01/2014	17/01/2014	15/01/2015	12	--	25000	31500	25000	TG0000000439	4.9

Source : UMOA-Titres, April 2022

Table 62.

Details of securities as of April 16, 2021

TITLE	ISIN	Amount in billions of CFAF
TGO-6.25%-3 Years- 3 June 2022	TG0000001254	38.5
TGO-6.5%-5 Years- 5 July 2022	TG0000000876	4.33
TGO-6.25%-3 Years-15 July 2022	TG0000001270	44.00
TGO-6.25%-5 Years-20 September 2022	TG0000000918	13.25
TGO-6.25%-3 Years-7 October 2022	TG0000001296	22.00
TGO-6.15%-3 Years-3 February 2023	TG0000001320	55.00
TGO-6.15%-3 Years-16 March 2023	TG0000001346	53.99
TGO-6.50%-5 Years-03 April 2023	TG0000001049	14.4
TGO-6.15%-3 Years-13 July 2023	TG0000001395	31.3
Tgo-6.5%-7 Years-15 July 2023	TG0000000728	33
Tgo-6.45%-5 Years-23 July 2023	TG0000001106	6.5
TGO-6.15%-3 Years-11 August 2023	TG0000001429	24.3
TGO-6.15%-3 Years-24 August 2023	TG0000001445	39.96
TGO-6.15%-3 Years-25 January 2024	TG0000001486	24.37
TGO-5.85%-3 Years-8 March 2024	TG0000001528	13.7
TGO-6.5%-5 Years-11 March 2024	TG0000001197	49.41
TGO-7.0%-7 Years-9 August 2024	TG0000000892	135.79
TGO-6.5%-5 Years-9 September 2024	TG0000001288	22
TGO-6.5%-7 Years-20 September 2024	TG0000000926	2.42
TGO-6.4%-5 Years-2 March 2025	TG0000001338	54.44
TGO-6.4%-5 Years-13 July 2025	TG0000001403	1.62
TGO-6.4%-5 Years-11 August 2025	TG0000001437	3.2
TGO-6.4%-5 Years-24 August 2025	TG0000001452	48.04
TGO-6.4%-5 Years-26 October 2025	TG0000001460	12.57
TGO-6.4%-5 Years-25 January 2026	TG0000001494	22.8
TGO-6.10%-5 Years-22 February 2026	TG0000001510	48.3
TGO-5.90%-5 Years-19 April 2026	TG0000001551	8.25
TGO-5.80%-5 Years-03 May 2026	TG0000001577	5.8
TGO-6.5%-7 Years-16 March 2027	TG0000001353	49.46
TGO-5.6 %-5 Years-21 March 2027	TG0000001791	30
TGO-6.5%-7 Years-25 January 2028	TG0000001502	40.85
TGO-6.30%-7 Years-22 March 2028	TG0000001536	22
TGO-6.15%-7 Years-19 April 2028	TG0000001569	15.5
TGO-7.3%-11 Years-31 May 2028	TG0000000850	44.3
TGO-6.15%-7 Years- 19 April 2028	TG0000001593	22
TGO-5.98%-7 Years- 14 June 2028	TG0000001619	27.5
TGO-5.90%-7 Years- 20 September 2028	TG0000001700	16.5
TGO-5.80%-7 Years- 24 January 2029	TG0000001742	37
TGO-6.25%-10 Years- 19 April 2031	TG0000001544	58.74
TGO-6.20%-10 Years- 26 July 2031	TG0000001676	27.5

TGO-6.15%-10 Years- 23 August 2031	TG0000001684	27.5
TGO-6.10%-10 Years-20 September 2031	TG0000001692	49.5
TGO-5.90%-10 Years- 07 February 2032	TG0000001759	35
TGO-6.3%-15 Years- 22 November 2036	TG0000001718	55
TGO-6 %-15 Years- 07 March 2037	TG0000001775	30
Total AOT		1465.08
TGO-6 %-6 Years- 07 March 2037	TG0000001734	27.5
Total Treasury Bill		27.5

Source: UMOA-Titres, April 2022

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

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

Public offering: a call for competition on the financial market for public securities through a brokerage firm. It is open to all investors.

Net foreign assets: net claims or liabilities of monetary institutions (Central Bank and banks) on the outside world. This item corresponds to all the headings in the Central Bank and banks' statements relating to their operations with the outside world. It is obtained by deducting from gross external assets all external commitments, including medium and long-term commitments.

State financing requirement: the overall amount needed to cover the primary budget deficit and the interest and amortization charges associated with a 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 meet in Paris to negotiate debt restructuring agreements with debtor countries experiencing debt service issues.

Bilateral creditors: governments, central banks, agencies, and export credit agencies that 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.

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

Domestic credit = Credit to the economy + Government net position (see NGP).

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

Budget deficit: difference between total revenues and total expenditures and net lending.

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

Primary deficit: negative difference between revenues and expenditures, excluding interest payments.

External public debt: central government borrowing from non-residents.

Domestic public debt: central government borrowing from residents.

Non-concessional debt: debt contracted on market terms.

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

Grant component: 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 borrowing: 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%.

Euro-bond (or Eurobond): dollar bond on the London financial market.

Inflation: generalized increase in consumer prices. This results in a loss of purchasing power of the currency.

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

HIPC Initiative: a framework adopted by the World Bank and IMF in 1996 to address the external debt issues of heavily indebted poor countries, with the objective of providing sufficient overall debt relief to achieve debt sustainability.

Money supply (MS): all claims held by the rest of the economy on monetary institutions. It covers monetary assets (cash in circulation + demand deposits) and quasi-monetary assets (savings accounts and time deposits).

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

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

Net government position (NGP): the Treasury's net claims on or liabilities to the rest of the economy. The government's net position is the difference between the Treasury's debts and its claims on the Central Bank, banks and individuals and companies. By convention, a creditor NGP is preceded by a (-) sign, while a debtor NGP is preceded by a (+) sign.

Tax burden: the ratio of tax revenues to GDP.

Refinancing risk: risk associated with 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 cost of debt to high market interest rates at the point where maturing fixed-rate debt and floating-rate debt are repriced.

Foreign exchange risks: risks related to fluctuations in exchange rates.

Debt Service: Any payment to be made on account of principal, interest and fees on a loan.

Primary balance: (see primary deficit).

Basic primary balance: total revenue excluding grants - current expenditure + interest on public debt - capital expenditure from own resources.

Gross Enrollment Rate: The gross enrollment rate is the ratio of children in school to all children.

Net enrollment rate: The gross enrollment rate is the ratio of children in school to school-age children.

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