

TOGOLESE REPUBLIC

Ministry of Economy and Finance
*Permanent Secretariat for Monitoring Reform Policies
and Financial Programs*

NEWSLETTER

FOURTH QUARTER 2024

**Quarterly newsletter on Togo's economic and
financial performance**

*IMF program review, new DPO financing from the World Bank,
and the country's first sustainable financing*



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Increased financial support from international partners (1/5)

First review of the IMF's ECF program



Successful implementation of IMF-supported ECF program leads to the second disbursement of USD 58.4 million

- ▶ An IMF mission took place in Lomé from October 7 to 18, 2024 for the first **review of the program supported by the IMF's Extended Credit Facility (ECF)**.
- ▶ The IMF has hailed **Togo's robust economic growth**, accompanied by a **slowdown in inflation**. Togo's growth rate in 2023 has been set at 5.6%. The IMF also underlined **with satisfaction the implementation of the economic program** and reforms by the Togolese authorities:



Achievements of all structural benchmarks (SB) for the end of June 2024



SB 1: Mirror analysis of customs data and action plan to combat non-compliance with customs procedures for 15 products at risk of fraud



SB 2: Strategy for improving the social safety net, focusing on the implementation of a national digital cash transfer program



SB 3: Expanding the Public Investment Program (PIP) to cover extra-budgetary entities and Public-Private Partnerships (PPPs). Simultaneously, a comprehensive annual report on the investment projects of public enterprises and local authorities is prepared and presented to Parliament during the budget cycle

- ▶ Finally, the IMF forecasts an **increase in fiscal revenues in Togo** thanks to tax policy measures and efforts to improve revenue administration. Meanwhile, the **budget deficit should fall to 3.0% by 2025**, underpinned by **rigorous management of public spending**.
- ▶ **Following this first review**, the IMF and Togo agreed on **new structural benchmarks**, such as updating the medium-term debt strategy and revising the legal framework for public procurement to further stimulate investment.
- ▶ **In December 2024, the IMF Executive Board** approved the staff-level agreement with Togo following this first review, **releasing a disbursement of SDR 44.0 million (USD 58.4 million)**.
- ▶ [Click to access the publication of the IMF's first review of the program](#)



Increased financial support from international partners (2/5)

Growing support from the World Bank



In October 2024, Togo strengthened its exchanges and cooperation with the World Bank and the IMF at the Annual Meetings in Washington DC

- ▶ In October 2024, a Togolese delegation led by the Secretary General of the Presidency and Governor of Togo at the World Bank, Ms. Sandra Johnson, and the Minister of Economy and Finance, Mr. Essowè Georges Barcola, took part in the Annual Meetings of the World Bank and the IMF.
- ▶ Discussions with the World Bank focused on the **financing of the 2025-2029 Country Partnership Framework**, aimed at **boosting investment** in strategic sectors such as agriculture, energy, connectivity, urban development and human capital. Togo also discussed **access to the "Prevention and Resilience" Window for an amount of around USD 315 million**. An **envelope of USD 200 million** was granted on December 10, 2024, within the framework of a **Development Policy Operation (DPO)** approved at these Assemblies.
- ▶ **New partnerships with the World Bank's International Finance Corporation (IFC)** were also announced. The IFC plans to meet the financing needs of **very small and medium-sized enterprises (SMEs) in the agri-food sector** through agricultural leasing, in collaboration with local banks and investors. This agricultural sector modernization program, worth an estimated **USD 100 million**, is scheduled to run from 2025 to 2034.
- ▶ On December 17, 2024, the World Bank announced a new financing package of **USD 300 million to support Togo in developing its commercial agriculture sector**, in collaboration with the IFC and the MIGA.



