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INFORMATION NOTE



Republic of
Togo



Presentation of Sovereign issuers of
West African Monetary Union

August 2021

Quality review by **Deloitte.**



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Summary

ACRONYMS	5
ISSUER CERTIFICATE	7
EXECUTIVE SUMMARY	8
COUNTRY PROFILE	9
1 COUNTRY OVERVIEW	10
1.1 Political system	10
1.2 Administrative organization	14
1.3 Geographic location	15
1.4 Population	15
1.5 Education	19
1.6 Health	24
1.7 Unemployment	30
1.8 Reminder of the main aggregates	32
2 RECENT ECONOMIC SITUATION AND OUTLOOK	35
2.1 Assessment of the gross domestic product	35
3 NATIONAL DEVELOPMENT PLAN ANALYSIS	41
3.1 Recent Achievements and Completions	41
3.2 Upcoming projects	44
4 MONETARY SYSTEM AND FINANCIAL MARKETS	46
4.1 Structural elements	46
4.2 Money supply	48
4.3 Banking system and financial markets	49
4.4 Inflation rate	58
4.5 Exchange rates	58
4.6 Foreign reserves	59
5 FOREIGN TRADE AND BALANCE OF PAYMENTS	60
5.1 Balance of payments	60
5.2 Regional trade	62
5.3 International trade	68
5.4 Foreign direct investment	76
5.5 Regional integration	77
6 CREDIT QUALITY	80
6.1 Business climate	80
6.2 Financial governance	83
6.3 Financial ratings	84
7 GOVERNMENT FINANCES	86
7.1 Expenditures and revenues	86
7.2 Tax Policy	90

8	RISK FACTORS.....	95
8.1	Political and security risks	95
8.2	Social risks	95
8.3	Macroeconomic risks	95
8.4	Risks relating to the mobilization of public and private financial resources	96
8.5	Health risks	97
8.6	Environmental risks	98
9	DEBT SITUATION.....	99
9.1	General description of public debt	99
9.2	Debt Strategy and Sustainability	103
9.3	External debt	106
9.4	Domestic debt	110
9.5	Viability and sustainability	112
10	APPENDICES.....	114
11	LEXICON.....	120

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 credit cooperatives
CCA	: Business Climate Unit
CEMAC	: Economic and Monetary Community of Central Africa
CEPD	: Undergraduate degree
CET	: Common External Tariff
CFAF	: CFA franc
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
CFAF	: Franc of the Financial Community of Africa
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 (PrADEB)
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

MINISTÈRE DE L'ÉCONOMIE
ET DES FINANCES

SECRETARIAT GÉNÉRAL

DIRECTION GÉNÉRALE DU TRÉSOR
ET DE LA COMPTABILITÉ PUBLIQUE



REPUBLIQUE TOGOLAISE
Travail - Liberté - Patrie

Lomé, le 03 JUIN 2021

ATTESTATION DE L'ÉMETTEUR

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

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État du Togo, 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 des hypothèses et pourraient entraîner des différences entre les réalisations effectives et les performances économiques attendues.

Cette note d'information sera publiée et 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

Like most countries in the world, the Togolese economy has been hit by the Covid-19 pandemic. Pursuant to that, restrictive measures taken at the international and national levels to contain the spread of the disease, have negatively impacted the economy. The economy's growth rate was 1.8% in 2020 (compared to the 5.5% initially forecast in January 2020), stifling the sustained growth rate that began in 2018. The economic has benefited from the healthcare recovery plan, which is expected to cost CFAF 400 billion.

Economic activity in 2020 took place in a non-inflationary context, although there was a slight increase in prices compared to 2019. Indeed, the inflation rate in 2020 was 1.7 percent compared to 0.7 percent in 2019.

In terms of public finances, revenue mobilization in 2020 was 19.0% of GDP compared to 19.4% in 2019. Public expenditure grew significantly to 25.9 percent of GDP compared with 17.8 percent in 2019, largely due to spending as part of the response to the Covid-19 pandemic and the continued implementation of the public investment program. The primary balance showed a deficit of 2.8 percent of GDP compared with a surplus of 3.6 percent in 2019.

Trade with the rest of the world experienced a decline in exports and a slight increase in imports linked, among other things, to the response measures taken against Covid-19 at the national, regional and international levels. The current account deficit worsened to 4.0% of GDP from 0.8% in 2019 in terms of imports and exports of goods and services.

On the debt side, the debt stock to GDP ratio rose to 57.8 percent in 2020 from 51.9 percent in 2019. Despite this increase, the debt stock to GDP ratio has remained below the WAEMU threshold of 70%, thanks to the implementation of a prudent debt policy contained in the debt strategy.

In the light of efforts made by the government in responding to the pandemic, Togo should regain its pre-pandemic growth rate by 2021. Indeed, the period 2021-2023 will be marked by the implementation of the economic recovery plan in line with the government's development policy, contained in the government's roadmap. The real GDP growth rate would increase from 4.8% in 2021 to 6.1% in 2022.

Republic of Togo



Area

56 785 km²



Population in 2020

8 278 737 Hbts



Capital

Lomé



Political system

Presidential and pluralistic



Currency

CFA Francs



Official language :

French



Nominal GDP in 2020

4 359.9 billions of CFAF

(source : National services, BCEAO)

- ▶ Economy based on **agriculture**, **fishing**, **tourisme** and **services**
- ▶ Growth rate in 2020 : **1.8%**
- ▶ Indebtedness rate in 2020 : **57.8%** of GDP
- ▶ Inflation rate in 2020 : **1.7%**

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, Kabyle, 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 final 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.

¹ Term limits were introduced as a result of the May 19, 2019 constitutional amendment.

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.

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, on the basis of 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 labor 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 misdemeanors 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 misdemeanors 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 in the Council of Ministers.

The Court of Appeal has jurisdiction 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 rules immediately, in respect of the adversarial process, on the plea of non-receipt based on the foreclosure of the appeal.

1.1.3.4. Criminal Courts of Appeal

The Criminal Court of Appeal is a permanent formation of the Court of Appeal, competent to hear appeals of judgments rendered by the criminal courts. It is composed of three (03) magistrates of the judicial order and a jury of six (06) jurors. The Criminal Court of Appeal is constituted and cases are brought before it 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) CFA francs in capital or fifty

thousand (50,000) CFA francs 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 high court competent to judge all offenses qualified as crimes under the provisions of the penal code. It is composed of three (03) magistrates of the judiciary and a jury of four (04) jurors. The criminal court is constituted and cases brought before it 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 misdemeanors 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) CFA francs in capital or fifty thousand (50,000) CFA francs in annual income calculated either by annuity or by lease price. It rules in 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) CFA francs in capital or fifty thousand (50,000) CFA francs in annual income calculated either by annuity or by lease price. It rules in 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. Labor courts

The organization, functioning and procedure to be followed before the labor courts are provided for by the law establishing the Labor Code. The president of the labor 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 on the occasion of 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) CFA francs in capital or one hundred thousand (100,000) CFA francs in annual income calculated either by annuity or by lease price ;
- In the first instance on all claims where the rate of dispute is 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 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 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 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 5 administrative regions are: Maritime region (capital Lomé), Plateaux region (capital Atakpamé), Central region (capital Sokodé), Kara region (capital Kara) and Savanes 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), in order 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 8,278,737 ²in 2020 according to United Nations statistics, with a density of 152.2 inhabitants/km². Women outnumber men. They represent 50.24% against 49.76% for men. Life expectancy at birth was 60.8 years in 2018 compared to 59.9 in 2015. The total fertility rate was 4.3 children per woman in 2018 compared to 4.5 children in 2015. The average annual growth rate (AAGR) of the ³population was 2.0 percent between 2011 and 2020. It would be around 4.2 percent by 2025.

Table 1. Togolese population from 2011 to 2020 (in millions of inhabitants)

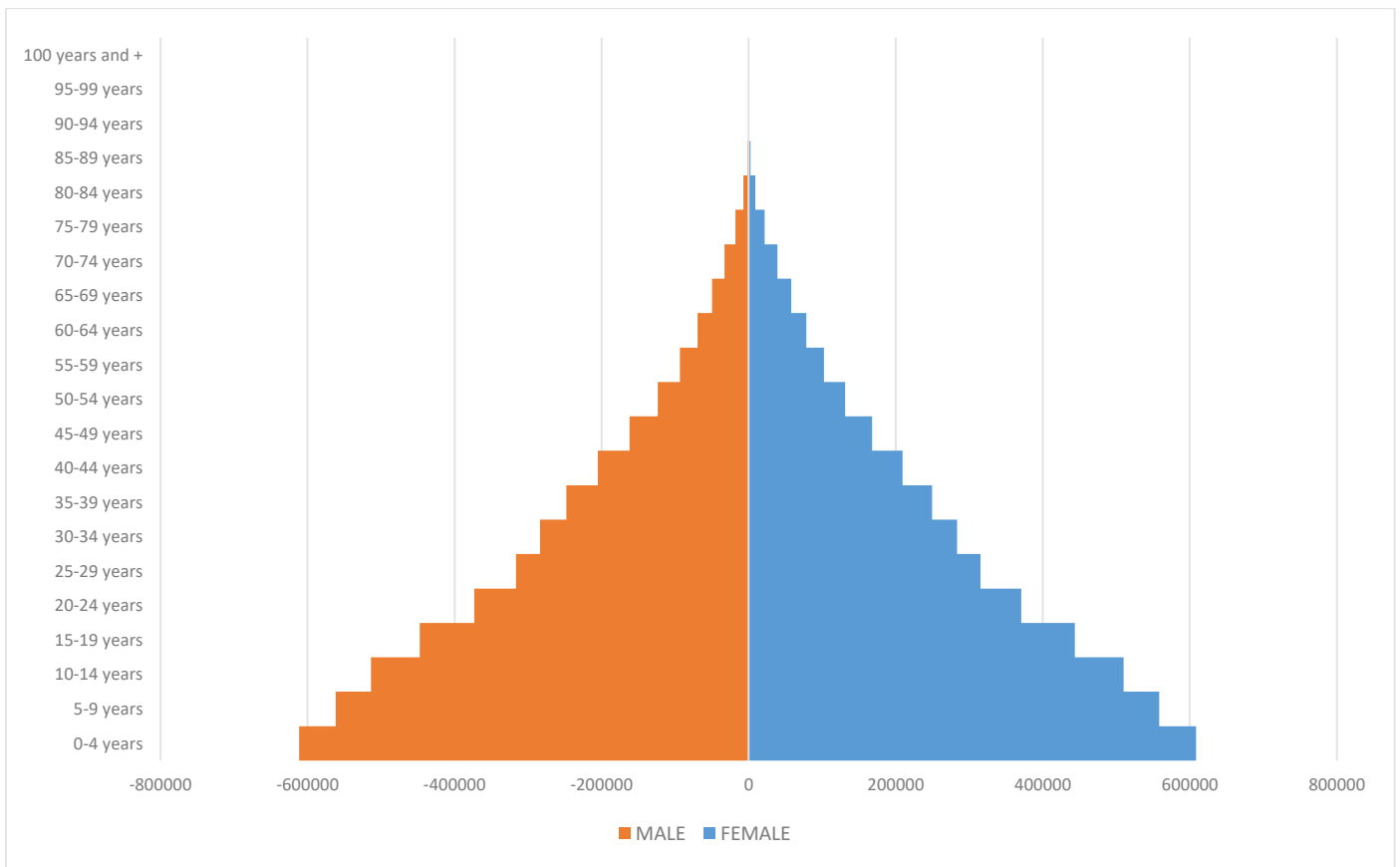
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total population	6.60	6.77	6.95	7.14	7.32	7.51	7.70	7.89	8.08	8.28
Male	3.27	3.36	3.45	3.55	3.64	3.73	3.83	3.92	4.02	4.12
Female	3.32	3.41	3.50	3.59	3.68	3.78	3.87	3.97	4.06	4.16
Proportion Male/Female (%)	98.5	98.6	98.6	98.7	98.8	98.8	98.9	98.9	99.0	99.0
Population growth rate (%)	2.7	2.7	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.2

Source : World Population Prospects 2019, United Nations

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

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

Figure 1. Age pyramid in 2020



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

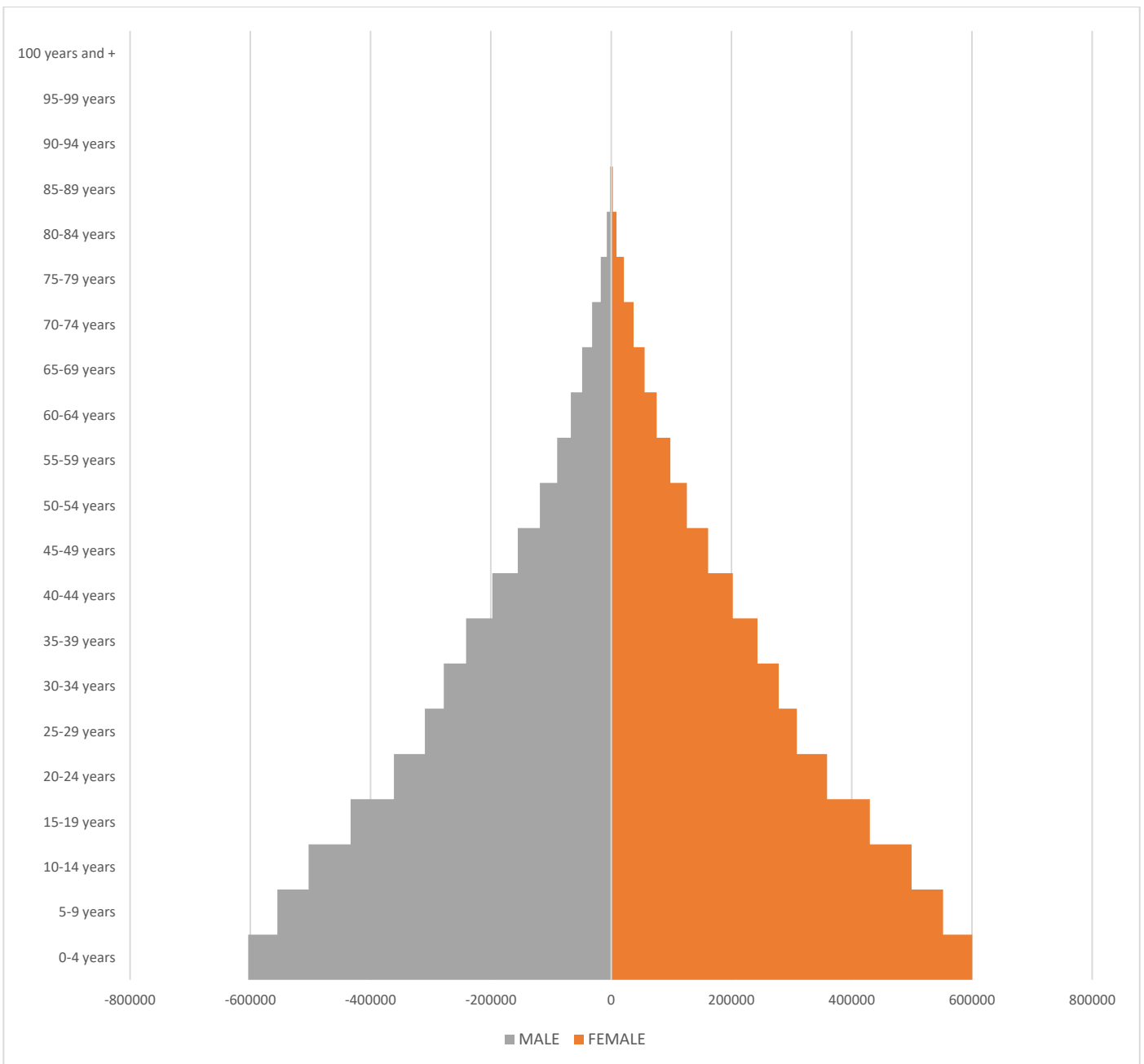
In terms of projections, the Togolese population is estimated at 8.48 million in 2021 and would reach 15.42 million in 2050. The structure will change slightly in 2050. Indeed, the proportion of people under 25 years of age would be 51.0%, compared with 57.5% in 2030 and 60.4% in 2020.

Table 2. Togolese population projections from 2021 to 2050 (in millions of inhabitants)

	2021	2022	2025	2030	2035	2040	2045	2050
Male	4.22	4.32	4.64	5.19	5.79	6.41	7.04	7.68
Female	4.26	4.36	4.67	5.23	5.82	6.44	7.08	7.74
Total Population	8.48	8.68	9.31	10.42	11.61	12.85	14.12	15.42

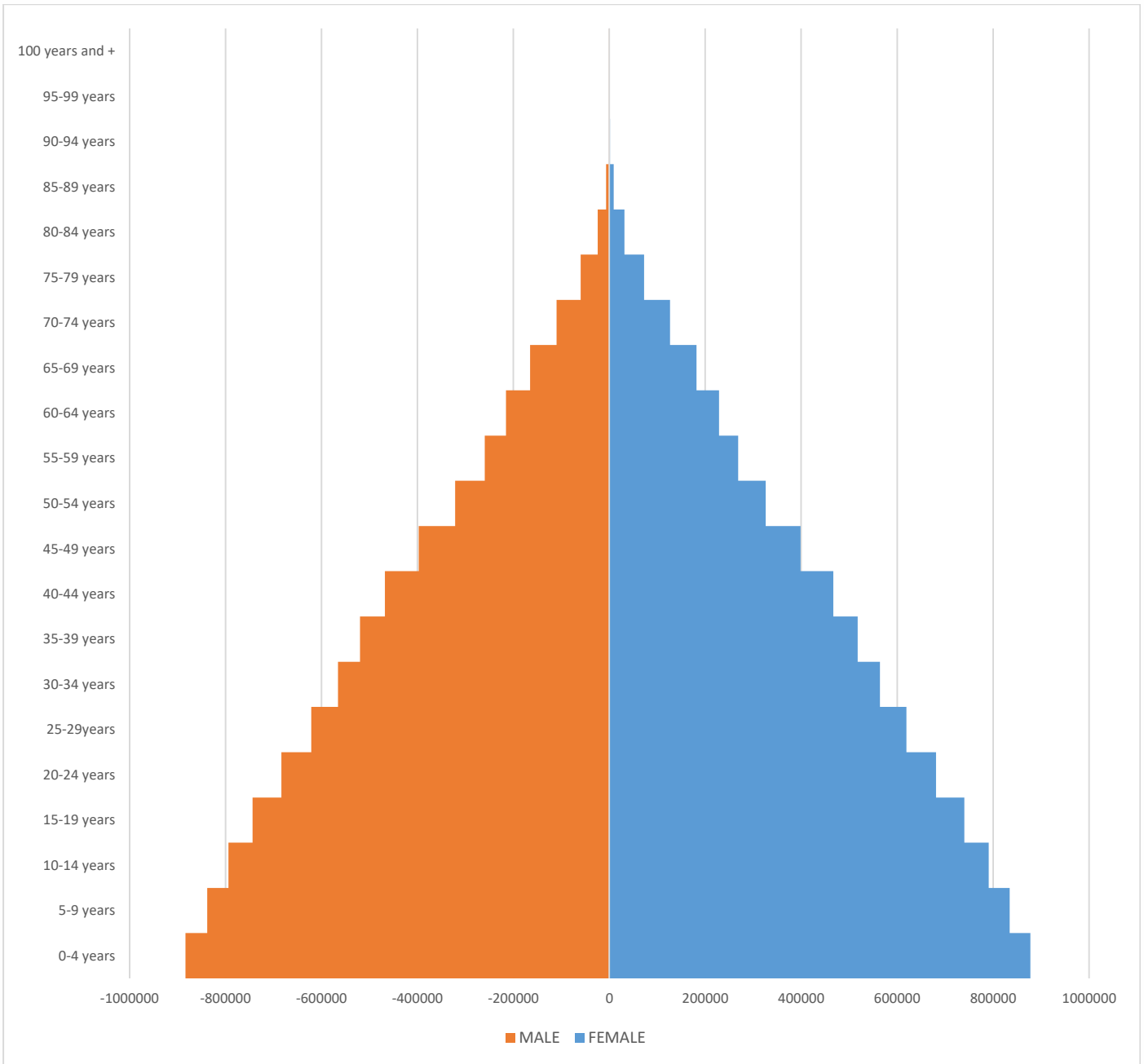
Source : World Population Prospects 2019, United Nation:

Figure 2. Age pyramid in 2030



Source: World Population Prospects 2019, United Nations

Figure 3. Age pyramid in 2050



Source: World Population Prospects 2019, United Nations

Togo's population is predominantly rural. In 2020, the rural population is estimated at 4.8 million, compared with 4.7 million in 2019, or 57.2 percent of the population in 2020, compared with 57.8 percent in 2019, reflecting a rapid urbanization trend, driven by a massive rural exodus. The population is migrating

according to economic opportunities, from the countryside to the cities, but also out of the country. The urban population will increase from 3.41 million in 2019 to 3.59 million in 2020. The urbanization rate was 42.3% in 2019.

Table 3. Togolese rural and urban population from 2010 to 2020 (in millions of inhabitants)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	6.4	6.6	6.8	7.0	7.1	7.3	7.5	7.7	7.9	8.1	8.4
Rural population	4.0	4.1	4.2	4.2	4.3	4.4	4.5	4.5	4.6	4.7	4.8
Urban population	2.4	2.5	2.6	2.7	2.8	2.9	3.1	3.2	3.3	3.4	3.6
Rural/urban population	166.4	162.9	159.4	156.0	152.7	149.4	146.1	142.9	139.8	136.7	133.6
Urbanization rate (%)	37.5	38.0	38.6	39.1	39.6	40.1	40.6	41.2	41.7	42.3	-

Source: World Bank. United Nations

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

Indeed, the urban population will represent 61% of the total population in 2050, compared to 39% for the rural population.

Table 4. Rural and urban Togolese population projections from 2025 to 2050 (in % of total population)

	2025	2030	2035	2040	2045	2050
Rural	54%	51%	48%	45%	42%	39%
Urban	46%	49%	52%	55%	58%	61%
Total	100%	100%	100%	100%	100%	100%

Source : World Urbanization Prospects 2018, United Nations

1.4.2. Religion

According to article 25 of the constitution, everyone has the right to freedom of thought, conscience, religion, worship, opinion and expression. The exercise of these rights and freedoms is 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 2018, the Togolese population was composed of Christians (47.7%), animists (33.2%), Muslims (18.3%), and other beliefs (0.8%)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).

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

In 2020, it revised its education sector plan for the period 2020-2030 to take into account 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.

On the basis of 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 in order 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.

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 *brevet d'études du premier cycle* (BEPC) – Junior High School Diploma, and a three-year second cycle culminating in the

baccalauréat – 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.

In 2020, the education sector was also affected by the Covid-19 pandemic. To limit the spread of the pandemic, the government took several measures, including the decision to close all schools and universities and all vocational training centers, all orders combined, starting Friday, March 20, 2020, throughout the country until further notice. The closure of schools would have affected nearly 2,800,000 learners in the various cycles of education, universities and training centers.

In order to mitigate the adverse effects of the closure of schools and universities, the ministries in charge of education and vocational training developed an emergency plan whose objective is to ensure the continuity of learning in a safe and protective environment throughout the country by combining teaching, learning and prevention measures against Covid-19. The cost of the implementation has been evaluated at 64,979,624,231 CFAF⁵.

Pre-school education

Pre-school enrollment has increased significantly over the past six years in conjunction with a large increase in public and private enrollment. The preschool population ⁶was 472,713 in 2020 compared to 457,196 in 2018 and is expected to reach 485,222 in 2022. In 2020, the pre-school population was 171,555 children, representing a pre-school enrollment rate of 36.7 percent compared to 34.1 percent in 2018. The proportion of girls enrolled in preschool in 2020 is 50.6 percent.

⁵ Mitigating the effects of the Covid-19 pandemic on the Togolese education system, April 2020.
⁶ INSEED-United Nations, (PES 2020-2030).

Table 5. Gross enrollment rate in kindergarten (%)

	2015	2016	2017	2018	2019	2020	2021 Forecast	2022
School-age population	437 591	444 628	451 458	457 196	nd	472 713	478 997	485 222
Pre-school enrollment	115 105	132 725	143 897	155 739	nd	171 555	179 858	188 610
Gross pre-school rate	26.3	29.9	31.9	34.1	nd	36.3	37.5	38.9
Variation (%)	3.7	3.6	2.0	2.2	nd	11.3	1.2	1.4

Source : Ministries of Education and Training, Resen 2019 -PSE 2020-2030

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

Primary education

Primary school enrollment grew at a much slower rate than in preschool. The number of students enrolled in Togolese elementary school rose from 1,413,600 in 2015 to 1,548,876 in 2018, increasing at an average annual rate of only 1.9 percent over the period. In 2020, primary enrollment rose again to 1,684,275 and is expected to reach 1,711,572 in 2022.

The gross enrollment rate (GER) in primary school rose to 123.5 percent in 2020 from 122.8 percent in 2019. This figure 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 ensure coverage. In other words, it describes the extent to which the country's schools are able to accommodate school-age children. The gross enrollment rate is expected to be 128.5 percent in 2021 and 127 percent in 2022.

Table 6. Gross enrolment rate in primary school

	2015	2016	2017	2018	2019	2020 (Est)	2021 (Forecast)	2022
Gross tuition rate	119.8	123.9	123.1	122.4	122.8	123.3	128.5	127.0
Variation	-3.2	4.1	-0.8	-0.7	0.4	0.5	5.2	-1.5

Source : Ministries of Education and Training. Resen 2019 -PSE 2020-2030

According to authorities, the high gross enrollment rate is attributable to government's initiatives to increase the attendance of young students in school, and to improve overall schooling, including school canteens and *School Assur*⁷.

This performance is not limited to gross enrollment at the primary level; other indicators also seem to respond positively. For example, more recent improvements in the primary completion rate have been observed, which in 2018 and 2019 were 88.9

percent and 88.6 percent respectively. In 2020, the completion rate was 87.0 percent and is expected to reach 118.4 percent by 2022. Similarly, the net enrollment rate, which was 92.9 percent in 2018 increased to 96.7 percent in 2019. In 2020, the net enrollment rate was 97.0 percent, an improvement over 2019.

Secondary education

At the secondary level, the gross schooling rate

⁷ Launched since September 1, 2017, *School Assur* aims to provide insurance coverage to school children in Togo's public sector primary and secondary schools.

increased from 67.5% in 2015 to 75.8% in 2018 in the 1st cycle, while it remained fairly stable in the 2nd cycle (from 30.2% in 2015 to 31.8% in 2018). At the undergraduate level, there was a 7.7 point leap between 2016 and 2017. The increase in lower secondary enrollment is related to the massive enrollment of students in primary education, induced by the ending of school fees in public preschool and primary education since 2008. The cohorts of students enrolled in primary school between 2009 and 2012 thus found themselves enrolled in middle school en masse between 2015 and 2018.

In 2020, the gross enrollment rate at the first cycle again recorded a good performance, rising to 85.3

percent from 76.9 percent in 2019. It is expected that the GER will continue to rise, reaching 94.1% by 2021 and 103.5% by 2022. The completion rate for junior high school education was 51.7% in 2020 compared with 49.8% in 2019, representing an improvement of about two points.

At the graduate level, the GER increased to 35.4 percent in 2020 from 32.8 percent in 2019. It is expected to increase to around 39.7 percent in 2021. The completion rate for senior high school was 27.9% in 2019 compared with 16% in 2018, an increase of 11.9 points within one year, as a result of the government's efforts to strengthen the education system.

Table 7. Gross enrolment rate in secondary school (%)

	2015	2016	2017	2018	2019	2020 (Est)	2021 (Forecast)	2022
Secondary 1st cycle								
School enrolment rate	67.5	68.3	76	75.8	76.9	85.3	94.1	103.5
Variation	4	0.8	7.7	-0.2	1.1	8.4	8.8	9.4
Secondary 2nd cycle								
School enrolment rate	30.2	28.4	30.9	31.8	32.8	35.4	39.70	30
Variation	1.1	-1.8	2.5	0.9	1	2.6	4.3	-3

Source : Ministries in charge of education and training. RESEN 2019 -PSE 2020-2030

In technical education and vocational training, enrollment rose from 31,255 to 46,480 learners between 2013 and 2018, an average annual increase of 7.8 percent. It is also noted that only one-third of learners are hosted in public facilities. In 2017-18, private enrollment accounted for 65 percent of

learners enrolled in technical and vocational secondary education. In 2020, the number of learners was 45,090, down slightly from 2018. However, enrollment is projected to grow again to 46,546 learners in 2021 and 48,013 learners in 2022.

Table 8. Net secondary school enrollment in 2017 by region and residence

Region	Male	Female	Total
Maritime	58.0	55.4	56.8
Plateaux	61.2	42.7	53.0
Central	60.3	54.0	57.6
Kara	60.1	53.5	57.3
Savannahs	51.4	42.4	47.3
Grand Lomé	74.6	64.0	69.2

Place of Residence			
GrandLomé	74.6	64.0	69.2
Other Urban	70.9	64.4	67.7
Rural	55.3	43.8	50.4
Togo	61.5	52.5	57.4

Source : Integrated Regional Survey on Employment and the Informal Sector, 2017, INSEED

Higher education

According to the analysis in the National Development Plan 2018-2025, higher education and scientific research remains poorly developed. The sub-sector is faced with several difficulties related to the increase in enrolment, the dilapidated and inadequate infrastructure, 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 effectiveness of training. Research results are not very competitive, and the field is still 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 breakdown of tertiary enrollment by major field of study indicates that agriculture, forestry, fisheries, and veterinary sciences account for only 1 percent of students. Students are more likely to go into business, administration and law, which account for more than one-third of all students in higher education (40 percent). Other attractive fields of study are literature and arts (20%) and social sciences, journalism and information (17%).

Table 9. Evolution of the gross enrollment rate in tertiary education 2013 to 2019

	2013	2014	2015	2016	2017	2018	2019
Gross tuition rate	11.0	10.5	11.0	12.5	13.1	14.5	14.0
Variation	-	-0.5	0.5	1.5	0.6	1.5	-0.5
Male gender		14.8	15.4	17.4	18.0	19.2	18.3
Variation	-	14.8	0.6	2.0	0.5	1.2	-0.9
Female gender		6.1	6.6	7.5	8.1	9.8	9.7
Variation	-	6.1	0.5	0.9	0.6	1.7	-0.1
Enrolment rate for girls / boys		41.6	42.7	43.1	45.2	51.0	53.0

Source : World Bank, December 2020

In terms of enrollment, higher education has recently experienced a sustained growth. Indeed, the number of^{f8} students in higher education has increased 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 enrollment rate stood at 14 percent in 2019 down slightly from 2018 when it was 14.5 percent. The decline is driven by the girls' GER.

Literacy

In terms of literacy and non-formal education, despite the actions taken by the State and civil society

organizations, particularly with the implementation of the “doing and delegating” strategy, adult illiteracy and the failure to educate young people remains unsuccessful. The illiteracy rate of individuals aged 15 years and over was 36.7% in 2015 (QUIBB 2015 survey)⁹. This proportion of individuals lacks the skills to access, among other things, vocational training and quality apprenticeships necessary for entrepreneurship and employment.

After a few years of implementation of the “doing and delegating” strategy, the sector diagnosis revealed unsatisfactory results in terms of the number of learners, mainly due to insufficient financial resources and the decline in the number of literacy and non-formal education centers.

In order to significantly reduce the proportion of non-literate youth and adults aged 15-45 and over and children aged 9-14 excluded from the education

system by 2030, the government has set three major objectives:

- 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 addressing inequalities of all kinds;
- Improve the quality of literacy and non-formal education offerings/programs;
- Improve the management and piloting of literacy and non-formal education programs.

This new perspective would improve the literacy rate, which despite its upward trend, is still unsatisfactory. It fell from 63.75 percent in 2015 to 67.7 percent in 2017.

Table 10. Literacy rate from 2000 to 2017

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

Source : World Bank. *2018 Statistical Yearbook BCEAO

1.6. Health

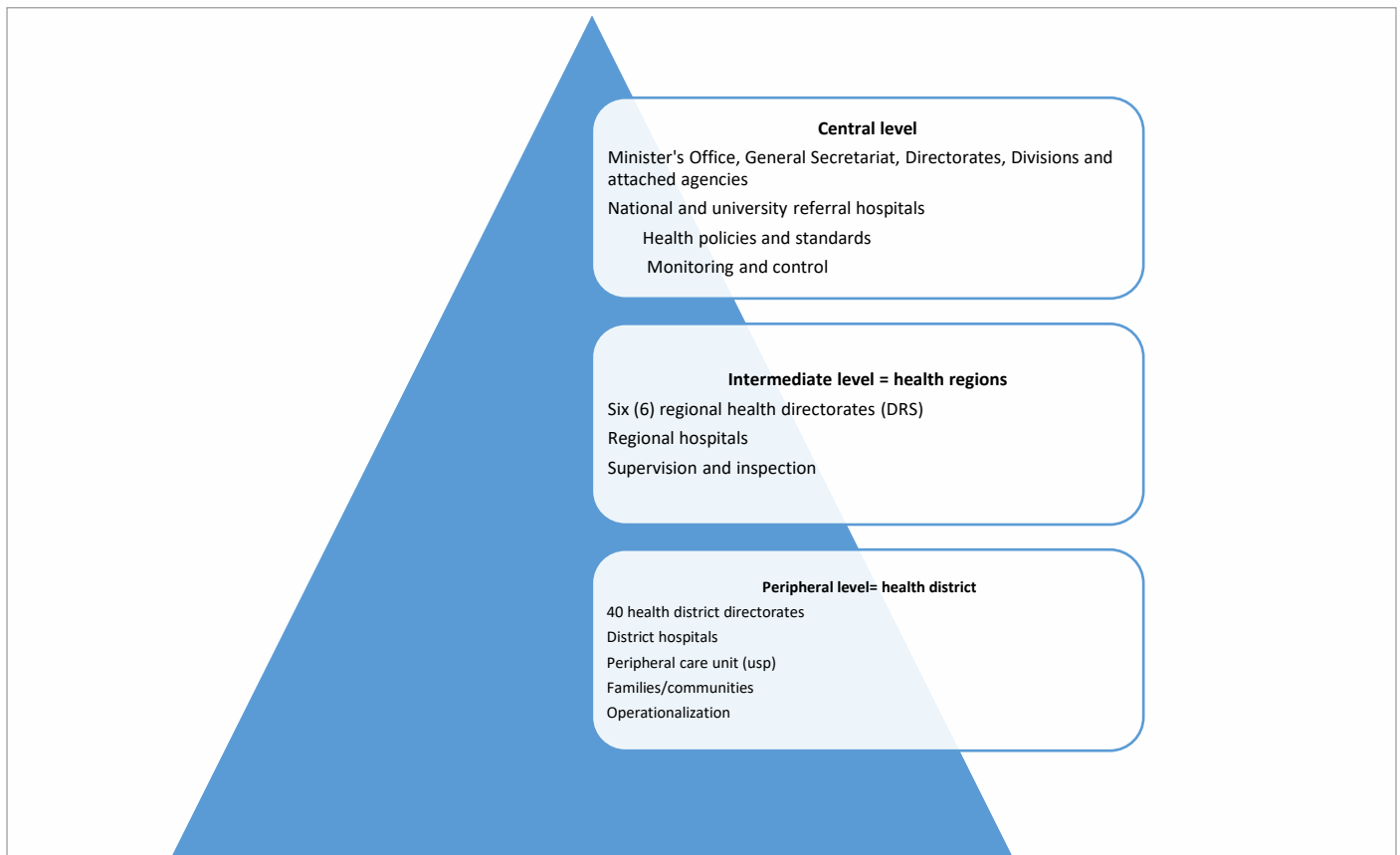
The vision of the health policy is *"to ensure the highest possible level of health for the entire population by making every effort to develop a system based on public and private, individual and collective initiatives, accessible and equitable, capable of satisfying the right to health of all, especially the most vulnerable"*. Primary health care underpins the health policy and takes into account 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: Savanes region, Kara region, Central region, Plateaux region, Maritime region and Lomé Commune region. The administrative management of the health system is ensured by a pyramidal organization at three levels: central, intermediate and peripheral.

⁹ The QUIBB survey figures differ slightly from those of the World Bank.

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 centers, mainly in Lomé, where demand is more solvent. However, it is poorly regulated, especially in terms of geographical location, and is not always taken into account 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 60.8 years in 2018. Women live longer than men. Indeed, they had a life expectancy of 61.6 years compared to 59.9 years for men in 2018.

Table 11. Life expectancy at birth (years)

	2000	2010	2018
Men	52.7	56.8	59.9
Women	54.3	58.1	61.6
Total	53.5	57.5	60.8

Source : World Bank, February 2021

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 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 Plateaux 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

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 2019 to 66.9 ‰ from 88 ‰ in 2010, and the neonatal mortality rate fell from 29.2 ‰ in 2010 to 24.8 ‰ in 2019. Regarding the number of maternal deaths per 100,000 births, it has stabilized around 396 since 2017.

