

USAID/LOME

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**FINAL**  
**ASSESSMENT OF PROGRAM IMPACT**

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USAID/LOME FY 93 ASSESSMENT OF  
PROGRAM IMPACT

PREFACE

This third Assessment of Program Impact focuses on a period in Togolese history marred by political violence, a nine-month national strike, and the ensuing economic and social deterioration. The political crisis in Togo has had a profound impact on USAID's program in the country, causing serious delays in implementation and in February 1993, suspension of its economic aid, with the exception of humanitarian assistance programs. USAID/Lome's budget was reduced in two stages, from \$10 million to \$5.5 million and to \$1.5 million after February 1993.

In November 1993, the decision to close the USAID/Lome office was announced in Washington and communicated to the Government of Togo. As this report was being prepared USAID/Togo was implementing a close down program and the two remaining U.S. direct hire personnel will leave Togo by June 30, 1994.

Notwithstanding, the long-term intervention of USAID in Togo has had a positive impact, particularly in the health sector and the credit union movement. We believe this report is a useful assessment of USAID/Lome's overall progress and program impact and an informative and useful document for future planning.

## I. SPECIAL FACTORS AFFECTING USAID/TOGO PROGRAM

### OVERVIEW

During FY 92 USAID/Lome developed an ambitious strategy aimed at laying the foundations for broad-based, sustainable, market-oriented economic growth. Health and Population was identified as the main sectoral focus for this strategy, with improved maternal and child health care and reduced fertility on a sustainable basis as the mission's strategic objective. This strategy was to be implemented through two complementary activities; a major technical assistance project and a complementary policy reform program. Strengthening participatory democracy was identified as a key target of opportunity.

Consolidation of the program portfolio was an integral element of this strategy. This was to be done through the phase out of three projects and the redesign and continued support to the highly successful credit union development project to help the local federation of credit unions become financially self-sustaining.

At the beginning of FY 93 the key elements of this strategy were in place. However, during this period a series of events, including a general strike that began in mid-November and ended in August, seriously disrupted the implementation of USAID/Lome assistance strategy and adversely affected the performance of its program portfolio.

#### *The Political Crisis*

The volatile political crisis in Togo is a direct response to the 25-year old, one-party government. Violent street riots and mass civil disobedience in October and November 1990 led to major political and economic concessions in April 1991, including the institutionalization of multiple political parties. Continued popular pressure on the regime and violent confrontation between security forces and demonstrators led to the convening of a National Conference in July of that year. The Conference resulted in the formation of a transitional government and a decision to hold parliamentary and presidential elections by December 1992. President Eyedema relinquished many of his formal powers, but an agreement was reached whereby he continued as titular head of State in the interim period.

In September 1992, President Eyedema succeeded in regaining many of the powers of head of state that had been stripped from him and although he promised free and fair elections, attacks against members of the democratic opposition increased. In late October, the army took the members of the national parliament hostage to extract concessions by force, including the release of millions of dollars of blocked funds for the President's political party. This

provoked a sharp response from the international community. The U.S. suspended the new \$19 million health policy program and AIC/WA postponed the formal review of the Mission's new country program strategy in light of the deteriorating political situation.

The Togolese population also responded dramatically to the army action against the Parliament by declaring a national strike in mid-November. The strike was widely observed in Lome and most regions of the country by government workers, local and expatriate businessmen, and the population in general. The strike effectively paralyzed government services and most business activities through July 1993.

In late January 1993, Government soldiers opened fire on a peaceful political demonstration killing dozens of people. Several days later the army went on a rampage in Lome, killing an uncounted number of civilians and prompting the exodus of more than 200,000 Togolese to neighboring Benin and Ghana. In response, the French and most other bilateral donors suspended their technical and financial assistance to Togo. In mid-February the United States suspended its economic aid, with the exception of humanitarian assistance programs. Togo's OYB was reduced from \$10 million to \$5.5 million in November 1992 and to \$1.5 million after the February suspension.

In July 1993, the "Ouagadougou Accord" was signed establishing the date and conditions for the long-awaited presidential elections. In large part, the opposition ceded its major demands, that the legislative elections precede the presidential and the type of ballot, in exchange for guarantees of physical security (by the French), equal access to media for campaigning, and an international monitoring committee. The date for the presidential election was set for August 25 and the general strike was called off on August 2.