Q4 2024

Increased financial support from international partners (3/5)

First sustainable financing for Togo thanks to a guarantee from the African Development Fund



The AfDB Board of Directors has approved the granting of an ADF guarantee, enabling Togo to mobilize EUR 200 million in sustainable financing

- ▶ On November 29, 2024, the Board of Directors of the African Development Bank (AfDB) approved a **partial credit guarantee (PCG) of EUR 200 million to support Togo's first sustainable financing**. Granted via the African Development Fund (ADF), this guarantee will support the **financing of green and social projects**, in line with **Togo's Sustainable Financing Framework**, published in October 2024 and evaluated by the S&P rating agency.
- ▶ This innovative financial mechanism will enable Togo **to access competitive financing** from international banks. As the fifth African country to benefit from this instrument after Benin, Côte d'Ivoire, Senegal and Rwanda, **Togo is demonstrating its commitment to innovative financial solutions to ensure responsible management of its public debt**. This initiative strengthens Togo's debt management strategy, diversifying its sources of financing and lengthening its maturity profile, while supporting key projects for sustainable development.

Growing support from the Islamic Development Bank



Togo obtains a new USD 60 million loan from the IsDB to boost the productivity of its agricultural sector

- ▶ On October 14, 2024, the Board of Directors of the **Islamic Development Bank (IsDB)** approved **USD 60 million (XOF 36 billion) in financing for Togo**.
- ▶ This funding is aimed at **improving the quality of life of vulnerable populations, supporting agricultural activities and increasing agricultural productivity**. It aligns with Togo's strategy to diversify its funding sources through multilateral institutions while financing strategic projects that drive the country's socio-economic development.



Increased financial support from international partners (4/5)

New financial support from the European Union



As part of its partnership with Togo, the European Union announced a grant of XOF 12.8 billion to the state budget

- ▶ On December 23, 2024, the European Union (EU) announced a **new grant of around XOF 12.8 billion to Togo's state budget**, as part of their partnership.
- ▶ This support will strengthen :
 -  The credibility and progress in the implementation of the Togo 2025 Roadmap;
 -  The maintenance of Togo's macroeconomic stability;
 -  Reforms in public financial management;
 -  Budget transparency;
 -  The EU's commitment to supporting the Togo 2025 Roadmap.

Continued strengthening of bilateral relations (1/2)



New German funding package of EUR 25 million to support social and environmental development in Togo

- ▶ In October 2024, Germany announced the **funding of EUR 25 million, or XOF 16 billion**, for projects in Togo, Benin and Guinea-Bissau, **focusing on three priorities**:
 -  Job creation (e.g. training young people) ;
 -  Environmental protection (e.g. reforestation, irrigation and renewable energy projects);
 -  Strengthening social cohesion (e.g. sports promotion program).
- ▶ These initiatives aim to create sustainable opportunities for vulnerable populations, particularly in northern Togo, as part of the Emergency Program to Strengthen Resilience in the Savanes Region (PURS).



Q4 2024

Increased financial support from international partners (5/5)

Further strengthening of bilateral relations (2/2)



Belgian economic mission to Lomé in November 2024

- ▶ From November 6 to 9, 2024, a **Belgian economic mission consisting of 44 companies** visited Togo to explore opportunities in the sectors of pharmaceutical recycling, construction, water treatment and petroleum product storage.
- ▶ The companies held discussions with Togolese authorities to explore **new investment and partnership opportunities**, notably in agriculture, sanitation, infrastructure and energy.
- ▶ This **growing interest from Belgian companies highlights Togo's competitiveness** as a destination for foreign investors, driven by its strategic location in West Africa, business climate reforms, and high-quality infrastructure.



Togo validates 16 of the 20 MCC indicators according to the new report from the American development agency, confirming its eligibility for the Compact program

- ▶ In November 2024, the Millennium Challenge Corporation (MCC), the US development aid agency, published its new 2025 assessments of Togo's governance and business climate. Togo validated 16 of the 20 indicators, two more than in the 2023 and 2024 editions. Among the new indicators validated are natural resources protection and immunization rate.
- ▶ **This progress reflects Togo's efforts in terms of sustainable development, public health and improving the business climate**, confirming its eligibility for the Compact program, which could lead to a funding package of at least USD 300 million by January 2026 to finance energy and digital infrastructure.