Table 12. Neonatal, infant and maternal mortality rates

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Neonatal mortality rate (per 1,000 live births)	29.2	28.6	28.1	27.6	27.1	26.7	26.2	25.8	25.3	24.8
Infant mortality rate, under 5 years, boys (per 1,000)	94.2	91.5	88.8	86.3	83.9	81.5	79.1	76.8	74.5	72.1
Infant mortality rate, under 5 years, girls (per 1000 live births)	81.4	78.9	76.6	74.3	72	69.9	67.7	65.6	63.4	61.3

Infant mortality rate, under 5 years (per 1,000)	88	85.4	82.9	80.5	78.1	75.8	73.5	71.3	69.1	66.9
Maternal deaths (100,000 births)	459	440	422	410	404	401	398	396	396	-

Source : World Bank, UNICEF, WHO.

According to the results of the EDST-III (2013-2014), ¾ of maternal deaths are related to direct obstetric causes such as hemorrhage (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, despite the fact that 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. According to the 2016 yearbook of health statistics, after malaria as the first reason for consultation, there are respiratory tract infection and wounds and trauma, whose morbidity rates are respectively 7% and 6%¹⁰.

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.

In order to effectively fight malaria and in line with the fourth strategic plan 2017-2022 extended to 2023 currently being implemented, Togo organized in 2020 a fourth national campaign for the distribution of long-lasting impregnated mosquito nets (LLINs) to the entire population to maintain the universal coverage of previous campaigns. To that end, 6,445,650 nets were acquired by the Togolese government and partners, including the Global Fund to Fight AIDS, Tuberculosis and Malaria and the international NGO Against Malaria Foundation (AMF).

In terms of HIV/AIDS, overall there was an improvement in almost all indicators in 2019. The HIV AIDS prevalence rate, which was 2.3 percent in 2018, decreased to 2.2 percent. The incidence of the disease also declined to 0.9 percent in 2019 from 0.97 percent a year earlier. The number of new cases also declined. It came in at 4,500 in 2019 compared to 4,700 in 2018. 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 67 percent in 2017 to 76 percent in 2019. The weight of people living with HIV on antiretroviral (ARV) treatment has improved significantly. It increased from 51% in 2018 to 64% in 2019. The availability of ARVs has enabled this performance.

Table 13. HIV indicators

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
HIV prevalence (% of population 15-49 years)	2.8	2.7	2.7	2.6	2.6	2.5	2.4	2.4	2.3	2.2	2.1
HIV incidence (% of population 15-49 years)	1.73	1.55	1.43	1.33	1.27	1.23	1.17	1.07	0.97	0.9	0.9
New HIV infections in adults (15 years and older) and children (0-14 years)	7200	6500	6100	5900	5700	5500	5300	5100	4700	4500	4100
New cases of HIV infection in children (0-14 years)	2000	1600	1500	1400	1400	1100	1000	1100	990	940	810
New cases of HIV infection among adults (15 years and older)	5300	4900	4600	4400	4300	4300	4200	4000	3700	3600	3300
Antiretroviral therapy coverage (% of people living with HIV)	21	24	27	30	32	37	44	51	55	64	64
HIV prevalence, men (% of men aged 15-24)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-
HIV prevalence, women (% of women aged 15-24)	1.4	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1	1	-
Children (0-14) living with HIV	15 000	15 000	14 000	13 000	13 000	12 000	12 000	11 000	10 000	9 900	-
Antiretroviral treatment coverage among pregnant women (% of HIV-positive pregnant women)	30	63	67	70	71	76	82	67	75	76	-

Source : UNAIDS

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 CFA francs. 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 CFA francs.

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 centers in order to upgrade them to accommodate people with COVID-19.

The Regional Hospital Center (RHC) in Lomé has become the reference center 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 centers, 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.

As of March 16, 2021, Togo recorded 8,322 confirmed cases, 6,940 cured cases, 1,285 active cases and 97 deaths. The vaccination campaign against Covid-19 officially launched on March 10, 2021 should help limit the spread of the disease and the number of deaths. This vaccination campaign involves a first batch of 156,000 doses of AstraZeneca vaccine obtained by Togo under the Covax initiative. The campaign plans to initially administer the doses to all health personnel and people aged 50 and older.

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 Sector¹¹, 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 Plateaux (68.5%) regions. In terms of numbers, the working population is estimated at 3,807,072 in 2020 compared to 3,700,152 in 2017, an increase of 2.9%. This increase in the labor force was driven by men (+3.0%). The male/female ratio shows that the male population remains more active than the female population.

Table 14. Working population from 2015 to 2019

	2015	2016	2017	2018	2019	2020
Men	1 671 293	1 715 808	1 760 980	1 806 420	1 861 958	1 918 577
Women	1 644 437	1 691 608	1 740 113	1 790 135	1 838 194	1 888 495
Total	3 315 730	3 407 416	3 501 093	3 596 555	3 700 152	3 807 072
Men/Women (%)	101.6	101.4	101.2	100.9	101.3	101.6

Source : World Bank, December 2020

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 15. 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
Households	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 Labor Office (ILO) was 3.9 percent ¹²of the labor force in 2017 compared to 3.4 percent ¹³in 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 15 years and older is estimated to be 4.0 percent in 2020, up from 3.6 percent in 2019. It would remain higher in urban areas than in rural areas. Indeed, in urban areas, the unemployment rate in 2019 reached 5.9 percent. In rural areas, it was

¹² Integrated Regional Survey on Employment and the Informal Sector (ERSI_ESI) Togo 2017, June 2019.
¹³ QUIBB 2015 survey, National Institute of Statistics and Economic and Demographic Studies.

1.9 percent. Regarding underemployment, it remains high at the national level according to INSEED data. It was estimated at 26.8 percent in 2017 compared to 24.9 percent in 2015. Men are less underemployed (23.6% in 2017) than women (29.5% in 2017). The underemployment rate is lower in rural areas (24.7 percent) than in urban areas (29.3 percent).

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).

The PAEIJ-SP aims to create favorable 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.

In 2021, the government will place greater emphasis 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%. The number of young people trained in entrepreneurship who received funding amounted to 10,640 young people in 2020 against 9,921 young people in 2019, corresponding respectively to a proportion of young people funded in entrepreneurship of 55.05% and 44.36%. In terms of business creation, 7,389 businesses were created in 2020 compared to 1,856 businesses in 2019.

Table 16. Main employment indicators

	2018	2019	2020
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%
Number of youth trained in entrepreneurship	8 127	22 365	19 329
Number of youth trained in entrepreneurship funded	4 567	9 921	10 640

Proportion of youth financed in entrepreneurship by the Grassroots Development Program (PAEIJ-SP, PRADEB, FAIEJ and POEJV)	56.2%	44.4%	55.1%
Number of businesses created by youth	2 148	1 856	7 389

Source : Citizen Budget 2020-2021

The number of jobs created in 2020 was 13,863 compared to 13,602 in 2019. The Plateaux region benefited from the largest share of jobs created with a 46.5% share in 2020.

Table 17. Jobs created by region between 2018 and 2020

	2018	2019	2020
Lomé Commune	108	186	152
Maritime	621	713	140
Plateaux	11 071	7 998	6 442
Central	1 528	1 127	2 982
Kara	2 348	1 783	1 987
Savannahs	187	1 795	2 160
Total	15 863	13 602	13 863

Source : Citizen Budget 2020-2021

1.8. Reminder of the main aggregates

1.8.1. Level of development

The Human Development Index

Togo's Human Development Index (HDI) came out at 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 18. Human Development Index

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
HDI	0.46	0.46	0.47	0.47	0.48	0.49	0.50	0.50	0.51	0.52
Variation (%)	-	0.00	2.20	0.00	2.10	2.10	2.00	0.00	2.60	0.40

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 0.427 in 2017 compared to 0.38 in 2015¹⁴, 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.

¹⁴ 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.

Table 19. Gini index

	2006	2007	2011	2015	2017	2018-2019
Index	0.36	0.34	0.39	0.38	0.43	0.42
Variation (%)		-7.20	17.30	-3.30	12.40	-0.70

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

Gross Domestic Product per capita

Togo's GDP per capita in nominal terms showed a limited increase in 2020 compared to its 2019 level. This increase was induced by the small increase in GDP recorded in 2020 following the Covid-19 pandemic, which had an impact on economic activity.

In current terms, GDP per capita rose to CFAF 526,632.7 in 2020 from CFAF 523,587.9 in 2019, an increase of 0.6 percent. In constant terms, GDP per capita declined as GDP growth (+1.8 percent) was lower than population growth (+2.5 percent). This decline was 0.7 percent in 2020 compared to 2019.

Table 20. GDP per capita in CFA francs

	PGDP per capita (constant local currency units)	PGDP per capita (current local currency)
2015	462 588	453 915.3
2016	475 949	475 949.4
2017	484 388	482 283.1
2018	496 247	500 690.7
2019	511 035	523 587.9
2020	507 510	526 632.7

Source : Calculations based on GDP and WPP 2010 data (United Nations)

1.8.2. Summary table

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

Table 21. Main economic aggregates (billions of CFA francs and percentage)

	2015	2016	2017	2018	2019	2020
National economy						
Nominal GDP	3 322.7	3 574.4	3 713.6	3 950.5	4 230.6	4 359.9
Real GDP growth (%)	5.7	5.6	4.3	5.0	5.5	1.8
Investment rate (in % of GDP)	23.0	21.4	18.3	18.1	20.5	23.6
Inflation rate (in %)	1.8	0.9	-0.2	0.9	0.7	1.7

Balance of payments						
Exports of goods	597.7	614.2	591.5	600.4	618.2	580.4
Imports of goods	-1 208.5	-1 185.9	- 965.3	-1 035.1	-1 061.7	-1 080.3
Balance	- 610.8	-571.7	- 373.8	-434.7	- 443.5	- 499.9
Current balance	-272.6	-258.8	-56.1	-102.7	- 32.5	-172.6
Public Finance						
Revenues and grants	628.2	695.0	709.9	765.9	821.7	827.1
Expenses	780.6	912.7	717.7	789.0	753.6	1 131.3
Balance	-152.4	-217.7	-7.8	-23.0	68.1	-304.2
Public Debt	1 745.9	2 092.7	2 020.3	2 191.0	2 197.7	2 555.4
Domestic debt	1 218.7	1 528.6	1 470.1	1 590.3	1 446.4	1 574.2
External debt	527.2	564.1	550.2	600.8	750.2	981.3
Domestic debt in % of nominal GDP	36.7	42.8	39.6	40.3	34.2	36.1
Budget balance						
In value	-152.4	-217.7	-7.8	-23.0	68.1	- 304.2
As a percentage of Nominal GDP (%)	-4.7	-6.1	-0.2	-0.6	-0.9	-7.0

Source : DGBF/DGEAE, INSEED, BCEAO

2. RECENT ECONOMIC SITUATION AND OUTLOOK

2.1. Assessment of the gross domestic product¹⁵

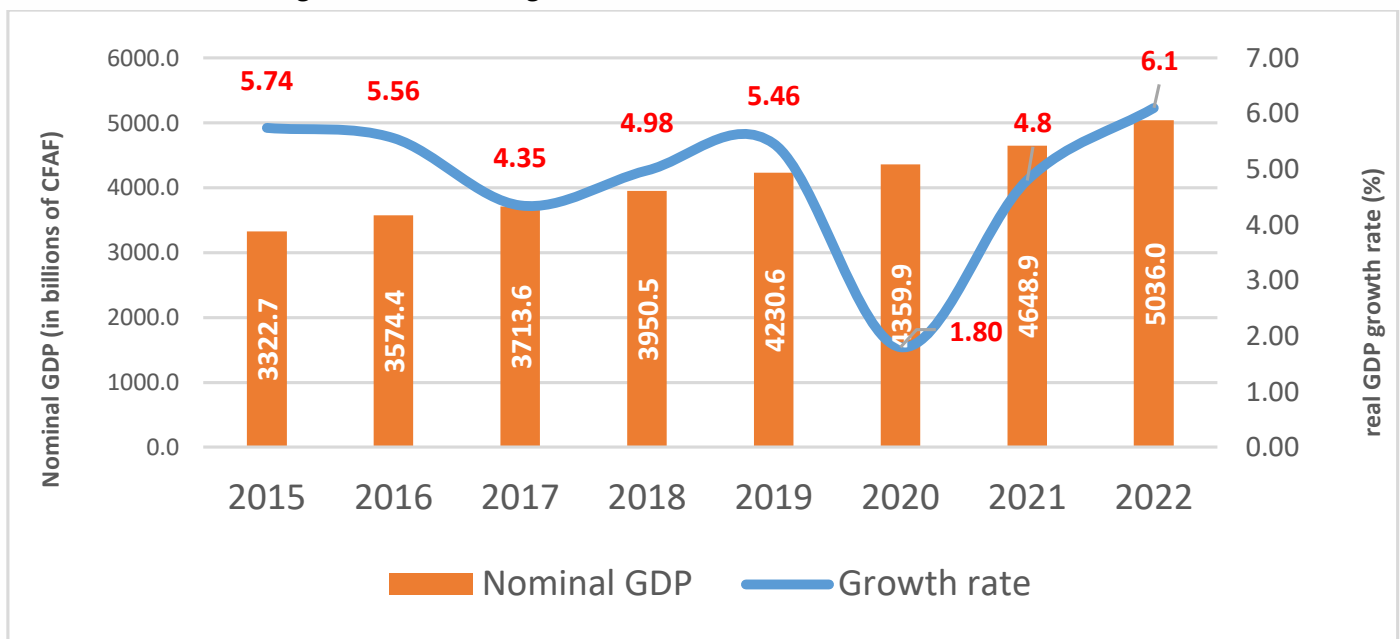
Like most countries in the world, the Togolese economy has been hit by the Covid-19 pandemic. This pandemic, coupled with restrictive measures taken at the international and national levels to contain the spread of the disease, has led to a decline in economic activity. The growth rate of the economy stood at 1.8% in 2020 (compared to +5.5% initially forecast in January 2020), marking a U-turn in the sustained growth rate that began in 2018.

Economic activity has benefited from the implementation of the healthcare recovery plan, which is expected to cost CFAF 400 billion. As of December 15, 2020, CFAF 173 billion of the expected resources have been mobilized. CFAF 3.2 billion have been mobilized by the national and international private sector, and nearly 170 billion come from the country's financial partners. The fight against the pandemic would have cost more than 107 billion

CFAF of the resources expected under this response plan at the same date. The said expenses consist of approximately:

- 21% of expenditures related to health response measures (CFAF 22.8 billion);
- 30% of support measures in behalf of the population (CFAF 32.4 billion), which includes social support mechanisms such as the Novissi universal income program, the payment by the Government of water and electricity bills for certain social strata, as well as various other social actions;
- CFAF 52.2 billion, or more than 48% of investment expenditures, for economic recovery.

Figure 5. Economic growth rate and nominal GDP from 2015 to 2022



Sources: INSEED, DGAAE

In line with the efforts made by the Government in the context of the response to the pandemic, Togo should regain its pre-pandemic growth rate from 2021. Indeed, the period 2021-2023 will be marked by the implementation of the economic recovery plan

in line with the government's development policy, contained in the government's roadmap. The real GDP growth rate would increase from 4.8 percent in 2021 to 6.1 percent in 2022 according to the DPBEP 2021.

¹⁵ The statistics presented are those from the GDP rebasing. Indeed, Togo rebased the GDP and the base year has changed from 2007 to 2016.

2.1.1 Level of GDP

In nominal terms, gross domestic product is expected to reach CFAF 4,359.9 billion in 2020, compared with CFAF 4,230.6 billion in 2019, an increase of 3.1% compared with an average of 6.2% between 2016 and 2019. This increase in nominal GDP, albeit small,

would be driven to a large extent by the secondary sector (+10.5%) and the tertiary sector (+2.1%).

From 2021 onwards, nominal GDP is expected to follow an upward trend to reach CFAF 5,036.0 billion in 2022.

Table 22. Gross Domestic Product (in billions of CFAF)

	2015	2016	2017	2018	2019	2020 Est	2021 Proj.	2022 Proj.
Primary sector	696.8	742.0	766.4	807.5	835.7	818.6	897.3	966.8
Secondary sector	684.1	772.1	791.9	829.6	895.5	989.7	1 039.9	1 129.2
Tertiary sector	1 941.9	2 060.3	2 155.3	2 313.4	2 499.3	2 551.5	2 711.6	2 940.0
TOTAL GDP	3 322.7	3 574.4	3 713.6	3 950.5	4 230.6	4 359.9	4 648.9	5 036.0

Source : INSEED/DGEAE

2.1.2 Real GDP growth

The growth rate is expected to be 1.8 percent in 2020 compared to 5.5 percent in 2019. The weak growth observed in 2020 is mainly driven by the secondary sector and to a lesser extent by the primary and secondary sectors.

The added value of the primary sector is expected to increase by 1.3% in 2020 compared to 1.9% in 2019 thanks to the various measures taken by the government to strengthen food security and ensure income for farmers in the face of the devastating effects of the crisis on other sectors. The contribution of the primary sector to GDP is estimated at 0.3% in 2020, compared to 0.4% in 2019. The added value of the primary sector is driven by agriculture. The "livestock and hunting" and "forestry" sectors are also expected to grow.

With a contribution of 1.1% in 2020, against 1.4% in 2019, the secondary sector would record a 5.3%

increase in its added value, driven in particular by the "mining and quarrying", "electricity, gas and water", "buildings and public works" and "manufacturing" sectors. The added value of these sectors would have increased by 40.2%, 8.0%, 5.7% and 1.7% respectively in 2020.

The added value of the tertiary sector would be up by 1.5% in 2020, driven by the "Transport, Storage, Communications" sectors (+3.7%) and "Other market services" (+1.5%). In contrast, the "trade" sector would have recorded a 3.4% decline in added value. Due to the important role played by public administration services in the fight against the pandemic, the impact of the crisis was less on non-market GDP. Indeed, the latter recorded only a small decline of 0.7 percent in 2020 compared with an increase of 3.7 percent in 2019. The contribution of the tertiary sector to GDP formation was 0.3% in 2020.

Table 23. Real GDP growth rate

	2015	2016	2017	2018	2019	2020 (Est)	2021 (Proj)	2022 (Proj)
Total GDP	5.7	5.6	4.3	5.0	5.5	1.8	4.8	6.1
Primary sector	2.1	3.4	7.8	3.2	1.9	1.3	4.7	5.6
Secondary sector	2.4	15.2	4.4	3.9	6.5	5.3	4.0	6.6
<i>Extractive industries</i>	0.3	-15.0	-6.3	22.6	-14.1	40.2	4.5	7.2
<i>Manufacturing industries and crafts</i>	3.4	15.3	3.8	4.4	6.3	1.7	36	6.3
<i>Electricity, Gas, Water</i>	14.0	9.0	6.7	-5.7	10.6	8.0	4.3	6.3
<i>Construction, public works</i>	-17.8	54.0	9.9	6.4	13.1	5.7	5.2	8.0
Tertiary sector	4.8	2.2	3.9	6.6	4.8	1.5	4.4	6.2
<i>Trade</i>	-3.6	3.0	1.1	3.8	4.2	-3.4	4.3	5.7
<i>Transportation, Warehouses, Communications</i>	-2.2	-4.8	8.9	7.3	4.5	3.7	4.1	5.6
<i>Other market services</i>	14.3	7.1	1.5	7.1	5.1	1.5	4.6	6.9
Non-market GDP	13.3	6.2	6.1	6.8	3.7	-0.7	5.9	5.5
Duties and taxes	18.3	2.6	-4.5	2.2	18.7	-1.4	7.1	6.7

Source : INSEED/DGEAE BCEAO

Looking ahead, over the period 2021-2022, the various sectors are expected to experience a boost in their added value according to the 2021 DPBEP. The primary sector is expected to grow by 4.7 percent and 5.6 percent in 2021 and 2022 respectively, with an average contribution to real GDP growth of 1.0 percent. The secondary sector is expected to contribute 0.9 percent to GDP growth in 2021 and 1.5 percent in 2022, as its added value increases by 4.0 percent and 6.6 percent in 2021 and 2022 respectively. The tertiary sector would drive growth with a contribution of 2.9 percent in 2021 and 3.5 percent in 2022.

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 tertiary¹⁶ sector in GDP is estimated at 58.5 percent in 2020, compared with 59.1 percent in 2019. On average over the period 2016 to 2020, the share of the tertiary sector was 58.4 percent. The share of the secondary sector, as a result of rebasing, averaged 21.6 percent over the 2016-2020 period. In 2020, it would rise to 22.7 percent from 21.2 percent in 2019. The primary sector, for its part, would see its share decline as a result of rebasing in favor of the secondary sector, averaging 20.1 percent over the 2016-2020 period. It would represent 18.8 percent in 2020, compared with 19.8 percent in 2019.

Table 24. Contribution of the various sectors to the GDP in value

	2015	2016	2017	2018	2019 Est	2020 Est	2021 (Proj)	2022 (Proj)
Primary sector	21.0	20.8	20.6	20.4	19.8	18.8	19.3	19.2
Secondary sector	20.6	21.6	21.3	21.0	21.2	22.7	22.4	22.4
Tertiary sector	58.4	57.6	58.0	58.6	59.1	58.5	58.3	58.4
TOTAL GDP	100	100	100	100	100	100	100	100

Source : INSEED/DGEAE, BCEAO

¹⁶ Here the service sector takes into account non-market GDP.

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 added value of the tertiary sector rose from CFAF 2,499.33 billion in 2019 to CFAF 2,551.50 billion in 2020, an increase of 2.1 percent. In terms of added value in the tertiary sector, it is the «trade, hotels and restaurants» and «transport, storage and communications» sub-sectors that contribute the most, despite their underperformance in 2020 compared with 2019. Indeed, the share of these two sub-sub-sectors in the formation of the added value of the tertiary sector was 34.0% in 2020 compared to 34.6% a year earlier. The added value of the «trade, hotels and restaurants» sub-sector stood at CFAF 323.4 billion in 2020 compared with CFAF 334.2

billion in 2019, a decline of 3.2%. The «transport, storage and communications» sub-sector, for its part, recorded an increase of 2.6% in 2020 compared with its 2019 level (+5.6%).

The added value of the secondary sector rose in 2019 from CFAF 895.51 billion to CFAF 989.68 billion in 2020, an increase of 10.5%. It is largely driven by the «manufacturing and craft industries» branch with a share of 63.4% in 2020. The latter is followed by the «electricity, gas and water» and «construction and public works» sub-sectors with shares of 16.4% and 14.4% respectively.

The added value of the primary sector in nominal terms fell by 2.0% in 2020 to CFAF 818.63 billion, compared with CFAF 835.75 billion in 2019. In terms of added value in the primary sector, the agriculture branch contributes the most, with a share of around 75%.

Table 25. GDP in value and its components

Wording	2015	2016	2017	2018	2019	2020 (est)	2021 (Proj)	2022 (Proj)
Primary sector (i)	696.8	742.0	766.4	807.5	835.7	818.6	897.3	966.8
Secondary sector (ii)	684.1	772.1	791.9	829.6	895.5	989.7	1 039.9	1 129.2
Manufacturing industries and crafts	450.0	501.2	518.2	545.8	583.9	627.0	655.6	711.7
Construction industry	59.7	93.2	102.0	112.4	122.3	142.6	152.3	164.6
Electricity, gas and water	116.8	130.3	134.7	130.5	147.5	161.9	173.5	189.5
Extractive industries	57.5	47.4	37.0	41.0	41.8	58.1	58.5	63.3
Tertiary sector (iii)	1 941.9	2 060.3	2 155.3	2 313.4	2 499.3	2 551.5	2 711.6	2 940.0
Commerce, restaurants and hotels	255.6	267.0	286.0	309.5	334.2	323.4	346.9	376.6
Transportation, Storage and Communications	422.6	429.0	459.6	502.2	530.2	543.8	573.8	619.3
Other market services	555.9	618.3	610.3	657.4	692.0	721.9	763.1	825.4
VAT and import duties and taxes	294.1	302.8	326.1	334.0	400.4	401.5	434.0	477.8
Non-Market GDP	413.7	443.1	473.3	510.3	542.5	561.0	593.9	641.0
Market GDP	2 909.0	3 131.3	3 240.3	3 440.2	3 688.1	3 798.9	4 055.0	4 395.0
GDP - GROSS DOMESTIC PRODUCT	3 322.7	3 574.4	3 713.6	3 950.5	4 230.6	4 359.9	4 648.9	5 036.0

Source : INSEED/DGEAE, BCEAO

2.1.5 GDP composition

Since 2010, thanks to information and communication technologies, the tertiary sector (excluding non-market GDP) has played a dominant role in national wealth creation. Its weight in GDP in nominal terms is expected to be 58.5% in 2020, compared with 59.1% in 2019. The sector is dominated by the «transport, storage and communication» and «trade, hotels and restaurants» sub-sectors. In 2021 and 2022, the share of the service sector is expected to stabilize at around 58.4 percent.

The secondary sector appears to be growing, rising to 22.7 percent of GDP in 2020 from 21.2 percent in 2019. It is generally driven by the manufacturing and crafts sub-sector.

The primary sector is expected to decline to 18.8 percent in 2020 from 19.8 percent in 2019. It is dominated by the agriculture sub-sector. The share of the primary sector is expected to increase slightly to 19.3 percent and 19.2 percent in 2021 and 2022 respectively.

Table 26. GDP composition (in %)

Wording	2015	2016	2017	2018	2019	2020 (est)	2021 (Proj)	2022 (Proj)
Primary sector (i)	21.0	20.8	20.6	20.4	19.8	18.8	19.3	19.2
Secondary sector (ii)	20.6	21.6	21.3	21.0	21.2	22.7	22.4	22.4
Manufacturing industries and crafts	13.5	14.0	14.0	13.8	13.8	14.4	14.1	14.1
Construction industry	1.8	2.6	2.7	2.8	2.9	3.3	3,3	3.3
Electricity, gas and water	3.5	3.6	3.6	3.3	3.5	3.7	3,7	3.8
Extractive industries	1.7	1.3	1.0	1.0	1.0	1.3	1.3	1.3
Tertiary sector (iii)	58.4	57.6	58.0	58.6	59.1	58.5	58.3	58.4
Commerce, restaurants and hotels	7.7	7.5	7.7	7.8	7.9	7.4	7.5	7.5
Transportation, Storage and Communications	12.7	12.0	12.4	12.7	12.5	12.5	12.3	12.3
Other market services	16.7	17.3	16.4	16.6	16.4	16.6	16.4	16.4
VAT and import duties and taxes	8.9	8.5	8.8	8.5	9.5	9.2	9.3	9.5
Non-Market GDP	12.4	12.4	12.7	12.9	12.8	12.9	12.8	12.7
Market GDP	87.6	87.6	87.3	87.1	87.2	87.1	87.2	87.3
GDP - GROSS DOMESTIC PRODUCT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source : INSEED/DGEAE, BCEAO

2.1.6 GDP component

Final consumption at current prices rose from CFAF 3,710.40 billion in 2019 to CFAF 3,790.80 billion in 2020, recording an increase of 2.2 percent, driven by both private consumption (+1.9 percent) and public consumption (+3.8 percent). The good performance

of public consumption is linked to the increase in government spending in response to the Covid-19 pandemic. The share of final consumption in GDP is expected to rise to 86.9% in 2020 from 87.7% in 2019. In terms of outlook, final consumption is expected to reach CFAF 4,296.5 billion in 2022, compared with CFAF 4,009.1 billion in 2021.

Gross Fixed Capital Formation (GFCF) is estimated to have risen by 18.5% in 2020 to CFAF 1,029.48 billion compared to 2019. This increase is linked to the public component, which is estimated to have risen by 89.4% in connection with the increase in capital expenditure in response to the Covid-19 pandemic. Private GFCF, on the other hand, is expected to decline by 7.8 percent in 2020 compared to 2019. Changes in final consumption and GFCF led to an

increase in domestic demand of 5.3 percent in 2020 compared to its 2019 level.

External demand came out in deficit due to the importance of imports compared to exports. The external demand deficit was CFAF 460.42 billion in 2020, compared with CFAF 348.97 billion in 2019, an increase of 31.94% compared with 0.36% in 2019. The external demand deficit is expected to improve.

Table 27. GDP at current prices: demand perspective (in billions of CFA francs)

	2015	2016	2017	2018	2019	2020 (Est)	2021 (Proj.)	2022 (Proj.)
Total GDP	3 322.7	3 574.4	3 713.6	3 950.4	4 230.5	4 359.9	4 648.9	5 036.0
1. Internal demand	3 882.3	4 100.9	3 950.9	4 298.2	4 579.5	4 820.3	5 107.8	5 492.7
Total consumption	3 100.3	3 296.0	3 324.9	3 582.7	3 710.4	3 790.8	4 009.1	4 296.5
Private	2 617.9	2 801.8	2 847.6	2 992.6	3 130.6	3 188.9	3 360.1	3 628.8
Public	482.3	494.2	477.3	590.1	579.8	601.9	649.0	667.7
Total investments	782.1	804.9	626.0	715.4	869.1	1 029.5	1 098.7	1 196.3
Private	504.3	482.8	451.5	513.6	634.3	584.8		
Public	277.8	322.1	174.5	201.9	234.8	444.7		
2. Total external demand	-543.0	-487.0	-291.5	-347.7	-349.0	-460.4	-458.9	-456.8
Exports	886.0	935.4	922.4	945.9	975.6	854.9	939.1	1 002.4
Imports	1 429.0	1 422.3	1 213.9	1 293.6	1 324.6	1 315.3	1 398.0	1 459.1
3. Changes in inventory	-16.69	-39.53	54.2	0	0	0	0	0

Source : INSEED/DGEAE, BCEAO

3.1. Recent Achievements and Completions

3.1.1 The national development plan overview

In order to find appropriate responses to the deterioration of macroeconomic and social indicators, a consequence of several years of socio-political crises, Togo embarked in 2006 on a process of structural reforms and macroeconomic policies through the implementation of national poverty reduction strategies, the latest of which was the 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 takes into account 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 center in the subregion.
- Strategic axis 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 amounts 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 2022¹⁷, 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

17 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%.

reap the benefits of the reforms implemented, both in terms of cleaning up the macroeconomic 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.

In order to boost the national economy and take into account the new national vision, the presidential aspirations as well as the context of the Covid-19 pandemic, the portfolio of projects and reforms defined in the NDP 2018-2020 has been revised. Thus, a government roadmap covering the period 2020-2025 has been developed. This new roadmap is structured around three strategic areas which are:

- Strategic Area 1: Strengthen social inclusion and harmony and consolidate peace ;
- Strategic Area 2: Boost job creation by building on the strengths of the economy;
- Strategic Area 3: Modernize the country and strengthen its structures.

The new document announces cumulative investments of CFAF 3.4 trillion by 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 includes 42 projects and reforms.

The Government intends to take up five major challenges. These are essentially digitization and the modernization of the economy and the administration to improve the productivity of public and private actors, and to improve the efficiency of the government. This efficiency of public action will be achieved by strengthening State agencies and improving the resilience of health, education and social systems in order to cope with future crises. The challenge of increasing the contribution of private investment to growth should be met through improved progress in the Business Climate Unit.

Strengthening the positioning of the Togolese Republic as a logistics hub (massification, at a given point, saves money and time) is a core goal for the next 5 years. Its achievement will require the

consolidation of infrastructures and capitalization on the strategic geographical position of the country as well as its natural opening towards the sea and the hinterland. Moreover, the Togolese Revenue Office is working at increasing fiscal resources and broadening the tax base by tapping into niches among other things.

The PND implementation monitoring mechanism is based on a well-designed framework. An agency dedicated to the implementation of the NDP is to be created. All the ministries that make up the government architecture, public agencies, local public administrations and decentralized territorial communities constitute the institutional actors for the NDP implementation. 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 targets. A framework for measuring performance and monitoring-evaluation indicators has also been defined. The three-year public investment program (PIP), aligned with the strategic orientations of the NDP, remains a tool for operationalizing the plan. Its annual tranche represents the investment portion of the general budget. In addition, there are plans to build the capacities of the national statistical system in order to meet coordination challenges of activities between INSEED and the sectoral ministries, producing reliable statistics on a regular basis, particularly from administrative sources, and financing major statistical activities on a non-systematic basis.

3.1.2 Structural reforms related to the National Development Plan

In order to give impetus to a new economic dynamic based on the structural transformation of the national economy, Togo has opted for a new agricultural policy based on the development and promotion

of agropoles. This new agricultural policy 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 so as 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 in order 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 in 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, in particular, 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.

By adopting it, Togo wants to finance the agricultural sector differently and lead its green revolution. In total, more than one million producers should be favorably impacted by 2021. 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, in order 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 is scheduled for implementation 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 kilometers of urban roads will be rehabilitated with more than 13 kilometers 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) in order 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.

3.2. Upcoming projects

One of the priorities of 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 electrification projects throughout the country. One of the flagship projects is the Togo Energy Sector Reform and Investment Project (PRISET), which was launched on 30 March 2021. At a cost of around 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 improve quality, supply reliability and access to electricity services. It also aims to extend the low voltage network to allow households to be connected to electricity grids.

The project reinforces actions already undertaken by the Government through the national electrification policy and the Cizo presidential initiative. Works will last until the end of 2022 and is financed by the Togolese government with the support of development partners, notably the World Bank (WB), the European Union (EU), France through AFD and Germany via KfW. Togo's ambition is to reach

an intermediate access rate of 75% by 2025. This energy policy will require an investment of CFA 1 trillion with the support of the private sector.

Togo has progressively carried on the digitizing of payment instrument in the public administration. Soon financial transactions of the State will be done through digital means of payment. Once operational, the system will improve financial inclusion, and effectively fight against hoarding, corruption, money laundering and terrorist financing.

Personal data will be protected in accordance with 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 communications 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 people.

Togo will build 4,000 km of rural tracks in all of its five economic regions by 2025 through the Rural Track Support Program (PAPR). With an estimated cost of nearly 49 billion CFA francs, financed by AFD, KfW and the State, the program has two implementation phases (2018-2022 and 2022-2025). It aims to develop the rural road network thereby promoting the integration of the rural world, improving access of households and agricultural producers to inputs and sales markets. The PARP will help consolidate the country's agricultural policy, and will also promote the inclusion of communities. Rural roads will help fight marginalization and poverty, and the beneficiaries, particularly agricultural producers, will

have better access to socioeconomic infrastructure.

In addition to the rural tracks, several road infrastructures are planned, including the rehabilitation of the Sokodé-Bassar section, the development and asphaltting of the Malfakassa bypass, the development and asphaltting of the slip road linking the RN1 to the RN17 in the town of Sokodé and the development and asphaltting of the Binaparba slip road. The cost of the work is estimated at over CFAF 35 billion. The doubling of the National 1 Lomé-Cinkassé road is planned, with feasibility studies expected by the end of the second quarter of 2021. The completion of this project will ensure the fluidity of traffic, reduce travel time and cost on the Lomé-Ouaga corridor, thus improving the competitiveness of the Lomé Port Authority. It will also help to make Togo a leading logistics hub in the subregion, in line with the ambitions set out in the NDP.

Among other flagship projects of the Government, there is the industrial platform of Adétikopé (PIA). This platform represents an opportunity for the Togolese population, especially the youth. The infrastructure will create 35,000 direct and indirect jobs. Administrative facilities such as a one-stop shop, a police station, a fire station and utilities such as a water tank, a gas station, a substation, open green spaces etc. are planned. The special economic zone will be built on 400 hectares, having a parking lot 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 area of 200,000 m² will be dedicated to other logistics activities, roads and rights of way. The platform is through with its electrification phase.

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 CFA francs:** 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., $\text{CFAF } 655.957 = 1 \text{ euro}$ (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 CFA franc (CFAF). It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. In order 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:

- Name 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 CFA franc, 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.

The bodies

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 pressure¹⁸.

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 requirement system.

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.

¹⁸ 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, in order 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 (currently¹⁹ 2.0%). 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% and 4% respectively, and constitute BCEAO's two main key rates.

4.2. Money supply

Money supply grew steadily from CFAF 1,277.47 billion in 2015 to CFAF 2009.78 billion in 2020. Compared to 2019, it recorded an increase of 11.4 percent induced mainly by foreign assets. Indeed, foreign assets stood at CFAF 975.52 billion in 2020 compared to CFAF 730.98 billion in 2019 driven by the 87.8% increase in commercial banks' assets. The central bank's foreign assets were down 71.7% in 2020 compared to 2019.

Domestic assets fell by 2.0% to CFAF 1,318.77 billion in 2020, compared with CFAF 1,345.60 billion in 2019, due to the 70% decline in loans to the State and a slight increase in loans to the economy (+0.3%).

The composition of the money supply in 2020 shows that deposits increased to CFAF 1,684 billion from CFAF 1,465.33 billion. They accounted for 83.8 percent of the money supply compared to 81.2 percent in 2019. Currency in circulation declined to CFAF 325.77 billion, representing 16.2 percent of the money supply compared to CFAF 338.7 billion (18.8 percent).