Lackluster technical arrangements and campaigning followed and the opposition campaign was slow to begin. Outside technical advisers and international observers warned that the pace and substance of the process was not going well. Opposition candidates formally withdrew on the weekend of the election, and all international observers but the French left the country. The President won re-election in what amounted to a very thorough boycott; he gained approximately 96 percent of the votes cast, but only about 36 percent of the eligible population voted.

By the end of September, daily life had resumed but continued to be very muted as commerce and business activity was seriously impaired by the aftermath of the strike. In the governmental sector, the cut-off in aid by all major donors and the lack of salaries for Togolese civil servants severely impacted performance. However increases have been noted in agricultural production due to the increased labor available for agricultural production (migration of

Lome population to villages for security reasons) and good rainfall.

### *The Impending Mission Closure*

Serious and consistent rumors speculated that Togo was one of the countries in which the U.S. bilateral presence would be phased out. In fact, both budget and staffing trends lent credence to those rumors. Along with the aforementioned budget cuts was the reduction of USDH staff through attrition from five to two with the agreement that a third staff member would be reassigned in early FY 94. The formal closure was announced in November 1993 and much of the staff time has been devoted to the design and implementation of the closeout.

# OBJECTIVE TREE

## PROGRAM GOAL

Broad-based, sustain-  
able, market-oriented,  
economic growth

## PROGRAM SUBGOAL

Improve human resource  
base

## STRATEGIC OBJECTIVES

Improve maternal/child  
health status and  
reduce fertility

Strengthen national  
credit union movement

## TARGETS

- Infant mortality rate
- Total fertility rate
- Under 5 mortality rate
- Height for age of children 12-23 months (chronic)
- Incidence of measles (cases per 100,000)
- Maternal mortality rate (per 100,000 women aged 15-49)
- Increase rural savings
- Increase # of credit unions
- Increase membership
- Increase loans
- Increase headquarter self-sufficiency
- Decrease delinquent loans

## II. PROGRESS TOWARDS OVERALL COUNTRY PROGRAM GOALS

In the implementation of its strategy, but particularly in response to the political events described above, USAID/Lome cut back programs, consolidated actions and re-directed actions away from the government. While the general goal has remained intact, the subgoals, as defined in the CPSP, were streamlined and focused on the existing program portfolio instead of the proposed.

### A. Progress Towards the Goal

#### *Broad-based, sustainable, market-oriented economic growth*

The nine-month strike has debilitated Togo. Never have the Togolese public finances been in such a disastrous state. This impacts all government systems as well as the private sector.

Togo's major exports are coffee, cocoa, cotton and phosphates. Revenues from coffee and cocoa exports have fallen in recent years due to declines in both Togolese production and world prices. Cotton production has increased over the last few years, however world cotton prices fell sharply during 1991 and rose slightly during 1992 and 1993. Togo is also the fifth largest supplier of phosphates. Traditionally, phosphate export accounts for a third of total exports, a fifth of government revenues and a tenth of GDP. Together, phosphates, cocoa, coffee, and cotton account for more than 60 percent of Togo's export revenues (re-exports account for most of the remainder).

Commerce is also very important to Togo's economy. Togo has long been a regional trading and banking center. Togo's well developed infrastructure, including its port, airport, roads, and telecommunications system, coupled with its liberal trade policy, have all contributed to make it an important center for regional commerce.

The key institutions affected by the strike were the port of Lome, the phosphate mining operation and the banks. The government was not able to raise any substantial revenues. The banking system paid depositors through the back door but it did not receive any deposits. Those with money bank outside Togo, causing a substantial fall in the money supply. Public sector salaries have mostly gone unpaid. The devaluation of the FCFA increases short-term economic uncertainty.

Table 1 gives an overview of selected macroeconomic indicators. Different sources claim different levels of GDP, inflation, exports and such. There are no official government statistics as of this writing. These indicators have been developed by choosing the most reliable sources as well as avoiding the extremes.