Q4 2024

Budget news

Acceleration of Togo's fiscal consolidation commitments



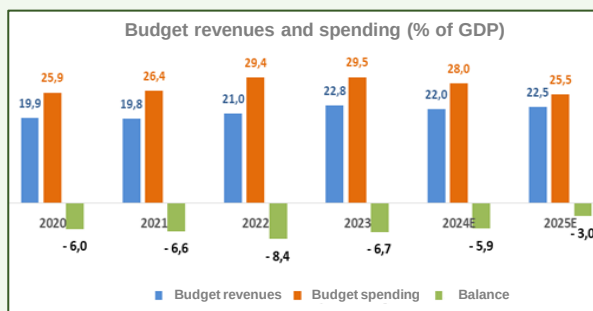
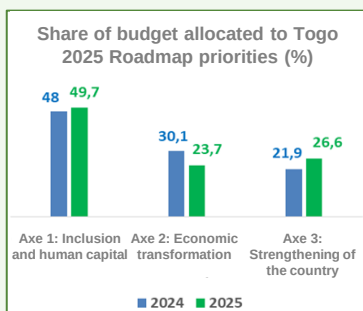
The 2025-2026 revenue mobilization plan has been published, underlining Togo's commitment to fiscal consolidation

- ▶ In November 2024, Togo presented its **Revenue Mobilization Plan (PMR) for 2025-2026**. This plan aims to **increase fiscal resources by 0.5% of GDP per year** through reforms such as broadening the tax base and strengthening controls and collection, providing a roadmap for fiscal consolidation.
- ▶ The PMR includes 4 components to mobilize more revenue, which are:
 - ➡ Fiscal policy measures;
 - ➡ Fiscal and customs administration measures;
 - ➡ Non-fiscal revenue measures; and
 - ➡ Transversal measures.
- ▶ [Click to access the 2025-2026 revenue mobilization plan online](#)



The Togolese parliament adopts the 2025 finance bill in line with WAEMU zone deficit rule

- ▶ On December 27, 2024, the Togolese Parliament passed Law No. 2024-007 of 30/12/2024 regarding the finance bill for the 2025 financial year, which amounts to **XOF 2,396.6 billion**, reflecting a 6.5% increase compared to the revised finance bill of 2024.
- ▶ **Budget revenues** are estimated at XOF 1,486 billion, **representing an increase of 10.6% compared to 2024**. Within this amount, fiscal revenues are estimated at XOF 1,208 billion.
- ▶ **Budget expenditure** is forecast at XOF 1,678.2 billion, **representing a decrease of 1.6% compared to 2024**.
- ▶ **The budget deficit is projected at XOF 191.8 billion (3.0% of GDP)**, in line with the **WAEMU zone rule**, and marking a clear improvement from the 5.9% deficit in 2024, underlining the authorities' commitment to fiscal consolidation.
- ▶ [Click to access the Finance Bill 2025 online](#)





Business climate (1/3)

Publication of the first Business Ready 2024 report



The World Bank's first B-READY 2024 report ranks Togo third in sub-Saharan Africa for its business climate

- ▶ The B-READY report, the World Bank's new flagship report, replaces Doing Business and provides a global assessment of countries' business and investment climates. In the first pilot edition, published on October 3, 2024, **Togo was one of the 50 economies analyzed, and ranked third in sub-Saharan Africa and first in ECOWAS for its business climate.**
- ▶ **Togo stands out in particular in the report's "business entry", "dispute resolution" and "business location" indicators**, thanks to structural reforms guaranteeing easier access to the market, solid legal mediation and good practice in the management of land disputes.
- ▶ This performance underlines **Togo's central role as a driver of economic development in Africa**, thanks to **ambitious structural reforms** that strengthen the country's competitiveness and foster the emergence of a **business-friendly environment**.

Togo's ranking in the B-READY 2024 report in sub-Saharan Africa by pillar

Regulatory framework	Public services	Efficiency	Overall average
2	4	5	3

Togo's ranking in the B-READY 2025 report for sub-Saharan Africa, by indicator

Business entry	Business location	Utility services	Labor	Financial services	International trade	Taxation	Dispute resolution	Market competition	Business insolvency
3	3	4	10	8	6	5	2	5	4

- ▶ Following the publication of these results, a World Bank delegation led by Abdou Salam Bello, Executive Director of the World Bank's Africa II Group, visited Lomé in October 2024 to take stock of the partnerships between the World Bank Group and Togo. The Executive Director praised Togo's excellent performance in terms of reforms and implementation of programs with the World Bank Group.
- ▶ **"Togo, under the leadership of the President of the Republic, is one of the most successful countries in terms of implementing programs and projects within the World Bank Group. Over the past few years, the Head of State has done a great deal of advocacy on issues of fragility, peace and security, as well as food security. He even travelled to Washington for the Annual Meetings to make a very strong case for investment and food security"** - Abdou Salam Bello.
- ▶ [Click to access the B-Ready report online](#)



Business climate (2/3)

Further improvement in the attractiveness of Togo's business climate in several indicators



Company locations

Significant progress has been made to **facilitate business start-ups**, particularly in terms of **environmental regulations**.