Table 28. Money supply aggregates (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
Foreign assets	455.63	530.75	546.85	562.2	730.98	975.52
Central Bank	158.38	90.6	83.49	68.14	248.94	70.47
In the Banks	297.25	440.15	463.35	494.06	482.04	905.05
Domestic assets	1 118.40	1 183.40	1 341.80	1 434.10	1 345.60	1 318.77

¹⁹ BCEAO lowered its main policy rates by 50 basis points. Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.00% and the interest rate for the marginal lending window was reduced from 4.50% to 4.00%. This decision became effective on June 24, 2020

To the credit of the State	59.9	30.95	164.93	208.41	44.26	13.287
Central Bank	51.86	-13.37	-11.84	25.83	-115.38	-44.255
Bank	8.04	44.32	176.77	182.58	159.64	57.542
To the credit of the Economy	1 058.46	1 152.48	1 176.87	1 225.69	1 301.29	1 305.48
Other	-296.52	-278.45	-309.98	-272.2	-272.51	-284.51
Money supply (M2)	1 277.47	1 435.72	1 578.67	1 724.09	1 804.03	2 009.78
Outstanding currencies	240.49	245.23	298.25	335.21	338.7	325.771
Deposit	1 036.98	1 190.49	1 280.42	1 388.88	1465.33	1 684.01
	% increase observed as of 31. Dec from n-1 to n					
Net foreign assets	47.1	16.5	3.0	2.8	30.0	33.5
Net domestic assets	18.5	5.8	13.4	6.9	-6.2	-2.0
Credit to the State	-26.7	-48.3	432.9	26.4	-78.8	-70.0
Central Bank	43.5	-125.8	-11.4	-318.2	-546.7	-61.6
Banks	-82.3	451.2	298.8	3.3	-12.6	-64.0
Credit to the Economy	22.8	8.9	2.1	4.1	6.2	0.3
Money supply (M2)	20.8	12.4	10.0	9.2	4.6	11.4

Source : BCEAO, February 2021

4.3. Banking system and financial markets

4.3.1. The banking environment

The Togolese banking landscape, as of December 31, 2020, 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. The banking landscape 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) ;
 - Banque Togolaise pour Le Commerce et l'Industrie (BTCI);
 - Ecobank - Togo;
 - Orabank Togo ;
 - Société Interafricaine de Banque (SIAB) ;
 - Union Togolaise de Banque (UTB);
 - Bank Of Africa TOGO ;
 - Coris Bank International- TOGO (CBI-TOGO).
- Branches:
 - NSIA BANQUE BENIN ;

- o Société Générale Benin;
- o Development Bank of Mali (BDM).
- Financial institutions of a banking nature
 - o WAEMU Regional Mortgage Refinancing Fund (CRRH-UEMOA) ;
 - o African Guarantee Fund for Small and Medium Enterprises (AGF WEST AFRICA);
 - o African Lease Togo (ALT).

Commercial banks' net external assets rose from CFAF 482.04 billion in 2019 to CFAF 905.05 billion in 2020. This increase is linked to a 39.7% increase in claims on non-residents and a 33.1% decrease in liabilities to non-residents.

Claims on the Central Bank amounted to CFAF 219.69 billion in 2020 compared to CFAF 137.74 billion in 2019. This change is attributable to the 95% increase in deposits. The latter accounted for 79% of claims on BCEAO in 2020 compared with 65% in 2019.

Table 29. Commercial banks (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
ASSETS						
Net external assets	297.25	440.15	463.35	494.06	482.04	905.05
Claims on non-residents	600.34	773.48	773.84	748.17	800.68	1 118.27
Liabilities to non-residents	-303.08	-333.34	-310.49	-254.11	-318.64	-213.22
Claims on the Central Bank	119.51	160.48	94.45	128.75	137.74	219.69
Cash	37.21	35.25	32.54	38.02	48.39	45.45
Deposits	82.31	125.23	61.86	90.72	89.35	174.24
Other claims on the central bank	0	0	0.1	0	0	0
Net receivables from central government	8.04	44.32	176.77	182.58	159.64	57.54
Receivables from central government	207.62	287.71	393.64	474.07	515.26	490.16
Commitments to central government	-199.59	-243.39	-216.87	-291.49	-355.62	-432.61
Claims on the economy	1 055.82	1 150.07	1 174.15	1 222.78	1 298.37	1 302.57
Receivables from other financial companies	6.45	7.50	19.86	16.10	10.87	14.90
Receivables from state and local governments	0	0	0	5.24	0	0
Claims on public non-financial corporations	59.27	50.62	57.7	118.69	159.89	131.78
Claims on the private sector	990.09	1 091.94	1 096.59	1 082.74	1 127.61	1 155.89
LIABILITIES						
Commitments to the central bank	174.94	341.78	316.21	350.11	351.9	524.41
Transferable deposits included in broad money supply	426.66	511.71	534.68	554.34	595.6	720.85

Other deposits included in broad money supply	590.80	659.22	721.94	809.49	841.30	927.23
Securities other than shares included in broad money supply	0	0	0	0	0	0
Deposits excluded from the broad money supply	29.9	39.85	45.59	59.29	75.73	85.87
Securities other than shares excluded from the broad money supply	0	0	0	0	0	0
Borrowing	6.38	6.89	9.92	11.88	22.20	19.54
Financial derivatives	0	0	0	0	0	0
Insurance technical reserves	0	0	0	0	0	0
Shares and other equity securities	108.06	127.78	134.57	131.46	142.11	157.94
Other items (net)	143.88	107.79	145.8	111.58	48.94	49.01

Source: BCEAO, February 2021

Net receivables from central government amounted to CFAF 57.54 billion in 2020, compared with CFAF 159.64 billion in 2019, reflecting a 4.9% decline in receivables and a 21.7% increase in commitments.

Credit to the economy rose slightly by 0.3% to CFAF 1,302.57 billion in 2020 compared with CFAF 1,298.37 billion in 2019. This change is attributable to an increase in receivables from the private sector and other financial companies. The decline in claims on public non-financial companies (CFAF 28.12 billion) is roughly equivalent, in absolute terms, to the increase in claims on the private sector (CFAF 28.28 billion). As in previous years, private sector financing as a proportion of total credit to the economy was higher, at 88.7% in 2020.

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

Central Bank, are the three (3) largest components of commercial banks' liabilities. In 2020, all liability items were up as in 2019, with the exception of borrowings which were down 12%.

The increase in commitments to the Central Bank is more pronounced in volume. It amounted to CFAF 172.5 billion against CFAF 125.25 billion and CFAF 85.93 billion respectively for transferable deposits and other deposits included in the broad money supply.

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 7.22% and 8.13%. The average interest rate on deposits ranged from 5.46% to 5.73%.

Table 30. Interest rates charged by commercial banks according to the nature of the loan or deposit in 2020

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	7.51	8.3	5.63	7.33	7.93	8.05	8.01	7.62	5.73
February	8.13	7.44	8.42	8.47	8.74	8.22	8.09	8.74	4.96
March	7.57	8.97	5.1	8.6	6.81	9.04	8.13	8.48	5.67
April	7.86	7.45	8.77	7.74	7.45	9.12	8.55	8.56	4.09
May	7.44	8.89	4.59	8.55	8.23	7.41	6.93	9.11	5.34
June	7.22	6.29	7.84	7.64	9.15	5.08	7.79	8.22	7.7
July	7.78	6.94	8.05	8.4	8.01	7.57	8	8.07	5.04
August	7.61	6.81	7.57	7.97	8.04	9.43	7.55	8.16	4.6
September	7.84	6.73	6.52	8.79	7.99	8.19	8.52	8.71	6.97
October	8.1	7.98	6.77	8.6	8.3	9.1	8.29	8.24	3.71
November	7.38	7.63	8.81	8.28	6.88	9.13	7.76	8.32	4.52
December	7.54	6.91	5.93	8.33	8.36	9.62	7.5	8.1	4.27
Average rate of return on deposits									
	Average	less than 1 month	between 1 and 3 months	between 3 and 6 months	6 months and 1 year	between 1 and 2 years	between 2 and 5	between 5 and 10 years	more than 10 years
January	5.61	5.32	5.83	5.99	5.81	5.28	5.91	nd	4.92
February	5.57	5.49	5.19	5.63	5.77	5.05	6.14	nd	5.54
March	5.73	5.2	5.27	5.98	5.98	4.59	6.28	nd	5.62
April	5.64	5.41	5.77	5.82	6.02	5.42	5.97	nd	5.7
May	5.63	5.44	5.24	5.99	5.7	5.32	6.23	nd	5.47
June	5.55	5.44	5.19	6.18	5.97	5.2	5.89	nd	5.04
July	5.69	5.42	5.48	5.82	5.65	5.71	6.27	nd	6.46
August	5.58	5.46	5.1	6.19	5.83	6.15	5.72	nd	5.26
September	5.53	5.43	5.12	6.19	5.83	5.3	5.72	nd	5.17
October	5.7	5.51	5.93	6.09	5.97	5.42	5.52	nd	5.38
November	5.66	5.64	5.2	6.39	5.39	4.78	5.2	nd	5.52
December	5.46	5.39	5.37	5.84	5.4	5.65	5.8	nd	5.13

Source : BCEAO, February 2021

Microfinance

In Togo, the demographic penetration rate of microfinance services in 2019 was 1.2 percent compared to 1.3 percent in 2018. The geographic penetration rate fell from 10% in 2018 to 9.8% in 2019. As for the microfinance service utilization rate of the adult population (15 years and older), it increased from 48.6 percent in 2018 to 53.4 percent in 2019.

As of September 30, 2020, the total number of Decentralized Financial Establishments (DFE) in

Togo was 77 compared to 76 in December 2019. The number of depositors increased from 2.80 million at December 31, 2019 to 3.1 million at September 30, 2020. The amount of outstanding loans was 19.07 billion CFAF, representing a portfolio deterioration rate of 11.0% as of September 30, 2020 compared to 6.1% in December 2019.

As of December 31, 2020²⁰, deposits recorded an increase of 21.1% compared with their level as of December 31, 2019, coming out at CFAF 252.15 billion. Like deposits, outstanding loans rose by 10.4% year-on-year to CFAF 195.65 billion.

Table 31. Microfinance indicators in Togo

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020
Number of members/clients	2 615 380	2 706 712	2 864 379	2 799 262	2 862 590	2 869 896	3 081 816	-
Number of service points	526	518	519	515	497	505	516	-
Total number of DFEs	76	73	77	76	77	77	77	-
Number of DFEs in the sample	51	53	53	53	52	53	53	-
Deposit amounts (in billions of CFA francs)	198.01	203.49	209.52	208.21	213.76	255.80	227.78	252.15
Outstanding loans (in billions CFAF)	161.83	163.23	174.23	177.22	166.22	171.88	172.96	195.65
Amounts of outstanding receivables (in billions of CFA francs)	11.34	12.23	12.95	10.78	11.53	15.06	19.07	-
Portfolio decay rate	7.0%	7.5%	7.4%	6.1%	6.9%	8.8%	11%	-

Source : BCEAO

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 UMOA-Titres, 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 (BRVM) : Presentation and roles

The Regional Stock 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.

Evolution of BRVM bonds and equity market

Since 2016, the underperformance of the WAEMU stock market (BRVM) shows that it has not fully resisted the general downward movement that has gripped the world's financial markets. The decline in 2018 of BRVM was particularly marked. Preferred stocks in 2015, focused on food and beverage sector as well as agribusiness, consumer, automotive and equipment and banking, have experienced a decline.

The drop in prices on 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 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 of the listed companies have not reacted to the fall in their capitalization.

The year 2020 has negatively impacted BRVM, like 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 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.

During the 2020 trading year, the BRVM Composite Index fell from 159.2 on 12/31/2019 to 145.37 on 12/31/2020. The market capitalization of the equity market fell from CFAF 4,741 billion at the end of 2019 to CFAF 4,368 billion at the end of 2020, a decline of 7.9%.

The market capitalization of bonds stood at CFAF 6,051 billion as at December 31, 2020, compared with CFAF 4,233 billion the previous year, an increase of 43%. This increase is linked to the need for States to support their respective economies in the context of the pandemic.

Table 32. BRVM financial market trends

	2014	2015	2016	2017	2018	2019	2020
BRVM 10 Indexes	268	290	262	220	154	149	131
BRVM composite Indexes	258	304	292	243	172	159	145
Composite market capitalization (stocks and bonds) in billions of CFA francs	7 459	9 079	10 216	9 806	8 289	8 973	10 418
Equity Market	6 320	7 500	7 706	6 836	4 845	4 741	4 368
Bond market	1 139	1 579	2 509	2 970	3 444	4 233	6 051
Number of listed companies	38	39	43	45	45	46	46

Source : BRVM

Bond market

In 2020, Togo issued twenty-five (25) public securities, including twenty (20) Treasury bonds (T-bonds) with maturities ranging from 36 to 84 months and five (05) Treasury bills (T-bills), three of which have a maturity of 12 months each. Among the five T-bills, two are covid-1 bonds with a 3-month maturity and a respective amount of CFAF 108 billion and CFAF 70 billion. The amount withheld for the 2020 issues is CFAF 623.206 billion.

In 2021 as of April 16, Togo carried out eleven (11) issues, including one (01) T-bills and ten (10) T-bonds. Out of the ten (10) T-bonds, seven (07) are Recovery Bonds (ODR) with a total amount of 166.5 billion CFAF withheld. These stimulus bonds have a maturity between 3 and 10 years. Treasury bills (T-bills) are short-term debt securities issued by the State by way of auction. Treasury bonds (T-bonds) are medium and long-term debt securities issued by the State by way of auction.

Table 33. Togo's issuance from 2020 to April 16, 2021

Instrument	Details	Date of operation	Value date	Maturity	Maturity (months)	Amount (Millions of CFAF)	Amount withheld (millions of CFAF)	Weighted average yield
T-bonds	Recovery bond	16/04/2021	19/04/2021	19/04/2021	60	75000	8250	5.78
T-bonds	Recovery bond	16/04/2021	19/04/2021	19/04/2028	84	75000	15512.94	6.09
T-bonds	Recovery bond	16/04/2021	19/04/2021	19/04/2031	120	75000	58737.06	6.32
T-bonds	Recovery bond	19/03/2021	22/03/2021	22/03/2028	84	20000	22000	6.22
T-bonds	Recovery bond	05/03/2021	08/03/2021	08/03/2024	36	40000	13700	5.63
T-bonds	Recovery bond	05/03/2021	08/03/2021	22/02/2026	60	40000	26300	5.99
T-bonds	Recovery bond	19/02/2021	22/02/2021	22/02/2026	60	20000	22000	6.02
T-bonds		22/01/2021	25/01/2021	25/01/2024	36	80000	24366	6.1
T-bonds		22/01/2021	25/01/2021	25/01/2026	60	80000	22785	6.38
T-bonds		22/01/2021	25/01/2021	25/01/2028	84	80000	40849	6.53
T-bills		08/01/2021	11/01/2021	11/07/2021	6	25 000	27 500	4.17
T-bonds		27/11/2020	30/11/2020	26/10/2025	60	20 000	9 285	6.31
T-bonds		27/11/2020	30/11/2020	16/03/2027	84	20 000	12 715	6.49
T-bonds		23/10/2020	26/10/2020	26/10/2025	60	25 000	3 286	6.2
T-bonds		23/10/2020	26/10/2020	16/03/2027	84	25 000	24 214	6.49
T-bonds		25/09/2020	28/09/2020	24/08/2025	60	25 000	27 500	6.39
T-bonds		11/09/2020	14/09/2020	24/08/2023	36	25 000	27 500	6.15
T-bonds		21/08/2020	24/08/2020	24/08/2023	36	30 000	12 458	6.25
T-bonds		21/08/2020	24/08/2020	24/08/2025	60	30 000	20 542	6.5

T-bills	Covid-19 Coupons	13/08/2020	14/08/2020	12/11/2020	3	70 000	70 000	2.26
T-bonds		10/08/2020	11/08/2020	11/08/2023	36	25 000	24 300	6.58
T-bonds		10/08/2020	11/08/2020	11/08/2025	60	25 000	3 200	6.57
T-bonds		10/07/2020	13/07/2020	13/07/2023	36	30 000	31 307	6.51
T-bonds		10/07/2020	13/07/2020	13/07/2025	60	30 000	1 623	6.57
T-bills		05/06/2020	08/06/2020	06/06/2021	12	20 000	21 818	5.1
T-bills	Covid-19 Coupons	14/05/2020	15/05/2020	13/08/2020	3	108 000	108 000	2.78
T-bonds		08/05/2020	11/05/2020	16/03/2023	36	35 000	22 383	6.1
T-bonds		08/05/2020	11/05/2020	02/03/2025	60	35 000	16 117	6.48
T-bills		17/04/2020	20/04/2020	18/04/2021	12	20 000	22 000	5.32
T-bonds		13/03/2020	16/03/2020	16/03/2023	36	50 000	31 610	6.15
T-bonds		13/03/2020	16/03/2020	02/03/2025	60	50000	10 820	6.51
T-bonds		13/03/2020	16/03/2020	16/03/2027	84	50 000	12 528	6.81
T-bonds		28/02/2020	02/03/2020	02/03/2025	60	25 000	27 500	6.37
T-bonds		14/02/2020	17/02/2020	03/02/2023	36	25 000	27 500	6.14
T-bonds		31/01/2020	03/02/2020	03/02/2023	36	25 000	27 500	6.11
T-bills		17/01/2020	20/01/2020	17/01/2021	12	25 000	27 500	5.21

Source : UMOA-Titres

Stock market

Two Togo-based companies are listed on the Regional Stock Exchange (BRVM). They 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

2020 was CFAF 13 compared to CFAF 14 in 2019, a decline of 7.1%.

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 December 31, 2020, was 4150 CFAF just like in 2019.

Table 34. Stock market performance of Ecobank Trans Togo and Oragroup Togo

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

Source : BRVM

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 market by auction

The auction market is a segment of the public securities market, in which WAEMU member States issue Treasury bills and bonds through an auction procedure in order 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-UMOA²¹;
- 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 provides assistance to member States in mobilizing resources on the capital markets and managing their debt;

- Investors, which are credit institutions, MFIs and regional financial organizations with a settlement account in the books of the Central Bank²²;
- 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 market.²³

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 Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF) (Regional Council for Public Savings and Financial Markets) and a private pole comprising, on the one hand, central agencies such as the Bourse Régionale des Valeurs Mobilières (BRVM) (Regional Stock Market) 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

²¹ Automated Securities and Liquidity Management System of the West African Monetary Union.

²² All other investors wishing to participate will have to go through the approved stakeholders.

²³ The operationalization of primary dealers within WAEMU started on March 1, 2016.

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 (CD/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 is in

charge of specific missions in the issue process.

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

Since 2015, inflation has been contained within the 3 percent limit prescribed by WAEMU. The average inflation rate was 1.0% over the period 2015 to 2020. In 2020, the decline in production due to labor shortages linked to lockdown measures, changes in working hours, social distancing and the unavailability of raw materials had an impact on product prices and inflation. The latter stood at 1.7 percent compared to 0.7 percent in 2019. This level of inflation is below the WAEMU average of 2.3 percent in 2020.

Although inflation was brought under control in 2020 and contained within the 3% limit recommended by WAEMU, the increase in 2020 is linked to the pressure on the prices of the various functions, and more specifically on the functions of "Alcoholic beverages, tobacco and narcotics" (4.5%), "Communication" (4.55%), "Food" (3.4%) and "Education" (4.6%). The control of inflation is due to the easing of transport prices (-4.0% in 2020 against 3.8% in 2019). It should continue in 2021 and 2022 with an inflation rate that will be contained below 3%.

Table 35. Inflation rates in Togo and WAEMU

	2015	2016	2017	2018	2019	2020	2021*	2022*
TOGO	1.8	0.9	-0.2	0.9	0.7	1.7	2.0	2.0
WAEMU	1	0.3	1.2	1.2	-0.7	2.3	2.2	1.9

Source : WAEMU, *IMF, *Regional Economic Outlook*, April 2021

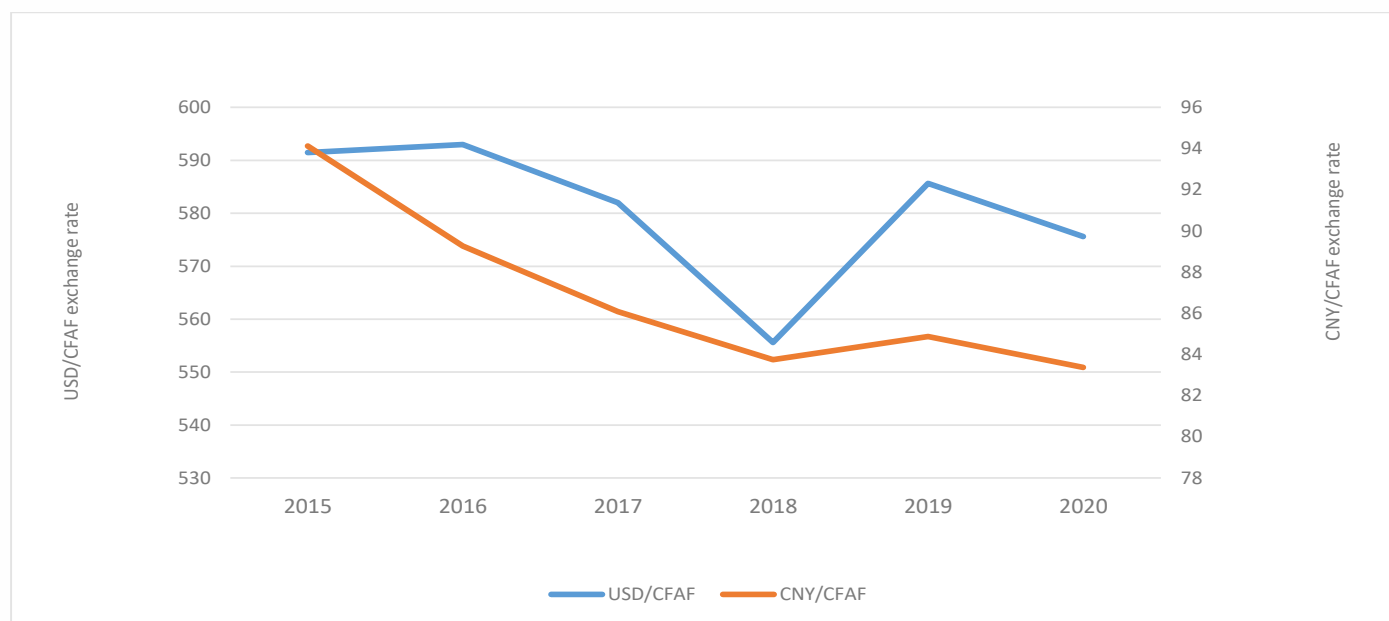
In terms of outlook, inflation rate is expected to stabilize at around 2%, below the community standard of 3%. This rate would be below the WAEMU average in 2021.

4.5. Exchange rates

The dollar/CFAF exchange rate fluctuated between

2015 and 2020. It rose between 2015 and 2016 without reaching the 600 CFAF per dollar mark. In 2017 and 2018, there was a slight depreciation of the dollar against the CFAF, followed by a rise in 2019 and a further decline in 2020. The exchange rate is 575.59 CFAF per dollar in 2020, compared to 585.67 CFAF per dollar in 2019.

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



Source: BCEAO

From CFAF 94.13 in 2015 for one CNY, the Chinese currency depreciated to CFAF 83.74 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.

4.6. Foreign reserves

Togo's reserve assets showed a surplus of CFAF 173.21 billion in 2020 compared to CFAF 106.8 billion in 2019, an increase of 62.2 percent. Special drawing rights accounted for the largest share (94.0

percent) of official reserve assets in 2020. They stood at CFAF 162.77 billion compared to CFAF 91.7 billion in 2019, i.e., a decline of 77.5%. The reserve position at the IMF was down 33.8% in 2020 compared to its level in 2019. It represented 5.2 percent of reserve assets in 2020. Foreign currencies increased by 5.2 percent in 2020 compared to 2019, reaching CFAF 1.37 billion. They accounted for 0.8 percent of official reserve assets in 2020 compared to 1.2 percent in 2019.

Table 36. Togo's official reserve assets (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
Claims on non-residents	462.7	451.2	522.8	428.3	781.1	885.50
Official reserve assets	45.4	32.4	45.1	77.7	106.8	173.21
Foreign Currencies	4.2	3.8	2.4	0.4	1.3	1.37
Reserve position at the IMF	1.4	18.6	9.2	17.2	13.7	9.08
SDR Holdings	39.8	10	33.5	60.2	91.7	162.77
Other external assets	417.3	418.8	477.7	350.6	674.3	712.29

Source : BCEAO

5.1. Balance of payments

Togo's trade balance is structurally in deficit due to the predominance of imports of goods compared to exports. The trade deficit amounted to CFAF 443.5 billion in 2019 compared to CFAF 610.8 billion in 2015. Compared to 2018, the trade deficit recorded a 2 percent worsening resulting from a 2.6 percent increase in imports, mitigated by a 3.0 percent increase in exports.

It is also noted that, over the period under review, exports grew faster than imports. Indeed, over the period 2015-2019, exports grew by an average of 0.88% compared to a 2.7% decline in imports. Estimates for 2020 point to a trade deficit of CFAF 499.9 billion due to a 6.1 percent decline in exports compared to a 2 percent increase in imports as a result of the Covid-19 crisis. The trade deficit is expected to remain on an upward trend over the period 2021-2022 due to the importance of imports relative to exports.

Net services remained in surplus and increased over the 2015-2019 period, standing at CFAF 94.49 billion compared with CFAF 67.8 billion in 2015. The surplus in the services balance is mainly due to the increase in the surpluses in other services and travel, as the transport balance is structurally in deficit. For 2020, net services are estimated at CFAF 39.5 billion, down 58.2 percent from 2019. Net services are expected to increase from 2021.

Consisting mainly of the balance of employees' remuneration and investment income, the primary income account recorded a surplus balance over the entire period under review, coming out at CFAF 12.96 billion in 2019 compared with CFAF 83.15 billion in 2015. This surplus is mainly due to the surplus in remuneration of employees²⁴ and other primary income.

Investment income²⁵, meanwhile, has been in deficit since 2017 due to the decline in interest payments received by bank holding companies in Togo for

direct investments abroad and the increase in interest paid, particularly on commercial loans and credits. For 2020, the primary income balance is estimated at CFAF 6.80 billion, down 47.5% from 2019. In 2021, the income balance is expected to decline to CFAF 4.5 billion.

The balance of the secondary income account has been in surplus and growing over the entire 2015-2019 period, reflecting the increase in secondary income from other sectors, including transfers between individuals or institutions outside government, remittances from migrant workers other than for investment, including current consumption, health, education, family and religious events, etc.

It is important to note that in 2019, budget support received by Togo increased to CFAF 62.07 billion compared to CFAF 33.28 billion in 2018. Overall, the balance of the secondary revenue account stood at CFAF 303.52 billion in 2019 against CFAF 187.26 billion in 2015. Estimates for 2020 indicate a secondary revenue balance of CFAF 281 billion, down from 2019. The balance of secondary revenues would resume its upward trend from 2021.

In connection with the trade balance and the primary and secondary income balance, the current account balance came out in deficit at CFAF 32.48 billion in 2019 compared to CFAF 272.56 billion in 2015. As a percentage of GDP, the current account balance was 0.8 percent in 2019 vs. 8.2 percent in 2015. Estimates for 2020 point to a current account deficit of CFAF 172.6 billion, representing 4 percent of GDP, due to the deterioration of the trade deficit. The current account deficit is expected to decline to CFAF 137.4 billion (3.0% of GDP) in 2021.

The capital account remained in surplus throughout the period under review, coming in at CFAF 169.88 billion in 2019 compared to CFAF 159.39 billion in 2015. Compared to 2018, capital transfers recorded a 3.3% decline induced by capital transfers received

²⁴ Remuneration of employees consists mainly of salaries, wages and other benefits paid to resident staff of diplomatic missions and international organizations and to non-resident staff by resident entities.

²⁵ Investment income consists of dividends paid to shareholders from foreign investment income as well as interest paid on other investments and public debt.

from the public administration (-17%). In 2020, the capital account balance is estimated at CFAF 221.6 billion, up 30.4% compared to 2019, due, among other things, to the increase in capital transfers as part of the support for the management of the Covid-19 crisis. In 2021, the capital account surplus is expected to increase by 4.1%.

The balance of the financial account evolved in a contrasting manner over the period, driven by direct investment and portfolio investment. It showed a deficit of CFAF 29.87 billion in 2019 compared with CFAF 225.5 billion in 2015. In 2019, the capital account balance is made up of a net inflow of FDI of CFAF 177 billion and other investments of CFAF 91.4 billion, and a net outflow of portfolio investments of CFAF 238.9 billion. The capital account balance

would show a deficit of CFAF 195.6 billion in 2020. Net FDI outflows would amount to CFAF 168 billion in 2020. The financial account is expected to show a surplus of CFAF 40.5 billion in 2021.

The overall balance of payments balance showed a surplus, over the entire period under review, of CFAF 170.15 billion in 2019 compared to CFAF 115.0 billion in 2015. Compared to 2018, the overall balance surplus improved significantly in line with the improvement in the current account balance. In 2020, the overall balance surplus is expected to rise to CFAF 244.5 billion, reflecting the deterioration in the current account balance and the improvement in the financial and capital account balances. The projections are for an overall surplus of CFAF 52.8 billion in 2021.

Table 37. Balance of payments position (billions of CFAF)

ITEM (billions CFAF)	2015	2016	2017	2018	2019	2020 Est	2021 Projections*	2022
Current account balance	-272.6	-258.8	-56.1	-102.7	-32.5	-172.6	-137.4	-179.70
Current account balance excluding grants	-317.2	-301.1	-116.9	-135.9	-94.6	-249.70	-214.50	
Trade balance in goods	-610.8	-571.7	-373.8	-434.7	-443.5	-499.9	-505.6	-595.5
Property exports	597.7	614.2	591.5	600.4	618.2	580.4	638.5	724
Property imports	1 208.5	1 185.9	965.3	1 035.1	1 061.7	1 080.3	1 144.2	1 319.50
Net services	67.8	84.7	82.3	86.9	94.5	39.5	46.7	94.1
Primary income balance	83.1	25.8	2.9	10.7	13.0	6.8	4.5	12.5
Secondary income balance (transfer)	187.3	202.4	232.5	234.3	303.5	281.0	316.9	309.2
Capital account	159.4	163.6	141.4	175.7	169.9	221.6	230.7	245.4
Acquisitions/ disposals of non-financial assets	0.00	0.00	0.00	0.00	0.00	0.0	0.0	
Capital transfers	159.39	163.6	141.4	175.7	169.9	221.6	230.7	
Public administrations	62.45	66.5	41.4	72.7	60.4	112.5	119.5	

of which debt relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other sectors	96.9	97.1	100.0	103.0	109.5	109.1	111.2	
Financial account	-225.5	-159.8	77.4	59.0	-29.9	-195.5	40.5	49.8
Direct investments	53.7	179.7	-70.3	139.5	-177.5	168.0	140.5	81.4
Portfolio investments	-75.5	-160.5	176.6	91.9	239.0	-13.8	-38.8	55.3
Other investments	-203.7	-179.1	-28.8	-172.4	-91.4	-349.7	-61.2	-86.9
Statistical errors and omissions	2.7	2.54	2.3	3.0	2.9	0.0	0.0	0
Overall balance	115.0	67.1	10.1	17.0	170.2	244.5	52.8	15.84

Source : BCEAO, *FMI country report, April 2020

5.2. Regional trade

5.2.1. Regional trade policy

West African countries are engaged in numerous trade negotiations at the regional (integration process), bilateral (Interim Economic Partnership Agreement - 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 various spaces. Indeed, the regional negotiation space is articulated around the following elements

- The finalization of the Common External Tariff (CET) at the ECOWAS level, and thus the constitution of a Customs Union;
- A space for bilateral negotiations, particularly between the West African region and the EU, regarding the EPA;
- A multilateral negotiating space, which refers to WTO rules, 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 Commission.

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

- A common market set up on July 1, 1996 for local and unprocessed products (products of the Union from the animal, mineral and vegetable kingdoms) and traditional crafts, and until January 1, 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004;
- A customs union established on January 1, 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 1, 2015, when the WAEMU CET was replaced by the ECOWAS CET, which enshrines the expansion of the customs union to the 15 ECOWAS countries.
- Common rules of origin and competition, harmonization of VAT and excise duties, harmonization and mutual recognition of standards, common safeguards and protections (Degressive Protection Tax (DPT),

short-term export tax (STT), 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 take into account other business needs.

The needs and priorities were identified on the basis of 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 in order 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 (DD), the statistical fee (RS) and the ECOWAS community levy (PC 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 years²⁶;

- 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 Everything But Arms GSP, which grants them access to the European market for all their exports to the EU without duty or quota.

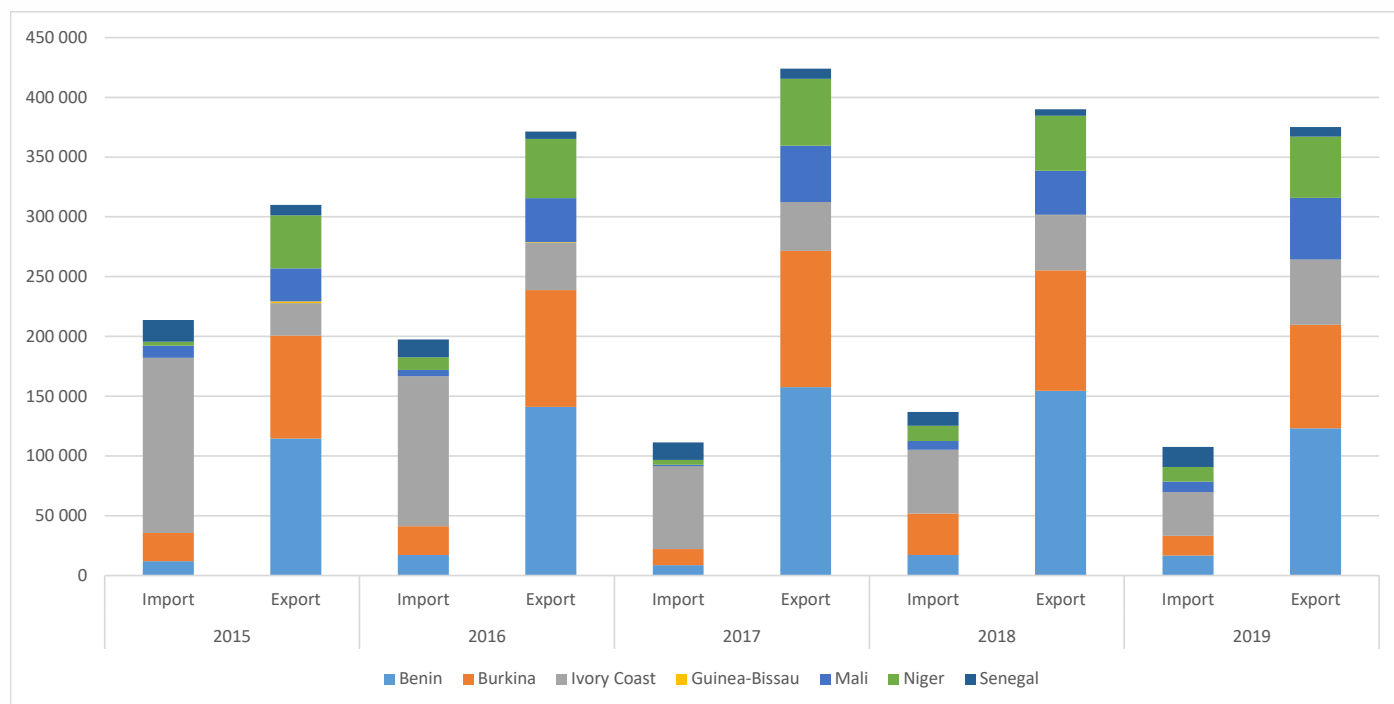
²⁶ Over 11 years (2019-2029) currently for Côte d'Ivoire

5.2.2. Regional trade in value²⁷

Togo's exports to WAEMU countries amounted to CFAF 375.20 billion in 2019, compared with CFAF 389.93 billion in 2018, a decline of 3.8% linked to the decline in exports to Benin and Burkina Faso.

Imports recorded a 21.4% contraction to CFAF 107.7 billion in 2019 compared with CFAF 137.0 billion in 2018. Over the period from 2015 to 2019, Togo's trade balance with WAEMU countries remained in surplus with an average of CFAF 220.58 billion.