Table 1 Progress Towards Program Goal

INDICATOR	SOURCE	1988	1989	1990	1991	1992	1993
		A	A	A	E	E	E
<u>Gross Domestic Production</u>							
- GDP (Current Billion CFA francs)	UNDP	411	430	445	456	410	
- Growth in real GDP (% change)	"	6.2	3.7	0.1	0.8	-10	-20
- Inflation Rate (GDP deflator)	IMF/UNDP	3.0	1.0	1.0	0.4	15.0	20
<u>Balance Of Payments</u>							
- Exports (FOB billions CFA)	UNDP	137.2	149.2	107.6	111.0	85.3	57.6
- Imports (FOB billions CFA)	"	155.3	160.2	139.7	127.6	110.7	73.1
- Trade Balance		-18.1	-11.1	-32.1	-16.6	-25.4	-15.5
- Exports/GDP		33.4	34.7	24.0	23.8	20.8	
- Imports/GDP		37.8	37.3	37.0	36.6	36.7	36.7
- Current Account Balance (Current billion CFA)	UNDP	-26.0	-17.1	-29.4	-15.0	-28.0	-25.1
<u>External Debt</u>							
External Debt Outstanding (% of GDP)	IMF/UNDP	80.5	70.3	68.1	77.6	78.0	
Debt Service/Exports (Debt Service Ratio)	IMF	29.3	23.3	19.3	16.2	15.0	
<u>Population Growth</u>							
Total Population (in millions)	UNDP	3.3m	3.4m	3.5m	3.6m	3.7m	3.9m
Rate of Natural Increase	"	2.9%	3.0%	3.0%	3.2%	3.2%	3.3%

NOTES:

1) 1988, 1989 and 1990 figures are actuals. 1991-1993 figures are estimates.

2) Export, Import, Trade Balance and Current Account Balance figures have been presented in CFA Francs to facilitate comparison with the GDP figures presented in CFA Francs. These figures can be converted to dollars using the average CFA/Dollar exchange rates of 270.

3) Estimates for 1994 and beyond are too uncertain to predict.

Gross Domestic Product: The political instability of the last four years has halted the growth of the GDP and brought it down to 1988 levels. Togo's real GDP is expected to fall by as much as 20 percent, after a 1992 estimated drop of 10 percent, as the economy was reduced to subsistence activities. According to a preliminary IMF report, government revenues for 1993 will be two-thirds less than 1990-1991. This is mainly due to a fall in profits in various state enterprises and corporations.

Balance of Payments: The current account deficit historically fluctuates dramatically. This reflects a decline in interest payments linked to debt cancellation and rescheduling as well as fluctuations in foreign assistance. Estimates for 1992 and 1993 show the account deficit at 28 and 25 million respectively.

Economic aid to Togo from the United States, Germany, France and the European Community is suspended, pending the outcome of the democratization process. According to the UNDP, disbursements made in 1992 by the World Bank, the EEC, France, Germany, the UNDP and the African Development Bank totaled US\$115.9 million whereas in the first six months of 1993 they totaled US\$7 million, a reduction of 94 percent.

Foreign trade during 1992 fell for a second year, principally as a result of the political crisis. Exports fell from US\$111 million in 1991 to US\$85 million in 1992. Imports fell somewhat less from US\$127 million in 1991 to US\$110 million in 1992. The trade deficit widened from US\$16 million to US\$25 million. These figures probably understate the decline in foreign trade because of changes in the exchange rate.

During 1993, phosphate exports declined by 35 percent and revenues by 49 percent. However, the rise of the dollar against the European currencies has helped to offset falls in the dollar prices of phosphates, coffee, cotton, and cocoa in the first quarter of 1993.

External Debt: Togo has followed economic reform programs supported by the World Bank and IMF since the early 1980's with moderate success. However, there have been no disbursements under the fourth structural adjustment loan since January 1991 due to the sharp increase in the fiscal deficit and public sector spending. An IMF mission visited Togo in late 1993 and is expected to return in early 1994. The SAL is being completely restructured and the government will have to undertake many reforms in the civil service and parastatals before there will be any further disbursements. Suffice to say, the internal and external debt at the end of 1992 is more than one and a half times the GDP for 1990 and estimated at three and a half times the GDP for 1993.

Population Growth Rate: Population growth rate figures are based on the 1960, 1970 and 1981 census data and subsequent projections

modeled on past growth patterns. Togo has an estimated population of 3,646 million persons for 1992 and is projected to have 4,700 million in 2000 and five million in 2002. The rapid population growth is due to the decrease in mortality (29/1000 in 1961 to 16/1000 in 1981), the stable fertility rate and population migration. This rapid population growth means future economic and social problems for Togo.

B. Progress Towards Program Subgoal

*Improve human resource base*

Data on the indicators selected to measure the improvement of the human resource base are collected intermittently through census or demographic surveys. The latest available information, except in the case of HIV prevalence is from 1990.