- ▶ Notable reforms include the **full digitization of the procedure for issuing environmental compliance certificates at the Agence Nationale de Gestion de l'Environnement (ANGE)**.
- ▶ From now on, economic operators can :
 - **Submit their application online** via the platform;
 - **Monitor progress of their administration process in real time**;
 - **Make their final payment online**



International trade

- ▶ A significant advancement in facilitating international trade has been achieved with the launch of a **digital platform for streamlining goods collection procedures at the Lomé Port (PAL)**.
- ▶ This platform, integrated with the systems of all institutions operating at PAL, provides international trade stakeholders with a single portal covering all required procedures, allowing them to complete formalities online.
- ▶ Thanks to this reform, processes at PAL are now faster, physical interactions and paperwork are minimized, and operators benefit from time and cost savings.



Business creation

- ▶ As part of efforts to enhance transparency in the business climate, a **register of beneficial owners** has been established. This **centralized database** compiles comprehensive information on the **ultimate owners** of companies and other legal entities.
- ▶ This tool plays a crucial role in **identifying the true owners of businesses**, mitigating the risks of money laundering and illicit financing. It **strengthens transparency and traceability** while fostering investor and business partner confidence.



Q4 2024

Business climate (3/3)

Some key reforms to strengthen governance and institutions in Togo



Gender equality

- ▶ The establishment of a protocol for the holistic care of gender-based violence (GBV) victims in Togo was formalized by interministerial decree No. 020/MASSPF/MEF/MSHP/MJL/MSPC on September 13, 2024, and published on September 30, 2024.
- ▶ Adopted under Law No. 2022-018, this protocol introduces a comprehensive and coordinated approach to ensure full support for GBV victims. It outlines key principles, defines the roles and interactions of stakeholders, and sets up a monitoring mechanism. GBV includes various forms of abuse and discrimination, such as physical, sexual, economic, and psychological violence, as well as forced marriage and cyberstalking.



Social protection

- ▶ In October 2024, health coverage for pre-school, primary, and secondary students in public schools improved with the integration of the **School Assur program into the national universal health insurance scheme (AMU)**.
- ▶ Renamed School AMU, this presidential program, initially funded by parents since its launch in 2017, is now directly **supported by schools**. This transition ensures **higher-quality care, greater access to medical services, and more efficient management**.



Revenue mobilization

- ▶ In December 2024, the Office Togolais des Recettes (OTR) advanced its service modernization efforts with the launch of **electronic tax stamps (e-stamps)**. Taxpayers can now purchase them online via a dedicated platform or directly at tax office collection points, simplifying administrative procedures and enhancing tax service transparency.
- ▶ This initiative aligns with the government's national digitization strategy, which recently dematerialized vehicle registration. It aims to **optimize public resources while improving the business climate and supports the goal of digitizing 75% of administrative procedures by 2025**.



Q4 2024

Overview of investments in Togo in 2024

Investments in 2024



Investment projects approved in 2024

- ▶ **37 investment projects were approved under three different regimes** in 2024:
 - 22 projects approved under the investment code (CI);
 - 12 projects approved under the free trade zone (ZF) status and;
 - Three projects approved under the free zone status in the textile and clothing sector (ZFTH).
- ▶ The total projected investment for these projects is **XOF 237.6 billion**, of which XOF 187.8 billion (79%) under the CI regime, XOF 39.8 billion (17%) under the ZF regime and XOF 10.0 billion (4%) under the ZFTH regime.