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



Source : BCEAO

5.2.3. Regional exchanges by partner

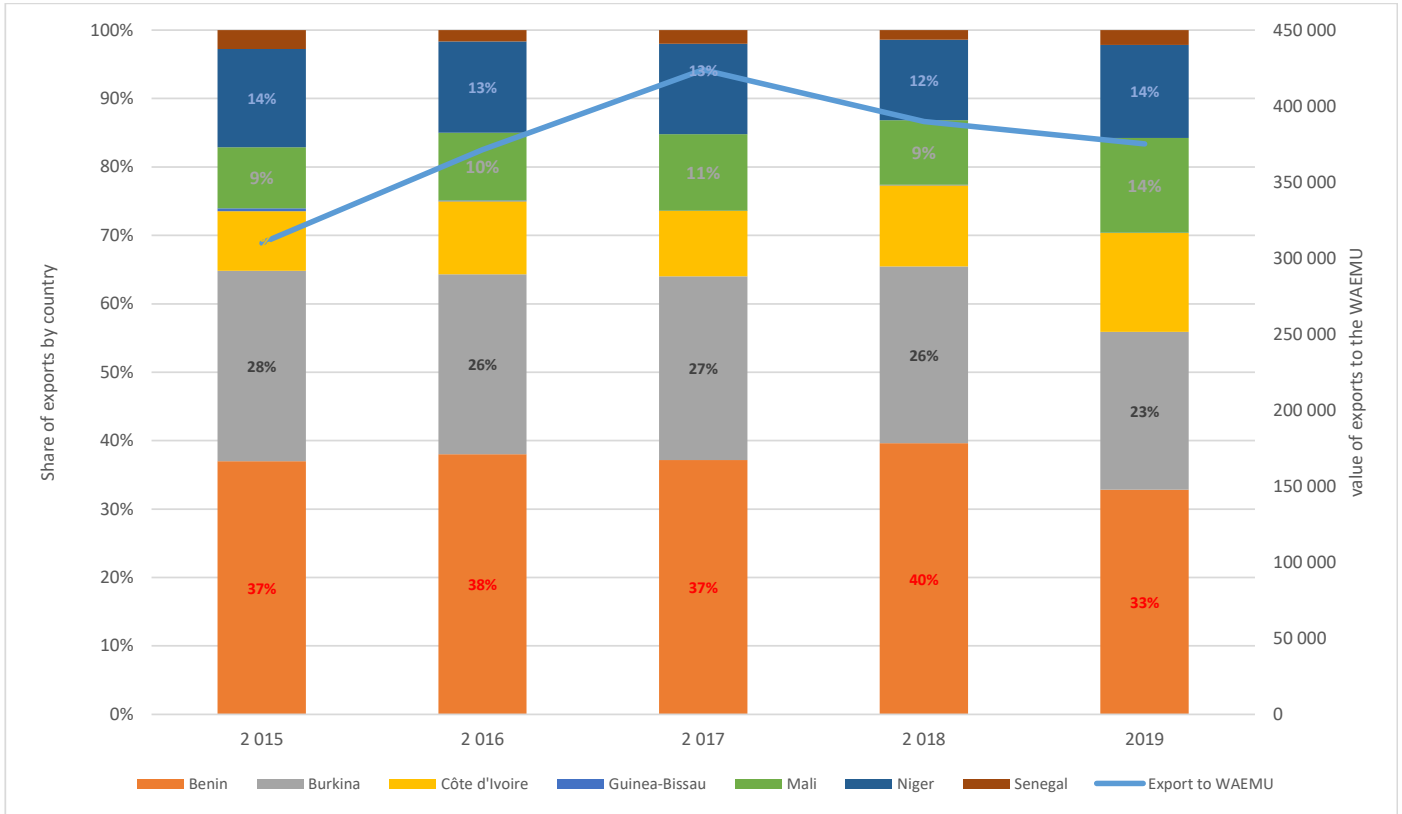
Togo's exports are mainly to Benin, Burkina Faso, Niger, Côte d'Ivoire and Mali. Benin is the leading recipient of Togo's products within WAEMU, with a share of 33% in 2019 compared with 40% in 2018. Then comes Burkina Faso with a share of 23% in 2019 against 26% in 2018. It should be noted that Benin and Burkina Faso are two countries bordering

Togo and that their proximity facilitates trade²⁸. Niger was the third most important destination country for Togolese products within WAEMU, accounting for an average of 13% of exports over the last two years. It is followed by Côte d'Ivoire with 14% of Togolese exports in 2019 against 12% in 2018. Mali also received 14% of Togolese exports in 2019 against 9% in 2018.

²⁷ 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 taken into account 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 taking into account uncontrolled cross-border trade.

²⁸ The distance between Lomé and Cotonou is about 175 km and the border between Lomé and Ouagadougou is about 950 km.

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

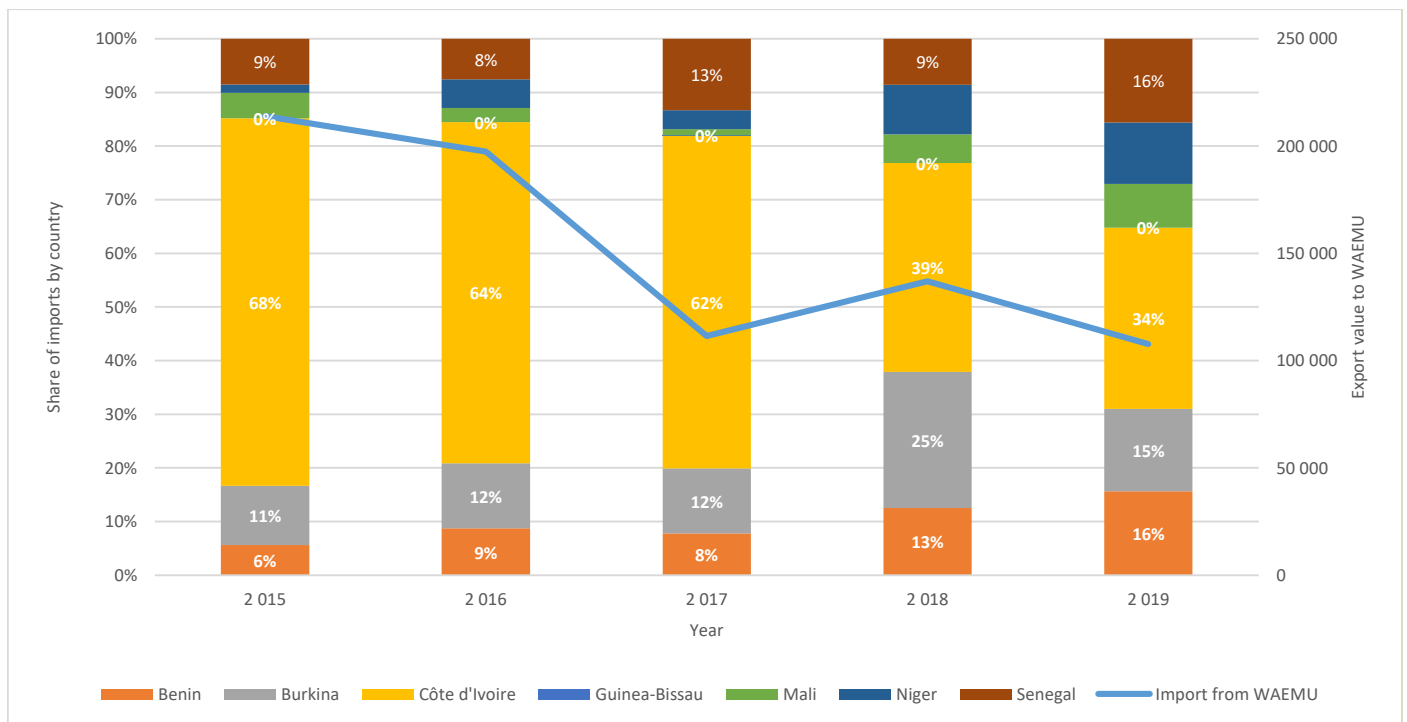


Source: BCEAO

In terms of imports, Togo's main supplier within WAEMU has always been Côte d'Ivoire (53% on average during the period under review) despite a decline in 2019 compared to 2018. Indeed, imports of Ivorian products stood at CFAF 36.43 billion in

2019 compared to CFAF 53.34 billion in 2018 and CFAF 69.2 billion in 2017, marking a decline for the second consecutive year. Other secondary suppliers in 2019 were Benin (16%), Senegal (16%) and Burkina Faso (15%).

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



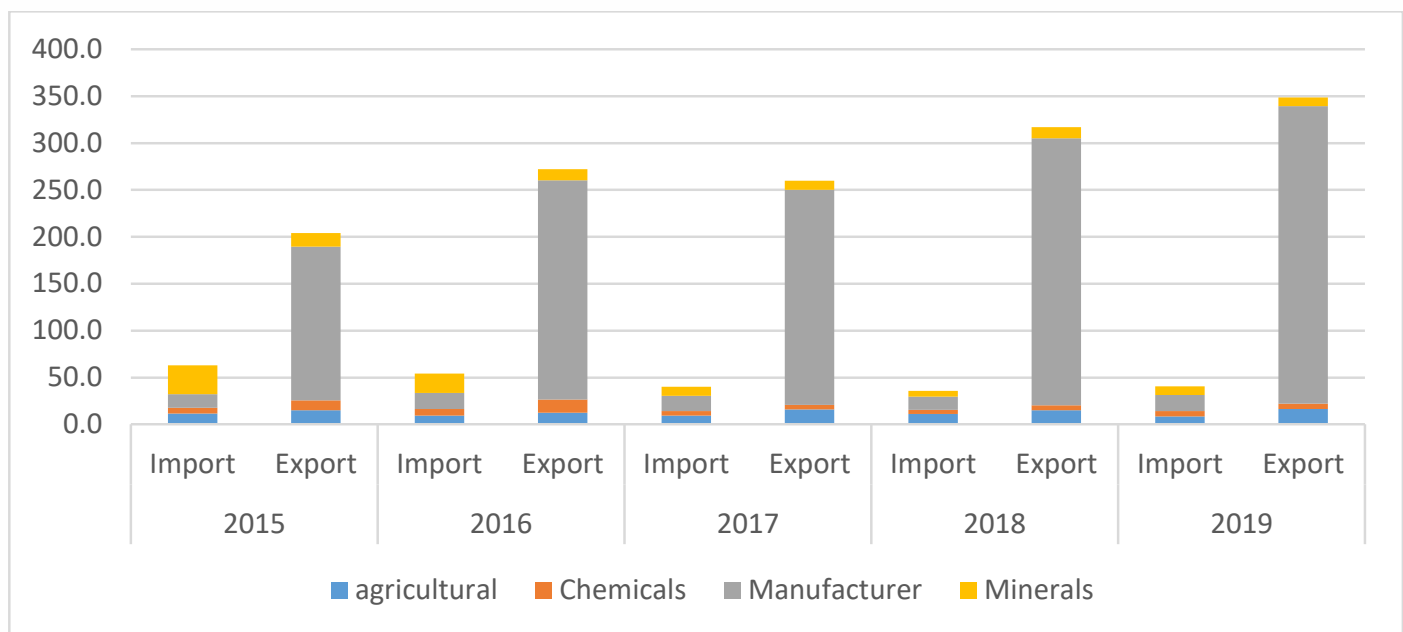
Source : BCEAO

5.2.4. Regional exchanges by type

Togo's exports to WAEMU member countries consist of manufactured goods, minerals, and agricultural products. More specifically in 2019, exports involved:

- Transport of plastic or packaging articles, stoppers, lids, caps and other closing devices, made of plastic materials conveyed to Benin, Burkina Faso, Mali and Niger;
- Beauty and make-up products to Benin, Côte d'Ivoire, and Senegal;
- Palm oil and its fractions, even refined, but not chemically modified, to Benin, Niger and Senegal;
- Braids and similar articles of plaiting material, whether or not assembled in strips; braids, plaits and similar articles of plaiting material, woven or paralleled, flat, whether or not finished (for example, mats, matting and racks), to Benin, Burkina, Côte d'Ivoire, Mali and Niger;
- Cane or beet sugar and chemically pure sucrose in solid form to Mali and Niger;
- Non-cocoa sweets (including white chocolate) to Côte d'Ivoire, Niger ;
- Bulldozers, angledozers, graders, scrapers, mechanical shovels, excavators, loaders and backhoe loaders, compactors and road rollers, self-propelled, to Burkina and Senegal.

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 2021

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 rank first, followed by agricultural products.

More specifically, imports involve dried and salted fish, frozen fish, soaps, cigars and cigarettes, wires, cables and other insulated conductors for electricity, boxes, bags, pouches and other packaging of paper or cardboard, oils not crude of petroleum or bituminous minerals, preparations for soups or broths, cotton cloth, bags and sacks for packaging, as well as iron or steel bars.

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 take into account 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 companies and 233 Togolese products were

approved for the preferential intra-Community trade regime²⁹. In addition, Togo has been applying 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, Togo's tariffs vary by product. Average final bound duties are around 80 percent. In terms of applied most-favored-nation (MFN) tariffs, the averages range from 5 percent for cotton to 24.5 percent for animal products, with a maximum tariff of 35 percent.

Table 38. 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 Consolidations:				Total 14.6
Average MFN tariff applied		2019	12.1	15.8	11.5				Non-Ag	0.8
Trade weighted average		2018	12.3	18.8	11.0	Ag: Tariff quotas (in %)				
Imports in billions of US\$		2018	1.9	0.3	1.6	Ag: Special backups (in %)				
Frequency Distribution		Exempt	0 <= 5	5 <= 10	10 <=15	15 <=15	25 <=15	50 <=100	>100	NAV
			Tariff lines and value of imports (in %)							in %
Agricultural products										
Final bound duties		0	0	0	0	0	0	99.9	0	0
MFN tariffs applied	2019	0	27.1	19.1	0	41.9	12.0	0	0	0
Imports	2018	0	16.7	24.9	0	42.0	16.5	0	0	0
Non-agricultural products										
Final consolidated duties		0	0	0	0	0	0	0,8	0	0
MFN tariffs applied	2019	2,0	40.4	21.4	0	35.8	0.4	0	0	0
Imports	2018	7.0	38.8	24.9	0	24.7	4.7	0	0	0
Section A.2 Tariffs and imports by product group										
Product groups	Final consolidated duties				MFN tariffs applied			Imports		
	Average	Exempt in %.	Max.	Consolidation	Average	Exempt in %.	Max.	Share	Exempt in %.	
				in %				in %		
Animal products	80.0	0	80	100	24.5	0	35	0.8	0	

29 WAEMU Commission, 2017 report on trade surveillance in the WAEMU zone.

Dairy products	80.0	0	80	100	17.2	0	35	1.1	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	0.1	0
Cereals & other preparations	80.0	0	80	100	13.6	0	35	5.8	0
Oilseeds, fats & oils	80.0	0	80	98.8	11.1	0	35	3.7	0
Sugars and sweets	80.0	0	80	100	12.6	0	35	1.8	0
Drinks and tobacco	80.0	0	80	100	17.4	0	35	2.3	0
Cotton	80.0	0	80	100	5.0	0	5	0.0	0
Other agricultural products	80.0	0	80	100	9.2	0	20	0.2	0
Fishing and fishing products	80.0	0	80	0.8	16.0	0	20	2.2	0
Metals & minerals	80.0	0	80	2.8	11.0	2.0	20	15.6	3.7
Oil	-	-	-	0	7.7	19.0	10	8.9	0
Chemical products	8.0	0	80	0.3	7.2	4.8	35	15.6	30.8
Wood, paper, etc.	-	-	-	0	11.2	4.6	20	2.2	5.7
Textiles	-	-	-	0	16.1	0.3	35	8.1	0.2
Clothing	-	-	-	0	20.0	0	20	0.8	0
Leather, shoes, etc.	80.0	0	80	4.5	12.3	1.3	20	1.9	3.4
Non-electrical machines	-	-	-	0	6.8	0	20	4.5	0
Electrical machines	80.0	0	80	0.4	11.2	0.4	20	5.4	3.5
Transport equipment	-	-	-	0	8.3	2.3	20	9.5	0.0
Other manufactured articles, n.e.s.	-	-	-	0	14.2	2.1	20	8.7	0.1

Source : WTO

In terms of export, 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 tariffs applied in 2018 range from 7.5 percent for Vietnam to 21.1 percent for India. The weighted averages are around 2.5 percent for the European Union and 27.9 percent for India.

Table 39. Duties applicable to exports by Togo according to the nature of the product and the partner

Section B Exports to major partners and applicable duties									
Main partners	Bilateral imports		Diversification		MFN average		Margin	Import exempt	
	In millions	US\$	95% comm. in nb SH		of trade in LT		preferred.	LT	Value
			2 digits	6 digits	Simple	Weighted	Weighted	in % of total	in % of total
Agricultural products									
1. China	2018	145	2	2	13.5	11.1	9.2	87.5	95.0
2. European Union	2018	79	9	12	11.9	2.3	2.3	99.5	100.0
3. India	2018	62	3	3	21.1	27.9	27.4	66.7	98.4
4. Benin	2018	56	11	22	16.7	21.0	21.0	100.0	100.0

5. Viet Nam	2018	39	2	2	7.5	3.5	0.0	50.0	31.6
Nonagricultural products									
1. Angola	2018	958	1	1	9.8	2.0	0.0	18.2	0.0
2. Cameroon	2017	265	1	2	20.2	10.0	0.0	2.3	0.0
	2018	262	1	1	3.8	0.0	0.0	25.0	100.0
4. Benin	2018	249	22	59	14.0	9.0	9.0	100.0	100.0
5. India	2018	242	6	7	6.2	3.5	3.4	93.8	98.1

Source : WTO

For nonagricultural products, the top five partners in 2018 are Angola, Cameroon, the United Arab Emirates, Benin, and India. Average simple MFN applied tariffs range from 3.8 percent for the United Arab Emirates to 20.2 percent for Cameroon. Weighted averages range from 0% for the UAE to 10% for Cameroon.

5.3.2. International trade in value and by destination

Togo's exports increased overall over the period under review, rising from CFAF 597.70 billion in 2015 to CFAF 618.20 billion in 2019, although there was a decline in 2017 compared with 2016. In 2019, exports recorded an increase of 3.0% compared to 2018 induced by the increase in exports to Africa (in particular WAEMU and CEMAC) and Asia (more specifically India).

The main recipients of Togolese exports in 2019 are: Africa with 70.0% and Asia with 19.5% of exports against 66.6% and 18.2% respectively in 2018. Europe is the third destination of Togolese products with 9.0% of exports in 2019 against 9.8% in 2018.

Exports to Africa increased by 5.6%, from 350,549 million CFAF in 2018 to 370,281 million. The main partner countries of Togo in 2019 are those of ECOWAS with 95.8% of exports. These are particularly: Burkina (20.9%), Benin (17.4%) Niger (13.0%) Ghana (12.6%), Côte d'Ivoire (11.7%) and Nigeria (5.6%). It should be noted that over the entire 2015-2019 period, these same countries are the main destinations for Togolese exports.

As for Asia, the second destination of Togo's products, exports increased by 11.1%, from 92,720 million CFA francs in 2018 to 103,038 million a year later, in relation mainly to the increase in sales of 12,031 million of cotton.

Exports to Europe and America in 2019, compared to 2018, recorded a decline of 5.7% and 37.3% respectively. As for Europe, the decline in exports is driven by lower imports from Germany and Spain to a large extent. As for exports to America, the decline was driven by imports from Canada.

Table 40. Breakdown of exports and imports in millions of CFA francs by geographical area

	2015	2016	2017	2018	2019
COUNTRY OF DESTINATION	GOODS EXPORTS (millions CFAF)				
EUROPE	48 037	40 668	42 853	50 132	47 287
EUROPEAN UNION	46 425	39 489	41 399	49 196	46 425
EURO ZONE	44 299	36 247	40 983	48 377	45 714
Germany	1 917	1 104	535	3 685	813
Belgium	12 578	5 914	3 951	3 002	5 570
Spain	2 214	2 673	2 664	2 289	1 803

France	15 753	17 415	25 441	31 993	31 596
Ireland	24	0	0	0	0
Italy	2 676	2 613	2 747	1 416	2 585
Netherlands	6 861	4 081	4 294	3 423	3 151
Other countries in the Euro zone	2 276	2 447	1 351	2 568	196
Other countries in the Euro zone	2 126	3 243	417	819	711
Denmark	167	109	15	0	15
Poland	12	2 002	0	0	178
United Kingdom	1 945	1 094	316	761	518
Other	2	38	86	58	
OTHER EUROPEAN COUNTRIES	1 612	1 178	1 454	936	862
Norway	0	5	7	0	21
Russia	0	29	515	0	0
Switzerland	1 576	1 060	791	592	675
Ukraine	32	84	140	321	166
Other	4	0	0	24	
AFRICA	300 028	362 043	348 084	350 547	370 281
WAEMU	204 308	272 331	259 945	269 183	285 002
Benin	59 069	74 600	62 545	59 768	64 605
Burkina	64 334	76 902	78 241	85 684	77 364
Côte d'Ivoire	15 814	37 394	38 778	43 204	43 347
Guinea-Bissau	1 277	413	151	173	131
Mali	21 664	32 940	27 513	30 622	43 813
Niger	38 856	44 821	44 666	44 508	47 958
Senegal	3 294	5 261	8 051	5 224	7 784
ECOWAS (except WAEMU)	59 914	69 925	72 295	69 252	69 678
Ghana	32 264	41 635	33 515	38 454	46 586
Guinea	1 300	3 578	3 447	2 557	1 860
Nigeria	25 248	23 511	34 131	26 747	20 551
Other ECOWAS (except WAEMU)	1 101	1 200	1 201	1 494	681
CEMAC	24 220	13 081	5 262	7 155	7 714
Cameroon	3 459	1 391	1 456	1 135	1 034
Congo (Brazzaville)	2 043	5 116	314	1 423	2 961
Gabon	17 528	5 329	1 804	2 474	2 199
Equatorial Guinea	444	442	507	422	412
Central African Republic	335	206	314	522	473
Chad	411	597	867	1 180	635
OTHER AFRICAN COUNTRIES	11 586	6 706	10 582	4 957	7 887
South Africa	382	296	140	253	483
Angola	127	49	143	100	51
Morocco	7 991	3 285	1 266	929	4 213
Democratic Republic of Congo	570	1 716	2 133	780	2 961
Tunisia	308	95	291	126	104
Other	2 209	1 264	6 609	2 770	76

AMERICA	16 692	13 679	9 712	9 293	5 852
Netherlands Antilles			30	0	2
Brazil			4	4	3 013
Canada	9 224	10 806	5 883	6 048	
Cuba			33	0	
USA	3 038	2 859	3 638	3 117	2 731
Other American countries	4 430	14	124	123	106
ASIA	87 821	68 948	70 941	92 720	103 038
China	4 527	5 538	8 630	4 856	5 469
India	38 870	32 540	26 708	39 873	60 992
Indonesia	9 545	4 000	5 765	2 790	1 023
Lebanon	252	321	402	589	123
Malaysia	9 907	9 981	3 994	25 167	15 642
Pakistan	321	2 588	8 952	1 192	4 536
Taiwan	57	309	322	675	991
Vietnam	7 527	3 020	2 300	6 658	6 782
Other Asian countries	16 815	10 650	13 867	10 922	7 479
OCEANIA	642	3 665	13 812	8 086	2 270
Australia	0	3 664	13 791	8 086	2 270
Other Oceania countries	642	1	21	0	0
General trade (a)	453 220	489 003	485 402	510 778	528 728
Adjustment (b)	144 480	125 197	106 098	89 622	89 472
TOTAL EXPORT (a)+(b)	597 700	614 200	591 500	600 400	618 200
COUNTRY OF ORIGIN	GOODS IMPORTS (millions CFAF)				
EUROPE	365 549	378 616	324 889	312 400	386 913
EUROPEAN UNION	334 268	322 015	289 446	265 327	307 832
EURO ZONE	292 157	279 168	250 687	228 199	240 555
Germany	37 646	39 948	29 418	27 403	31 681
Belgium	38 969	41 150	30 251	24 397	24 981
Spain	39 481	18 444	16 770	18 448	13 562
France	95 915	94 908	101 347	89 261	86 727
Italy	15 206	13 207	11 518	13 490	18 033
Netherlands	20 721	45 068	46 590	35 710	41 500
Other countries in the Euro zone	44 219	26 444	14 792	19 491	24 072
OTHER EU COUNTRIES	42 111	42 847	38 759	37 127	67 277
Denmark	2 986	3 217	4 566	3 376	4 127
Latvia	17 633	7 757	17 377	8 616	21 316
United Kingdom	9 012	8 263	5 595	14 596	29 105
Sweden	4 569	3 688	1 486	2 946	1 942
Other	7 909	19 923	9 736	7 593	10 787

OTHER EUROPEAN COUNTRIES	31 281	56 601	35 443	47 073	79 082
Iceland	569	1	41	46	46
Norway	325	239	6 876	2 205	1 446
Russia	23 904	28 907	17 488	33 912	58 998
Switzerland	3 513	13 320	4 802	3 663	1 919
Ukraine	2 610	14 024	5 517	6 511	16 672
Other	360	111	719	736	0
AFRICA	181 360	146 496	161 460	163 228	159 836
WAEMU	47 889	57 994	43 830	40 364	36 986
Benin	4 876	8 356	5 597	3 840	4 538
Burkina	3 020	2 569	4 291	3 566	3 831
Côte d'Ivoire	23 670	31 739	21 044	17 437	16 549
Guinea-Bissau	8 242	6 334	4 471	7 079	3 392
Mali	545	119	322	222	76
Niger	56	29	55	8	90
Senegal	7 480	8 848	8 050	8 212	8 510
ECOWAS (except WAEMU)	42 397	54 115	67 008	66 927	59 774
Ghana	34 528	36 036	38 782	29 230	32 543
Nigeria	7 840	17 844	28 166	37 645	27 195
Other ECOWAS (except WAEMU)	29	235	59	51	37
CEMAC	839	1 419	323	174	548
Cameroon	781	462	59	71	362
Congo (Brazzaville)	2	55	1	0	2
Other CEMAC	57	902	263	103	184
OTHER AFRICAN COUNTRIES	90 235	32 968	50 299	55 763	62 528
South Africa	50 339	10 714	24 282	16 346	12 656
Egypt	3 514	3 014	5 383	9 803	11 909
Morocco	23 172	10 385	5 846	13 559	13 243
Mauritania	5 982	4 688	7 025	10 437	15 549
Mozambique	0	1 652	5 569	38	4
Seychelles	0	0	0	0	12
Tunisia	2 217	1 720	1 382	1 658	1 641
Other	5 012	796	811	3 923	7 515
AMERICA	52 410	51 496	43 448	71 398	99 909
Netherlands Antilles	1 606	0	0	0	0
Brazil	12 990	9 062	14 120	10 455	10 033
Canada	7 430	9 004	5 422	5 954	6 138
Cuba			1	198	0
Mexico	2 247	1 767	1 401	2 306	2 171
USA	25 279	20 335	18 854	44 948	75 606
Other American countries	2 858	11 328	3 650	7 537	5 962

ASIA	426 627	510 012	407 906	425 902	480 154
Saudi Arabia	25 061	30 514	29 662	20 914	32 527
China	205 805	299 902	184 195	202 173	225 479
South Korea	11 637	13 524	10 702	9 814	9 139
United Arab Emirates	14 945	16 786	13 166	21 637	18 078
India	39 378	34 696	33 426	40 481	52 576
Japan	41 780	46 213	47 561	42 198	45 137
Lebanon	2 456	2 239	1 401	2 152	2 278
Malaysia	10 049	11 105	14 723	14 998	20 985
Thailand	17 248	10 127	12 459	11 253	7 429
Turkey	13 399	15 744	15 447	19 649	24 072
Other Asian countries	44 870	29 163	45 163	40 634	42 453
OCEANIA	88	380	474	429	288
Australia	55	379	474	429	288
Other Oceania countries	33	1	0	0	0
Total special trade imports (a)	1 026 034	1 087 000	938 177	973 357	1 127 100
Adjustment (b)	182 466	98 900	27 123	61 711	-65 440
Total imports (a) +(b)	1 208 500	1 185 900	965 300	1 035 068	1 061 660

Source : BCEAO

Imports fell in 2016 and 2017 before rising again in 2018. The decline in imports in 2016 was due to purchases from African countries outside WAEMU and CEMAC. The decline in 2017 was due to imports from Asia, particularly China, and from Europe, particularly Belgium and Germany. From 2018 onwards, imports were again on an upward trend to stand at CFAF 1 061 660 million in 2019. The increase in imports in 2019 was driven by products from the United States of America, Canada, China, India, Malaysia, Egypt, Mauritania and Italy.

In terms of special trade imports³⁰, Asia remains the leading continent of origin of Togo's imports in 2019 with a share of 42.6% followed by Europe with 34.3%. Imports from Africa and America represent 14.2% and 8.9% respectively in 2019.

By country, China is Togo's leading partner (20.0%). It is followed by France (7.7%) and the USA (6.7%). In

Africa, Nigeria and Ghana are Togo's main suppliers. In the WAEMU zone, Côte d'Ivoire is Togo's leading supplier.

5.3.3. International trade in value and by product

The structure of Togo's exports³¹ shows a predominance of industrial products with a share of 47.18% in 2019 compared to 45.73% in 2018. They consist mainly of machinery and transport equipment, food products, chemicals and other manufactured products. Industrial products are followed by agricultural products with a share of 20.94% in 2019 against 19.81% in 2018. Agricultural products are dominated by cotton fiber and animal products. Mining products constitute the third group of export products (17.27%), but slightly down from 2018 (19.48%). They consist mainly of phosphate and clinker. Petroleum products close the sleeve with a share of 7.10% in 2019 against 9.05% in 2018.

³⁰ Imports excluding adjustment

³¹ These are exports in general trade, i.e. controlled

Table 41. Value of exports and imports in millions CFAF per product

	2 015	2 016	2 017	2 018	2 019
TOTAL EXPORTS OF GOODS (a+b)	597 700	614 200	591 500	600 400	618 200
Adjustment (b)	144 480	125 197	106 098	89 622	89 472
Exports General trade (a)	453 221	489 001	485 401	510 794	528 728
Agricultural products	92 829	68 172	88 579	101 197	110 706
Cocoa	14 551	8 128	3 125	5 084	5 947
Coffee	11 540	4 638	1 482	6 679	5 131
Cotton Fiber	37 393	30 224	42 281	49 075	57 311
Other agricultural raw materials	1 396	1 641	4 711	1 208	1 425
Food products of plant origin	27 949	23 541	36 980	39 151	40 892
Oilseeds	25 741	21 275	30 694	27 197	31 324
Cereals and flours	319	146	1 579	2 756	2 461
Peppers and Spices	8	9	1	3	1
Vegetables and fruits	1 643	1 808	4 578	9 062	6 986
Flowers and cuttings	25	47	14	15	26
Other products of plant origin	212	256	114	117	93
Mining products	98 781	100 119	90 707	99 522	91 320
Phosphates	59 249	46 869	39 603	46 211	37 442
Clinker	38 237	53 250	51 104	53 311	53 878
Iron ore	1 295	-	-	-	0
Petroleum products	21 737	25 210	41 897	46 205	37 527
Industrial products	207 935	270 335	229 190	233 563	249 462
Cement	7 860	6 373	4 000	4 497	1 710
Steel products	16 162	13 607	12 413	17 078	12 002
Food products	43 131	57 969	42 659	36 090	47 665
Textiles and clothing	27 426	21 393	22 901	22 637	24 594
Chemical products	41 087	46 917	38 435	43 149	52 994
Machinery and transport equipment	35 003	61 108	50 873	52 061	48 089
Other manufactured products	37 266	62 968	57 909	58 051	62 407
Other products	31 939	25 165	35 028	30 307	39 713
IMPORTS (a)	1 208 500	1 185 900	965 300	1 035 068	1 061 660
Adjustment³²(b)	182 467	98 901	27 123	61 710	-65 429
Special trade imports (a) + (b)	1 026 033	1 086 999	938 177	973 358	1 127 089
Consumer goods	315 041	349 043	342 444	335 975	384 160
Food products	117 436	117 793	123 684	132 643	146 577
Drinks	7 573	7 644	10 544	11 048	10 399
Tobacco	5 057	5 053	4 952	5 727	9 232
Pharmaceutical products	59 171	60 276	65 005	52 990	78 985
Chemical products	35 948	37 332	36 029	37 005	38 299
Other manufactured products	89 856	120 944	102 230	96 562	100 669

³² Import adjustments relate to imports of electrical energy from the Communauté Électrique du Bénin and uncontrolled trade

Energy and lubricants	145 522	142 260	145 716	166 873	165 316
Kerosene	4 830	2 623	2 727	2 860	2 630
Gasoline	36 909	42 836	40 375	56 321	58 603
Gasoline and fuel oil	60 132	63 366	62 735	62 011	63 507
Lubricating oils	9 337	11 928	10 737	13 168	13 017
Butane and other gases	6 068	6 346	6 452	9 655	8 180
Bitumen and bituminous products	26 296	13 223	20 433	22 686	16 603
Other	1 949	1 938	2 257	173	2776
Raw materials and finished semis	287 701	272 361	247 555	260 891	290 637
Raw materials	45 123	36 034	47 757	51 032	50 833
Of which Wheat	17 072	21 790	21 028	22 135	20 270
Semi-finished products	242 579	236 327	199 798	209 859	239 805
Of which steel products	177 303	163 486	158 648	160 370	185 228
Other building materials	22 437	13 974	9 151	8 011	8 071
Capital goods	277 769	323 336	202 462	209 619	286 976
Finished products for agriculture	6 868	3 474	2 138	2 005	1 828
Finished products for industry	270 901	319 862	200 324	207 614	285 148

Source : BCEAO

Imports are largely made up of manufactured goods (73.6 percent on average over the period under review) and primary materials and semi-finished goods to a lesser extent (26 percent). Manufactured goods include capital goods, consumer goods, and energy and lubricants.

Consumer goods are the leading item with 34.1% of imports in special trade in 2019 against 34.5% in 2018. They are followed by raw materials and finished semis (25.8% in 2019 compared to 26.8% in 2018), capital goods (25.5% in 2019 compared to 21.5% in 2018) and energy and lubricants (14.7% in 2019 compared to 17.1% in 2018). The increase in capital goods was driven by industrial finished goods, which rose 37 percent in 2019 compared to 2018.

5.4. Foreign direct investment

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

The stock of outward FDI increased significantly over the period 2015 to 2019. It rose from CFAF 1,128.49 billion in 2015 to CFAF 1,723.59 billion in 2019, an average annual increase of 12%. Incoming stock, for its part, rose from CFAF 927.39 billion in 2015 to CFAF 948.07 billion in 2019 after reaching CFAF 1,031.35 billion in 2017. The incoming stock mainly finances financial activities and services.

Table 42. Foreign direct investment 2015-2019 (in billions of CFAF)

	2015	2016	2017	2018	2019
Incoming Flow	152.48	- 27.46	51.39	-101.89	78.08
Outgoing Flow	206.12	152.28	- 18.92	39.00	396.30
Incoming Stock	927.39	874.09	1 031.35	840.90	948.07
Outgoing Stock	1 128.49	1 240.57	1 365.43	1 281.99	1 723.59

Source : UNCTADSTAT

In 2019, according to FDI Intelligence, Togo achieved a record of *greenfield*³³ projects implemented in Africa. Eleven greenfield projects were implemented in 2019 compared to two (02) announced in 2018. On

this basis, Togo ranked first among African countries developing a policy to promote new foreign direct investments, ahead of Rwanda and Senegal.

Table 43. Foreign direct investment by country of origin (in millions of CFAF)

	2015		2016		2017		2018		2019	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Stock of financial assets	1 894.21	100%	2 107.59	100%	1 892.56	100%	1 997.96	100%	2 050.46	100%
Other WAEMU countries	238.8	13%	244.03	12%	198.31	10%	231.95	12%	326.026	16%
Euro zone	44.71	2%	185.65	9%	41.84	2%	42.9	2%	96.756	5%
Other countries	1 610.70	85%	677.91	80%	1 652.41	87%	1 723.11	86%	1 627.68	79%
Inventory of financial liabilities	703.41	100%	1 477.23	100%	1 167.32	100%	1 180.39	100%	1 403.18	100%
Other WAEMU countries	137.93	20%	96.15	7%	206.37	18%	287.08	24%	11.337	8%
Euro zone	146.43	21%	30.8	2%	81.85	7%	365.93	31%	251.241	18%
Other countries	419.05	60%	1 350.28	91%	879.1	75%	527.38	45%	1037.604	74%

Source : BCEAO

Two major partnerships were signed between the Togolese State and DIL (Dangote Industries Limited) in the mining sector in 2019. These agreements amount to a total of 2.6 billion US dollars. These two agreements are in line with the NDP (National Development Plan, 2018-2022), which has as its major ambitions to revive the Togolese economy from a structural point of view and to establish it as a key financial hub in the sub-region.

The projects focus on: (i) the valorization and transformation of Togolese phosphate (the main mineral wealth of this West African State) into phosphate fertilizer 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. It is also worth noting that FDI comes from certain African countries, notably from 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 cotton, infrastructure, coffee and cocoa, manufacturing and mining (phosphates), trade, telecommunications and the financial sector.

According to the results of the Coordinated Direct Investment Survey (CDIS) for 2018, net capital outflows were mainly in the "Financial Intermediation, Insurance, and Retirement" branch. The main country of origin of these net outflows is Nigeria.