Table 2 Program Subgoal

Program Subgoal	Indicators (by gender)	Source	Baseline 1985	1990
Improve Human Resource Base	a) Life expectancy at age 5	Census	M. 54.5 F. 56.2	54.5 56.2
	b) Literacy Rate	UNDP	M. 53.0 F. 28.0	56.0 31.0
	c) Primary School enrollment	UNDP	M. 60.5 F. 39.5	49.5 50.5
	d) Primary School completion rates	UNDP	M. 54.0 F. 45.0	35.6 26.9
	e) HIV prevalence	PNLS	6 cases in 1987	1278 cases*

\* 2,069 reported cases (cumulative) to October 1993 or an incidence of 22 per 100,000.

Life Expectancy: Since 1961, life expectancy has increased from 35 years to 55 years. This is due to improved medical care and other socio-economic factors.

Literacy, Primary School Enrollment/Completion: Literacy rates have also increased tremendously from 17 percent in 1970 to 41 percent in 1985 and 43 percent in 1990. However, female literacy lags considerably behind male literacy (45 percent). Female primary school enrollment is the same as male but their completion rates trail male rates by one-third. Schools were closed during the entire period of the general strike. They have resumed only partially since teachers' salaries have not been paid. No progress in this sector is expected.

HIV Prevalence: Of the reported HIV positive cases, 57 percent are male and 34 percent female (nine percent are not identified) and heterosexual sex is the reported (86 percent) form of transmission. USAID/Togo has furnished one and a half million condoms and SCMARC has provided technical assistance in condom promotion in support of the national AIDS program. Preventive measures, if taken expeditiously, can still greatly affect prevalence in the Togolese population and, since Togo serves as a transit point for many other countries, the region as a whole.

### III. Progress Towards Strategic Objectives

#### A. Strategic Objective One

*Improved maternal and child health status and reduced fertility on a sustainable basis*

Family planning and population is one of the most active sectors in Togo and USAID/Lome has played the leading role among donors in-country. Contraceptive prevalence has more than doubled in five years, going from 3 percent in 1988 to an estimated 8 percent today. USAID/Lome furnishes almost all of the contraceptives used in the country and coordinates its program through centrally-funded projects and a local PVO.

At present, all direct support to the government has been eliminated and two studies have been carried out to determine the possibility of working through PVO's in order to continue to provide essential child survival support and consolidate the gains made in health status of children and mothers over the past decade.

The recent socio-political unrest has created even more economic hardships on a greater percentage of the population and has further heightened the lack of food security. USAID/Lome has been providing Title II program support to CRS/Togo and OICD, reaching 8122,500 beneficiaries.

Infant Mortality Rate/Under 5 Mortality Rate: As seen in Table 3 the Infant Mortality Rate in Togo has been reduced dramatically since 1977 due to the increased resources and efforts invested in healthcare. However, the rate of infant mortality in rural areas (86.9) is still higher than in urban areas (72.8). The under 5 mortality rate has remained constant since 1985 and exhibits the same rural/urban tendencies.

Fertility Rate: The total fertility rate has remained essentially constant since 1961.

Malnutrition: The Demographic and Health Survey carried out in 1988 is the first time that the Government of Togo has reported on chronic malnutrition even though some private voluntary organizations have been monitoring malnutrition since 1982.

Incidence of Measles: Measles is the third largest killer of children under five, after malaria and diarrhea. An aggressive vaccination campaign has greatly reduced the incidence of measles, but pockets of non vaccinated population still exist in the country.

Maternal Mortality Rate: The maternal mortality rate has not been monitored throughout Togo and this number has been estimated based on small-scale studies. A proposal has been prepared to solicit

Table 3 Strategic Objective 1

Strategic Objective 1:	Indicators	Baseline (data/year)	Source	1983-1987 (actual)	1991	1998
Improved Maternal and Child Health Status and Reduced Fertility on a Sustainable Basis	a) Infant Mortality Rate (IMR)	107.4/1977	SAFECO*	90.5	80	70
	b) Total Fertility Rate	6.6/1971	"	6.5	6.6	6
	c) Under 5 Mortality Rate	158/1988	"	158	n/a	130
	d) Height for Age of Children 12-23 months of age (chronic)	37.6/1988	"	37.6	n/a	25
	e) Incidence of Measles (cases per 100,000)	852/1985	"	852	257	150
	f) Maternal Mortality Rate (per 100,000 women aged 15-49)	600/1985	"	600	n/a	500

\* The primary source for data in this table is the August 1993 SAFECO study "Etablissement d'un Programme Performant de Systeme d'information pour le Secteur de la Sante et de la Population", contracted by USAID/Lome, August 1993.

funds and develop a monitoring program of maternal mortality but funding has not been forthcoming and the political situation has not warranted the undertaking of a study of this scale. Should the role of local PVC's be expanded, the information system to report on their progress, as summarized in the table 3, is in place.