Foreign direct investment (FDI) and domestic direct investment (DDI) projects

- ▶ **22 FDI projects were approved**, representing **66%** of the total amount of approved projects. Projects in the construction and public works sector and agrifood/agro-industry were particularly attractive.
- ▶ **15 DDI projects were approved**, representing **34%** of the total amount of approved projects. The agri-food/agro-industry and plastics sectors have attracted the most investment.
- ▶ The operational phase of these 37 investment projects will create **4,548 permanent domestic jobs** in Togo, including 2,536 jobs under the CI regime, 1,064 jobs under the ZF regime and 948 jobs under the ZFTH regime.



Approved projects within the Adétikopé industrial platform (PIA) zone

- ▶ **Three projects have been approved within the PIA in 2024**, with XOF 17.1 billion worth of projected investment, including a project in cosmetics under the ZF regime, a textile project under the ZFTH regime and a project under the CI regime in the melamine sector.
- ▶ The three projects are being carried out by Togolese, Sri Lankan and Chinese promoters respectively, and are expected to create **1,158 permanent domestic jobs**.



Q4 2024

Environmental, social and governance (1/5)

Progress on environmental reforms (1/3)



In October 2024, Togo published its Sustainable Financing Framework, highlighting its strong commitments to sustainable development and its ESG priorities

- ▶ On October 8, 2024, Togo's Ministry of Economy and Finance presented its **Sustainable Financing Framework**, with two main objectives:



Serve as a reference for investors by providing a clear vision of Togo's needs, achievements and commitments in terms of sustainable development;



Mobilize funds for high-impact projects, in line with the Togo 2025 Government Roadmap.

- ▶ The Framework identifies **14 categories of eligible expenditure**, including:



Five linked to climate and the environment;



Nine for social spending on vulnerable populations.

- ▶ The Framework also sets out the **criteria for using the funds raised, evaluating projects, managing the funds raised and reporting criteria**.
- ▶ On November 29, 2024, **Togo's first sustainable financing via the Framework was approved by the African Development Bank Group**, using the partial credit guarantee (PCG) instrument of the African Development Fund (ADF).

- ▶ [Click to access the Sustainable Financing Framework of the Republic of Togo online](#)



S&P evaluated that Togo's Sustainable Financing Framework complies with international standards following a **Second Party Opinion (SPO)**

- ▶ On October 9, 2024, S&P, renowned for its expertise in evaluating sustainable financing instruments and frameworks according to international standards, published a **Second Party Opinion (SPO)** on Togo's new Sustainable Financing Framework. According to this assessment, **the framework complies with the principles and international standards established by the International Capital Market Association (ICMA) and the Loan Market Association (LMA)**.
- ▶ S&P also stresses that the investments made within this framework are in line with Togo's national development strategies, support its nationally determined contributions (NDCs) and are of particularly benefit to rural and food-insecure populations.
- ▶ [Click to access the SPO of the Sustainable Financing Framework of the Togolese Republic online](#)



Q4 2024

Environmental, social and governance (2/5)

Progress on environmental reforms (2/3)



Revision of Togo's National Biodiversity Strategy and Action Plan (SPAN-B)

- ▶ In November 2024, Togo organized a workshop to **revise its National Biodiversity Strategy and Action Plan**, aiming to **align its policies with international standards** for biodiversity preservation, particularly the Global Biodiversity Framework.
- ▶ New priorities include:
 -  Preserving and restoring ecosystems;
 -  Sustainable use of resources;
 -  Financing biodiversity initiatives.
- ▶ Implementing this new strategy will require coordination and a joint contribution from private sector actors, local authorities and the central government. **This revision underlines Togo's growing ambitions and efforts to preserve the environment, in particular by aligning itself with international standards.**

COP29 Togo confirms its environmental commitments at COP 29 in Baku

- ▶ The Baku Climate Change Conference 2024 (or COP 29) took place from November 11 to 22. H.E. Faure Essozimna Gnassingbé, President of the Togolese Republic, took the opportunity to visit Baku, and called for **concerted action and international solidarity in the face of climate change**. He reaffirmed **Togo's priorities and strong commitments in the fight against climate change**, notably in sustainable agriculture, water management, renewable energies, green mobility, health, reforestation and protection against coastal erosion.
- ▶ Togo's priority is to **create and develop a climate finance system that is flexible and adapted to local realities**, addressing the climate and socio-economic needs of communities, while promoting **solidarity and climate justice**.
- ▶ *"Togo is **ready to do its bit**. We have made **sustainability the pillar of our development**, with reforestation program, coastal protection against erosion and an energy transition based on renewable energies" - H.E. the President of the Republic Faure Essozimna Gnassingbé.*