Also according to FDI Intelligence³⁴, financial services, building materials, and business services are the country's top FDI sectors involved in greenfield projects and accounted for nearly half (46.2%) of its inbound FDI projects in 2019.

5.5. Regional integration

5.5.1. WAEMU convergence criteria

The WAEMU Convergence, Stability, Growth and Solidarity Pact has five (5) criteria divided into first-tier and second-tier criteria.

³³ A greenfield investment is a form of FDI that occurs when a transnational corporation moves into a developing country to build new businesses.
³⁴ file:///C:/Users/USER/Downloads/fDi%20Greenfield%20Performance%20Index%2020%20(1).pdf

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 year.
- Ratio of outstanding domestic and external debt to nominal GDP: this should not exceed 70%.

Compliance with the first-tier criteria allows for the stability phase.

Second-tier criteria

- Payroll to tax revenue ratio: should not exceed 35%.

- Tax rate: it 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 have been 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 ³⁵reached 7.0% of GDP.

As for the second-tier criteria, the one relating to the wage bill was only met in 2015. As for the tax burden, due to the rebasing of GDP, it has not been respected over the period under review.

Table 44. TOGO's convergence criteria

		2015	2016	2017	2018	2019	2020
First-tier							
Overall fiscal balance, including grants, to GDP (%)	≥ 3%	- 4.7	- 6.1	- 0.2	- 0.6	-0.9	- 7.0
Annual inflation rate (% change in average indices)	≤ 3%	1.8	0.9	- 0.2	0.9	0.7	1.7
Total public debt outstanding in relation to nominal GDP (%)	≤ 70%	52.3	57.3	54.4	55.5	51.9	57.8
Second-tier							
Wages and salaries as % of tax revenue (F.R.)	≤ 35%	33.2	41.1	42.9	40.7	38.9	45.2
Tax revenues on GDP (in %)	≥ 20	15.5	12.4	12.1	12.5	13.0	12.1

Source: WAEMU Commission, *Multilateral Surveillance Report December 2020*

5.5.2. Overview of the regional integration

In December 1999, an additional act to the treaty creating WAEMU was adopted on the convergence of member States giving birth to the Convergence, Stability, Growth and Solidarity Pact (CSGP). It is composed of four first-tier criteria and four second-tier criteria. Failure to comply with the first-tier criteria leads to the explicit formulation of 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 the critical role they play in achieving the objective of internal and external sustainability of economies. Non-compliance with them is not, however, the subject of explicit recommendations.

³⁵ The Heads of State of the West African Economic and Monetary Union (WAEMU) have declared a temporary suspension of the WAEMU's Growth and Stability Pact (which sets six convergence criteria, including a budget deficit limit of 3 percent of GDP) to help member countries deal with the fallout from the Covid-19 pandemic. As a result, member countries are allowed to temporarily increase their overall budget deficits and use any additional external support provided by donors in response to the Covid-19 crisis. The Heads of State declaration clearly states that fiscal consolidation will resume once the crisis is over.

The deadline for achieving the various criteria defined in the PCSC 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 revealed unsatisfactory results, leading to the revision of the PCSC and the definition of a new pact in 2015 by the Additional Act No. 01/2015/ CCEG/UEMOA, due to expire on 31 December 2019.

In order to identify prospects for the multilateral surveillance mechanism, following the expiry of the Convergence, Stability, Growth and Solidarity Pact (CSGP) on December 31, 2019, as defined by Additional Act No. 01.2015/CCEG/WAEMU of January 19, 2015, the Commission conducted an internal study on the "evaluation of the mechanism, policies and performance in the area of convergence in WAEMU". The conclusions of the study on the evaluation of the multilateral surveillance mechanism would help to propose a new convergence pact with new convergence criteria, consistent with the realities of the Union's member States' economies.

In terms of implementation of community reforms, projects and programs, in 2020, the WAEMU evaluation was based on 116 texts and 83 community programs and projects being implemented in the eight member States for a total amount of CFAF 316 billion. The 116 community texts include 60 Directives, 38 Regulations, 16 Decisions and 2 Additional Protocols. The reforms are assessed in three areas: economic governance and convergence, the common market and sectoral policies.

Overall in 2020, Togo recorded a rate of 78 percent in terms of transposition and implementation of reforms compared to 71 percent in 2019, an increase

of 7 points. Togo's score is higher than the WAEMU average, which was 76% in 2020 compared to 74% in 2019. In terms of economic governance and convergence, WAEMU assessed twenty-five (25) texts. An average rate of 87% in 2020 compared to 73% in 2019, i.e., an increase of 14 points. With regard to the common market, the evaluation covered forty-two (42) texts and the average implementation rate stabilized at around 64% in 2020 compared to 63% in 2019. For sectoral reforms, forty-nine (49) texts were evaluated. The implementation rate rose from 77% in 2019 to 83% in 2020, an increase of 7 points.

As regards WAEMU programs and projects being implemented in the eight member States, 11 are being implemented in Togo for a total of CFAF 37.4 billion. The disbursement rate for the 11 programs and projects for the year 2020 is 43%. The physical implementation rate is 78%, compared to an average of 70% for WAEMU. The performance index is 46% compared to 45% for WAEMU average in 2020.

Analysis of convergence achievements in 2020 shows that Togo has not met all the criteria. Two primary criteria have been met. These are the criteria relating to the inflation rate and the stock of public debt as a percentage of GDP. Compliance with the inflation rate criterion is linked to the good performance of the agricultural sector. The debt criterion was favored by the prudent debt policy implemented by Togo under the IMF program, the objective of which is to stabilize the macroeconomic framework, clean up public finances and, by extension, reduce the debt ratio. The fiscal balance criterion was not met in 2020 due to a large mobilization of external resources to effectively combat the Covid-19 pandemic. None of the second-tier criteria are met over the 2015-2020 period.

6.1. Business climate

The business environment has been significantly reformed in Togo. For the second year in a row, the country is among the ten economies that have most reformed their regulations for business facilitation. Togo has thus become the first reforming country in sub-Saharan Africa and the 3rd in the world according

to the Doing Business 2020 report. It ranks 97th out of 190 countries, with a score of 62.3 points compared to 55.3 points in the 2019 ranking. This reflects a good performance with an improvement in the score obtained in absolute terms of 7 points and a rise of 40 places compared to the previous report.

Table 45. 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

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 five areas:

- **Starting a business has been made easier by eliminating the need to have documents authenticated and by shortening the registration period.**
- **Costs and time to obtain building permits have been reduced through lower fees and the implementation of an online portal for filing applications.**

Togo recorded a 6.4 point jump in the DB 2020 compared to the Doing Business 2019 index. Indeed, the time to obtain a business creation card at the Centre des Formalités des Entreprises (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 drastically increased the creation of SARLs which now represents more than 85% of the companies created since 2018.

Togo recorded a 3.6 point improvement in the DB 2020 compared to the previous year. The most important reform was the digitization of the construction permit application process. In addition, World Bank experts

noted an improvement in the transparency of the building permit process, with the publication of the circular requiring the online posting of documents necessary for permit issuance, prior approval and fees.

- **The cost of electricity connection has decreased due to the decrease in the cost of the connection work and the security deposit for new connections.**

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

- **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 DB 2019

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 transfer, the creation of a property transfer office, the creation and putting online of the Guichet Unique du Titre Foncier (One-Stop Shop for Land Titles) and free access to land information for all.

- **Togo has improved access to credit information by expanding the coverage of the credit bureau and has begun to report data from public utilities.**

Access to credit information is the only indicator with a notable step up, a 40-point gain from the DB 2019 index. The outstanding improvement noted is due to the expansion of the Credit Bureau's coverage and the start of data communication of public service companies.

Table 46. 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 Creation of companies under private signature. Decree n°2014-119/PR of May 19, 2014: for SARLs, the share capital and the share of the company are freely fixed by the articles of association	The delivery time for the unique business creation card is 24 hours
Building Permits	Memorandum No. 001/LNBTP/DG/2018 dated January 10, 2018 regarding the reduction of soil survey costs for warehouse construction (1 -2 levels).	The cost goes from 900,000 CFAF to 350,000 CFAF For households the cost is 250,000 CFAF
Access to electricity	Decision No. 001/DG/CEET/2017 of December 07, 2017 of the Compagnie Energie Electrique du Togo: reduces the costs of Medium Voltage connection works to the public service distribution network	Connection fees reduced by 30% with the possibility of paying on a schedule of up to 6 months.
Property registration	Reduction of registration fees (Art. 598 LF 2018) Project to digitize land titles Memorandum No. 400/MEF/SG/DADA of December 14, 2017 establishing a Property Transfer Office.	The total cost of transferring ownership drops from 9.3% of the land value in 2017 to 6.3% in 2018. As of April 03, 2018, 98% of land titles are digitized.Reduction of the delivery time of the descriptive statements (copies of land titles) from 07 to 02 days Reduction of the total transfer time from 30 to 20 days

Access to credit	Uniform Act No. 2016-005 of March 14, 2016, relating to the regulation of credit information bureaus (CIB), as amended Decree No. 2018-109/PR of 25/05/2018 authorizing the implementation of automated processing of personal data to bring large billers to join the platform	
Average time to get paid		
Protection of minority investors		
Level of taxes		
Easy to pay taxes	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 dated December 28, 2017: requests the services to issue the tax-free certificates within 08 hours at the latest, upon receipt of the request.	
Easy to export		
Enforcing contract law	The Trial Court of Lomé by order n°2699/2017 of December 22, 2017 setting up special commercial chambers in charge of small claims and whose litigious interest is between 0 and 1.000.000 CFAF. Court of Appeal of Lomé, by order n°1294/2017 of December 26, 2017, on the recomposition of the chambers of the Court of Appeal of Lomé: it sets up specialized commercial chambers with magistrates assigned for this purpose in order to accelerate the processing of commercial disputes.	The average processing time for files is 100 days.

Source: Cellule Climat des Affaires-TOGO / National Services

In terms of governance, the Ibrahim Index of Governance in Africa (IIG) ³⁶ shows that Togo has made some progress. According to the IIG 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, notably the modernization of the justice system, the consolidation of public finances, the improvement of business climates and investment in economic infrastructure, etc.

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, results are not yet encouraging. Togo scored 29 points in 2020, stagnating compared to its situation in 2019. The score was 32 points between 2015 and 2017. This puts the country in 134th place out of 180 countries in the world, dropping 4 places from the 2019 ranking. Nevertheless, awareness campaigns are ongoing thanks to the High Authority for the Prevention and Fight against Corruption and

³⁶ The IIG 2020 provides the most comprehensive assessment to date of the state and trends of governance in the 54 African states, across four broad dimensions: Security and Rule of Law; Participation, Rights and Inclusion; Foundations of Economic Opportunity; and Human Development. It also presents an updated version of the index, with three significant improvements: an extension of the governance spectrum to include new areas such as the environment and the management of inequalities; strengthened indicators thanks to improved data availability; and a new section entirely dedicated to the Voices of African Citizens.

Related Offenses (HAPLUCIA) and efforts are made to combat the scourge of corruption.

6.2. Financial governance

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

For the period of the sixth and final program review, all quantitative achievement criteria at the end of September 2019 were met and all structural budget benchmarks at the end of October 2019 were met. Results at the end of December 2019 were also generally satisfactory: all but one of the indicative targets were met. In contrast, the structural benchmark related to the privatization of the two public banks was not met. The CEF agreement was approved in May 2017 for a three-year period with initially planned disbursements of SDR 176.16 million in total.

Macroeconomic outcomes in 2020 have been significantly impacted by the COVID-19 pandemic. The economic growth forecast for 2020 has been revised downward from 5.5 percent before the pandemic outbreak to 3 percent. Current estimates call for growth of 0.7 percent in 2020. The decline in growth is expected to be driven by lower airport traffic due to various bans and lower output in industries such as food manufacturing, textile manufacturing, electricity-gas-water, construction, trade, transport and storage, and hotels-bars-restaurants, due to lower demand and, in turn, lower investment. Private consumption and investment would also decline. The budget deficit and external financing gap for 2020 are also larger in the current baseline scenario than in previous projections.

The 2020 budget framework has built on hard-won fiscal results of recent years, but at the same time, the spread of COVID-19 in Togo imposes additional

priority health spending to mitigate its effects. The 2020 budget, approved by Parliament on December 18, 2019, targeted an overall budget deficit of 1.9 percent of GDP. This deficit was revised to 6.1 percent in the amending budget law in connection with 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 government subsidy of at least 30 percent of the minimum wage, with payments ranging from 10,500 CFAF (\$18) to 20,000 CFAF (\$34). Based on program data, 65 percent of beneficiaries are women. The Novissi program was revised at the end of June, with eligibility limited to workers in specific districts with a high contagion rate. In total, 1.4 million people have registered and nearly 600,000 have received a NOVISSI payment. The government also subsidized the use of water and electricity for groups that pay 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 taken to promote voluntary tax compliance. All customs clearance procedures will be progressively automated to reduce the potential for revenue loss and improve service 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. The plan is to move to a program budget starting in 2021. Continued implementation of these reforms will improve the efficiency of public spending.

Financial sector reforms are progressing and

discussions continue. There have been delays in the privatization of the two state-owned banks, but authorities remain committed to implementing the reform. Following the publication of the prequalification notice in September 2019, authorities received proposals in early December 2019. As some of them did not contain all the required information, interested bidders were given additional time, until mid-January 2020, to provide the missing information.

The authorities' advisors for the operation reviewed the bids in order to select the bidders who will be allowed to participate in the final bidding process. While the process was scheduled to take place in December 2019 (a structural benchmark), the advisors recommended waiting until after the presidential election in February 2020, recognizing that the uncertainty surrounding the election could frustrate the decisions of potential bidders.

However, following the presidential election, the privatization process could not be launched as the global financial uncertainty arising from Covid-19 was deemed detrimental to the process. The authorities then transmitted a confidentiality agreement to the shortlisted acquirers in March 2020, which allowed them access to the data room. This helped move the process forward while mitigating risk in the current international environment.

In October 2021, of the five candidates approached, only three (03) had completed their due diligence in the race to take over the two Togolese banks Union togolaise des banques (UTB) and Banque togolaise pour le commerce et l'industrie (BTCI). These are IB Bank, Ecobank and Agir. In January 2021, according to corroborating sources, the Agir consortium withdrew from the competition, making IB Bank the favorite to acquire the two banks.

For 2021, the 2021 budget approved by Parliament on December 18, 2020 targets an overall budget deficit of 6.1 percent of GDP. This target will be supported by increased tax revenue mobilization compared to 2019 and prudent execution of public expenditures. The revenue mobilization target is set at CFAF 839.58 billion, including CFAF 644.64 billion in tax revenue, CFAF 62.27 billion in non-tax

revenue and CFAF 132.68 billion in grants expected from technical and financial partners. Expenditure is expected to reach CFAF 1,120.37 billion, broken down into ordinary expenditure (CFAF 685.42 billion) and investment expenditure (CFAF 412.45 billion).

6.3. Financial ratings

The U.S. financial rating agency, Standard & Poor's assigned Togo on June 03, 2019 its ³⁷first long-term and short-term sovereign credit ratings in foreign and local currency. Togo is credited with "B/B" ratings with a stable outlook. Following Standard & Poor's, Moody's Investors Service (³⁸Moody's) assigned on June 28, 2019, a first long-term issuer rating (B3) in foreign and local currencies to the Government of the Republic of Togo with a stable outlook.

In an update on April 24, 2020³⁹, the agency projects that Togo's real GDP growth will slow to 1 percent in 2020 due to the adverse effects of the Covid-19 pandemic. These projections, according to the agency, are uncertain, as they would depend on the pandemic's reality. In addition, according to the agency, the non-inclusion in the official data of the "large informal economy" also makes the economic impact particularly difficult to estimate. Standard & Poor's projections were based on the fact that the Togolese economy is sensitive to demand from its main trading partners: "The port of Lomé is a transport hub between Asian economies, Togo and neighboring landlocked countries. The importance of Togo's export sectors, mainly agriculture (cotton, coffee, and cocoa), which accounts for about two-thirds of employment, and minerals (phosphate, cement, and clinker), makes the economy highly vulnerable to the pandemic. However, the agency maintains its "B/B" rating and stable outlook and forecasts "a strong recovery in 2021 with fiscal consolidation gradually resuming". Similarly, Togo's membership in the West African Economic and Monetary Union (WAEMU) is a reassuring factor.

Following Standard & Poor's, the U.S. agency Moody's has, in its April 27, 2020 update, ⁴⁰maintained 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

37 <https://www.agenceecofin.com/gouvernance-economique/0306-66677-standard-poor-s-delivre-au-togo-sa-toute-premiere-note-de-credit>

38 https://www.moodys.com/research/Moodys-attribue-au-gouvernement-de-la-Rpublique-du-Togo-une-PR_404071

39 <https://www.financialafrik.com/2020/04/28/togo-standard-poors-table-sur-un-ralentissement-de-la-croissance-a-1/>

40 <https://www.togofirst.com/fr/gouvernance-economique/2904-5431-moody-s-dresse-un-tableau-sombre-sur-l-economie-togolaise>

undiversified and uncompetitive economy, with very low income levels, as well as weak policy and fiscal management effectiveness. The high public debt, which represents 68.7 percent⁴¹ of GDP, limits the country's capacity to absorb shocks.

As for the growth outlook, Moody's remains more pessimistic and expects the Togolese economy to stagnate in 2020. While the U.S. agency recognizes that the IMF program "has helped anchor fiscal and economic policy," it is less optimistic and has reservations. Moody's is concerned that these recent improvements will be reversed once the program ends. Similarly, Moody's believes "fiscal management remains weak, with significant slippage under the IMF program.

In June 2020, Moody's assessed the impact of Togo's participation in the G20 debt relief initiative⁴². According to the agency, Togo's participation in the initiative will not prevent its debt from rising amid 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. The extent of DSSI liquidity relief is small, particularly in relation to domestic debt service payments, which amount to \$770 million or 13.8 percent of GDP in 2020. Sixty-five percent of Togo's public debt is owed to domestic creditors, most of which is issued on WAEMU markets. These domestic issues also have shorter maturities. As a result, domestic liquidity risks will remain high and liquidity relief will not significantly reduce the vulnerability of Togo's public finances to shocks.

⁴¹ Estimate made before rebasing GDP

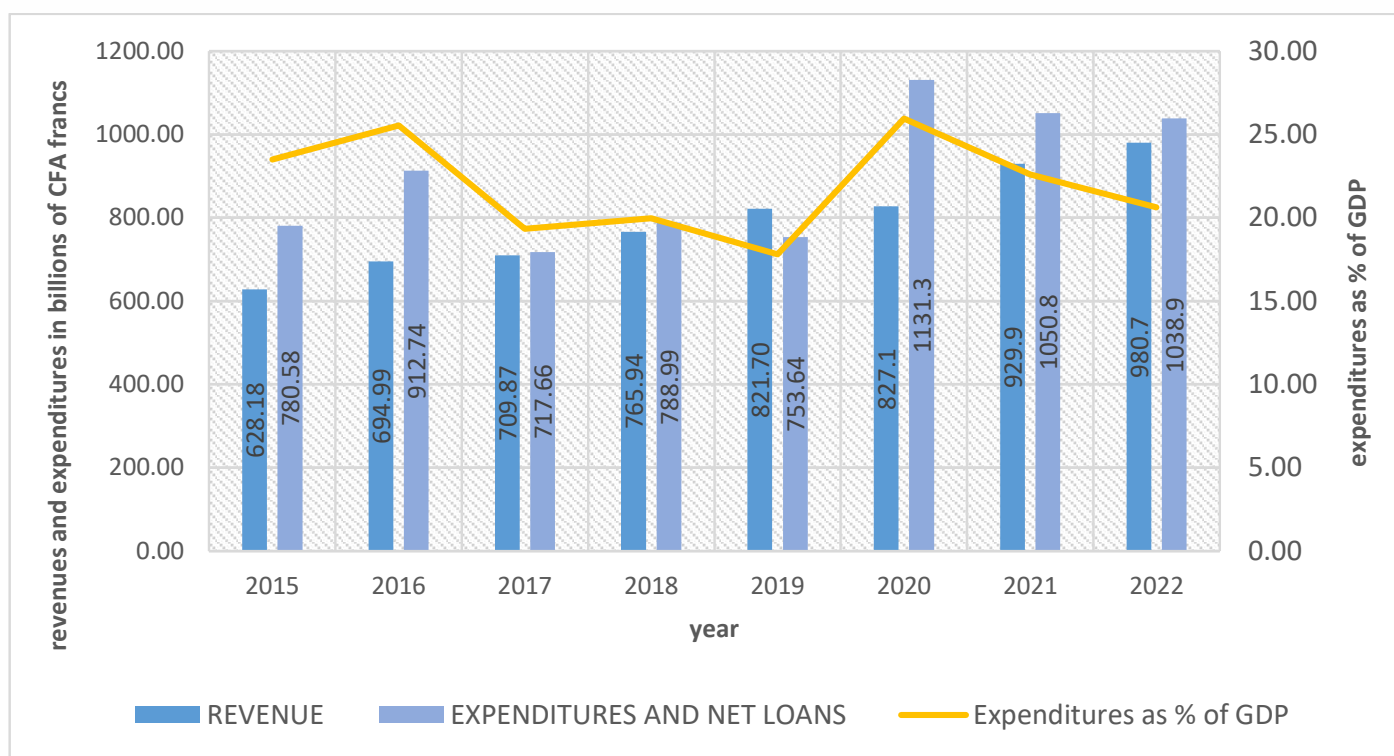
⁴² <https://www.financialafrik.com/2020/06/18/moodys-evalue-limpact-de-la-participation-du-togo-a-linitiative-g20-dallegement-de-la-dette/>

7.1.1. Expenditures and revenues

State revenues stood at CFAF 827.0 billion in 2020 against CFAF 821.7 billion in 2019, maintaining, despite the Covid-19 pandemic, the upward trend recorded since 2015. These revenues are made up of tax revenues, non-tax revenues and grants. The level of revenue mobilization in 2020, however, hides disparities. Indeed, the increase in government revenue was particularly driven by the increase in tax revenue. The Covid-19 pandemic and its impact on the national economy led to a decline in non-tax revenues.

It should be noted, however, that various reforms undertaken by the Togolese Revenue Office (OTR), notably the reinforcement of the fight against fraud, corruption and smuggling, the collection of revenues by banks, the strengthening of risk analysis, the computerization of services and increased awareness-raising efforts, have somewhat limited the impact of the pandemic on tax revenue mobilization. In 2021, budgetary revenues are expected to increase to CFAF 929.8 billion, this time from grants and non-tax revenues. In the future, revenues will continue to rise to CFAF 980.7 billion in 2022.

Figure 11. State's revenues and expenditures



Source: CP-SPRPF -FMI

Budgetary expenditures amounted to CFAF 1,113.3 billion in 2020 compared to CFAF 753.6 billion in 2019, an increase of 50.1% largely attributable to expenditures in response to the Covid-19 pandemic. Expenditures are composed of current and capital expenditures. As a percentage of GDP, budgetary

expenditures represented 25.9 percent in 2020 compared to 17.5 percent in 2019. In absolute terms, government spending would decline in 2021 compared to 2020. As a percentage of GDP, public spending would represent 22.6 percent in 2021 and would reach 20.6 percent by 2022.

7.1.2. Detailed presentation of expenditures and revenues

Tax revenues constitute the largest share of government revenues. They accounted for 79.2 percent of total revenue, including grants, in 2020, compared with 8.4 percent for non-tax revenue and 12.4 percent for grants.

Tax revenue increased from CFAF 626.2 billion in 2019 to CFAF 655.2 billion in 2020, marking a small increase of 4.6 percent. The weak increase is linked to the covid-19 pandemic, which has led to a slowdown in economic activity. Tax revenue is made up of domestic taxes (taxes) and taxes on foreign trade (customs). In 2020, domestic taxes accounted for 50.5% of tax revenue, compared with 49.5%

for taxes on foreign trade. In terms of mobilization compared to 2019, tax revenues recorded an increase of 3.6 percent and customs revenues, an increase of 5.7 percent. The increase in revenue, although small compared to that recorded in 2019 and 2018, is encouraging in light of the pandemic marked by the slowdown in economic activity and the contraction of port traffic, a consequence of the response measures against the Covid-19 pandemic taken at the national, subregional and international levels.

Tax revenue mobilization is expected to regain its pre-Covid-19 pandemic momentum. The mobilization outlook is based on a tax revenue level of CFAF 723.9 billion by 2022.

Table 47. State's financial operations (in billions of CFA francs)

Wording	2015	2016	2017	2018	2019	2020 Est	2021 Forecast	2022
Total revenues and grants (R1)	628.18	694.99	709.87	765.94	821.7	827.10	929.90	980.70
- Total revenue excluding grants (R2)	570.98	619.39	621.37	660.04	699.2	724.60	733.30	802.50
CURRENT REVENUES (R3)	570.98	619.39	621.37	660.04	699.2	724.60	733.30	802.50
- Tax revenues	516.3	568.5	563.2	546.9	626.1	655.2	656.6	723.9
Tax revenues	222.25	269.33	291.92	276.46	319.5	331.10	315.89	352.36
Customs revenue	294.03	299.16	271.25	270.48	306.6	324.10	261.44	285.83
Of which oil revenues	18	19.9	20.3	23	20.7	-	-	-
Non-tax revenues	54.7	50.9	58.2	113.1	73.1	69.40	76.70	78.60
Of which dividends	16.2	11.3	27.1	31.6	25.37	-	-	-
GRANTS	57.2	75.6	88.5	105.9	122.5	102.50	196.60	178.20
Programs	9.7	11.3	48.3	33.2	62.1	40.50	77.10	77.10
Projects	47.5	64.3	40.2	72.7	60.4	62.00	119.50	101.10
Total expenditures and net loans (D1)	780.58	912.74	717.66	788.99	753.6	1 131.30	1 050.80	1 038.90
TOTAL EXPENSES (D2)	779.18	912.84	717.58	789.02	753.54	1 131.40	1 050.80	1 038.90
Current Expenses (D3)	501.4	580.5	543.2	587.3	623.7	737.2	708.8	734.1
Wages and salaries	171.7	182.69	192.8	200.4	214.6	234.80	247.30	260.90
Purchase of goods and services	167	218.68	195.80	197.4	198.69	256.70	213.74	221.59
Transfers and grants	115.35	110.8	103.3	116.5	122.60	145.60	137.70	136.70
Interest on public debt (D4)	45.4	62.94	48.6	70.4	85.90	100.10	110.06	114.91
Interest on domestic debt	31.16	54.14	38.7	61.6	77.00	86.20	90.90	95.90
Interest on external debt	14.24	8.8	9.9	8.8	8.9	13.90	19.20	19.10
Expenditures from special funds and related funds	1.94	5.36	2.68	2.64	1.95		2.30	2.30
CAPITAL EXPENDITURES (D5)	277.72	332.34	174.4	201.7	129.8	394.20	339.70	302.50
From internal funding (D51)	139.22	185.84	104.4	70.8	7.3	209.30	184.70	147.50
From external funding (D52)	138.5	146.5	70	130.9	122.5	184.90	155.00	155.00
OTHER EXPENSES (miscellaneous)	0	0	0	0	0	0	0	0
LOANS LESS RECOVERIES	1.40	- 0.10	0.08	- 0.03	0.10	- 0.10	0	0
PRIMARY BALANCE	-24.23	-84.01	22.39	72.32	154.06	-121.80	- 50.14	35.81

Source : IMF, national staff

Non-tax revenues are essentially made up of dividends from the State's holdings in companies, fees and administrative costs, and income from the estate and business. They amounted to CFAF 69.4 billion in 2020 compared with CFAF 73.1 billion in 2019, thus recording a 5.1% decline.

Composed of program grants (budget support) and project grants, grants amounted to 102.5 billion CFA francs in 2020 compared with 122.5 billion CFA francs in 2019, a decline of 16.3%. This decline is mainly due to program grants (-34.8%). Project grants, on the other hand, rose by 2.6%. The level of project grants is explained by the implementation of the Extended Credit Facility (ECF) program with the IMF. The sixth and final review of the program in April 2020 enabled the IMF to approve the Togolese authorities' request for an increase in the level of access under the program by 48.7 percent of the country's quota (SDR 71.49 million or about \$97.1 million) in order to meet urgent financing needs arising from efforts and plans to control the spread of COVID-19 and mitigate its impact on the national economy.

For example, Togo obtained a disbursement of SDR 96.63 million (about \$131.3 million) in April 2020. This brings total disbursements under the agreement to SDR 247.65 million (about \$336.4 million). For 2021, grants are expected to decline to CFAF 132.95 billion. This decline is due to the fall in program grants, which are expected to amount to CFAF 16.5 billion in 2021, compared with CFAF 77.07 billion in 2020. From 2022 onwards, project grants should also be on a downward trend.

In terms of net expenditures and loans, current expenditures accounted for 65.2 percent of budgetary expenditures in 2020 compared to 34.8 percent for capital expenditures.

Current expenditures are composed of personnel costs, acquisition of goods and services, current transfers, and financial debt charges. Overall, they increased from CFAF 623.7 billion in 2019 to CFAF 737.2 billion in 2020. This represents an increase of 18.2%, driven in particular by personnel expenditure (+9.4%), expenditure on purchases of goods and services (+29.2%), transfer expenditure (+18.8%)

and expenditure on debt interest (+16.5%). The increase in transfer expenditure is, among other things, linked to social support measures as part of the response to the Covid-19 pandemic. Indeed, a new mobile cash transfer program, NOVISSI, aimed at supporting informal workers was launched in April 2020.

Eligible applicants received a government subsidy of at least 30 percent of the minimum wage, with payments ranging from 10,500 CFAF to 20,000 CFAF. Based on program data, 65 percent of beneficiaries are women. The Novissi program was revised at the end of June 2020, with eligibility limited to workers in specific districts with high contagion rates. In total, 1.4 million people enrolled and nearly 600,000 people had received a NOVISSI payment. The government also subsidized water and electricity bills for low income class for three months. Additional spending on social goals was estimated at more than 50 percent of GDP in 2020.

Capital expenditure rose to CFAF 394.2 billion in 2020 from CFAF 129.7 billion in 2019, an increase of 203.7%. The increase in capital expenditure is driven both by budgetary contribution (+2,767.1%) and by external financing (+50.9%) attributable to the continuation of socio-economic infrastructure but also to the implementation of a vast hospital rehabilitation program to provide health centers with standard infrastructure as part of the response to covid-19.

The primary balance showed a deficit of CFAF 121.8 billion in 2020 compared with a surplus of CFAF 154.2 billion in 2019. This deficit in the primary balance reflects the low level of revenue mobilization in 2020 in the face of an increase in sovereign expenditure for the same year, as a result of the impact of the pandemic on revenue mobilization and the scale of the financial resources deployed by the government to respond to the pandemic.

7.1.3. Budget overview

Expenditures in the 2021 budget are up 0.6 percent compared to the estimates in the amending 2020 finance law. The main sectors that have recorded increases in their budgets are Education and Higher

Education, Agriculture, Public Works and, to a lesser extent, Housing. This increase in the budgets of these sectors of activity is part of the implementation of the new government roadmap 2020-2025, whose axis 2

aims to boost job creation by relying on the strengths of the economy, and axis 3 focuses on modernizing the country and strengthening its structures.

Table 48. State Budget by major item in value and structure from 2015 to 2021 (in billions of CFA francs)

	2016		2017		2018		2019		2020		2021	
	Value (CFAF)	Structure (%)	Value (CFAF)	Structure (%)	Value CFAF	Structure (%)	Value CFAF	Structure (%)	Value CFAF	Structure (%)	Value CFAF	Structure (%)
Education	102.8	10.3	102.9	7.2	113.3	8.7	123.55	9	139.897	9.2	154.85	10.2
Higher Education	nd						35.42	8.2	38.541	2.5	40.69	2.7
Health	56	5.6	55.6	3.9	56.7	4.3	58.117	2.4	100.279	6.6	77.86	5.1
Housing	2.54	0.3	1.7	0.1	2.1	0.2	5.34	3.9	6.737	0.4	7.11	0.5
Social	3.4	0.3	3.3	0.2	3	0.2	3.22	0.4	3.081	0.2	2.91	0.2
Agriculture	70.7	7.1	45.7	3.2	45.5	3.5	38.82	0.2	34.37	2.3	39.23	2.6
Energy	12.3	1.2	13.9	1	14.7	1.1	18.11	2.6	42.807	2.8	40.91	2.7
Interior	13.3	1.3	13.4	0.9	12.5	1	14.47	1.2	19.88	1.3	16.93	1.1
Justice	6.2	0.6	5.2	0.4	5.7	0.4	7.23	1	6.834	0.5	5.64	0.4
Army	48.64	4.9	51.8	3.6	58	4.4	99.94	0.5	94.33	6.2	65.59	4.3
Environment	6.5	0.6	11.9	0.8	5	0.4	10.38	6.7	9.626	0.6	6.86	0.5
Public Works									80.55	5.3	96.31	6.3
Total	1 002.2		1 433.4		1 307.6		1 378.7		1 513.1		1 521.6	

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

The health sector, after having benefited from an allocation of CFAF 100.28 billion in 2020 in connection with the response to the covid-19 pandemic, has seen its budget fall by 22.4% in 2021.

The 2021 Finance Act balances in resources and expenditures at CFAF 1,521.64 billion, compared with CFAF 1,513.05 billion in 2020⁴³. The 2021 Finance Act thus records a slight increase of 0.6% compared to the Amending 2020 Finance Act.

7.1.4. Detailed presentation of the budget by item of expenditure

Table 49. Status of the 2021 budget compared to the 2020 budget

	2019	2020	Budget 2021	Variation 2021/2020
BUDGETARY EXPENDITURES	1 135 723 987	1 116 955 775	1 120 372 839	0.3
Ordinary expenses	876 841 543	802 023 026	688 866 329	-14.1
Staff	202 125 277	231 291 049	253 777 060	9.7
Goods and Services	296 987 368	262 207 895	122 096 256	-53.4
Current transfers	227 586 868	130 604 387	135 632 941	3.9
Financial expenses of the debt	75 378 331	101 856 010	110 059 651	8.1
Expenditures in mitigation of revenues	74 763 699	76 063 685	67 300 421	-11.5

⁴³ Amending 2020 Finance Act.

Capital expenditures	258 882 444	314 932 749	431 506 510	37.0
Amortization of Public Debt	480 560 422	394 161 351	399 614 020	1.4
Special Accounts Expenditures	2 322 412	1 938 127	1 659 767	-14.4
Total Budget	1 618 606 821	1 513 055 253	1 521 646 626	0.6

Source : General Directorate of Budget and Finance

This near-stability of the 2021 Budget Bill is explained by the decline in ordinary expenditure and special treasury accounts, offset by an increase in capital expenditure. The decline in ordinary expenditure is due to the acquisition of goods and services and expenditure in mitigation of revenues.

7.2. Tax Policy

7.2.1. General budget revenues broken down by source

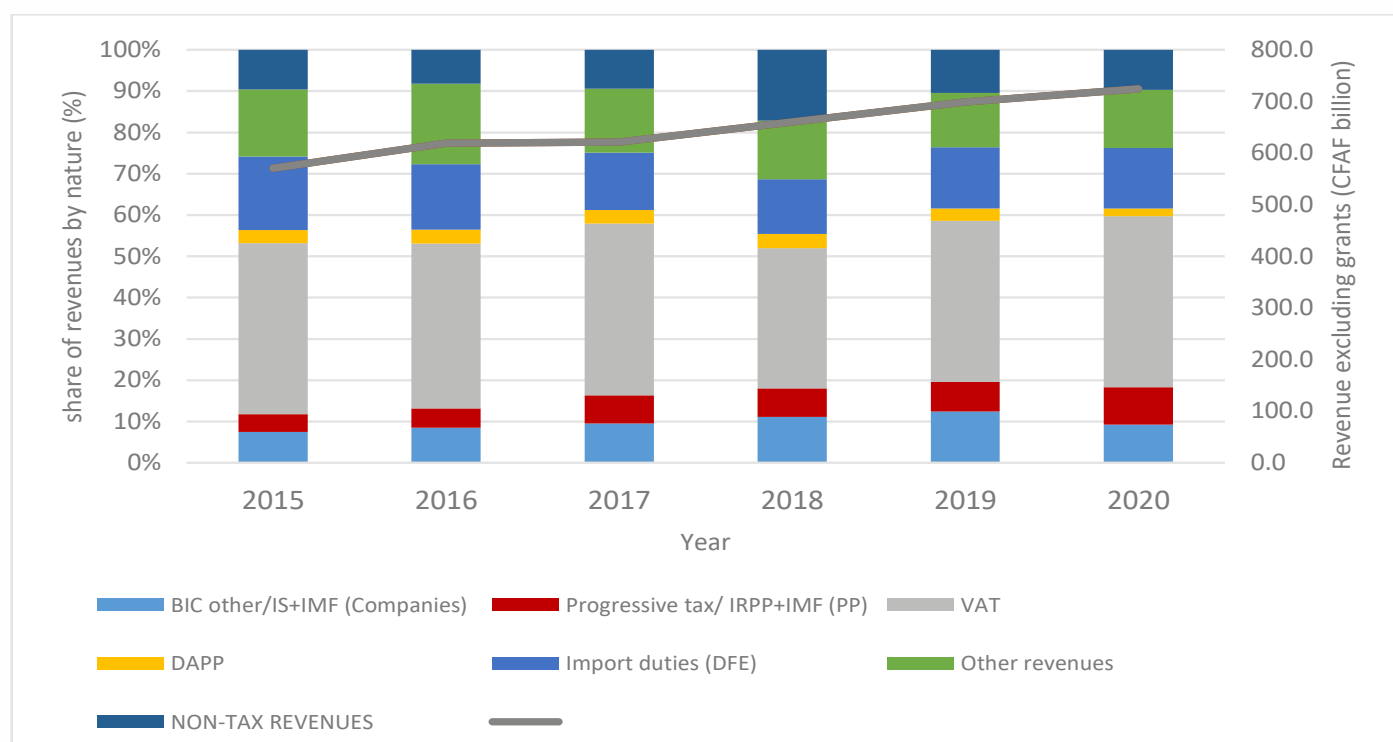
Since 2012, Togo has undertaken a series of reforms aimed at restructuring its fiscal policy and financial authorities. These reforms led in 2014 to the operationalization of the Togolese Revenue Office (OTR). The OTR has a dual function: to collect tax resources and to ensure the country's future by creating an environment conducive to the sustainability of the taxable material. After four

years of existence, the OTR has improved resource mobilization.