## B. Strategic Objective Two

### *Strengthen the national credit union movement*

The political, social and economic crisis of Togo has been a window of opportunity for the credit union movement in Togo. Most of the credit unions remained open and functioning during the general strike, on a somewhat reduced scale. The strike perpetuated the deformatization of significant portions of the economy. In rural areas, agriculture and other small economic activities continued at near normal levels. Rural groups and individual savers turned to credit unions for financial services.

A project evaluation carried out in March 1993 showed that credit union membership and savings have grown beyond the original projections. Rural savings increased by 400 percent and money loaned increased more than 300 percent. The number of credit unions grew by 62 percent.

There are presently 36,000 members of democratically run credit unions in Togo with a total savings of over 12.5 million dollars. Their importance to the informal and rural economies is irrefutable. The current political and economic crisis has provoked a wave of defaults due to the lack of salaries and the lateness in buying the cotton crop. Loan terms are being renegotiated and savings are being used to pay late loans. Small trader loan defaults, for the most part, have not increased. Table 4 shows the rapid growth in credit unions since 1988.

USAID/Lome has extended the life of project of the Togo Rural Institutions and Private Sector (TRIPS) to continue on-going activities which have been successful and to add on activities related to the reorganization of FUCEC headquarters for increased management efficiency.

Table 4 Strategic Objective 2

Strategic Objective 2:	Indicators	Baseline 1988	Source	92-93	1994	1995	1996 (Planned)*	1997
Strengthen National Credit Union Movement	a) Increased number of credit unions	106	FUCEC+ reports	130	155	160	165	170
	b) Increased membership	14,179	"	M. 26,871 F. 9,518	44,379	51,133	57,736	64,650
	c) Increased Savings (CFA 000s)	797,232	"	3,395b.	5,158b.	6,529b.	8,104b.	9,873b.
	d) Increased Loans (CFA 000s)	673,370	"	2,506b.	4,064b.	5,178b.	6,539b.	8,032b.
	e) Increased hdqtr. self-sufficiency	25%	"	33%	40%	45%	50%	60%
	f) Loan delinquency	35%	"	15%	45%			

\* projections from project paper, August 1993  
+ Federation of Togolese Credit Unions

#### IV. PROGRESS IN OTHER PRIORITY AREAS

##### *DEMOCRATIC INITIATIVES*

USAID/Lome, as well as other bilateral and multilateral donors, actively supported the electoral process. USAID/Lome mobilized USAID/W and local resources to support the National Electoral Commission for the Togolese presidential elections. Election assistance was provided through Technical Assistance and Training Project with IFES under an HRDA grant from USAID/Lome. Two internationally recognized election experts provided training to introduce systems development to election officials. They developed procedures manuals for various aspects of the election process. In addition, the National Democratic Institute, through Africa Bureau regional funding, provided for international and local observation. Unfortunately, neither IFES experts nor NDI felt that conditions had been met for "free and fair" elections, so their support was withdrawn just prior to the presidential elections.

In addition, USAID/Lome has participated in the Embassy-chaired democracy working group. Small grants have been made to various non government organizations to support human rights, to increase civic education and to promote democratic values in target populations. USAID/Lome has also funded USIA international visitors with other democracy-related training.

##### *Lessons Learned*

- Regardless of the quality of the technical assistance provided to a government, if there is no will on the part of the decision makers, free and fair elections will not take place.
- As long as there is lip service to hold free and fair elections, certain inputs can be supplied such as; updating and computerizing electoral lists, simplification of election forms, development of training materials, training, and civic education campaigns. These activities could be on-going so that systems are easier to put into place when elections are announced.
- Small grants to local grassroots organizations have the greatest impact. Strengthening their capabilities to train target populations in democratic initiatives and citizen education has been a good investment.