Q4 2024

Environmental, social and governance (3/5)

Progress on environmental reforms (3/3)



Organization of the 10th Regional Conference of the Global Initiative for West, Central, and Southern Africa , devoted to the fight against marine pollution, in Lomé

- ▶ The **10th Regional Conference of the Global Initiative for West, Central, and Southern Africa** took place from November 25 to 28, 2024, gathering delegations from 22 African countries to discuss **the response and management of marine pollution**, with a focus on oil-related pollution.
- ▶ The event provided an opportunity to exchange best practice in mitigating ocean pollution, and to build the capacity of member countries to protect the oceans. **The choice of Lomé reflects Togo's commitments, which has adopted concrete measures to prevent and manage marine environmental incidents.** In 2023, a budget of XOF 60 million has been allocated to finance the activities of Lomé Port's environmental action plan, aimed at preserving its maritime space.



Togo has initiated electricity generation from nuclear reactors

- ▶ On December 3, 2024, Togo signed an **agreement to produce electricity using nuclear microreactors with Nano Nuclear Energy**, an American company specializing in the development of clean energy solutions. The American firm will deploy small modular reactors (SMRs) in Togo to generate electricity.
- ▶ This agreement is in line with Togo's goal of achieving **universal electricity coverage by 2030**, while expanding its portfolio of environmentally friendly energy sources.



Q4 2024

Environmental, social and governance (4/5)

Progress in education reforms



Togo ranks fifth in Africa and first in the WAEMU for guaranteeing access to quality education for all

- ▶ According to the Mo Ibrahim Foundation, Togo **ranks fifth in Africa** for the implementation of the United Nations' Sustainable Development Goal (SDG4), which aims to **guarantee access to quality education for all**.
- ▶ With a score of 80.1 points, Togo is **second in West Africa**, behind Ghana (84.5 points), and **first in the WAEMU zone**.
- ▶ This result reflects the country's efforts to reform education, in particular by guaranteeing free basic education and improving school infrastructure. **"Offering education that is accessible to as many people as possible and in line with the labor market" is one of the ten ambitions of the Togo 2025 Government Roadmap**, with priority projects such as :



Increasing school capacity;



Improving the quality of teaching;



A review of the policy for guiding and promoting vocational training in priority occupations.

Progress in gender reforms



Togo published its 2025 Gender-Sensitive Budget Document

- ▶ On December 30, 2024, Togo **published its 2025 Gender-Sensitive Budget Document (DBSG)**, outlining its budgetary goals to promote gender equality in 2025.
- ▶ The projected **gender-sensitive expenditures for 2025 are set at XOF 30.5 billion**, the same level as in 2024.
- ▶ In 2025, the government expanded gender-sensitive planning and budgeting to all ministries and public institutions. As a result, the number of entities involved in the preparation of the DBSG increased from one institution and 14 ministries in 2024 to nine institutions and 30 ministries in 2025.
- ▶ [Click to access the 2025 Gender-Sensitive Budget Document online](#)



Environmental, social and governance (5/5)

Progress in green public finance management reforms



Togo is drafting up its second green budget document for the fiscal year 2025

- ▶ The green budget, now in its second edition, is being implemented gradually and progressively.
- ▶ In 2024, the green budget process involved nine pilot ministries with significant roles in combating climate change.
- ▶ By 2025, **the scope of climate- and environment-sensitive budgeting will extend to 24 ministries and institutions.**
- ▶ The adopted methodological approach involves assessing all budgetary expenditures based on their objectives and/or impacts on climate and the environment. The analysis focuses on two main areas: "**climate change**" and "**environmental protection**," which are further divided into six segments: "**adaptation**," "**mitigation**," "**biodiversity**," "**water**," "**pollution**," and "**waste**".
- ▶ By 2025, approximately 9.1% of the government budget will be allocated to expenditures that positively impact climate change mitigation and environmental protection.