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

Over the 2014-2019 period, gross revenues, excluding grants, of the general budget grew by an average of 6.3%, driven by an increase in tax revenues of 6.7% and non-tax revenues of 15.0% on average per year. In 2020, revenues, excluding grants, stood at CFAF 724.6 billion, compared with CFAF 699.3 billion in 2019, thus registering an increase of 3.6%. This increase is driven by tax revenues (domestic and foreign trade revenues).

Figure 12. Budgetary revenues by type of tax



Source: CP-SPRPF

In terms of tax revenue, value added tax (VAT) is the main tax that generates revenue. It is followed by import duties. In 2020, the share of VAT in revenue, excluding grants, is 41.1 percent compared with 39.1 percent in 2019. The share of import duties rose to 14.5 percent in 2020 from 14.8 percent a year earlier. The other taxes, whose contribution is not negligible in 2020, are: profit, industrial and commercial/corporate tax and flat-rate minimum tax (BIC/IS+IMF: 9.2%), personal income tax (IRPP: 9.0%) and excise duties on petroleum products (DAPP: 3.0%).

Non-tax revenues accounted for 9.6 percent of revenues in 2020 compared to 10.5 percent a year earlier. They were driven by dividend income.

In terms of progression, the VAT recorded a small increase of 1.3% in 2020 compared to 22% in 2019. The small increase is induced by the contraction of economic activities in connection with the restrictive measures taken at the national and international levels to curb the spread of Covid-19. Increase in revenue is also noted with income tax, which is an increase of 22.2%.

In terms of import duties, a 5.7 percent decline was recorded in connection with the contraction of imports, as a result of the closure of factories in several partner countries during the first months of the pandemic. This decline was also noted in corporate income tax and excise duties on petroleum products, with respective declines of 28.9% and 38.9% in 2020 compared to 2019.

Table 50. Level and progression of revenue items from 2015 to 2020 in billions of CFA francs

		2015	2016	2017	2018	2019	2020
Gross REVENUE excluding GRANTS	Level	571	619.4	621.4	660	699.3	724.6
	Progression	10.6	8.5	0.3	6.2	5.9	3.6
Gross TAX REVENUE	Level	516.3	568.5	563.2	546.9	626.2	655.2
	Progression	12.7	10.1	-0.9	-2.9	14.5	4.9
BIC other/IS+IMF (Companies)	Level	42.5	52.6	59.4	73.5	87.1	61.9
	Progression	15	23.7	12.8	23.7	18.5	- 28.9
Personal income tax	Level	24.5	29.1	42.1	45.6	49.8	60.9
	Progression	6	18.9	44.5	8.5	9.1	22.2
Value Added Tax (VAT) +TAF	Level	236.7	247.1	258.8	223.9	273.2	276.9
	Progression	20.6	4.4	4.7	-13.5	22	1.3
Excise duty on petroleum products (DAPP)	Level	18	19.9	20.3	23	20.7	12.6
	Progression	6.5	10.6	2	13.3	-10	-38.9
Import duties	Level	101.7	98	86.4	87.2	103.5	97.6
	Progression	22.2	-3.6	-11.9	1	18.7	-5.7
Other Tax Revenues	Level	92.9	120.7	96.2	93.7	91.9	94.6
	Progression	-8.7	29.9	-20.3	-2.6	-1.9	3.0
NON-TAX REVENUES	Level	54.7	50.9	58.2	113.1	73.1	69.4
	Progression	23.5	-6.9	14.3	94.3	-35.4	-5.1

Source : CP-SPRPF

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 amount of profits made from operations related to banking, financial activities and, in general, trading

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. The amount is included in the selling price of petroleum

products at the pump. The rates of DAPP are as follows: CFAF 57.76 per liter of premium unleaded fuel, CFAF 48.06 per liter of diesel, CFAF 59.99 per liter of petroleum, aviation gasoline and jet fuel, CFAF 15 per liter of fuel oil, CFAF 50 per liter of lubricating oil and CFAF 60 per kilogram of grease⁴⁴.

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, as well as industrial, commercial and craft profits and farm profits. The tax rates are progressive. They range from 7% (for an overall net income of between 900,001 and 4,000,000 CFAF) to 35% for an overall net income of over 15,000,000 CFAF.

Individuals liable to income tax 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 is fixed at CFAF 50,000 for companies with a turnover of less than CFAF 5,000,000. It is capped at 500,000,000 CFAF for any company with an annual turnover of more than 50,000,000 CFAF.

Corporate income tax is levied on all profits or income earned by companies and other legal entities. The corporate income tax rate is set at 29.0% of taxable profit.

7.2.2. Presentation of 2021 tax changes

The Finance Act 2021 renewed three (03) past measures prior to the Finance Act 2020 to the customs cordon, the measures taken under the Finance Act 2020 and introduced new measures.

Measures prior to the 2020 Finance Act are renewed and involve the collection of the African Union Levy (AU Levy), the Laissez-Passer Tax (TLP) and the National Solidarity Levy (PNS)

Measures taken in 2020 and renewed in 2021 are related to:

- Promotion of investment and improvement of the business climate through the granting

of customs and tax in behalf of transport vehicles (people and goods) entering the Togolese territory from January 1 to December 31, 2021, including:

- Abatement on the customs value of: 100% for electric or hybrid vehicles when new; 90% for new vehicles; 50% for vehicles one (1) to two (2) years old; 35% for vehicles three (3) to five (5) years old.
- Exemption from the National Solidarity Levy (NSL);
- Exemption from value added tax (VAT) collected at the customs cordon ;
- Exemption from the levy on account of the IS-IRPP instalments, category of business income received at the customs cordon.
- The reduction of the tax burden of the private sector through the reduction of the floor of the minimum flat tax of collection which was reduced from six hundred thousand (600.000) CFAF to twenty thousand (20.000) CFAF. This floor is now applicable to all. The measure taken by the government to facilitate the transfer of registered real estate merges transfer duties and land registration fees and gives rise to the collection of a fixed duty of 35,000 CFAF. When the amount of the instalments paid is higher than the tax finally due, the excess is reimbursed after deduction of the other taxes, duties and direct taxes possibly due by the taxpayer. The excess of the minimum flat-rate tax can be charged later or refunded.
- The reinforcement of control measures and the fight against tax fraud and evasion through the modification of articles 104 of the CGI and 206 of the Book of Tax Procedure. Indeed, measures establishing the obligation for companies to produce the documentation necessary for the control of their intra-group transactions (transfer pricing) are reinforced.

⁴⁴ A grease is a more or less consistent paste-like product used as a lubricant. Greases form a film that reduces friction and facilitates sliding

They further specify the conditions and the relevant information required from these companies.

- Preservation of public health, in particular with the increase in excise duties on tobacco from 45% to 50% in 2019 and from 50% to 150% in 2020. This increase in excise duties will make it possible to act on prices and discourage the consumption of these products that are harmful to health in accordance with the new directive N°01/2017/CM/UEMOA.
- Technical adjustments and simplification of tax procedures by:
 - The institution of a system of withholding tax or deduction at source of VAT in order to limit the risks of wastage in the declaration and payment of Value Added Tax (VAT). Under the conditions defined by regulation, purchasers of goods or beneficiaries of services concerned by the said measure are obliged to make the deduction or withholding at source of the VAT invoiced to them;
 - Alignment of the installments of the TPU according to the declarative system (Art 133 CGI & 57 LPF). According to the new provisions, the TPU gives rise to the payment of four (04) instalments each rounded down to the nearest thousand francs and equal to one quarter of the contributions payable by the taxpayers for the last closed fiscal year. Installments are paid at the latest on January 31, May 31, July 31 and October 31 of each year to the cashier of the tax collector. From now on, the balance of the tax is paid spontaneously, at the time of filing the financial statements.

fraud and evasion;

- o Reducing the tax burden;
- o Technical adjustments;
- o Taking into account the sub-regional tax regulations.

These measures are:

- Digital transactions subject to VAT (Art 175 CGI & 50 LPF). From now on, digital transactions are subject to Value Added Tax (VAT). All services, operations, transactions and advertisements, made by residents and companies registered in Togo through digital channels, must be subject to VAT billing.
- Identification of the beneficial owners of transactions (Art 125 LPF). From now on, when the beneficial owner of a concealed transaction is not identified, a joint and several liability for the payment of the tax is instituted between the parties involved, together with a tax fine equivalent to 50% of the amount of the transaction.
- Exchange of information (Art 258 LPF). From now on, taxpayers have seven (07) days to provide information requested by the Administration, starting from the date of receipt of the notice or the letter from the Administration in the context of a request for exchange of information for tax purposes.
- Obligation to hold information on beneficial owners (Art. 280 LPF) From now on, the obligation for notaries to request, hold and declare information on the beneficial owners of companies and other entities for which they provide services is extended to court clerks, bailiffs, approved customs agents and similar, and to administrative authorities for the documents they draw up, as well as to chartered accountants and certified accountants, as well as to all other professionals.
- Reduction of the minimum collection of the TPU of the declarative regime (Art 134 CGI). In order to lighten the tax burden of

The new measures adopted under the 2021 Finance Act are intended to provide the State and local authorities with the means necessary to achieve their funding objectives. These new measures include:

- o Broadening the tax base and strengthening control measures and the fight against tax

young entrepreneurs, the floor of the Single Professional Tax (TPU) of the declarative regime is reduced from 300,000 CFAF to 20,000 CFAF.

- Reduction of the motor vehicle tax sticker (MVT) tariff. The tariff of the vignette on motor vehicles has undergone a considerable reduction of its tax burden which was considered too high vis-à-vis the taxpayers. This reduction is made in order to facilitate the full adherence to this tax by the population and encourage fiscal civic-mindedness.
- Reduction of the registration duty on exchange of real estate and fragmentation. The registration of real estate following an exchange transaction, for which the current registration duty rate was 6%, has undergone a major change. From now on, the exchange, defined for tax purposes as a double sale, is subject to a registration duty of 0.6%. This reduction also affects the parceling of land, which is reduced from 1% to 0.3%.
- Exemption from discharge and cancellation of mortgage. According to the principle that "the accessory follows the principal", mortgage is extinguished when the principal obligation is extinguished. In order to improve the business climate for bank loans, it is planned to exempt the fees related to mortgage release and cancellation.
- Provisional declaration of companies. This provision relates to the deadline for filing annual income tax returns by legal entities liable to corporate income tax. Considering the difficulties that some companies encounter in determining result in a definitive and exact way, within the legal time limit, the tax law has relaxed the procedures to allow those who would find themselves in this case, to be able to file a provisional declaration subject to regularize it within the following 03 months.
- Collection method for tax on business income aligned with the corporation tax. As tax is an authorization to practice, its calculation should take into account the turnover of the tax year. Following the amendment of this article, tax is now calculated on the turnover of the tax year. This also justifies the amendments to articles 84, 118 and 119 of the LPF concerning the collection mechanisms of the patente.
- Sending the notice of assessment after final notification. This article provides that the final notification is accompanied by a notice of assessment (AMR). The taxpayer has a period of thirty (30) days to contest or pay the adjusted amount. Thus, the authentication of the tax claim by the AMR should not accompany the final notification. From now on, this notice is sent after the 30-day period.
- Deductibility of past due receivables. The Revised Chart of Accounts (RCA) requires the reclassification of overdue receivables that are five (05) years old as uncollectible.

8.1. Political and security risks

Risks associated with electoral deadlines are real in Togo. The lack of consensus in the management of socio-political issues and street demonstrations caused by socio-political crises have a negative impact on the economy. The contestation of President Faure Gnassingbé's re-election since February 2020 by the second-place candidate means that there is still a political risk. This political risk is above all that of disruptions or unrest that could hinder the proper functioning of the economy and the government in the event of a sudden rise in social unrest. In Togo, this political risk is considered medium on the risk typology scale. However, building social dialogue and promoting political dialogue should help limit these risks.

Security in the WAEMU zone is mostly threatened in the Sahelian countries of Niger, Mali and Burkina Faso. The fact that Togo shares a border with Burkina Faso means that it is not exempt from possible terrorist attacks. Increased security risks in neighboring Burkina Faso could affect Togo's investments, trade and public finances. 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.

In addition to terrorist threats, there is the threat of maritime piracy in the Gulf of Guinea, the aftermath of political crises in neighboring 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 high risk in Togo. Nevertheless, thanks to cross-border cooperation between security services, awareness-raising on terrorist threats, building trust of the population in the defense and security forces, and the regulatory framework for combating maritime piracy, these risks should be controlled.

8.2. Social risks

The labor 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 training and employment fit. To be a factor of productivity growth and job creation, human capital policy must be adapted to the dynamics of the labor market. This requires a prospective analysis to anticipate needs in skills on the labor market in order to adapt the 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 in order to ensure that as many people as possible benefit from it.

8.3. Macroeconomic risks

Togo is a country with significant 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 customers namely 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 and the volatility of export commodity prices (cotton, coffee, cocoa, etc.) pose commercial risks on 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 partner countries could slow the increase in exports.

In terms of product acquisition, Togo mainly imports petroleum oils or bituminous minerals, medicines, ethylene polymers, motorcycles, passenger cars, cotton fabrics, coal, frozen fish and iron or steel wire rod. 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, a widening of the trade deficit, and thus jeopardize macroeconomic performance and, in turn, economic policy goals.

The continuation of the Covid-19 pandemic also poses a risk to the macroeconomic framework. In 2020, the impact of the pandemic resulted in a contraction of economic activity. The 2020 growth target, initially set at 5.5 percent, had to be revised downwards due to the global health crisis and now stands at 0.7 percent according to an initial estimate. Tourism, including hotels and restaurants, land and air transport, and the beverage industry, among others, have been hard hit, as has the informal sector. On the other hand, port activity, after a sharp decline in April, has returned to normal levels and the cement industry is improving its production volumes. Economic activity is therefore down overall compared to 2019, but with strong contrasts between sectors.

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

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; intensifying phytosanitary research to anticipate crop attacks; and strengthening investments to support the economy, particularly in the areas of energy and transport, especially air and sea transport. The mitigation of the risk related to covid-19 must be reflected in the continued implementation of the recovery plan.

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

The mobilization of internal resources is generally based on the economic activity. This activity takes place in a social, political, legal, regional and international environment that significantly influences it. The main risk for domestic resource mobilization is tax avoidance of some taxpayers who are unaware that paying their taxes is their participation in the financing of the national economy.

In addition to the risk of "fiscal incivility", there is the risk linked to the significant size of the informal sector in the formation of the gross domestic product and the risk linked to the low mobilization of gate receipts in connection with the fluctuation in the price of raw materials, in particular oil products. In addition, the covid-19 pandemic also constitutes a major risk in that it has a strong impact on economic activity in connection with restriction measures taken at the national and international levels.

The promotion of tax compliance, the strengthening of tax audits, the continued implementation of reforms aimed at broadening the tax base and securing revenues should help combat tax evasion and avoidance and mitigate some of the risks associated with the mobilization of tax revenues.

The risk associated with the banking sector in the form of contingent liabilities for the government is rated as "low (+)" given the relatively small size of the Togolese banking sector. However, contingent liabilities associated with a delay in the restructuring of the two state-owned Union banks (Togolaise de Banque and Banque Togolaise pour le Commerce et l'Industrie) could pose a risk to financial stability and fiscal sustainability.

The risks associated with the mobilization of external resources include poor control of the disbursement procedures of the Technical and Financial Partners (TFPs). All of which leads to the late implementation of external financing; the reluctance of TFPs to implement the principles of the Paris Declaration on Aid Effectiveness, which is a major handicap for the proper execution of planned projects; and the increase in borrowing costs, which could restrict capital inflows and slow down growth in many emerging markets and developing economies.

Measures to mitigate these various risks are

the operationalization of the aid management platform (AMP), the improvement of the capacity to absorb budgetary resources, the strengthening of the government-FTP dialogue framework, the establishment of a mechanism for mobilizing resources from the diaspora and capacity building of actors on the procedures for disbursing TFPs.

The debt portfolio cost has a strong influence on the mobilization of domestic and external resources to finance economic development. Indeed, the implicit interest rate is estimated at 4.46 percent in 2020, compared with 4.49 percent in 2019. This relatively high cost is induced by the high proportion of domestic debt dominated by government securities, which cost an average of 6.10%, i.e. on average three (03) times more expensive than external debt. The average rate is expected to be 4.79% over the 2021-2025 period.

In addition to portfolio cost, risks associated with the debt portfolio are those related to refinancing, interest rates and exchange rates. Refinancing risk is characterized by:

- The average maturity of the portfolio has increased slightly (5.23 years in 2020 compared with 5.08 years in 2019) as a result of the reprofiling operation. The average maturity of the external debt is 8.65% in 2020 and should reach 10.62% over the 2021-2025 debt period;
- The size of the debt maturing on December 31, 2021, representing 15.6% of the portfolio and 9.29% of GDP;
- A high concentration of maturities over the next three years, which could generate refinancing pressures.

Controlling the refinancing risk beyond 2021 requires the Treasury to actively manage debt through buyback and maturity mechanisms.

Interest rate risk is characterized by the need to refinance debt maturing on January 31, 2021 under new market financial conditions. Exchange rate risk is considered low due to the size of the non-fluctuating debt denominated in CFAF (69.47%) and in

Euro (11.03%) in 2020. The external debt portfolio is nevertheless influenced by certain currencies, notably dollar and yen.

8.5. Health risks

The world news in terms of health risk remains the COVID-19 pandemic 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 effectively tackle this pandemic. The update on the implementation of the health response plan made in January 2021 indicates that expenditures in the health sector were evaluated at 22.88 billion CFA francs out of a forecast of 110 billion. This amount represents 21% of the expenses of the global response plan implemented to curb the spread of the virus and limit its impact on the national economy.

The implementation of the health response plan has enabled the government, with the support of technical and financial partners, to renovate several health centers in order to bring them up to standard so that they can accommodate people with COVID-19. The Regional Hospital Center of Lomé has become the reference center for 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 establishments other than those of health such as youth recreation centers have been requisitioned, rehabilitated and equipped for the care of COVID-19 patients.

As of March 16, 2021, Togo has recorded 8,322 confirmed cases, 6,940 cured cases, 1,285 active cases and 97 deaths. The vaccination campaign against Covid-19, officially launched on March 10, 2021, should help limit the spread of the disease and the number of deaths. This vaccination campaign involves a first batch of 156,000 doses of AstraZeneca vaccine obtained by Togo under the Covax initiative. The vaccination plan calls for the doses to be administered first to all health personnel and to people aged 50 and over.

In addition, Togo remains exposed to health threats, including epidemics (Ebola, Lassa fever, meningitis, etc.). The main measures for mitigating

these epidemics are the continued control of epidemiological diseases and border surveillance.

8.6. Environmental risks

Togo, like many countries in the world, remains exposed to the impact of climate change with frequent flooding. Coastal erosion is also a reality in Togo. The agricultural sector, which employs the vast majority of the workforce, 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 adaptation programs envisaged receive very little funding. Water control therefore remains a concern. All of these risks could lead to a decline in production. The

environmental risks faced by the country are ranked high on the scale of measurement.

Mitigation measures include intensifying the reforestation of the flora, combating the uncontrolled felling of trees, modernizing the agricultural sector in order to limit the impact of climate hazards on production through, for example, the construction of water reservoirs and the establishment of modern irrigation systems. 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 responses, and identifying and developing risk areas for better management of potential natural disasters.

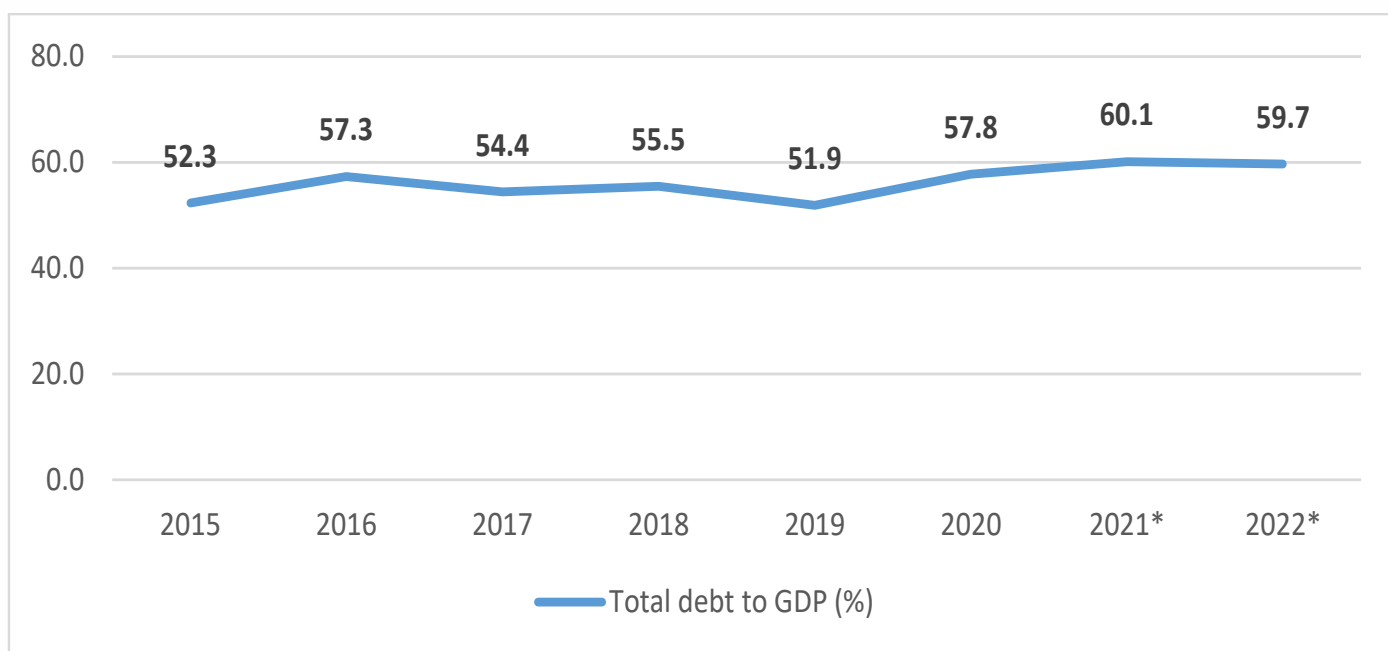
9. DEBT SITUATION

9.1 General description of public debt

Togo's public debt stock stood at CFAF 2,555.45 billion in 2020, compared with CFAF 2,197.74 billion in 2019, i.e., an average increase of 16.3% due to the rise in the level of external (+30.6%) and domestic (8.8%) debt. Despite its increase, the outstanding debt remained below the community standard of 70% recommended by WAEMU. Indeed, the debt-to-GDP ratio stood at 57.8% in 2020, compared with 51.9% in 2019.

It should be recalled that the performance recorded over the 2017-2019 period was induced by 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 budget deficit significantly at the beginning of the period in order to ensure debt sustainability. In 2020, the increase in the debt stock was facilitated by a larger than expected mobilization of external borrowing in connection with the financing of expenditures related to the management of the Covid-19 pandemic.

Figure 13. Outstanding public debt to GDP from 2015 to 2022



Source: Ministry of Finance, *WAEMU

In 2021, the debt ratio is expected to be 60.1%, with a 2021 budget financing requirement of CFAF 680.13 billion, of which CFAF 559.25 billion is domestic

debt and CFAF 97.84 billion is external debt. The outstanding debt is expected to reach 59.7% in 2022.

9.1.1 Overall image

Table 51. Public debt and its components (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
Total debt (% of GDP)	52.5	57.3	54.4	55.5	51.9	57.8
Total public debt	1 745.89	2 092.67	2 020.26	2 191.04	2 197.74	2 555.45
External debt	527.19	564.12	550.16	600.76	751.3	981.276
Domestic debt	1 218.70	1 528.55	1 470.10	1 590.28	1 446.44	1 574.17
Nominal GDP	3 322.70	3 574.38	3 713.58	3 950.46	4 230.57	4 359.85

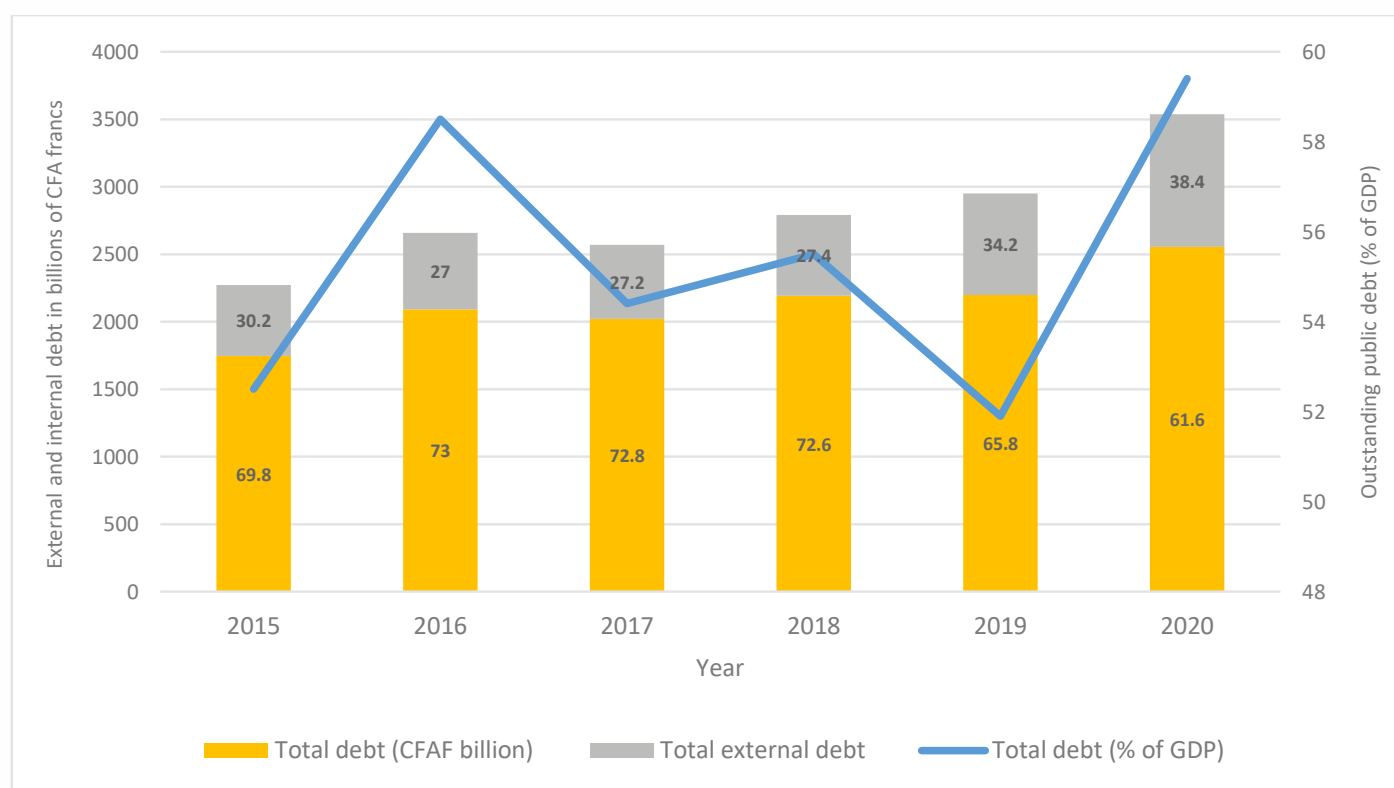
Source: Minister of Economy and Finance

Public debt is driven more by domestic debt, which accounted for 61.6 percent of total debt in 2020 compared with 65.8 percent in 2019. Domestic debt increased by 8.8 percent in 2020 compared to its 2019 level.

With regard to external debt, it recorded an increase of 30.6 percent in 2020 compared to its level in

2019. It accounted for 38.4% of total debt in 2020 compared with 34.2% a year earlier. This upward variation is justified by drawings of CFAF 284.62 billion, including CFAF 12.3 billion in non-financial terms relating to service under the Debt Service Suspension Initiative (DSSI), repayments of CFAF 19.35 billion and exchange rate fluctuations worth CFAF -35.3 billion.

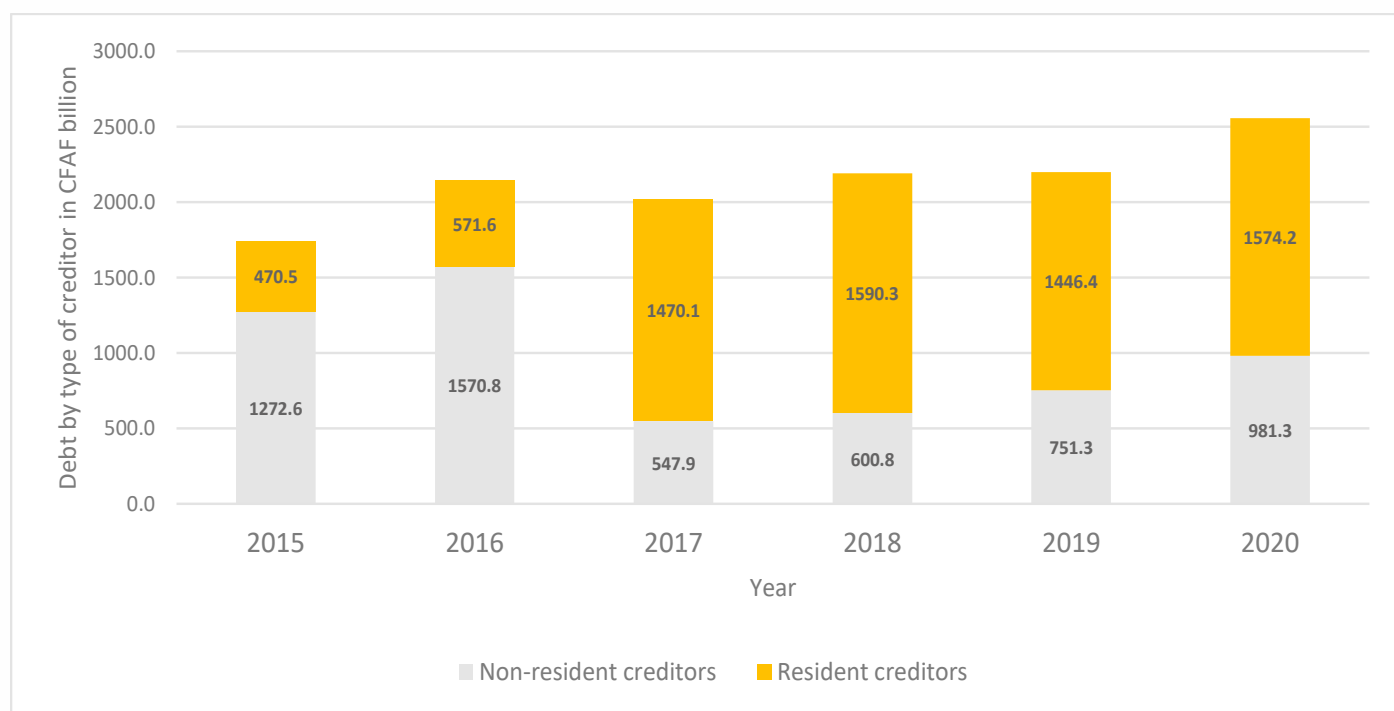
Figure 14. Breakdown of public debt from 2015 to 2020



Source: Minister of Economy and Finance

In terms of residency, public debt contracted from residents amounted to CFAF 1,574.17 billion in 2020 compared to CFAF 1,446.44 billion in 2019. That contracted with non-residents stood at 981.28 billion CFAF against 751.30 billion CFAF a year earlier.

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



Source: Minister of Economy and Finance

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. It accounted for 68.1 percent in 2020 compared to 71.8 percent of total debt in 2019. Medium-term debt stood at 25.7 percent in 2020 compared to 20.9 percent a year

earlier. Over the period under review, it declined in 2017 before rising to its 2020 level.

Short-term debt has been on a downward trend since 2015. It represented 6.1% of total debt in 2020 compared to 7.4% in 2019.

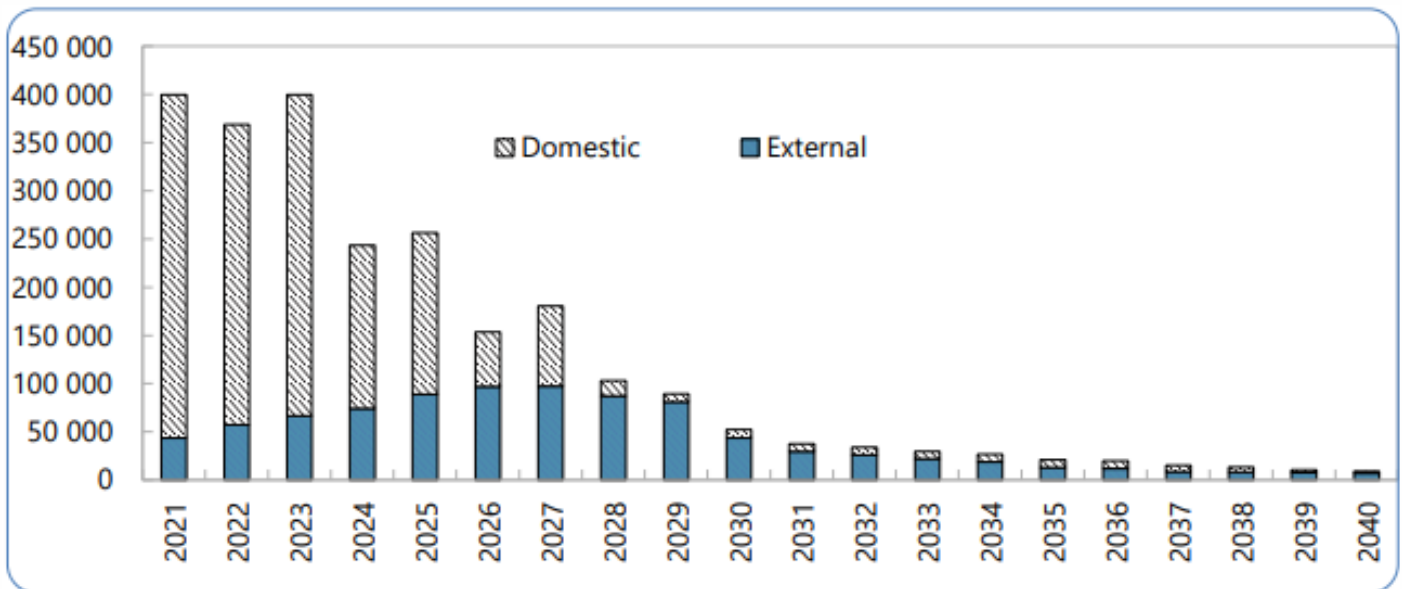
Table 52. Time profile of public debt (%)

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

Source: Minister of Economy and Finance

In perspective, the debt amortization 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 three (3) years which may generate refinancing pressures.

Figure 16. Debt redemption 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 156.76 billion in 2020, compared with CFAF 161.80 billion in 2019, i.e., a decline of 3%, linked, among other things, to

the clearing of credits. The breakdown of debt to be repaid in 2020 shows that it is made up of CFAF 85.44 billion ⁴⁵in arrears to be paid immediately and CFAF 71.32 billion in debt securities, which recorded an increase of 39.0% in 2020 compared with their level the previous year.

Table 53. Debt to be repaid in the short term (in billions of CFAF)

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

Source: Ministry of Economy and Finance

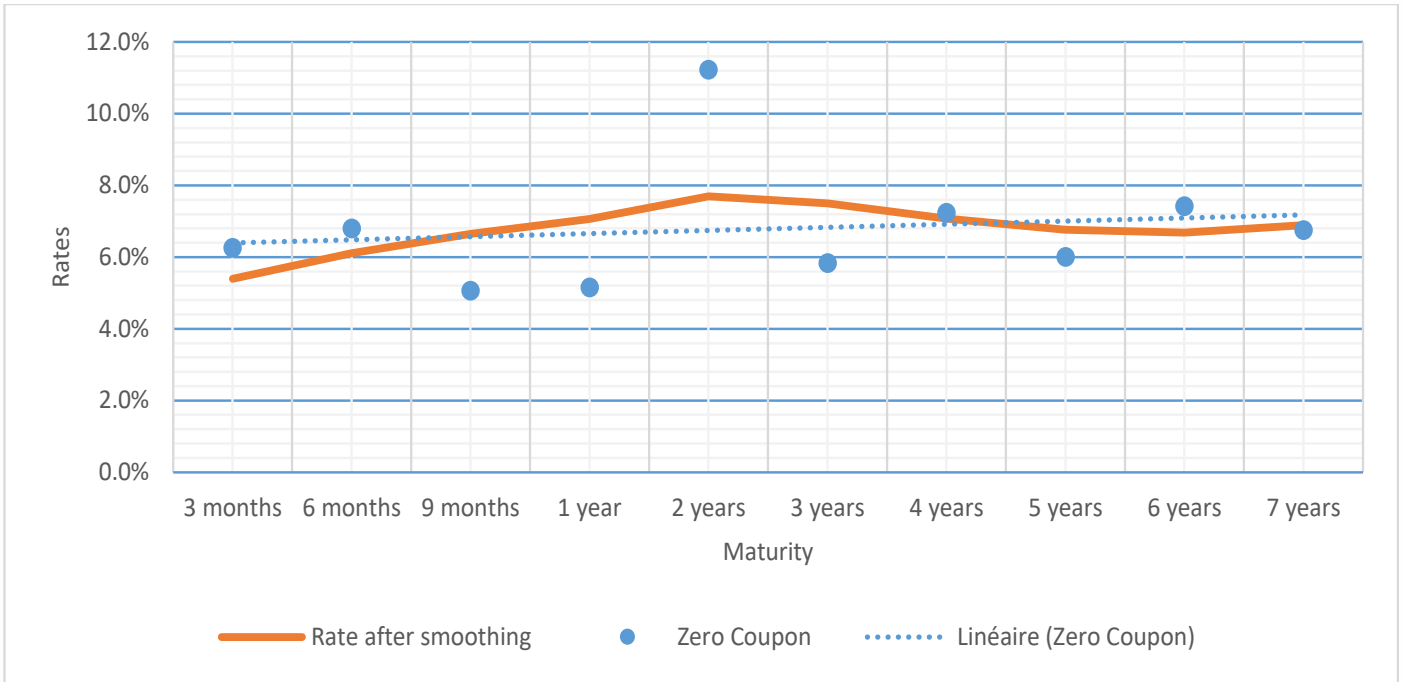
As of March 7, 2021, the one-year zero coupon rate was 5.32%, up from 5.16% as of December 31, 2020. After smoothing, it was 5.16% as of May 7, 2021, compared with 7.06% as of December 31, 2020. The 4-year zero coupon rate is the highest with a value of

7.86% as of May 7, 2021. Whereas on December 31, 2020, the 2-year zero coupon rate is the highest with 11.2%. The following figures show the rate curves ⁴⁶at the end of December 2020 and on May 07, 2021.

⁴⁵ Backlogs to be released immediately

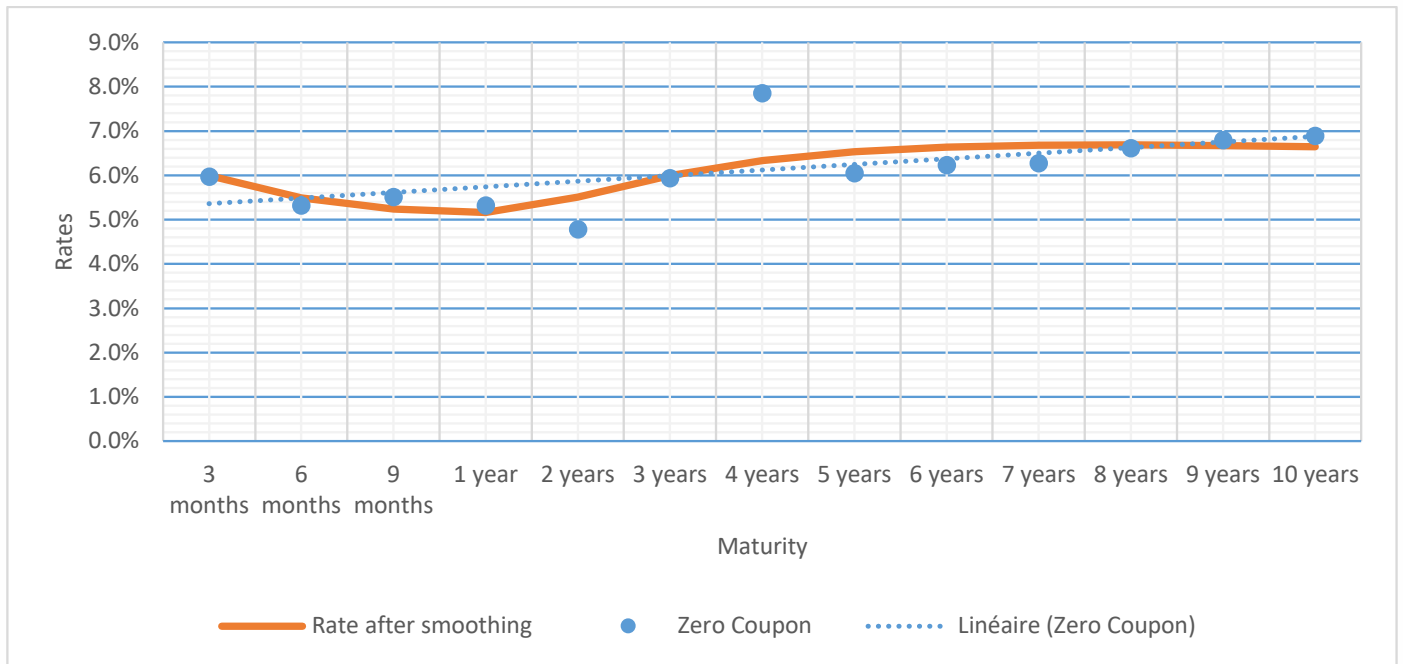
⁴⁶ A yield curve shows the yield offered for an issuer's debt securities at different maturities

Figure 17. Rate curve as of December 31, 2020



Source: UT

Figure 18. Rate curve as of May 07, 2021



Source: UT

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 legal instruments.

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/UEMOA of July 4, 2007 on the reference framework for public debt policy and management in member states and No. 06/2013/CM/UEMOA of June 28, 2013 on treasury bills and bonds issued through auctions or syndication with the assistance of UMOA-Titres. For the instructions, we have: the instruction n°011-09-2015 relating to the procedures of auction of treasury bills and bonds and the 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 and the instruction n°063/CREPMF/2020 of March 25, 2020 relating to the issuance of public securities on the regional financial market.

At the national level, debt management is governed by Organic Law No. 2014-013 of June 27, 2014 on the Finance Laws. The same applies to 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 Decree 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 n°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 2020 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 budget for 2021 management, 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 Government's orientations are aimed at mobilizing concessional resources, while

contributing to the development of the WAEMU public securities market and in view of the need to lengthen maturities whose interest rate volatility is more limited compared to international markets. In line with these guidelines, the Government has based its debt strategy on the financing structure of the first year of the Public Investment Program (PIP 2021-2023) with an emphasis on extending the maturities of domestic debt. The breakdown of the financing requirement will be 15% for the external debt component (Multilaterals 70%, Bilaterals 30%) and 85% for the domestic component (Treasury Bills 13% and Treasury Bonds 83% (50% with a maturity of at least 5 years), as well as 4% for the BOAD). The possibility of more active management of securities (repurchase, exchange) is also in line with this strategy. This strategy is also in line with the health crisis situation that the world is going through.

The Government will also continue to implement reforms with the aim of preserving the gains of the program with the IMF, and will improve the quality of its policies and institutions in order to benefit from the new IDA-19⁴⁷ (2021-2023) and ADF-15⁴⁸ (2020-2023) facilities, as well as from grants from other partners to revive economic activity weakened by the health crisis due to the COVID-19 pandemic.

The Government will continue to mobilize from external semi-concessional creditors such as Eximbank India, the Kuwait Fund, the Saudi Fund and the Khalifa Fund, whose projects are under implementation.

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 increase from 5.23 years in 2020 to 5.63 years by 2025. The average maturity of the portfolio as a whole would be influenced mainly by the average maturity of the external debt, which would rise from 8.65 years in 2020 to 10.62 years in 2025.

Similarly, domestic debt would also increase to reduce refinancing risk and would increase from 3.10 years in 2020 to 3.37 years in 2025, since an effort will be made to issue medium-term (5 years

⁴⁷ Ten Years to 2030: Growth, People, Resilience
⁴⁸ ADF Fifteenth Replenishment (ADF-15)

and more) government securities on the regional financial market.

The reprofiling operation carried out in 2019 and 2020 has also increased the proportion of external debt to total debt. Indeed, the external debt in relation to total debt is 38.40% in 2020. This proportion will be 31.42% by 2025. Controlling the refinancing risk beyond 2021 requires the Treasury to actively manage debt through buyback and exchange mechanisms. 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.

According to the medium-term debt strategy for 2021-2025⁴⁹, by 2025 the public debt portfolio should be composed of about 31.21% external debt and 68.72% domestic debt, compared with 38.40% and 61.60% respectively at the end of 2020. The maturing debt, as well as the debt to be rescheduled in one year's time, should be 14.67% in 2025, compared with 15.64% in 2020, taking into account the reprofiling operation, the repayment of which will begin, and the mobilization of public securities, the maturities of which will be gradually lengthened by 2025. This effort to lengthen the maturities of government securities would have an impact on the average maturity of the portfolio, which would be approximately 5.63 years by 2025, compared with 5.23 years in 2020. For 2021, the financing requirement would amount to CFAF 680.13 billion according to macro-budgetary data.

Togo has entered into an international financial rating process and has just been rated "B/B" with a stable outlook by rating agencies, notably Standard and Poor (S&P). Togo will do its utmost to accelerate reforms in order to improve its financial rating. This rating is an indicator of transparency for investors, which will reduce information asymmetry and, in turn, reduce the cost of resources to be mobilized on the international capital market. The mechanism for buying back and exchanging securities on the market will be used over the horizon of the strategy (2021-2025) in order to further smooth the amortization profile and mitigate the refinancing risk.

9.2.2 Debt sustainability (according to the World Bank and IMF)⁵⁰

The sustainability framework was jointly developed by the World Bank and the IMF for low-income countries. The framework was adopted in April 2005 and is subject to periodic review. It analyzes 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 overhang is therefore considered moderate.

The overall risk of debt distress is assessed as high, as the PV of the total government 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

⁴⁹ National Public Debt Committee, February 2021
⁵⁰ the last DSA was in April 2020

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 favorable growth rates should significantly reduce domestic and guaranteed debt.

In the most extreme shock scenario, the PV ratio of aggregate public debt to GDP would rise rapidly in 2021 and fall 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 54. DSF Debt Threshold and Benchmarks

	Debt reprofiling scenario				
	External debt PV (%)		External debt service (%)		Total public debt PV(%)
	GDP	Exports	Exports	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 FMI, Avril 2020

IMF and World Bank staff are of the view that the risk of external debt distress is expected to remain 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 took into account 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

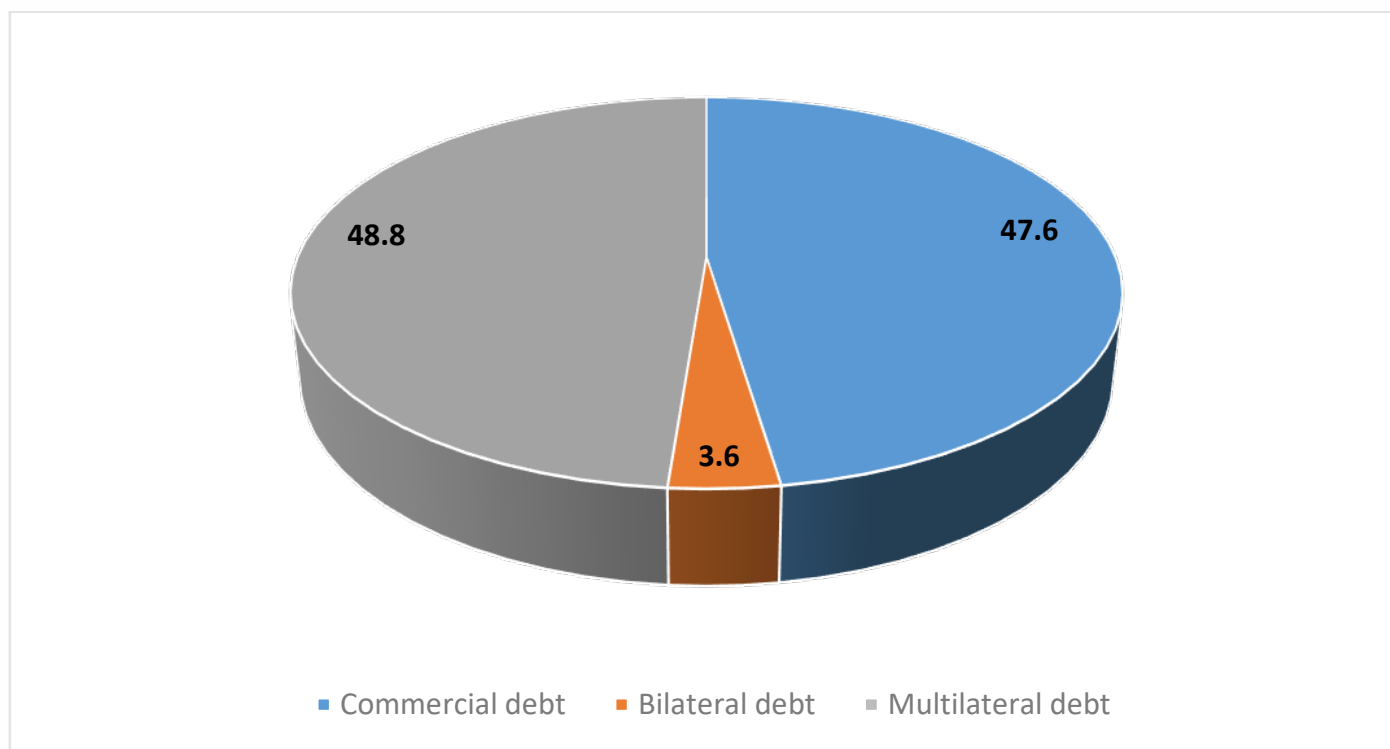
currency debt owed to non-residents (currently included as domestic debt - defined on a monetary basis), possible debt revaluation operations, or the need to incur fiscal costs to facilitate the privatization of the two state-owned banks.

9.3 External debt

9.3.1. The holders

At the end of December 2020, outstanding public external debt amounted to CFAF 981.3 billion. It represented 22.5% of nominal GDP and is made up of 47.6% commercial debt, 48.8% multilateral debt and 3.6% bilateral debt.

Figure 19. External debt by type of creditor in 2020



Source: Ministry of Economy and Finance

Multilateral debt amounted to CFAF 478.4 billion in 2020 and represents the largest component of the total external debt portfolio. It is estimated at 11.0% of GDP. Commercial debt comes second after multilateral debt with a value of CFAF 467.2 billion. It represented 10.7 percent of nominal GDP in 2020.

Table 55. Distribution of public external debt by type of creditor in 2020

	Total debt (billions of CFAF)	in % of total external debt	in % of nominal GDP
Total external debt	981.3	100.0	22.5
Commercial debt	467.2	47.6	10.7
Bilateral	35.6	3.6	0.8
Multilateral	478.4	48.8	11.0

Source: Ministry of Economy and Finance

Bilateral debt represents the last component of the external debt portfolio with a value of CFAF 35.6 billion, representing a share of 3.6 percent of the said debt and 0.8 percent of GDP in 2020.

9.3.2 Status of external debt payments

External debt service includes principal and interest, plus commissions. It evolved erratically over the period under review. At the end of December 2020, debt service amounted to CFAF 31.90 billion, compared with CFAF 47.20 billion a year earlier,

a decline of 32.3%, largely due to the principal of the debt. Indeed, the principal in 2020 recorded a 49.6% drop to CFAF 19.4 billion compared to CFAF 38.4 billion in 2019. The interest, more commissions, recorded an increase of 43.2% to 12.6 billion CFAF against 8.8 billion CFAF a year earlier. It is important to note that the figures refer to debt service payments actually made, including early repayments.

Analysis by creditor shows that debt service on bilateral creditors has led to a decline in public debt service. This situation is attributable to the debt

service suspension initiative (ISSD) in response to the Covid-19 pandemic. The ISSD allowed Togo to benefit from a suspension of debt service for maturities from May 1 to December 31, 2020. The Togolese government has committed to using the resources freed up by this initiative to increase spending to mitigate the health, economic, and social impact of the COVID-19 crisis.

Togo has also requested similar debt service treatment from other official bilateral creditors over the agreed period. The Togolese Republic has benefited from this initiative with Eximbank China, Saudi Fund, Kuwait Fund, AFD and IMF. The amount of debt service, which was subject to a moratorium, is estimated at CFAF 20.0 billion (US\$37.33 million), representing 0.46% of GDP in 2020, of which CFAF 15.4 billion was rescheduled and CFAF 4.6 billion was cancelled (IMF).

Table 56. Actual external debt service payments⁵¹ by type of creditor (in billions of CFAF)

	2015	2016	2017	2018	2019	2020	2021	2022 Projection	2023
Official bilateral creditors	10.3	10.30	11.00	4.30	10.00	1.40	3.64	4.21	5.28
Principal	9.7	9.70	9.30	3.40	9.40	1.10	2.85	3.33	4.15
Interest/Commission	0.6	0.50	1.70	0.90	0.70	0.40	0.79	0.88	1.13
Multilateral receivables	13.6	20.20	22.50	20.80	16.60	10.50	18.34	15.67	29.82
Principal	11.5	18.00	20.60	19.20	14.60	8.30	14.05	11.61	25.42
Interest/Commission	2.1	2.10	1.80	1.70	1.90	2.20	4.29	4.06	4.39
Commercial Banks	5.5	10.00	16.80	17.10	20.60	20.00	40.81	62.81	62.75
Principal	0.5	3.80	10.40	11.10	14.40	10.00	26.69	49.50	50.68
Interest/Commission	5	6.20	6.40	6.00	6.20	10.00	14.11	13.31	12.07
TOTAL	29.4	40.50	50.30	42.20	47.20	31.90	62.79	82.69	97.85
Total Main	21.7	31.50	40.30	33.70	38.40	19.40	43.60	64.43	80.26
Total Interest/Commission	7.7	8.80	9.90	8.60	8.80	12.60	19.19	18.25	17.59

Source: Ministry of Economy and Finance

In terms of projections, it is expected that external debt service will amount to CFAF 82.69 billion in 2022, of which CFAF 64.43 billion will be the principal and CFAF 18.25 billion the interest and commissions.

By 2023, external debt service will amount to CFAF 97.85 billion. This will consist of CFAF 80.26 billion in principal and CFAF 17.59 billion in interest and commissions.

9.3.3 Debt currencies

The breakdown of external debt in 2020, by currency, shows that Euro is the leading currency in which this debt is denominated. Indeed, 28.9% of external debt is denominated in Euros, followed by debt denominated in CFAF (20.5%). The US dollar (17.9%) and the renminbi yuan (16.5%) are the most significant currencies after the euro and the CFA franc.

⁵¹ Spot exchange rate

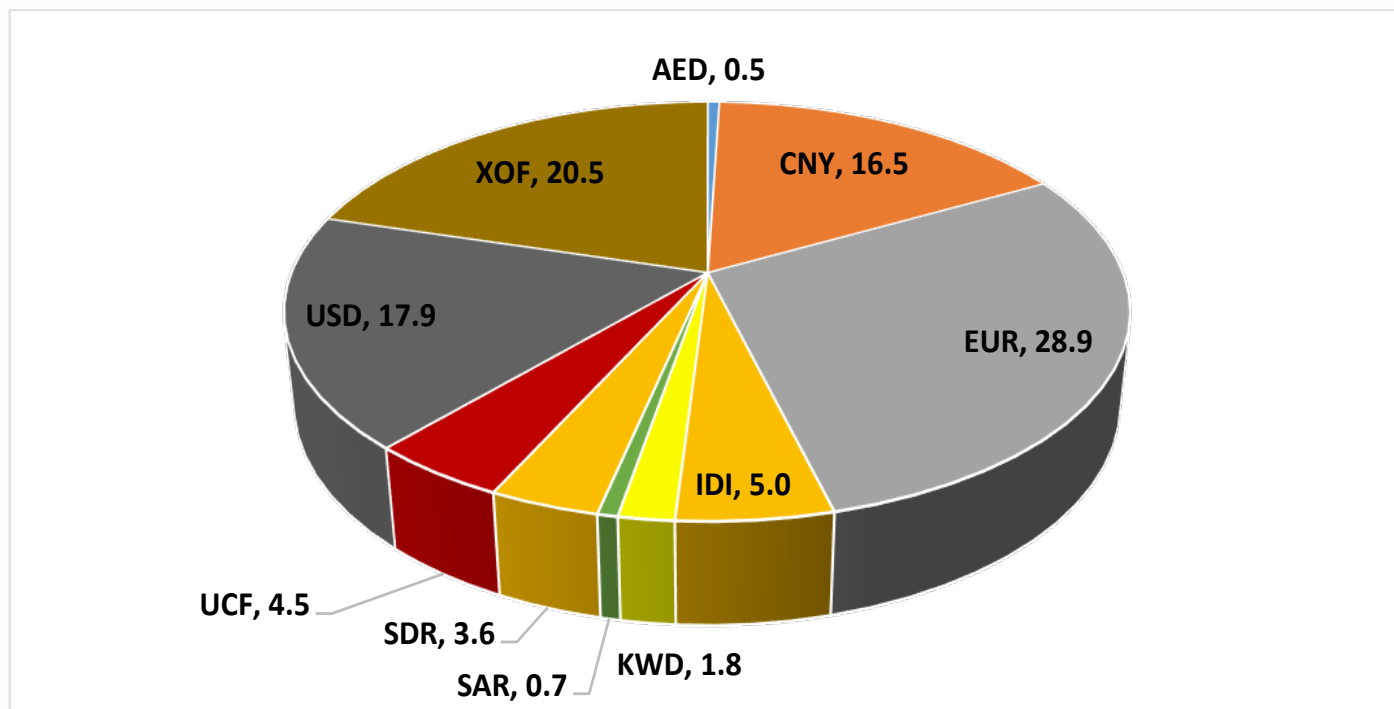
Table 57. Outstanding public external debt by currency as of December 31, 2019

	Total debt originally denominated in this currency	CFAF exchange rate as of December 31,2020	Total debt expressed in CFA francs	Exchange rates in EUR as of December 31, 2020**	Total debt expressed in EURO	Debt breakdown by currency
AED	35 849 606	145.622	5 220 480 000	0.222	7 955 028	0.5
CNY	1 983 720 512	81.837	162 341 440 000	0.125	247 268 778	16.5
EUR	432 406 255	655.957	283 639 910 000	1.000	432 406 255	28.9
IDI	64 144 635	770.249	49 407 360 000	1.174	75 321 035	5.0
KWD	10 044 155	1 761.514	17 692 920 000	2.680	26 917 854	1.8
SAR	45 488 053	142.612	6 487 150 000	0.217	9 885 236	0.7
SDR	45 378 958	770.249	34 953 110 000	1.174	53 285 673	3.6
UCF	57 753 834	770.249	44 484 850 000	1.174	67 816 717	4.5
USD	329 073 851	534.796	175 987 260 000	0.815	268 172 154	17.9
XOF	201 061 900 000	1.000	201 061 900 000	0.002	306 516 891	20.5
TOTAL	-		981 276 380 000		1 495 946 198	100

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

In total, 50.6% of the external debt is influenced by the fluctuation of currencies other than Euro and CFAF.

Figure 20. Distribution of debt by currency in 2020 (%)



Source: Ministry of Economy and Finance

9.4 Domestic debt

The stock of domestic public debt in 2020 amounted to CFAF 1,574.17 billion compared with CFAF 1,446.44 billion in 2019, an increase of 8.8 percent. As a percentage of nominal GDP, the domestic debt stock in 2020 represented 36.1 percent.

9.4.1 Presentation of the situation as of December 31, 2020

Togo had carried out a first reprofiling operation in 2019, which made it possible to settle in advance four

(04) debts of the State, including three (03) contracted with BOAD and one (01) bond loan by the financing of the Bank of Japan in the amount of 103,625,000 euros and a financing of 56,100,000 euros from IDA. Following this operation, a syndicated loan on the international market at an interest rate of 4.54% and with a maturity of 10 years in 2020 enabled the second phase of the reprofiling operation to be carried out. This operation enabled the repurchase of three (03) loans with a residual maturity of 3 years at interest rates of 6.85%, 7.5% and 7.6%.

Table 58. Details of the domestic public debt stock as of December 31, 2020

	Domestic debt by value (billions of CFAF)	Domestic debt as % of total domestic debt	Domestic debt as % of nominal GDP in year 2020
Total domestic debt	1 574.17	100.0	36.1
Security	1 405.74	89.3	32.2
Treasury Bills	153.80	9.8	3.5
Treasury Bonds	1 251.95	79.5	28.7
Bank loans	82.99	5.3	1.9
SDR allocations	0	0.0	0.0
BOAD, Ecobank et IBBANK	82.99	5.3	1.9
Arrears	85.44	5.4	2.0

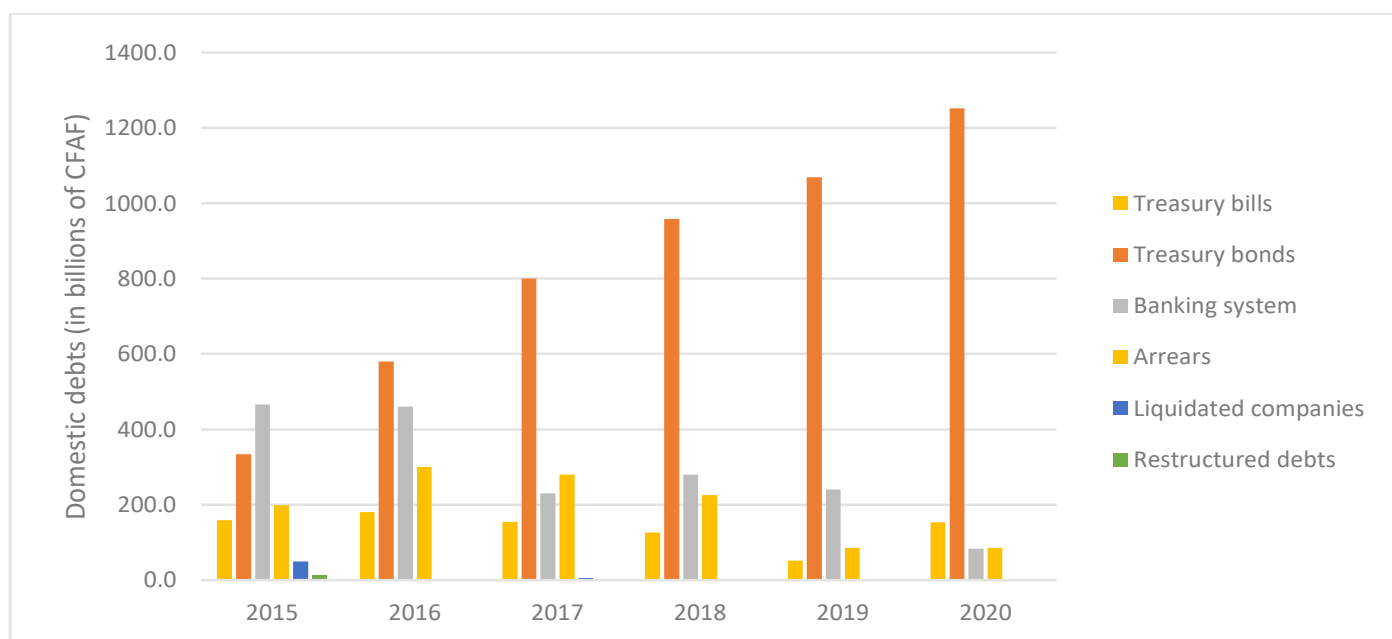
Source: CIOB

Of the domestic debt stock, 89.3 percent is composed of debt instruments, including treasury bonds (79.5 percent) and treasury bills (9.8 percent). As a percentage of GDP, debt securities accounted for 32.2 percent in 2020. Loans from the banking sector amounted to CFAF 82.99 billion in 2020, or 5.3 percent of outstanding domestic debt and 1.9 percent of GDP. Arrears stabilized compared to their 2019 level at CFAF 85.44 billion. They represented 5.4 percent of domestic debt in 2020 and 2.0 percent 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 89.3 percent in 2020 compared with 82.4 percent in 2019 and 51.4 percent in 2015. In nominal terms, debt securities, dominated by treasury bonds, rose from CFAF 1,120.88 billion in 2019 to CFAF 1,405.7 billion in 2020.

Figure 21. Domestic public debt stock from 2015 to 2020



Source: Ministry of Economy and Finance of Togo

Bank loans are the second largest item, feeding into conventional debt. But unlike debt securities, bank loans have been steadily declining since 2015. They accounted for 5.6 percent of conventional debt in 2020 compared to 17.6 percent in 2019 and 48.6 percent in 2015.

Arrears are estimated at CFAF 85.44 billion as of December 2020 compared to CFAF 198.13 billion in 2015. These are commercial debt arrears, social debts and commitments and risks.

9.4.3 Status of domestic debt payments

Domestic debt payments for 2020 amounted to CFAF 447.6 billion compared to CFAF 470.4 billion, a decline of 4.8%. The principal of the debt stood at CFAF 362.3 billion compared with CFAF 393.4 billion in 2019. In 2020, the principal represents 80.9% of debt service compared with 18.1% for interest.

Table 59. Central government domestic debt service payments by type of instrument (CFAF billion)

Labels	2015	2016	2017	2018	2019	2020
Loans	254.86	303.33	502.57	26.10	83.90	131.50
Principal	201.93	263.36	461.09	16.38	74.30	119.43
Interest + commissions	52.931	39.98	41.48	9.72	9.60	12.07
Debt securities	228.31	212.85	273.33	305.03	352.00	316.13
Principal	211.69	191.67	248.87	252.93	284.60	242.82
Interest + commissions	16.61758	21.18	24.46	52.10	67.40	73.31
Other accounts payable	1.675613	53.39	24.37	65.74	34.50	0.00
Principal	1.675613	53.39	24.37	65.74	34.50	0.00
Interest + commissions	0	0.00	0.00	0.00	0.00	0.00
TOTAL	484.85	569.57	800.27	396.87	470.40	447.62
Principal	415.30	508.42	734.33	335.05	393.40	362.25
Interest + commissions	69.55	61.16	65.94	61.82	77.00	85.37

Source: Ministry of Economy and Finance

Debt securities, particularly Treasury bonds and bills, make up the bulk of debt service. In fact, these securities accounted for 70.6 percent of total debt service in 2020, compared with 29.4 percent for loans.

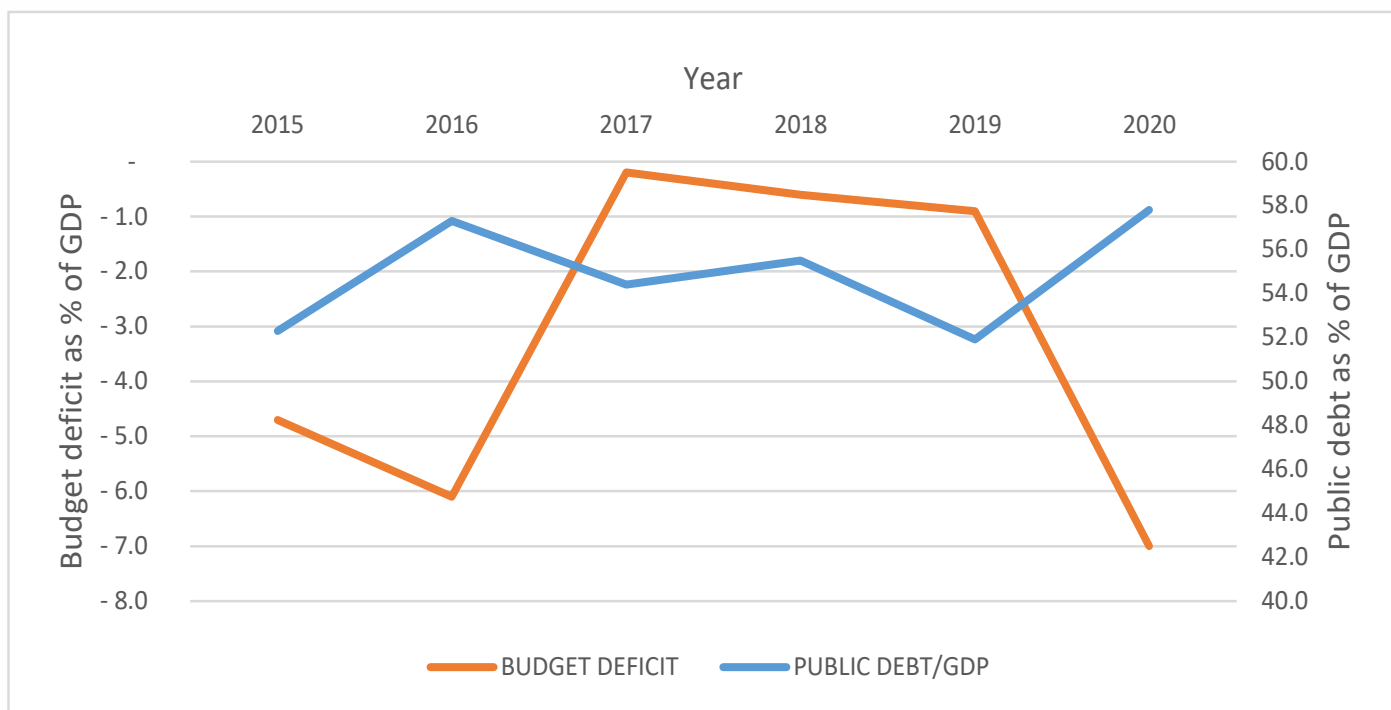
9.5 Viability and sustainability

Togo's fiscal balance deteriorated in 2020 compared to its 2019 level, reflecting the decline in revenue mobilization due to the drop in economic activity caused by the Covid-19 pandemic and the increase in government spending largely attributable to the

response to the Covid-19 pandemic. The budget deficit was 7.0 percent of GDP compared to 0.9 percent of GDP in 2019.

The year 2020 was marked by an increase in public debt compared to 2019, as a result of the mobilization of resources on the sub-regional and international markets to cover financing needs for the same year in response, among other things, to the fight against the Covid-19 pandemic. The public debt ratio rose from 51.9% in 2019 to 57.8% in 2020. Despite its increase, the public debt-to-GDP ratio is contained below the Union's standard of 70%.

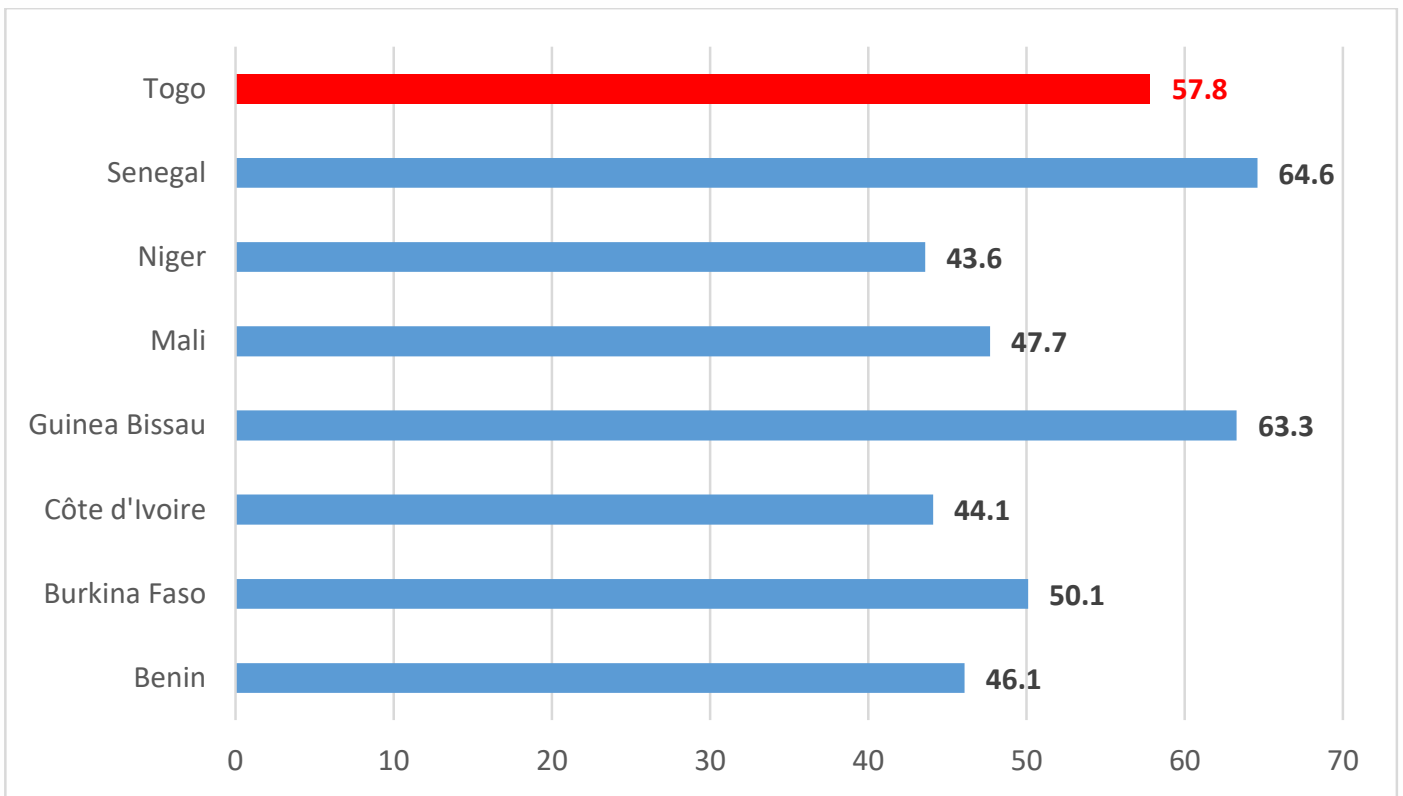
Figure 22. Budget deficit and outstanding public debt (as a percentage of GDP)



Source: CP-SPRPF, Ministry of Economy and Finance

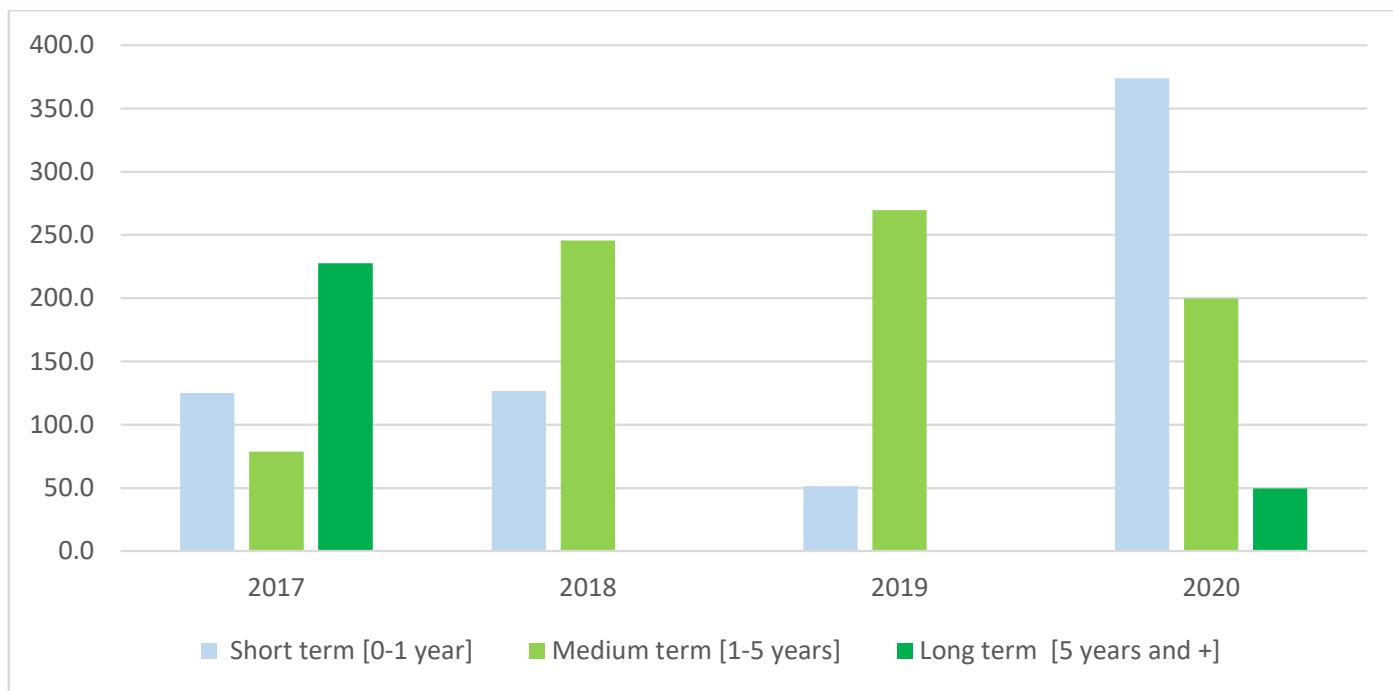
A comparative analysis of public debt as a percentage of GDP in WAEMU countries shows Togo as the third most indebted country after Senegal and Guinea-Bissau.

Figure 23. Public debt to GDP ratio within WAEMU in 2020



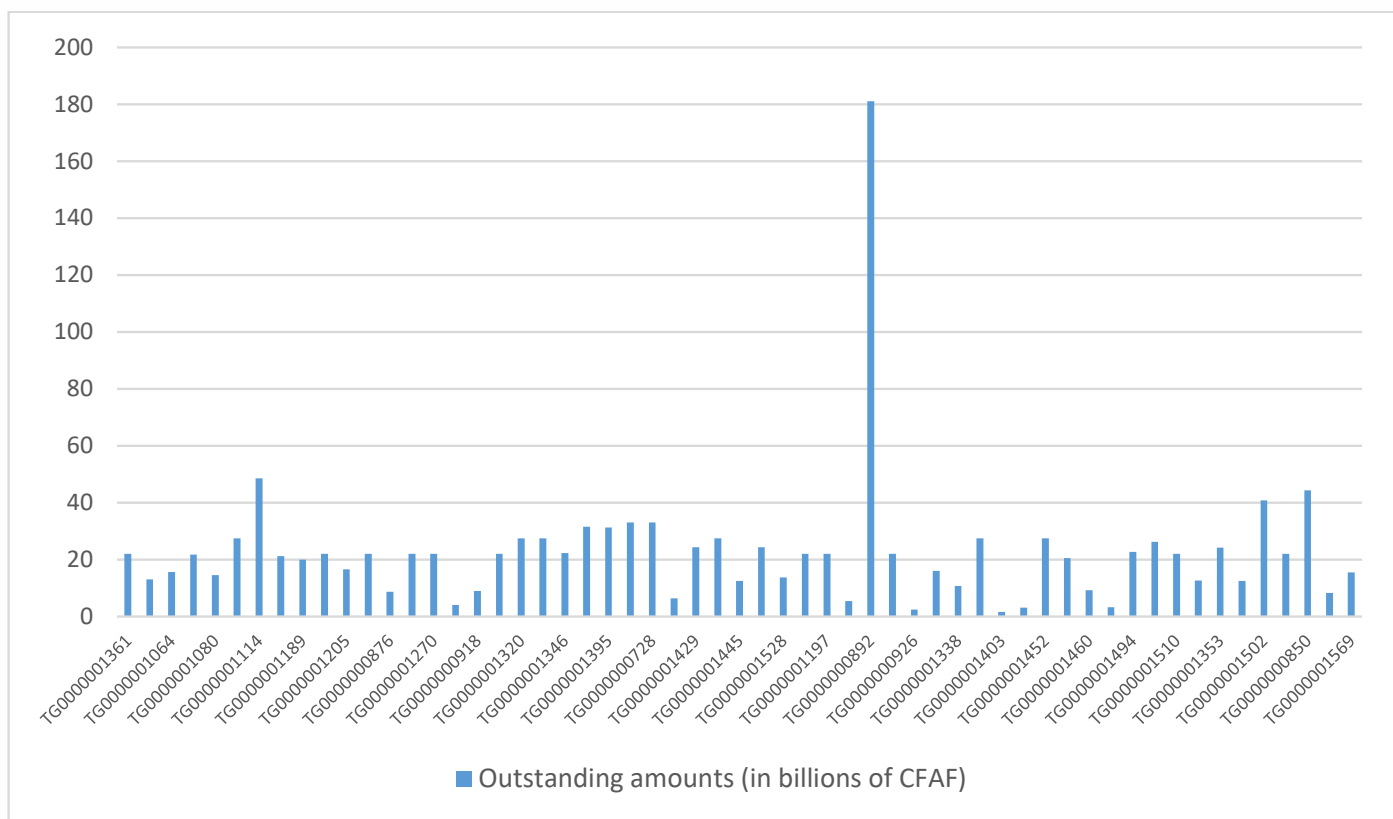
Source: IMF April 2021, National Authorities

Figure 24. Details of the country's issues from 2017 to 2020



Source: UT

Figure 25. Outstanding securities as of April 16, 2021



Source: UT

Table 60. Details of issues from 2014 to April 16, 2021

Issuers	Instrument	Details	Date of operation	Value date	Maturity	Maturity (months)	Deferred (year)	Amount (millions of CFAF)	Amount submitted (millions of CFAF)	Amount withheld (millions of CFAF)	ISIN	Weighted average yield
Togo ES (Security 1)	T-bonds	Recovery bonds (OdR)	16/04/2021	19/04/2021	19/04/2026	60	--	75000	67811.08	8250	TG0000001551	5.78
Togo ES (Security 2)	T-bonds	Recovery bonds (OdR)	16/04/2021	19/04/2021	19/04/2028	84	--	75000	44334.59	15513	TG0000001569	6.09
Togo ES (Security 3)	T-bonds	Recovery bonds (OdR)	16/04/2021	19/04/2021	19/04/2031	120	--	75000	86737.06	58737	TG0000001544	6.32
Togo	T-bonds	Recovery bonds (OdR)	19/03/2021	22/03/2021	22/03/2028	84	--	20000	53708.83	22000	TG0000001536	6.22
Togo ES (Security 1)	T-bonds	Recovery bonds (OdR)	05/03/2021	08/03/2021	08/03/2024	36	--	40000	39055	13700	TG0000001528	5.63
Togo ES (Security 2)	T-bonds	Recovery bonds (OdR)	05/03/2021	08/03/2021	22/02/2026	60	--	40000	109330.66	26300	TG0000001510	5.99
Togo	T-bonds	Recovery bonds (OdR)	19/02/2021	22/02/2021	22/02/2026	60	--	20000	112696.58	22000	TG0000001510	6.02
Togo ES (Security 1)	T-bonds		22/01/2021	25/01/2021	25/01/2024	36	--	80000	76297.49	24365.97	TG0000001486	6.1
Togo ES (Security 2)	T-bonds		22/01/2021	25/01/2021	25/01/2026	60	--	80000	52050.04	22785.04	TG0000001494	6.38
Togo ES (Security 3)	T-bonds		22/01/2021	25/01/2021	25/01/2028	84	--	80000	73618.99	40848.99	TG0000001502	6.53
Togo	T-bills		08/01/2021	11/01/2021	11/07/2021	6	--	25000	39300	27500	TG0000001478	4.17
Togo ES (Security 1)	T-bonds		27/11/2020	30/11/2020	26/10/2025	60	--	20000	36501	9285	TG0000001460	6.31
Togo ES (Security 2)	T-bonds		27/11/2020	30/11/2020	16/03/2027	84	--	20000	23338.95	12715	TG0000001353	6.49
Togo ES (Security 1)	T-bonds		23/10/2020	26/10/2020	26/10/2025	60	--	25000	56464.59	3285.71	TG0000001460	6.2
Togo ES (Security 2)	T-bonds		23/10/2020	26/10/2020	16/03/2027	84	--	25000	38470.67	24214.29	TG0000001353	6.49
Togo	T-bonds		25/09/2020	28/09/2020	24/08/2025	60	--	25000	71199.06	27500	TG0000001452	6.39
Togo	T-bonds		11/09/2020	14/09/2020	24/08/2023	36	--	25000	69503.07	27500	TG0000001445	6.15
Togo ES (Security 1)	T-bonds		21/08/2020	24/08/2020	24/08/2023	36	--	30000	50614.89	12457.54	TG0000001445	6.25
Togo ES (Security 2)	T-bonds		21/08/2020	24/08/2020	24/08/2025	60	--	30000	26037.46	20542.46	TG0000001452	6.5
Togo	T-bills	Covid-19 Coupons	13/08/2020	14/08/2020	12/11/2020	3	--	70000	160900	70000	TG0000001411	2.26
Togo ES (Security 1)	T-bonds		10/08/2020	11/08/2020	11/08/2023	36	--	25000	28042.93	24300	TG0000001429	6.58
Togo ES (Security 2)	T-bonds		10/08/2020	11/08/2020	11/08/2025	60	--	25000	8547	3200	TG0000001437	6.57
Togo ES (Security 1)	T-bonds		10/07/2020	13/07/2020	13/07/2023	36	--	30000	40456.9	31306.9	TG0000001395	6.51
Togo ES (Security 2)	T-bonds		10/07/2020	13/07/2020	13/07/2025	60	--	30000	26953.1	1622.5	TG0000001403	6.57
Togo	T-bills		05/06/2020	08/06/2020	06/06/2021	12	--	20000	26318	21818	TG0000001387	5.1
Togo	T-bills	Covid-19 Coupons	14/05/2020	15/05/2020	13/08/2020	3	--	108000	224000	108000	TG0000001379	2.78
Togo ES (Security 1)	T-bonds		08/05/2020	11/05/2020	16/03/2023	36	--	35000	22383.4	22383.4	TG0000001346	6.1
Togo ES (Security 2)	T-bonds		08/05/2020	11/05/2020	02/03/2025	60	--	35000	22349	16116.6	TG0000001338	6.48
Togo	T-bills		17/04/2020	20/04/2020	18/04/2021	12	--	20000	29003	22000	TG0000001361	5.32
Togo ES (Security 1)	T-bonds		13/03/2020	16/03/2020	16/03/2023	36	--	50000	48080.3	31610.3	TG0000001346	6.15
Togo ES (Security 2)	T-bonds		13/03/2020	16/03/2020	02/03/2025	60	--	50000	11819.72	10819.72	TG0000001338	6.51
Togo ES (Security 3)	T-bonds		13/03/2020	16/03/2020	16/03/2027	84	--	50000	15866.91	12528.45	TG0000001353	6.81
Togo	T-bonds		28/02/2020	02/03/2020	02/03/2025	60	--	25000	56185.61	27500	TG0000001338	6.37
Togo	T-bonds		14/02/2020	17/02/2020	03/02/2023	36	--	25000	52838	27500	TG0000001320	6.14
Togo	T-bonds		31/01/2020	03/02/2020	03/02/2023	36	--	25000	74052.5	27500	TG0000001320	6.11
Togo	T-bills		17/01/2020	20/01/2020	17/01/2021	12	--	25000	69134	27500	TG0000001312	5.21
Togo	T-bonds		04/10/2019	07/10/2019	07/10/2022	36	--	20000	47340.88	22000	TG0000001296	6.4
Togo	T-bonds		06/09/2019	09/09/2019	09/09/2024	60	--	20000	48465.59	22000	TG0000001288	6.62
Togo	T-bonds		09/08/2019	13/08/2019	15/07/2022	36	--	20000	29557.29	22000	TG0000001270	6.5536

Togo	T-bonds		26/07/2019	29/07/2019	11/03/2024		60	--	20000	37525.45	22000	TG0000001197	6.6826
Togo	T-bonds		12/07/2019	15/07/2019	15/07/2022		36	--	20000	43060.35	22000	TG0000001270	6.5181
Togo	T-bonds		28/06/2019	01/07/2019	03/06/2022		36	--	20000	40205.3	22000	TG0000001254	6.6185
Togo	T-bills		14/06/2019	17/06/2019	14/06/2020		12	--	20000	21354	15729	TG0000001262	6.1904
Togo	T-bonds		31/05/2019	03/06/2019	03/06/2022		36	--	15000	41788.81	16500	TG0000001254	6.29
Togo	T-bonds		17/05/2019	20/05/2019	11/03/2024		60	--	20000	62070.29	22000	TG0000001197	6.6157
Togo	T-bills		19/04/2019	23/04/2019	20/04/2020		12	--	20000	77135	22000	TG0000001247	5.97
Togo	T-bonds		05/04/2019	08/04/2019	11/03/2022		36	--	20000	77238.84	22000	TG0000001205	7.1744
Togo ES (Security 1)	T-bonds		08/03/2019	11/03/2019	11/03/2022		36	--	20000	19780.21	16587.71	TG0000001205	7.26
Togo ES (Security 2)	T-bonds		08/03/2019	11/03/2019	11/03/2024		60	--	20000	5814.65	5412.29	TG0000001197	7.34
Togo	T-bonds		22/02/2019	25/02/2019	23/04/2021		36	--	15000	35678.71	13000	TG0000001064	7.88
Togo	T-bonds		08/02/2019	11/02/2019	11/02/2022		36	--	20000	27846.75	20000	TG0000001189	7.57
Togo	T-bonds		25/01/2019	28/01/2019	28/01/2022		36	--	20000	36093.77	22000	TG0000001171	7.38
Togo	T-bills		10/01/2019	11/01/2019	09/01/2020		12	--	20000	18625	13625	TG0000001163	6.89
Togo ES (Security 1)	T-bonds		26/10/2018	29/10/2018	20/09/2020		36	--	50000	23259.3	21030	TG0000000900	7.79
Togo ES (Security 2)	T-bonds		26/10/2018	29/10/2018	20/09/2022		60	--	50000	4047.59	4047.59	TG0000000918	7.47
Togo	T-bills		12/10/2018	15/10/2018	13/10/2019		12	--	25000	25534	24134	TG0000001155	6.5537
Togo	T-bills		28/09/2018	01/10/2018	29/09/2019		12	--	20000	16925	16925	TG0000001148	6.5444
Togo	T-bonds		31/08/2018	03/09/2018	03/09/2021		36	--	20000	29318	21218	TG0000001122	7.5666
Togo	T-bonds		17/08/2018	20/08/2018	21/04/2020		36	--	20000	17096.7	14451.7	TG0000000785	7.92
Togo ES (Security 1)	T-bonds		20/07/2018	23/07/2018	23/07/2021		36	--	50000	51040.72	48550	TG0000001114	7.57
Togo ES (Security 2)	T-bonds		20/07/2018	23/07/2018	23/07/2023		60	--	50000	6450	6450	TG0000001106	7.36
Togo	T-bills		22/06/2018	25/06/2018	23/06/2019		12	--	20000	22536	21536	TG0000001098	6.7827
Togo	T-bonds		08/06/2018	11/06/2018	11/06/2021		36	--	20000	14565.6	14565.6	TG0000001080	7838
Togo	T-bills		04/05/2018	07/05/2018	05/05/2019		12	--	20000	24737	22000	TG0000001072	6.9367
Togo	T-bonds		20/04/2018	23/04/2018	23/04/2021		36	--	15000	17215.25	15715.25	TG0000001064	7.547
Togo	T-bonds		30/03/2018	03/04/2018	03/04/2023		60	2	20000	21718.18	21604.5	TG0000001049	7.63
Togo	T-bills		16/03/2018	19/03/2018	17/03/2019		12	--	20000	17820	17820	TG0000001031	7.0952
Togo	T-bonds		02/03/2018	05/03/2018	29/01/2021		36	--	20000	3306.2	0	TG0000001015	0
Togo	T-bills		16/02/2018	19/02/2018	17/02/2019		12	--	20000	19063	19063	TG0000001023	7.0434
Togo	T-bonds		26/01/2018	29/01/2018	29/01/2021		36	--	15000	16092.94	16040.01	TG0000001015	7.69
Togo	T-bills		12/01/2018	15/01/2018	13/01/2019		12	--	15000	5132	5132	TG0000001007	7.1932
Togo ES (Security 1)	T-bills		29/11/2017	30/11/2017	28/11/2018		12	--	15000	3150	2925	TG0000000983	6.7438
Togo ES (Security 2)	T-bonds		29/11/2017	30/11/2017	15/11/2020		36	--	15000	12221	12221	TG0000000967	7.7782
Togo ES (Security 1)	T-bills		20/11/2017	21/11/2017	29/05/2018		6	--	15000	7000	7000	TG0000000835	6.4215
Togo ES (Security 2)	T-bonds		20/11/2017	21/11/2017	15/11/2020		36	--	15000	6845	6845	TG0000000967	7.7454
Togo ES (Security 1)	T-bills		14/11/2017	15/11/2017	14/02/2018		3	--	25000	21532	18418	TG0000000975	5.9927
Togo ES (Security 2)	T-bonds		14/11/2017	15/11/2017	15/11/2020		36	--	25000	10757.59	9081.59	TG0000000967	7.6386
Togo ES (Security 1)	T-bills		03/11/2017	06/11/2017	10/10/2018		11	--	25000	1000	1000	TG0000000942	6.4154
Togo ES (Security 2)	T-bonds		03/11/2017	06/11/2017	06/11/2020		36	--	25000	10571.43	10571.43	TG0000000959	7.6826
Togo	T-bills		11/10/2017	12/10/2017	10/10/2018		12	--	25000	14262	13402	TG0000000942	6.2469
Togo ES (Security 1)	T-bonds		19/09/2017	20/09/2017	20/09/2020		36	--	30000	4925	4924	TG0000000900	7.351
Togo ES (Security 2)	T-bonds		19/09/2017	20/09/2017	20/09/2022		60	--	30000	9000	9000	TG0000000918	7.4045
Togo ES (Security 3)	T-bonds		19/09/2017	20/09/2017	20/09/2024		84	5	30000	2421.5	2421.5	TG0000000926	7.3141
Togo	T-bonds		08/08/2017	09/08/2017	09/08/2024		84	3	166000	182051.15	181051.15	TG0000000892	7.04
Togo	T-bills		17/07/2017	18/07/2017	16/10/2017		3	--	25000	37820	27500	TG0000000884	5.9871
Togo ES (Security 1)	T-bonds		04/07/2017	05/07/2017	05/07/2020		36	--	30000	615	0	TG0000000868	0
Togo ES (Security 2)	T-bonds		04/07/2017	05/07/2017	05/07/2022		60	3	30000	9656.01	8656.01	TG0000000876	7.1

Togo ES (Security 1)	T-bills		30/05/2017	31/05/2017	29/05/2018	12	--	60000	9565	9565	TG0000000835	6.8604
Togo ES (Security 2)	T-bonds		30/05/2017	31/05/2017	31/05/2020	36		60000	1659	0	TG0000000843	0
Togo ES (Security 3)	T-bonds		30/05/2017	31/05/2017	31/05/2028	132	5	60000	45739.73	44339.73	TG0000000850	7.29
Togo ES (Security 1)	T-bills		22/05/2017	23/05/2017	21/08/2017	3	--	25000	875	0	TG0000000819	0
Togo ES (Security 2)	T-bills		22/05/2017	23/05/2017	20/11/2017	6	--	25000	18000	18000	TG0000000827	6.6155
Togo ES (Security 3)	T-bonds		22/05/2017	23/05/2017	21/04/2020	36	--	25000	1925	0	TG0000000785	0
Togo ES (Security 1)	T-bills		20/04/2017	21/04/2017	19/10/2017	6	--	20000	5150	5150	TG0000000793	6.0873
Togo ES (Security 2)	T-bonds		20/04/2017	21/04/2017	21/04/2020	36	--	20000	7466	7466	TG0000000785	7.567
Togo	T-bonds		08/02/2017	09/02/2017	09/02/2020	36	--	25000	12255.5	10055.5	TG0000000777	6.95
Togo ES (Security 1)	T-bills		05/01/2017	06/01/2017	06/07/2017	6	--	20000	24914	22000	TG0000000769	6.091
Togo ES (Security 2)	T-bonds		05/01/2017	06/01/2017	06/01/2020	36	--	20000	0	0	TG0000000751	0
Togo	T-bonds		15/12/2016	16/12/2016	05/02/2021	60	3	30000	34547	33000	TG0000000660	7.21
Togo	T-bonds		20/10/2016	21/10/2016	15/07/2023	84	3	30000	37012.2	33000	TG0000000728	7.31
Togo	T-bills		29/09/2016	30/09/2016	27/09/2018	24	--	35000	35375	35000	TG0000000736	6.4304
Togo	T-bonds		14/07/2016	15/07/2016	15/07/2023	84	3	30000	65612	33000	TG0000000728	6.4414
Togo	T-bills		25/05/2016	26/05/2016	23/05/2018	24	--	20000	30020	22000	TG0000000710	6.5234
Togo	T-bonds		25/04/2016	26/04/2016	26/04/2019	36	--	30000	27695	27695	TG0000000702	6.027
Togo	T-bills		30/03/2016	31/03/2016	28/03/2018	24	--	35000	39076	38500	TG0000000694	6.4233
Togo	T-bills		16/03/2016	17/03/2016	14/09/2016	6	--	25000	23131	20131	TG0000000686	5.5385
Togo	T-bonds		04/02/2016	05/02/2016	05/02/2021	60	3	30000	91534.6	33000	TG0000000660	6.1324
Togo	T-bills		13/01/2016	14/01/2016	11/01/2017	12	--	30000	30086	30000	TG0000000611	5.3726
Togo	T-bills		03/12/2015	04/12/2015	30/11/2017	24	--	30000	30500	30000	TG0000000603	5.7102
Togo	T-bonds		19/11/2015	20/11/2015	20/11/2020	60	1	30000	80864.62	30000	TG0000000595	5.873
Togo	T-bills		08/10/2015	09/10/2015	06/10/2016	12	--	30000	42745	33000	TG0000000587	4.8522
Togo	T-bills		23/07/2015	24/07/2015	20/07/2017	24	--	30000	43650	33000	TG0000000579	5.3476
Togo	T-bonds		09/07/2015	10/07/2015	10/07/2020	60	1	30000	115703.24	33000	TG0000000561	6.1545
Togo	T-bills		08/04/2015	09/04/2015	06/04/2016	12	--	30000	57711	33000	TG0000000553	5.7142
Togo	T-bonds		03/03/2015	04/03/2015	04/03/2020	60	1	30000	47712	30000	TG0000000546	6.7965
Togo	T-bills		11/02/2015	12/02/2015	10/02/2016	12	--	30000	34600	30000	TG0000000538	5.9772
Togo	T-bonds		29/01/2015	30/01/2015	30/01/2018	36	--	30000	31983	30000	TG0000000520	6.115
Togo	T-bills		14/01/2015	15/01/2015	15/07/2015	6	--	30000	40785	33000	TG0000000512	5.5087
Togo	T-bills		10/12/2014	11/12/2014	09/12/2015	12	--	25000	25420	25000	TG0000000504	5.9978
Togo	T-bonds		13/11/2014	14/11/2014	14/11/2019	60	1	41000	39209	39209	TG0000000496	6.8326
Togo	T-bills		13/10/2014	14/10/2014	12/10/2015	12	--	25000	25330	25000	TG0000000488	5.7014
Togo	T-bonds		04/09/2014	05/09/2014	05/09/2019	60	1	30000	50039.28	40000	TG0000000470	6.8489
Togo	T-bonds		17/07/2014	18/07/2014	18/07/2019	60	1	35000	40304.1	38000	TG0000000462	6.9976
Togo	T-bills		20/05/2014	21/05/2014	17/02/2015	9	--	25000	36505	35000	TG0000000454	4.9848
Togo	T-bills		17/04/2014	18/04/2014	16/04/2015	12	--	30000	20600	20600	TG0000000447	5.2172
Togo	T-bills		16/01/2014	17/01/2014	15/01/2015	12	--	25000	31500	25000	TG0000000439	4.9088

Source : UMOA-Titres

Table 61. Details of securities as of April 16, 2021

LIBEL	ININ	Amount in billions CFAF
TGO- 5.3%-1 year April 18, 2021	TG0000001361	22.0
TGO- 7.9%- 3 years April 23, 2021	TG0000001064	13.0
TGO- 7.5%- 3 years April 23, 2021	TG0000001064	15.7
TGO- 5.1%- 1 year 6 June 2021	TG0000001387	21.8
TGO- 7.8%- 3 years June 11, 2021	TG0000001080	14.6
TGO- 4.2%- 6 months July 11, 2021	TG0000001478	27.5
TGO- 7.6%- 3 years July 23, 2021	TG0000001114	48.6
TGO- 7.6%- 3 years 3 September 2021	TG0000001122	21.2
TGO- 7.6%- 3 years February 11, 2022	TG0000001189	20.0
TGO- 7.2%- 3 years March 11, 2022	TG0000001205	22.0
TGO- 7.3%- 3 years March 11,2022	TG0000001205	16.6
TGO- 6.6%- 3 years June 3, 2022	TG0000001254	22.0
TGO- 7.1%- 5 years July 5, 2022	TG0000000876	8.7
TGO- 6.6%- 3 years July 15, 2022	TG0000001270	22.0
TGO- 6.5%- 3 years July 15, 2022	TG0000001270	22.0
TGO- 7.5%- 5 years 20 September 2022	TG0000000918	4.0
TGO- 7.4%- 5 years 20 September 2022	TG0000000918	9.0
TGO- 6.4%- 3 years October 7, 2022	TG0000001296	22.0
TGO- 6. % - 3 years 3 February 2023	TG0000001320	27.5
TGO- 6.1%- 3 years 3 February 2023	TG0000001320	27.5
TGO- 6.1%- 3 years March 16, 2023	TG0000001346	22.4
TGO- 6.2%- 3 years March 16, 2023	TG0000001346	31.6
TGO- 6.5%- 3 years July 13, 2023	TG0000001395	31.3
TGO- 7.3%- 7 years July 15, 2023	TG0000000728	33.0
TGO- 6.4%- 7 years July 15, 2023	TG0000000728	33.0
TGO- 7.4%- 5 years July 23,2023	TG0000001106	6.5
TGO- 6.6%- 3 years August 11, 2023	TG0000001429	24.3
TGO- 6.2%- 3 years 24 August 2023	TG0000001445	27.5
TGO- 6.3%- 3 years 24 August 2023	TG0000001445	12.5
TGO- 6.1%- 3 years 25 January 2024	TG0000001486	24.4
TGO- 5.6%- 3 years March 8, 2024	TG0000001528	13.7
TGO- 6.7%- 5 years March 11, 2024	TG0000001197	22.0
TGO- 6.6%- 5 years March 11, 2024	TG0000001197	22.0
TGO- 7.3%- 5 years March 11, 2024	TG0000001197	5.4
TGO- 7.0%-7 years August 9, 2024	TG0000000892	181.1
TGO- 6.6%-5 years9 September 2024	TG0000001288	22.0
TGO-7.3%- 7 years20 September 2024	TG0000000926	2.4
TGO- 6.5%- 5 years March 2, 2025	TG0000001338	16.1
TGO- 6.5%- 5 years March 2, 2025	TG0000001338	10.8
TGO- 6.4%- 5 years March 2, 2025	TG0000001338	27.5
TGO- 6.6%- 5 years July 13,2025	TG0000001403	1.6
TGO- 6.6%- 5 years August 11, 2025	TG0000001437	3.2
TGO- 6.4%- 5 years 24 August 2025	TG0000001452	27.5
TGO- 6.5%- 5 years 24 August 2025	TG0000001452	20.5
TGO- 6.3%- 5 years 26 October 2025	TG0000001460	9.3
TGO- 6.2%- 5 years 26 October 2025	TG0000001460	3.3
TGO- 6.4%- 5 years 25 January 2026	TG0000001494	22.8
TGO- 6.0%- 5 years Feb. 22, 2026	TG0000001510	26.3
TGO- 6.0%- 5 years Feb. 22, 2026	TG0000001510	22.0
TGO- 5.8%- 5 years April 19, 2026	TG0000001551	8.3
TGO- 6.5%- 7 years March 16, 2027	TG0000001353	12.7
TGO- 6.5%- 7 years 16 Mar 2027	TG0000001353	24.2
TGO- 6.8%- 7 years March 16, 2027	TG0000001353	12.5
TGO- 6.5%- 7 years 25 January 2028	TG0000001502	40.8
TGO- 6.2%- 7 years March 22, 2028	TG0000001536	22.0
TGO- 6.1%- 7 years April 19, 2028	TG0000001569	15.5

TGO- 7.3%- 11 years May 31, 2028	TG0000000850	44.3
TGO- 6.3%- 10 years April 19, 2031	TG0000001544	58.7
TGO- 5.3%- 1 year April 18, 2021	TG0000001361	22.0
TGO- 7.9%- 3 years April 23, 2021	TG0000001064	13.0
TGO- 7.5%- 3 years April 23, 2021	TG0000001064	15.7
TGO- 5.1%- 1 year 6 June 2021	TG0000001387	21.8
TGO- 7.8%- 3 years June 11, 2021	TG0000001080	14.6
TGO- 4.2%- 6 months July 11, 2021	TG0000001478	27.5
TGO- 7.6%- 3 years July 23, 2021	TG0000001114	48.6
TGO- 7.6%- 3 years 3 September 2021	TG0000001122	21.2
TGO- 7.6%- 3 years February 11, 2022	TG0000001189	20.0
TGO- 7.2%- 3 years March 11, 2022	TG0000001205	22.0
TGO- 7.3%- 3 years March 11, 2022	TG0000001205	16.6
TGO- 6.6%- 3 years June 3, 2022	TG0000001254	22.0
TGO- 7.1%- 5 years July 5, 2022	TG0000000876	8.7
TGO- 6.6%- 3 years July 15, 2022	TG0000001270	22.0
TGO- 6.5%- 3 years July 15, 2022	TG0000001270	22.0
TGO- 7.5%- 5 years 20 September 2022	TG0000000918	4.0
TGO- 7.4%- 5 years 20 September 2022	TG0000000918	9.0
TGO- 6.4%- 3 years October 7, 2022	TG0000001296	22.0
TGO- 6.0%- 3 years 3 February 2023	TG0000001320	27.5
TGO- 6.1%- 3 years 3 February 2023	TG0000001320	27.5
TGO- 6.1%- 3 years March 16, 2023	TG0000001346	22.4
TGO- 6.2%- 3 years March 16, 2023	TG0000001346	31.6
TGO- 6.5%- 3 years July 13, 2023	TG0000001395	31.3
TGO- 7.3%- 7 years July 15, 2023	TG0000000728	33.0
TGO- 6.4%- 7 years July 15, 2023	TG0000000728	33.0
TGO- 7.4%- 5 years July 23, 2023	TG0000001106	6.5
TGO- 6.6%- 3 years August 11, 2023	TG0000001429	24.3
TGO- 6.2%- 3 years 24 August 2023	TG0000001445	27.5
TGO- 6.3%- 3 years 24 August 2023	TG0000001445	12.5
TGO- 6.1%- 3 years 25 January 2024	TG0000001486	24.4
TGO- 5.6%- 3 years March 8, 2024	TG0000001528	13.7
TGO- 6.7%- 5 years March 11, 2024	TG0000001197	22.0
TGO- 6.6%- 5 years March 11, 2024	TG0000001197	22.0
TGO- 7.3%- 5 years March 11, 2024	TG0000001197	5.4
TGO- 7.0%- 7 years August 9, 2024	TG0000000892	181.1
TGO- 6.6%- 5 years 9 September 2024	TG0000001288	22.0
TGO- 7.3%- 7 years 20 September 2024	TG0000000926	2.4
TGO- 6.5%- 5 years March 2, 2025	TG0000001338	16.1
TGO- 6.5%- 5 years March 2, 2025	TG0000001338	10.8
TGO- 6.4%- 5 years March 2, 2025	TG0000001338	27.5
TGO- 6.6%- 5 years July 13, 2025	TG0000001403	1.6
TGO- 6.6%- 5 years August 11, 2025	TG0000001437	3.2
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TGO- 5.8%- 5 years April 19, 2026	TG0000001551	8.3
TGO- 6.5%- 7 years March 16, 2027	TG0000001353	12.7
TGO- 6.5%- 7years 16 March 2027	TG0000001353	24.2
TGO- 6.8%- 7 years March 16, 2027	TG0000001353	12.5
TGO- 6.5%- 7 years 25 January 2028	TG0000001502	40.8
TGO- 6.2%- 7 years March 22, 2028	TG0000001536	22.0
TGO- 6.1%- 7 years April 19, 2028	TG0000001569	15.5
TGO- 7.3%- 11 years May 31, 2028	TG0000000850	44.3
TGO- 6.3%- 10 years April 19, 2031	TG0000001544	58.7

Source : BCEAO - UMOA-Titres

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 external assets (NEA): 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.

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



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